



**TBT PROGRAMME**  
OVERCOMING TECHNICAL BARRIERS TO TRADE



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# ACP-EU TBT Programme

## **Strengthening the Quality Infrastructure Institutions of Ethiopia (079-16)**

*14th November 2016  
Addis Ababa, Ethiopia*

# Unpacking the WTO Trade Facilitation Agreement



Project funded by the EU at the request of the ACP Group





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**First of all, let's discuss ... how does international trade happen ?**

# Types of quotation for import of goods

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- Ex Works – e.g. “EW Shanghai”
- Free on Board – e.g. “FoB Shenzhen”
- Carriage and Freight – e.g. “C&F Djibouti”
  
- Carriage, insurance & freight – e.g. “CIF Djibouti”
- Carriage, insurance, freight and carriage – e.g. “CIF&C Addis Ababa”

# Importing checklist 1

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- See goods, decide to buy sample (get quote, pay, receive sample, examine, understand packaging, marking, quality and get more accurate quotes for duty, tariff heading -> estimated “landed cost” per unit, per entire shipment)
- Research what certificates or import permits needed, decide on inspection / testing needed (Ongoing ordering- ISO 9001 etc ???)
- Research GATT declaration data (tariff headings)
- Other requirements – e.g. Dangerous Goods declaration
- Place order – decide on which type of quote needed

# Importing checklist 2

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- Appoint clearing agent in own country
- Get proforma invoice, go to bank, open letter of credit (LC)
- Advise seller of LC details ... Seller then starts to produce goods
- Seller advises goods delivery date ex works or FOB
- Seller issues invoice
- Buyer authorises own bank to send LC to seller's bank with conditions
- Conditions might require inspection report, acceptance of certificates, etc before payment released

# Importing checklist 3

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- Bill of lading (BL) or Air Waybill (AWB) issued by seller's shippers
- Buyer receives BL or AWB, gives to his Clearing Agent
- Buyer advises Clearing Agent of tariff headings to use and delivery requirements
- Buyer gets import permit or other approvals needed
- Clearing Agent prepares Bill of Entry, tracks shipment, deals with customs
- Goods released and delivered after all payments made by buyer ... BUT:
- If delays in getting paperwork, container sits at docks
- Demurrage is then payable on daily basis
- Eventually - Buyer unloads goods and calculates landed costs

# Acknowledgements

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This presentation includes some content taken from the WTO's online public domain training modules and documentation regarding the WTO Trade Facilitation Agreement, for which the presenter(s) wish to express their thanks.

Some slides and graphics have been adapted from presentations of TMSA, TMEA, UNECA and The Global Alliance for Trade Facilitation, to all of whom grateful thanks are also due.

# Contents

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- Introduction
- Problem statement – as it affects African Regional Economic Communities (RECs)
- Background to the Trade Facilitation Agreement
- The Articles of the Trade Facilitation agreement in detail
- Where to find more information and online training
- Further reading



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# Introduction

# What's the problem with customs procedures?



# What's the problem ?



# What's the problem ?

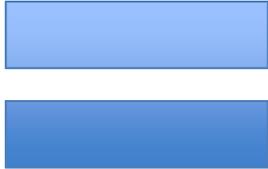
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# What's the problem ?



# Why does this matter ?



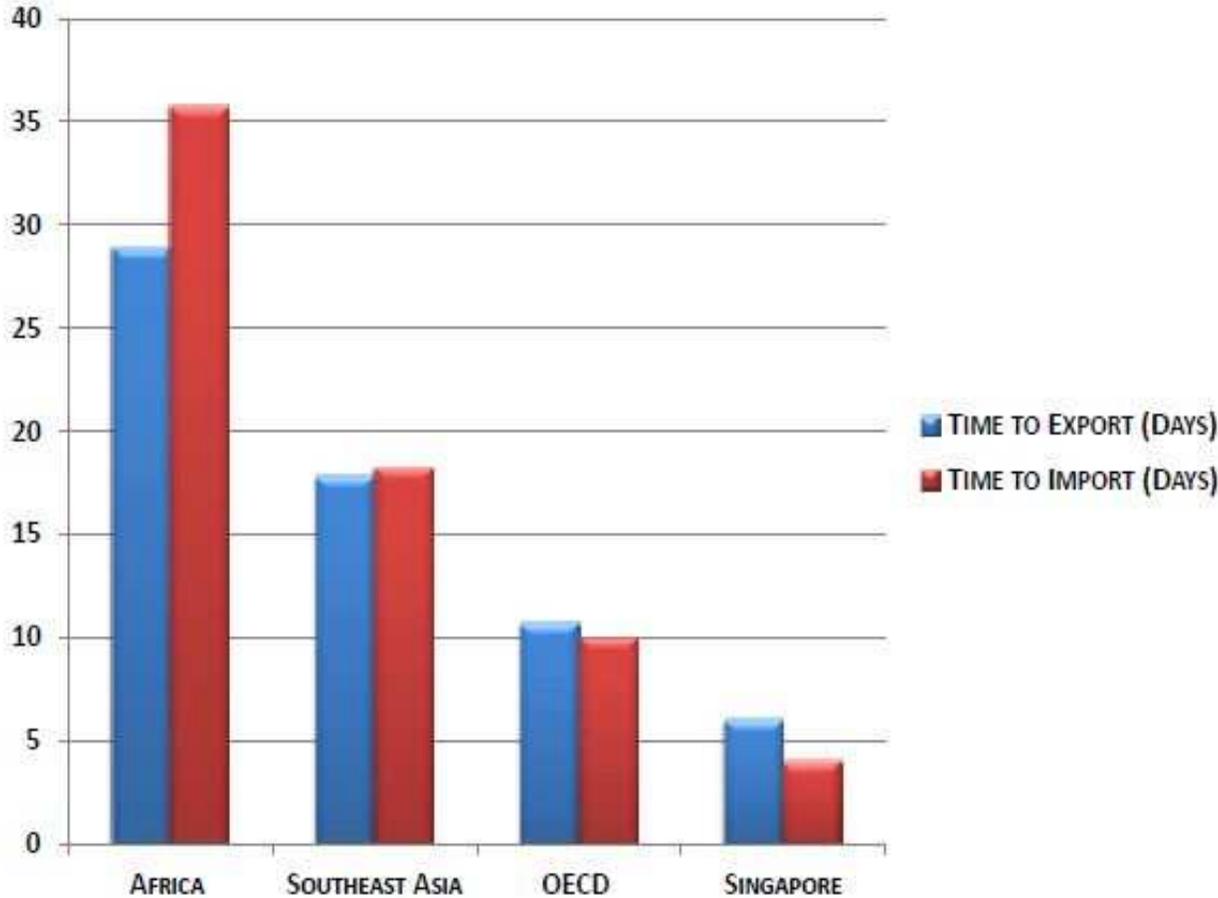
# The container full of flowers

- This container, from Nairobi to Amsterdam, required 200 documents before it could be released !
- 24 different organizations were involved
- The whole trip took 34 days ...
- ... but for 10 of those days, the container was just sitting, waiting ... for rubber stamps !
- Trade facilitation infrastructure on the route simply wasn't good enough



“Maersk Line – The Paper Trail of a Container (full version)”  
<https://www.youtube.com/watch?v=p8yH4e-Aafk>

# Days taken to export and import in different regions



Source: World Bank: Doing business (2015)

## So what is Trade Facilitation anyway ?

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- **Trade facilitation** can be **defined** as the simplification and harmonisation of international **trade** procedures including import and export procedures.
- **Trade facilitation** looks at how procedures and controls governing the movement of goods across national borders can be improved to reduce associated costs and maximise efficiency while safeguarding legitimate regulatory objectives.

## Trade Facilitation covers the following areas:

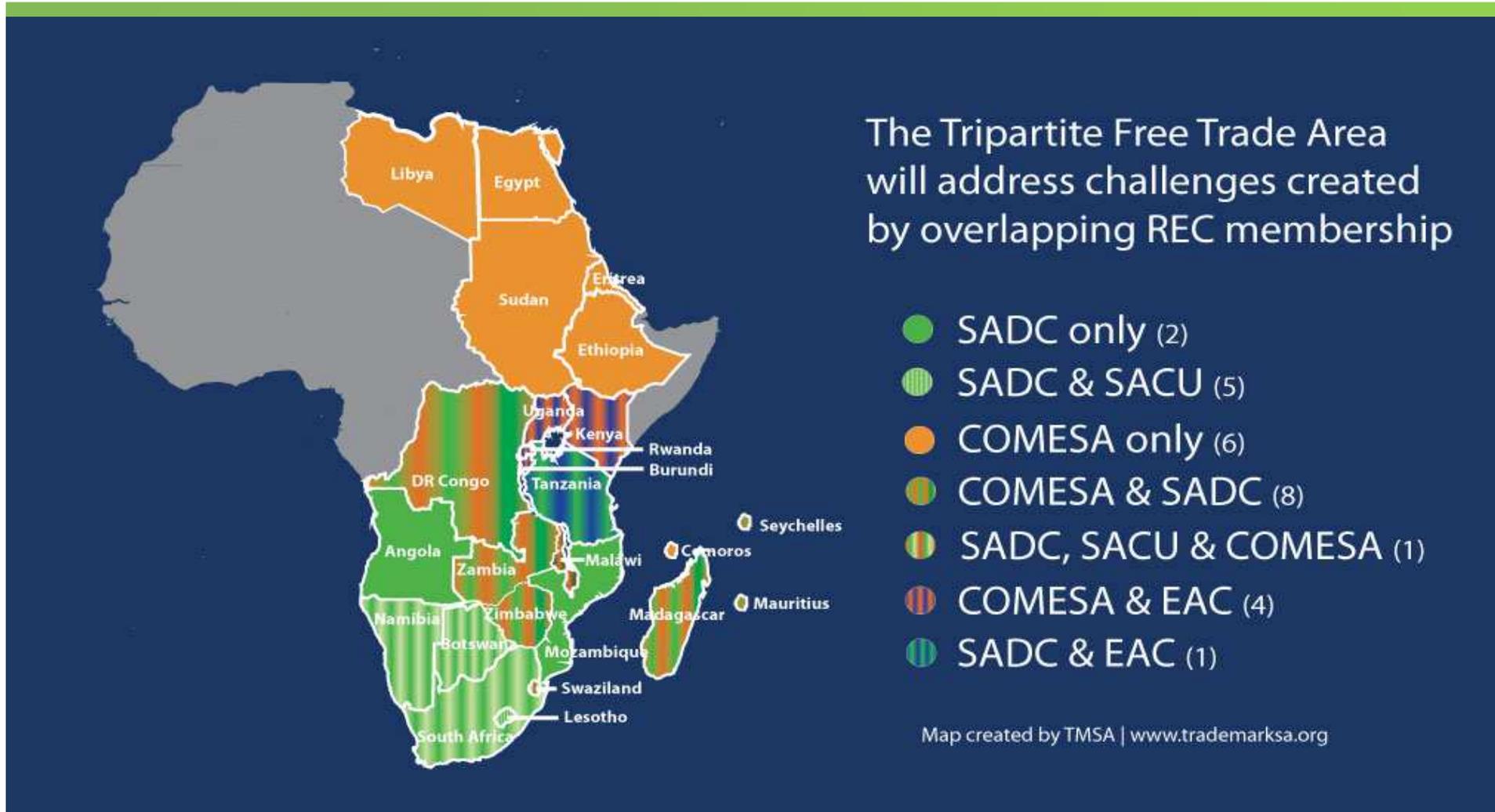
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- Customs
- Standards and regulations (SPS/TBT)
- Trade procedures and documentation
- Transit issues
- Shipping/Logistics
- Transport security
- IT and e-commerce
- Trade finance
- Infrastructure

# The COMESA / EAC /SADC Tripartite Structure



# Political and Economic Geography of the COMESA-EAC-SADC Tripartite Region



# The Tripartite cooperation arrangement

The **three main pillars** of the Tripartite strategy:



- **Market integration**
  - Market Integration concerns the removal of tariff and non-tariff barriers and implementation of trade facilitation measures
- **Infrastructure development**
  - Infrastructure Development concentrates on improving the region's infrastructure so as to improve the efficiency of regional trade flows and transport network (road, rail, water and air and including ICT and energy)
- **Industrial development**
  - The intention is to improve productive capacity and competitiveness and programmes that can take advantage of improvements in market integration and infrastructure development.

# The Tripartite Partners for Trade Facilitation

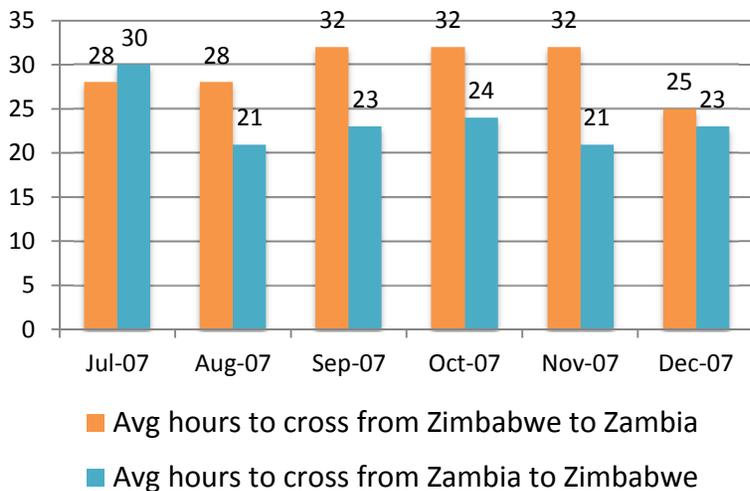
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## Support provided at REC, Corridor and national support:

- World Bank- Customs reform and modernization
- JICA- One-stop border posts; Customs reform and modernization
- SIDA- SPS, TBT's, Customs reform and Modernization
- IMF- Capacity Building
- WCO- Capacity Building
- EU – Trade related infrastructure
- USAID – Trade Facilitation, Customs reform and modernization
- AfDB – One stop border posts, trade related infrastructure
- DFID- Trade facilitation , Infrastructure provided through TradeMark East Africa and TradeMark Southern Africa and national level

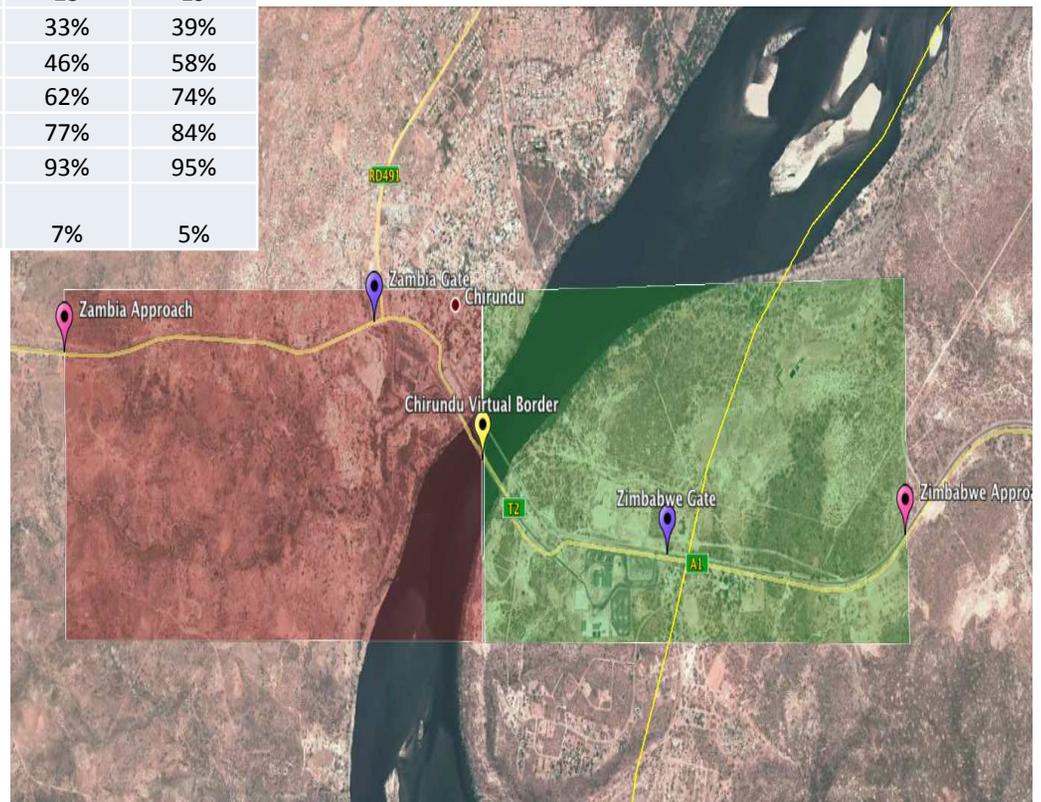
## Chirundu Border Post - Analysis from Global Track GPS data

Northbound Traffic (Zimbabwe to Zambia)	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
Nr of Crossings	57	531	520	540	513	519
Avg hours to cross from Zimbabwe to Zambia	28	28	32	32	32	25
Standard Deviation	20	26	27	28	27	23
Median hours to cross from Zimbabwe to Zambia	24	22	25	25	26	21
Minimum hours to cross from Zimbabwe to Zambia	4	1	2	2	2	1
Maximum hours to cross from Zimbabwe to Zambia	94	138	157	167	173	188
Avg hours on Zimbabwe side	9	8	11	9	8	6
Avg hours on Zambia side	19	20	21	23	23	19
% Crossings within 12 hours	26%	39%	33%	36%	33%	39%
% Crossings within 24 hours	53%	55%	50%	50%	46%	58%
% crossings within 36 hours	68%	69%	64%	64%	62%	74%
% Crossings within 48 hours	88%	82%	80%	79%	77%	84%
% Crossings within 72 hours	95%	93%	92%	91%	93%	95%
% Crossing more than 72 hours	5%	7%	8%	9%	7%	5%



## Border Crossing Monitoring:

Have relatively sophisticated border monitoring processes based on a GPS truck tracking system. The system tracks “queuing” times as well as border clearing times.

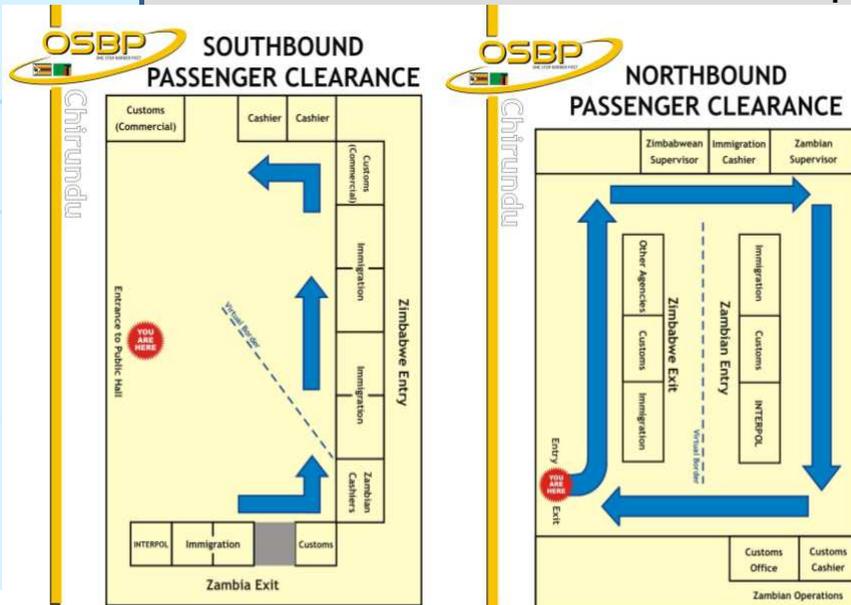


# OSBP – On-going work at Chirundu Border Post

Chirundu OSBP is now fully operational and works to ensue full ICT connectivity of the two sides of the border are underway. Challenges have been faced with air conditioning units but measures have been taken to address these outstanding issues



and 2/3 waiting. Most effective way of reducing waiting times at borders. This can be done by converting to OSBP but need to address: physical facilities (common control zone with a fenced perimeter, common facilities – scanning, X-rays); operations and training; and legal



# NTB Monitoring and Removal System

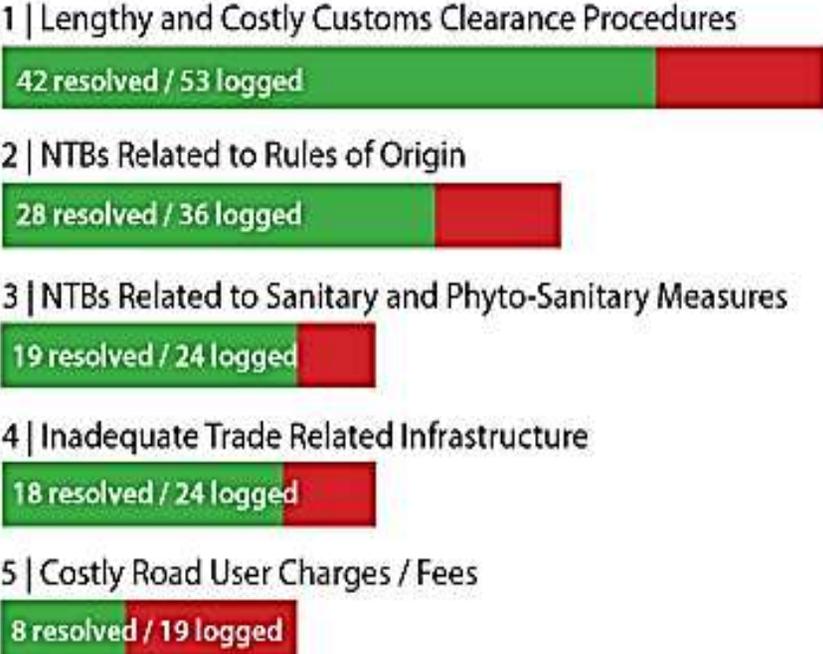
As customs duties have gone down through trade liberalization measures by the REC's intra-Tripartite export trade has remained low in relation to total trade due to the emergence of NTB's. **Surveyed firms reported NTBs affected one-fifth of regional trade in ESA** (\$3.3 billion in Southern Africa alone). The removal of NTBs will lead to increased levels of regional trade - identification, removal and monitoring of NTBs is a priority area. NTB's National Monitoring Committees being established

## How Many NTBs Resolved?



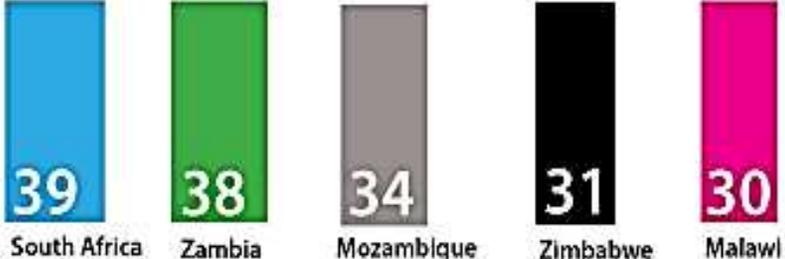
### Most Frequently Logged NTBs

The 5 NTB categories logged most often on the NTB mechanism

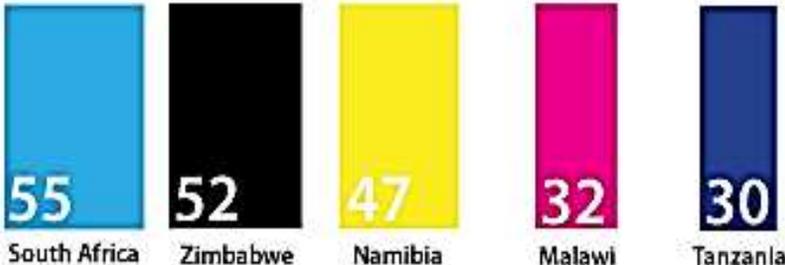


### NTBs by Country

Logged NTBs were most frequently imposed in these countries:



NTBs were most frequently reported by these countries:



# Benefits of the TFA

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**ADOPTION OF  
ELECTRONIC  
DOCUMENTS**  
WILL ALLOW TRADE  
OPERATORS AND BORDER  
OFFICIALS TO BETTER OPTIMISE  
PHYSICAL AND HUMAN  
RESOURCES.



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# Benefits of the TFA



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# Examples of regulatory activity in international trade

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- **Fiscal:** Collection of customs duties, excise duties and other indirect taxes; payment mechanisms
- **Safety and security:** Security and anti smuggling controls; dangerous goods; vehicle checks; immigration and visa formalities
- **Environment and health:** Phytosanitary, veterinary and hygiene controls; health and safety measures; CITES controls; ships' waste
- **Consumer protection:** Product testing; labelling; conformity checks with marketing standards (e.g. fruit and vegetables)
- **Trade policy:** Administration of quota restrictions; export refunds

## Problem areas in trade facilitation

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- High transport costs
- Complicated customs procedures
- Inadequate usage of information and communication technology
- Payments, insurance and other financial requirements
- International trade standards (not always harmonized)
- Variations in technical standards for vehicles in neighbouring countries – e.g. permitted axle load

## Transportation costs can play a big role

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<b>Country</b>	<b>Transport cost as a share of value of exports (%)</b>
Central African Republic	33
Chad	52
Malawi	56
Mali	36
Rwanda	48
Least developed countries	17
Developing countries	9

Source: UNECA

## Reasons for high transport costs

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- Inadequate infrastructure network
- Inefficient transport services
- Multiplicity of rules governing international transportation of goods
- Numerous roadblocks

## Roadblocks can have a devastating effect on transit times

Highways	Distance (km)	Number of Checkpoints	Checkpoints per 100 km
Lagos-Abidjan	992	69	7
Cotonou-Niamey	1036	34	3
Lome-Ouagadougou	989	34	4
Accra-Ouagadougou	972	15	2
Abidjan-Ouagadougou	1122	37	3
Niamey-Ouagadougou	529	20	4

Source: UNECA



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# Background to the Trade Facilitation Agreement

# Why are we only seeing the Trade Facilitation Agreement now ?

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- It has been coming since 1996 !
- It builds on the growing dismantling of traditional barriers to trade... (GATT, TBT, SPS ...)
- There is now increased attention on the elimination of remaining (non-tariff) obstacles to trade
- It requires binding commitments from trading partners (164 Member countries)
- Enforcement through dispute settlement
- Applies to all border agencies

# It needs 110 countries to ratify it – before it can start

## WTO TRADE FACILITATION AGREEMENT (TFA)

95 OUT OF 164 WTO MEMBERS HAVE RATIFIED THE TFA SO FAR...  
110 RATIFICATIONS ARE NEEDED FOR THE TFA TO ENTER INTO FORCE



### TFA RATIFICATIONS

- |   |                          |                  |
|---|--------------------------|------------------|
| 1. Hong Kong, China                           | 56. Saint Lucia          | 85. El Salvador  |
| 2. Singapore                                  | 57. Kenya                | 86. Honduras     |
| 3. United States                              | 58. Myanmar              | 87. Mexico       |
| 4. Mauritius                                  | 59. Norway               | 88. Peru         |
| 5. Malaysia                                   | 60. Vietnam              | 89. Saudi Arabia |
| 6. Japan                                      | 61. Brunei               | 90. Afghanistan  |
| 7. Australia                                  | 62. Zambia               | 91. Senegal      |
| 8. Botswana                                   | 63. Ukraine              | 92. Uruguay      |
| 9. Trinidad and Tobago                        | 64. Lesotho              | 93. Bahrain      |
| 10. The Republic of Korea                     | 65. Georgia              | 94. Bangladesh   |
| 11. Nicaragua                                 | 66. Seychelles           | 95. Philippines  |
| 12. Niger                                     | 67. Jamaica              |                  |
| 13. Belize                                    | 68. Mali                 |                  |
| 14. Switzerland                               | 69. Cambodia             |                  |
| 15. Chinese Taipei                            | 70. Paraguay             |                  |
| 16. China                                     | 71. Turkey               |                  |
| 17. Liechtenstein                             | 72. Brazil               |                  |
| 18. Lao PDR                                   | 73. Macao, China         |                  |
| 19. New Zealand                               | 74. United Arab Emirates |                  |
| 20. EU (28 countries)                         | 75. Samoa                |                  |
| 48. Thailand                                  | 76. India                |                  |
| 49. Togo                                      | 77. Russia               |                  |
| 50. The former Yugoslav Republic of Macedonia | 78. Montenegro           |                  |
| 51. Pakistan                                  | 79. Albania              |                  |
| 52. Panama                                    | 80. Kazakhstan           |                  |
| 53. Guyana                                    | 81. Sri Lanka            |                  |
| 54. Côte d'Ivoire                             | 82. Saint Kitts          |                  |
| 55. Grenada                                   | 83. Madagascar           |                  |
|   | 84. Republic of Moldova  |                  |



■ WTO MEMBERS  
■ WTO MEMBERS WHO HAVE RATIFIED

Figures as at 29 October 2016



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# The structure of the Trade Facilitation agreement



## Section I

The TFA contains 12 Articles with approximately 40 “technical measures” (Articles 1 - 12)



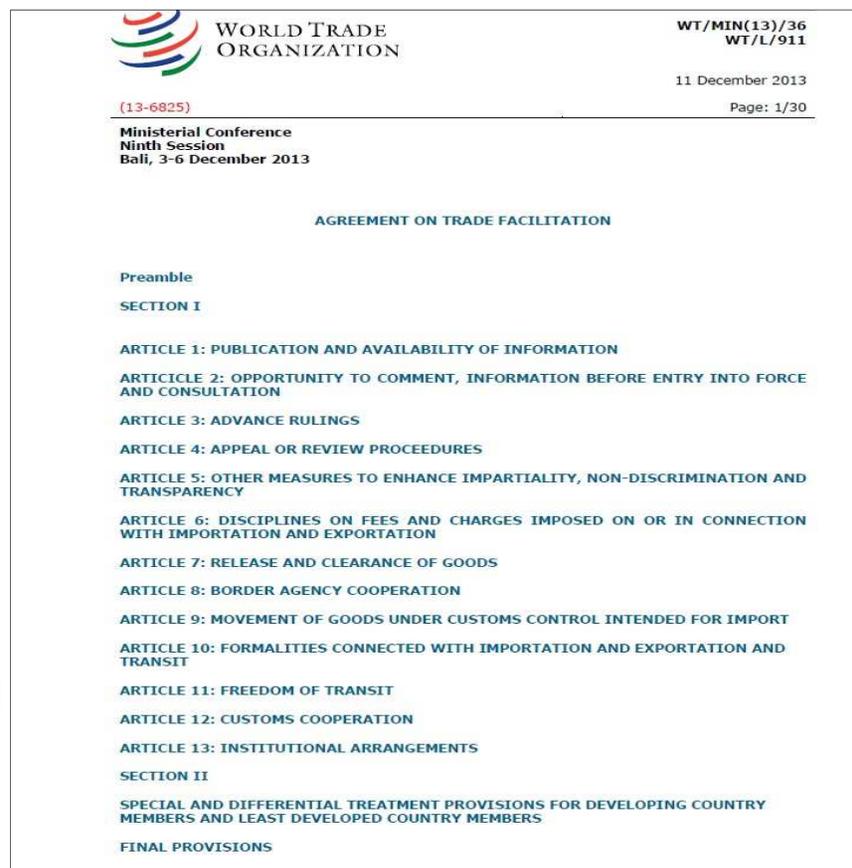
## Section II

Special provisions for developing and least-developed country Members (Articles 13 – 22)



## Section III

Final provisions and institutional arrangements (Articles 23 – 24).



Source: WTO

# Section 1: 12 Articles, 36 “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



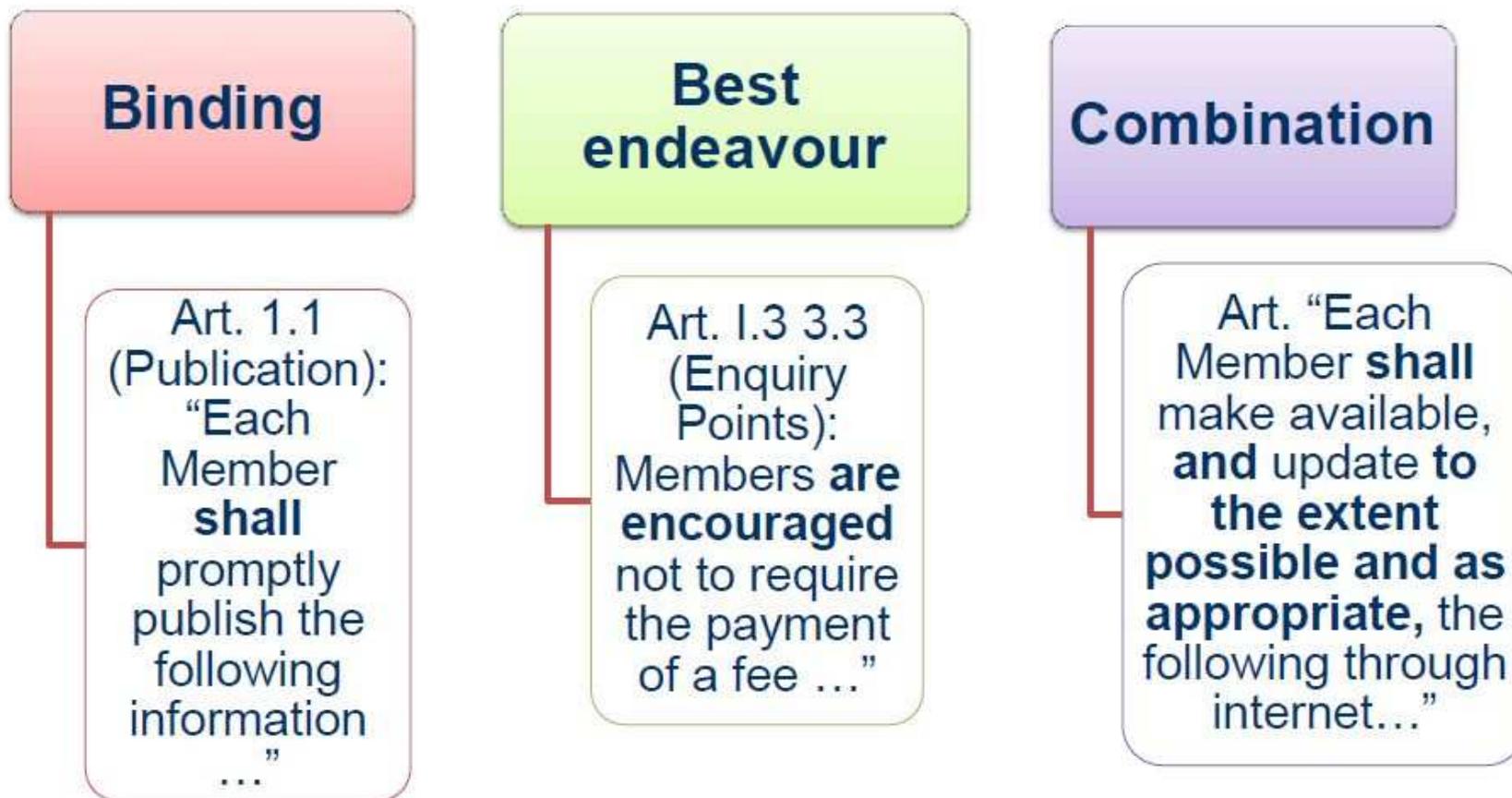
**Article 8**  
Border Agency  
Cooperation



**Article 12**  
Customs  
Cooperation

Source: WTO

# Not all the requirements are legally binding on members



Source: WTO

# Special and differential treatment for developing and least-developed countries

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- Three categories of measures
- Each developing country or LDC can choose:
  - **WHEN** it will implement each measure
  - **WHICH** measures it will only be able to implement after receiving technical assistance, training, other capacity building, etc

# The three categories of measures



## Category A

Developing: To be implemented at the time the TFA enters into force

LDCs: To be implemented within one year after the TFA enters into force



## Category B

To be implemented after a transitional period following the entry into force of the TFA



## Category C

To be implemented after a transitional period and requiring the acquisition of assistance and support for capacity building

Source: WTO

## Example: how category A,B and C might look for a developing country

<b>A- Implement right away</b>	<b>B – time needed</b>	<b>C – time and TACB needed</b>
1 Publication 2.2 Consultations 4 Right of Appeal 5 Import/Rapid Alert 6 Disciplines on Fees 7.3 Separation of Release	1.2 Internet Publication 1.3 Enquiry Point 1.4 Notification 7.4 Risk Management 7.7 Authorized Traders 7.8 Expedited Shipment 10.1 Periodic review of Formalities	3 Advance Rulings 7.1 Pre-Arrival Processing 7.5 Post-Clearance Audit 10.1 Reduction of Formalities 10.4 Single Window 10.5 PSI

Source: WTO

## The objectives of the TFA

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- To clarify and improve Articles V, VIII and X of the GATT, 1994
- To expedite the movement, release & clearance of goods;
- To improve cooperation between customs/other authorities; and
- To enhance technical assistance and build capacity to address the particular needs of developing countries

# Measures contained in the TFA

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## Transparency and Appeals

- Publication/internet publication
- Enquiry Point for trade information
- Opportunity to comment
- Consultations
- Advance rulings
- Right of appeal

## Transit

- Restrictions on fees and charges
- Use of guarantee

## Import/Export/Transit Fees & Formalities

- Pre-arrival processing
- Risk management
- Post clearance audit
- Publish average release times
- Authorized operators
- Border agency cooperation
- Review formalities and documents
- Single window
- Eliminate use of PSI for tariff classification and customs valuation.
- Separate release from clearance
- Disciplines on fees



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# The Articles of the Trade Facilitation Agreement in Detail

# Section I: (Articles 1 to 12)

## Publication and Availability of Information (Art. 1)

### 1 Publication

1.1 Each Member shall promptly publish the following information in a non-discriminatory and easily accessible manner in order to enable governments, traders, and other interested parties to become acquainted with them:

- (a) procedures for importation, exportation, and transit (including port, airport, and other entry-point procedures), and required forms and documents;
- (b) applied rates of duties and taxes of any kind imposed on or in connection with importation or exportation;
- (c) fees and charges imposed by or for governmental agencies on or in connection with importation, exportation or transit;
- (d) rules for the classification or valuation of products for customs purposes;
- (f) import, export or transit restrictions or prohibitions;
- (g) penalty provisions for breaches of import, export, or transit formalities;
- (h) procedures for appeal or review;
- (i) agreements or parts thereof with any country or countries relating to importation, exportation, or transit; and
- (j) procedures relating to the administration of tariff quotas.

# Information made available through the internet (Art. 1)

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2.1 Each Member shall make available, and update to the extent possible and as appropriate, the following through the internet:

- (a) a description<sup>1</sup> of its procedures for importation, exportation, and transit, including procedures for appeal or review, that informs governments, traders, and other interested parties of the practical steps needed for importation, exportation, and transit;
- (b) the forms and documents required for importation into, exportation from, or transit through the territory of that Member;
- (c) contact information on its enquiry point(s).

2.2 Whenever practicable, the description referred to in subparagraph 2.1(a) shall also be made available in one of the official languages of the WTO.

2.3 Members are encouraged to make available further trade-related information through the internet, including relevant trade-related legislation and other items referred to in paragraph 1.1.

# Enquiry Point for Trade Information (Art. 1)

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## 3 Enquiry Points

3.1 Each Member shall, within its available resources, establish or maintain one or more enquiry points to answer reasonable enquiries of governments, traders, and other interested parties on matters covered by paragraph 1.1 and to provide the required forms and documents referred to in subparagraph 1.1(a).

3.2 Members of a customs union or involved in regional integration may establish or maintain common enquiry points at the regional level to satisfy the requirement of paragraph 3.1 for common procedures.

3.3 Members are encouraged not to require the payment of a fee for answering enquiries and providing required forms and documents. If any, Members shall limit the amount of their fees and charges to the approximate cost of services rendered.

3.4 The enquiry points shall answer enquiries and provide the forms and documents within a reasonable time period set by each Member, which may vary depending on the nature or complexity of the request.

# Art. 2: Opportunity to comment

## 1 Opportunity to Comment and Information before Entry into Force

1.1 Each Member shall, to the extent practicable and in a manner consistent with its domestic law and legal system, provide opportunities and an appropriate time period to traders and other interested parties to comment on the proposed introduction or amendment of laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit.

1.2 Each Member shall, to the extent practicable and in a manner consistent with its domestic law and legal system, ensure that new or amended laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit, are published or information on them made otherwise publicly available, as early as possible before their entry into force, in order to enable traders and other interested parties to become acquainted with them.

1.3 Changes to duty rates or tariff rates, measures that have a relieving effect, measures the effectiveness of which would be undermined as a result of compliance with paragraphs 1.1 or 1.2, measures applied in urgent circumstances, or minor changes to domestic law and legal system are each excluded from paragraphs 1.1 and 1.2.

## 2 Consultations

Each Member shall, as appropriate, provide for regular consultations between its border agencies and traders or other stakeholders located within its territory.

# Art. 3: Advance 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 a Member declines to issue an advance ruling, it shall promptly notify the applicant in writing, setting out the relevant facts and the basis for its decision.

.....

9. Definitions and scope:

- (a) An advance ruling is a written decision provided by a Member to the applicant prior to the importation of a good covered by the application that sets forth the treatment that the Member shall provide to the good at the time of importation with regard to:
  - (i) the good's tariff classification; and
  - (ii) the origin of the good.<sup>3</sup>
- (b) In addition to the advance rulings defined in subparagraph (a), Members are encouraged to provide advance rulings on:
  - (i) the appropriate method or criteria, and the application thereof, to be used for determining the customs value under a particular set of facts;
  - (ii) the applicability of the Member's requirements for relief or exemption from customs duties;
  - (iii) the application of the Member's requirements for quotas, including tariff quotas; and
  - (iv) any additional matters for which a Member considers it appropriate to issue an advance ruling.
- (c) An applicant is an exporter, importer or any person with a justifiable cause or a representative thereof.

# Art. 4: Procedures for appeal or review

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1. Each Member shall provide that any person to whom customs issues an administrative decision<sup>4</sup> has the right, within its territory, to:
  - (a) an administrative appeal to or review by an administrative authority higher than or independent of the official or office that issued the decision;  
  
and/or
  - (b) a judicial appeal or review of the decision.

.....

# Art. 5: Other Measures to Enhance Impartiality, Non-discrimination and Transparency

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## 1 Notifications for enhanced controls or inspections

Where a Member adopts or maintains a system of issuing notifications or guidance to its concerned authorities for enhancing the level of controls or inspections at the border in respect of foods, beverages, or feedstuffs covered under the notification or guidance for protecting human, animal, or plant life or health within its territory, the following disciplines shall apply to the manner of their issuance, termination, or suspension:

- (a) the Member may, as appropriate, issue the notification or guidance based on risk;
- (b) the Member may issue the notification or guidance so that it applies uniformly only to those points of entry where the sanitary and phytosanitary conditions on which the notification or guidance are based apply;

# Art. 5: Other Measures to Enhance Impartiality, Non-discrimination and Transparency (continued ...)

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- (c) the Member shall promptly terminate or suspend the notification or guidance when circumstances giving rise to it no longer exist, or if changed circumstances can be addressed in a less trade-restrictive manner; and
- (d) when the Member decides to terminate or suspend the notification or guidance, it shall, as appropriate, promptly publish the announcement of its termination or suspension in a non-discriminatory and easily accessible manner, or inform the exporting Member or the importer.

## 2 Detention

A Member shall promptly inform the carrier or importer in case of detention of goods declared for importation, for inspection by customs or any other competent authority.

## 3 Test Procedures

3.1 A Member may, upon request, grant an opportunity for a second test in case the first test result of a sample taken upon arrival of goods declared for importation shows an adverse finding.

3.2 A Member shall either publish, in a non-discriminatory and easily accessible manner, the name and address of any laboratory where the test can be carried out or provide this information to the importer when it is granted the opportunity provided under paragraph 3.1.

3.3 A Member shall consider the result of the second test, if any, conducted under paragraph 3.1, for the release and clearance of goods and, if appropriate, may accept the results of such test.

## Articles 6 to 9:

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- **Art. 6:** Fees and charges in connection with importation and exportation, and penalties
- **Art. 7:** Release and clearance of goods – includes the need for procedures for the documentation, electronic payments, post-clearance audits, expedited shipments, dealing with perishable goods, etc.
- **Art. 8:** Cooperation between border agencies – for example the alignment of opening times, etc
- **Art. 9:** Movement of goods intended for import under customs control (customs “bond”)

# Art.10: Formalities Connected with Importation, Exportation and Transit

## 1 Formalities and Documentation Requirements

1.1 With a view to minimizing the incidence and complexity of import, export, and transit formalities and to decreasing and simplifying import, export, and transit documentation requirements and taking into account the legitimate policy objectives and other factors such as changed circumstances, relevant new information, business practices, availability of techniques and technology, international best practices, and inputs from interested parties, each Member shall review such formalities and documentation requirements and, based on the results of the review, ensure, as appropriate, that such formalities and documentation requirements are:

- (a) adopted and/or applied with a view to a rapid release and clearance of goods, particularly perishable goods;
- (b) adopted and/or applied in a manner that aims at reducing the time and cost of compliance for traders and operators;
- (c) the least trade restrictive measure chosen where two or more alternative measures are reasonably available for fulfilling the policy objective or objectives in question; and
- (d) not maintained, including parts thereof, if no longer required.

1.2 The Committee shall develop procedures for the sharing by Members of relevant information and best practices, as appropriate.

# Art.10: Formalities Connected with Importation, Exportation and Transit (continued ...)

## 2 Acceptance of Copies

2.1 Each Member shall, where appropriate, endeavour to accept paper or electronic copies of supporting documents required for import, export, or transit formalities.

2.2 Where a government agency of a Member already holds the original of such a document, any other agency of that Member shall accept a paper or electronic copy, where applicable, from the agency holding the original in lieu of the original document.

2.3 A Member shall not require an original or copy of export declarations submitted to the customs authorities of the exporting Member as a requirement for importation.<sup>11</sup>

## 3 Use of International Standards

3.1 Members are encouraged to use relevant international standards or parts thereof as a basis for their import, export, or transit formalities and procedures, except as otherwise provided for in this Agreement.

3.2 Members are encouraged to take part, within the limits of their resources, in the preparation and periodic review of relevant international standards by appropriate international organizations.

3.3 The Committee shall develop procedures for the sharing by Members of relevant information, and best practices, on the implementation of international standards, as appropriate.

The Committee may also invite relevant international organizations to discuss their work on international standards. As appropriate, the Committee may identify specific standards that are of particular value to Members.



# Art.10: Formalities Connected with Importation, Exportation and Transit (continued ...)

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## 4 Single Window

4.1 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 in a timely manner.

4.2 In cases where documentation and/or data requirements have already been received through the single window, the same documentation and/or data requirements shall not be requested by participating authorities or agencies except in urgent circumstances and other limited exceptions which are made public.

4.3 Members shall notify the Committee of the details of operation of the single window.

4.4 Members shall, to the extent possible and practicable, use information technology to support the single window.

# Art.10: Formalities Connected with Importation, Exportation and Transit (continued ...)

## 5 Preshipment Inspection

5.1 Members shall not require the use of preshipment inspections in relation to tariff classification and customs valuation.

5.2 Without prejudice to the rights of Members to use other types of preshipment inspection not covered by paragraph 5.1, Members are encouraged not to introduce or apply new requirements regarding their use.<sup>12</sup>

## 6 Use of Customs Brokers

6.1 Without prejudice to the important policy concerns of some Members that currently maintain a special role for customs brokers, from the entry into force of this Agreement Members shall not introduce the mandatory use of customs brokers.

6.2 Each Member shall notify the Committee and publish its measures on the use of customs brokers. Any subsequent modifications thereof shall be notified and published promptly.

6.3 With regard to the licensing of customs brokers, Members shall apply rules that are transparent and objective.

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<sup>12</sup> This paragraph refers to preshipment inspections covered by the Agreement on Preshipment Inspection, and does not preclude preshipment inspections for sanitary and phytosanitary purposes.

## Art.10: Formalities Connected with Importation, Exportation and Transit (continued ...)

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- **Point 7:** Common border procedures and uniform documentation requirements – **use the same documents throughout your territory !**
- **Point 8:** Rejected goods – if goods are rejected (i.e. not allowed entry) at the border, the importer is allowed to re-consign them or have them returned to sender – BUT if he doesn't, the authorities at the border will make the decision for him !
- **Point 9:** Temporary admission of goods – if goods are to be admitted temporarily **for a specific, acceptable purpose**, and then re-exported, they can be relieved of payment of import duties and taxes

## Articles 11 to 12:

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- **Art. 11:** Freedom of Transit – for example, measures to allow vehicles in transit to avoid long delays (separate lanes, etc.)
- **Art 12:** Customs Co-operation

## Section II (Articles 13 to 22):

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- **Art. 13 general principles:** “assistance and support for capacity-building should be provided” ....  
“where a developing country or LDC continues to lack the necessary capacity, implementation of the provision(s) concerned will not be required until the implementation capacity has been acquired”
- **BIG** change from the way previous WTO Agreements operated !

## Section II (Articles 13 to 22):

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- Articles 14 to 19 cover the category A, B and C measures:

# The three categories of measures



## Category A

Developing: To be implemented at the time the TFA enters into force

LDCs: To be implemented within one year after the TFA enters into force



## Category B

To be implemented after a transitional period following the entry into force of the TFA



## Category C

To be implemented after a transitional period and requiring the acquisition of assistance and support for capacity building

Source: WTO

## Section II (Articles 13 to 22):

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- Article 20: **Grace periods – another BIG change:**

**ARTICLE 20: GRACE PERIOD FOR THE APPLICATION OF THE UNDERSTANDING ON RULES AND PROCEDURES GOVERNING THE SETTLEMENT OF DISPUTES**

1. For a period of two years after entry into force of this Agreement, the provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Understanding on Rules and Procedures Governing the Settlement of Disputes shall not apply to the settlement of disputes against a developing country Member concerning any provision that the Member has designated in Category A.
2. For a period of six years after entry into force of this Agreement, the provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Understanding on Rules and Procedures Governing the Settlement of Disputes shall not apply to the settlement of disputes against a least-developed country Member concerning any provision that the Member has designated in Category A.
3. For a period of eight years after implementation of a provision under Category B or C by a least-developed country Member, the provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Understanding on Rules and Procedures Governing the Settlement of Disputes shall not apply to the settlement of disputes against that least-developed country Member concerning that provision.

## Section II (Articles 13 to 22):

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- **Article 21: Provision of support for capacity building**
- **Article 22: Information on assistance and support for capacity building to be submitted to the (WTO) Committee** – developing countries to submit an annual return showing their capacity building needs and what has been provided

## Sect. III Institutional Arrangements, Art. 23.1 (WTO Committee)

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- Establishment of a committee within the WTO ...
- ... all WTO members are represented ...
- ...to oversee the implementation of the TFA
- Also to share information and best practices as they are identified; and to
- Liaise with other international organizations

## Sect. III Institutional Arrangements, Art. 23.3 (National committee)

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- Each Member shall establish and/or maintain a **national** committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.

# Where to find more information and online training - Useful WTO web addresses

Resource	URL (copy and paste into browser)
<b>WTO technical assistance and training courses for government officials:</b>	<a href="https://www.wto.org/english/tratop_e/devel_e/train_e/course_details_e.htm">https://www.wto.org/english/tratop_e/devel_e/train_e/course_details_e.htm</a>
<b>WTO e-learning hub:</b>	<a href="https://ecampus.wto.org/">https://ecampus.wto.org/</a>
<b>WTO Distance learning:</b>	<a href="https://www.wto.org/english/res_e/d_learn_e/d_learn_e.htm">https://www.wto.org/english/res_e/d_learn_e/d_learn_e.htm</a>
<b>WTO Trade Facilitation Agreement Facility:</b>	<a href="http://www.tfafacility.org">www.tfafacility.org</a>

## Further reading

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- *A comprehensive approach to Trade Facilitation and Capacity Building* (USAID)
- *Guidelines for single window implementation in Africa* (African Alliance for e-Commerce)
- *SMEs and the WTO Trade Facilitation Agreement* (International Trade Centre)
- *WTO Trade Facilitation Agreement – A Business Guide for Developing countries* (International Trade Centre)
- *United Nations Trade Facilitation Guide* (UNECE)



**TBT PROGRAMME**  
OVERCOMING TECHNICAL BARRIERS TO TRADE



**END**

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