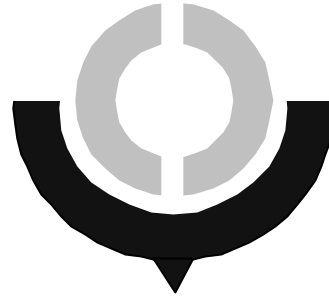


**SEMINAR**  
**on**  
**the Revised Kyoto Convention**  
**ALMATY, FEBRUARY 18/19**  
**2003**



# **WORLD CUSTOMS ORGANIZATION**

**SIMON ROYALS**

## **FACILITATION AND PROCEDURES SUB-DIRECTORATE**

*The views expressed in this paper are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Directors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequences of their use.*

**PRESENTATION ON**

**THE INTERNATIONAL CONVENTION  
ON THE SIMPLIFICATION AND HARMONIZATION  
OF CUSTOMS PROCEDURES**

**THE KYOTO CONVENTION**

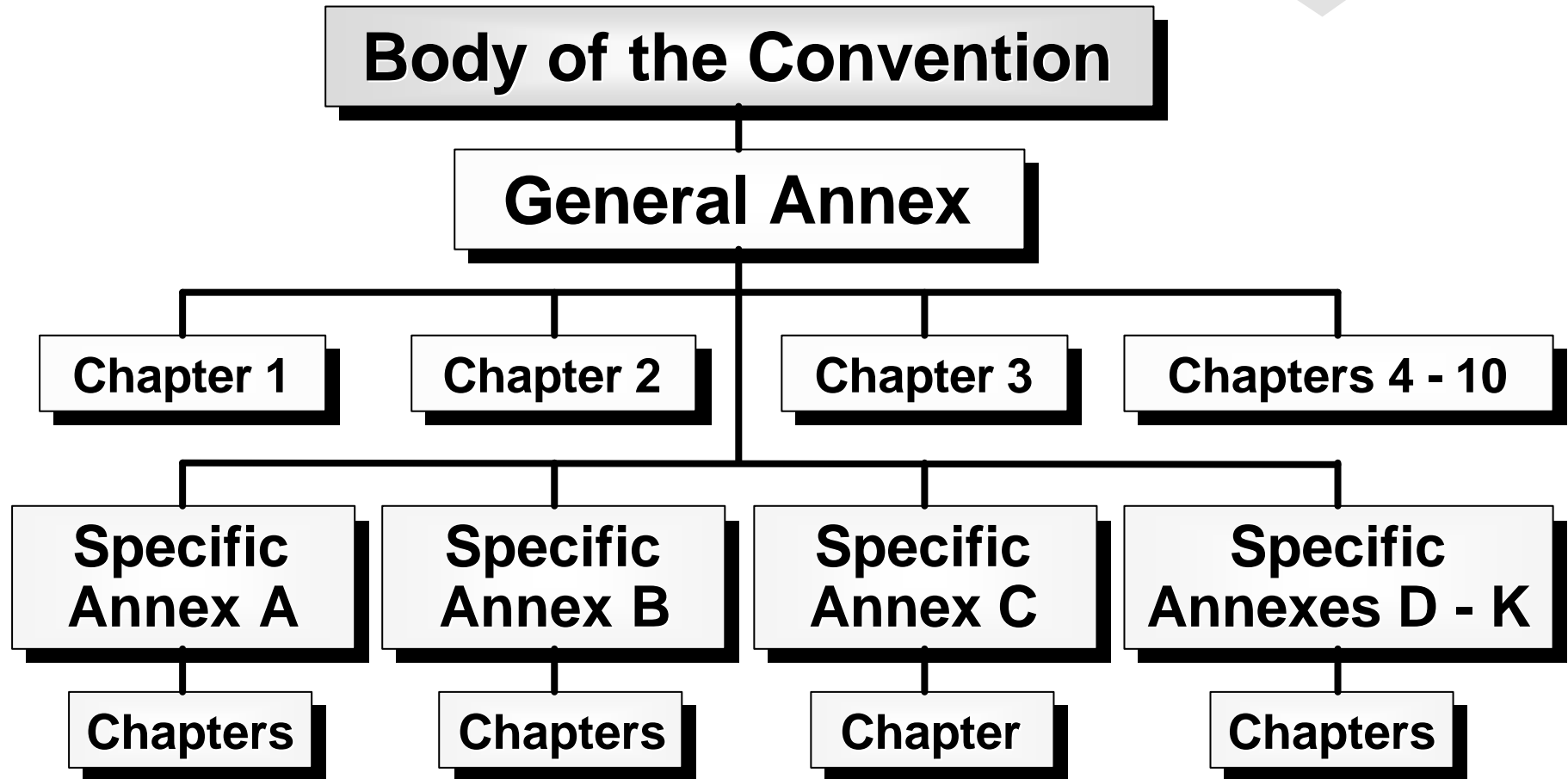
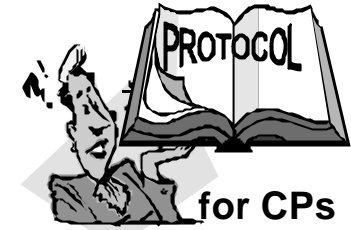
# **PURPOSE OF THE PRESENTATION**

**TO PROVIDE INFORMATION ON**

- + REVISION OF THE CONVENTION**
- + PRINCIPLES OF THE CONVENTION**
- + BENEFITS OF THE CONVENTION**

**THE INTERNATIONAL CONVENTION  
ON THE SIMPLIFICATION AND  
HARMONIZATION  
OF CUSTOMS PROCEDURES  
(The Kyoto Convention)  
THE REVISED CONVENTION  
STRUCTURE  
OBLIGATIONS**

# THE REVISED CONVENTION STRUCTURE



# **THE REVISED CONVENTION**

## **CONDITIONS FOR ACCESSION**

**BODY OF THE CONVENTION  
&  
GENERAL ANNEX**



**OBLIGATORY**  
**FOR ACCESSION**

**In addition, Contracting Parties may accept  
Specific Annexes and/or Chapters therein**

# **THE REVISED CONVENTION**

## **BODY OF THE CONVENTION**

- **PREAMBLE**
- **CHAPTER I - Definitions (Article 1)**
- **CHAPTER II - Scope and Structure (Articles 2 ~ 5)**
- **CHAPTER III - Management of the Convention  
(Articles 6 and 7)**
- **CHAPTER IV - Contracting Party (Articles 8 ~ 17)**
- **CHAPTER V - Final Provisions (Articles 18 ~ 20)**



# **THE REVISED CONVENTION**

## **GENERAL ANNEX**

- + CORE PROVISIONS AND DEFINITIONS OF GENERAL APPLICATION TO ALL CUSTOMS PROCEDURES**
- + CORE PROVISIONS NOT REPEATED IN OTHER ANNEXES**
- + CORE PROVISIONS OF GENERAL APPLICATION IN SEVERAL CHAPTERS OF THE GENERAL ANNEX**
- + OBLIGATORY FOR ACCESSION TO THE CONVENTION**

# **THE REVISED CONVENTION**

## **GENERAL ANNEX**

- + GENERAL ANNEX TO CONTAIN ONLY STANDARDS**
- + NO RESERVATIONS PERMITTED TO THE STANDARDS**
- + TRANSITIONAL PERIOD PROVIDED FOR ALL CONTRACTING PARTIES TO IMPLEMENT THE STANDARDS                      ➡ 36 MONTHS**
- + TRANSITIONAL STANDARDS TO HAVE LONGER IMPLEMENTATION PERIOD           ➡ 60 MONTHS**

# **THE REVISED CONVENTION**

## **SPECIFIC ANNEXES**

- ✦ FEWER SPECIFIC ANNEXES (10)**
- ✦ EACH SPECIFIC ANNEX MAY CONTAIN CHAPTERS RELATING TO DIFFERENT PROCEDURES**
- ✦ ACCEPTANCE OF SPECIFIC ANNEXES AND/OR CHAPTERS AT THE DISCRETION OF EACH CONTRACTING PARTY**
- ✦ STANDARDS IN THE SPECIFIC ANNEXES AND CHAPTERS - BINDING ON CONTRACTING PARTIES ACCEPTING THAT ANNEX/CHAPTERS**
- ✦ RESERVATIONS PERMITTED AGAINST RECOMMENDED PRACTICES IN THE SPECIFIC ANNEXES**

# **THE REVISED CONVENTION**

## **SPECIFIC ANNEXES**

### **OBLIGATION OF CONTRACTING PARTIES**

- + NOTIFY RESERVATIONS TO RECOMMENDED PRACTICES IN THE SPECIFIC ANNEXES/CHAPTERS ACCEPTED TO THE DEPOSITARY**
- + REVIEW THE RESERVATIONS EVERY 3 YEARS**
- + INFORM THE DEPOSITARY IF RESERVATIONS ARE TO BE CONTINUED**

# **THE REVISED CONVENTION**

## **GUIDELINES**

- ⊕ ALL ANNEXES AND CHAPTERS TO BE ACCOMPANIED BY IMPLEMENTATION GUIDELINES**
- ⊕ GUIDELINES TO CONTAIN DETAILED INFORMATION ON IMPLEMENTATION OF**
  - PROVISIONS IN THE ANNEXES**
  - SIMPLIFIED PROCEDURES**
  - METHODS OF APPLICATION**
- ⊕ GUIDELINES NOT A PART OF THE LEGAL TEXT**
- ⊕ GUIDELINES TO BE REVIEWED AND UPDATED TO REFLECT CURRENT PRACTICES**

# **THE REVISED CONVENTION**

## **CHAPTERS OF THE GENERAL ANNEX**

- 1 - General principles**
- 2 - Definitions**
- 3 - Clearance and other Customs formalities**
- 4 - Duties and taxes**
- 5 - Security**
- 6 - Customs control**
- 7 - Application of information technology**
- 8 - Relationship between the Customs and third parties**
- 9 - Information, decisions and rulings supplied by  
the Customs**
- 10 - Appeals in Customs matters**

# **THE REVISED CONVENTION**

## **SPECIFIC ANNEXES AND CHAPTERS\*\***

**Annex A - Arrival of goods in the Customs territory  
(A.1., A.2.)**

**Chapter 1 - Formalities prior to the lodgement of the  
Goods declaration**

**Chapter 2 - Temporary storage of goods**

**Annex B - Importation (B.1., B.3., B.2.)**

**Chapter 1 - Clearance for home use**

**Chapter 2 - Re-importation in the same state**

**Chapter 3 - Relief from import duties and taxes for  
home use**

# **THE REVISED CONVENTION**

## **SPECIFIC ANNEXES AND CHAPTERS**

**Annex C - Exportation (C.1.)**

**Chapter 1 - Outright exportation**

**Annex D - Customs warehouses and free zones  
(E.3., F.1.)**

**Chapter 1 - Customs warehouses**

**Chapter 2 - Free zones**

**Annex E - Transit (E.1., E.2., F.7.)**

**Chapter 1 - Customs transit**

**Chapter 2 - Transshipment**

**Chapter 3 - Carriage of goods coastwise**



# **THE REVISED CONVENTION**

## **SPECIFIC ANNEXES AND CHAPTERS**

**Annex F - Processing (E.6., E.8., E.4., F.2.)**

**Chapter 1 - Inward processing**

**Chapter 2 - Outward processing**

**Chapter 3 - Drawback**

**Chapter 4 - Processing of goods for home use**

**Annex G - Temporary admission (E.5.)**

**Chapter 1 - Temporary admission**

**Annex H - Offences (H.2.)**

**Chapter 1 - Customs offences**

# **THE REVISED CONVENTION**

## **SPECIFIC ANNEXES AND CHAPTERS**

**Annex J - Special procedures (F.3., F.4., A.3., A.4., F.5.)**

**Chapter 1 - Travellers**

**Chapter 2 - Postal Traffic**

**Chapter 3 - Means of transport for commercial use**

**Chapter 4 - Stores**

**Chapter 5 - Relief consignments**

**Annex K - Origin (D.1., D.2., D.3.)**

**Chapter 1 - Rules of origin**

**Chapter 2 - Documentary evidence of origin**

**Chapter 3 - Control of documentary evidence of origin**

**(This Annex is to be reviewed after the completion of the work on the WTO Rules of Origin)**

**PRINCIPLES**  
**for**  
**FACILITATION OF INTERNATIONAL TRADE**  
**and**  
**EFFECTIVE CUSTOMS CONTROL**  
**in the**  
**REVISED KYOTO CONVENTION**

# **PRINCIPLES**

## **TRADE FACILITATION IN CUSTOMS**

### **ACHIEVED THROUGH SIMPLIFICATION & MODERNIZATION**

- + FORMALITIES AND PROCEDURES**
- + DOCUMENTS USED IN INTERNATIONAL TRADE AND TRANSPORT**
- + USE OF RISK MANAGEMENT TECHNIQUES AND INFORMATION TECHNOLOGY IN CUSTOMS**
- + MOVING FROM TRANSACTION BASED CONTROLS TO AUDIT BASED CONTROLS**

# **PRINCIPLES**

## **KYOTO CONVENTION AND TRADE FACILITATION**

**THE CONVENTION PROMOTES TRADE FACILITATION THROUGH LEGAL PROVISIONS IN ITS ANNEXES BY**

- + SPECIFYING APPLICATION OF SIMPLE BUT EFFICIENT PROCEDURES**
- + SPECIFYING MINIMUM AND MAXIMUM LEVEL OF FACILITATION AND CONTROL FOR IMPORT, EXPORT AND TRANSIT OF GOODS AND MOVEMENT OF PASSENGERS**

# **PRINCIPLES**

## **APPLIED BY MODERN CUSTOMS ADMINISTRATION**

- + PRE-ARRIVAL INFORMATION**
- + RISK MANAGEMENT TECHNIQUES**
  - Risk assessment and selectivity of control**
- + AUTOMATED SYSTEMS**
- + TARGETED EXAMINATION**
- + CO-ORDINATED INTERVENTIONS**
- + INFORMATION ON CUSTOMS REQUIREMENTS, LAWS, RULES, REGULATIONS**
- + SYSTEM OF APPEALS IN CUSTOMS MATTERS**

# **PRINCIPLES**

## **THE REVISED KYOTO**

**THE GENERAL ANNEX RECOMMENDS ALL KEY ELEMENTS THAT A MODERN CUSTOMS SHOULD APPLY :**

- + STANDARDS, SIMPLIFIED CUSTOMS PROCEDURES AND PRACTICES**
- + CONTINUOUS DEVELOPMENT AND IMPROVEMENT OF CUSTOMS CONTROL TECHNIQUES**
- + MAXIMUM USE OF INFORMATION TECHNOLOGY**
- + PARTNERSHIP APPROACH BETWEEN CUSTOMS AND TRADE**

# **FUTURE OF THE CONVENTION**



# **THE FUTURE**

## **MANAGEMENT COMMITTEE**

- + TO ADMINISTER THE REVISED CONVENTION**
- + UPDATE THE GENERAL AND SPECIFIC ANNEXES WITH PROVISIONS THAT REFLECT MODERN PRACTICES**
- + UPGRADE RECOMMENDED PRACTICES TO STANDARDS**
- + REVIEW THE RESERVATIONS ENTERED BY CONTRACTING PARTIES**
- + UPDATE THE GUIDELINES TO INCLUDE FORWARD-LOOKING IDEAS**

# **BENEFITS OF THE CONVENTION**

# **BENEFITS**

## **BENEFITS OF ACCEPTING THE KYOTO CONVENTION**

- + BENEFITS TO THE NATIONAL ECONOMY**
- + BENEFITS TO THE CUSTOMS ADMINISTRATIONS**
- + BENEFITS TO THE TRADING COMMUNITY**

# **BENEFITS**

## **BENEFITS TO THE NATIONAL ECONOMY**

### **PRINCIPLES OF KYOTO AIMED AT FASTER CLERANCE OF GOODS**

- + LOWERS COST OF IMPORTED GOODS**
- + LOWERS COST OF PRODUCTION**
- + INCREASES ECONOMIC COMPETITIVENESS OF NATIONAL GOODS IN THE WORLD MARKET**
- + ATTRACTS INTERNATIONAL TRADE AND INVESTMENT**
- + LOWERS COST TO CONSUMERS**
- + INCREASES NATIONAL REVENUE**

# **BENEFITS**

## **BENEFITS TO CUSTOMS ADMINISTRATION**

### **APPLICATION OF KYOTO PRINCIPLES RESULTS IN**

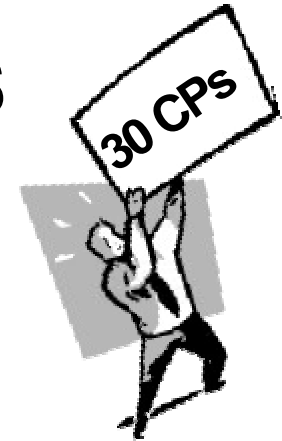
- + MORE EFFICIENT USE OF CUSTOMS RESOURCES**
- + FASTER, PREDICTABLE AND EFFICIENT CUSTOMS CLEARANCE**
- + ENHANCED CUSTOMS CONTROL**
- + INCREASED TRADE FACILITATION**

# **BENEFITS**

## **BENEFITS TO THE TRADING COMMUNITY**

- + TRANSPARENT PROCEDURES**
- + GREATER FACILITIES FOR COMPLIANT TRADERS**
- + LOWER BUSINESS COSTS**
- + ENHANCED COMPETITIVENESS**
- + CLEAR INFORMATION CONCERNING RIGHTS AND OBLIGATIONS**

# **CURRENT STATUS OF THE CONTRACTING PARTIES**



- **Acceded (12 CPs)**

**Algeria, Australia, Canada, China, Czech Republic,  
Japan, Latvia, Lesotho, Morocco Slovakia, Uganda and  
New Zealand**

- **Signed subject to ratification (5 CPs)**

**Democratic Republic of Congo,  
Sri Lanka, Switzerland, Zambia and Zimbabwe**