

REVISED KYOTO CONVENTION

CHAPTERS AND KEY PROVISIONS OF THE GENERAL ANNEX



GENERAL ANNEX - CHAPTER 1

GENERAL PRINCIPLES

- **Provisions of this Annex apply to all other Annexes**
- **National legislation to specify :**
 - **Conditions to be fulfilled and formalities to be accomplished for Customs procedures and practices**
 - **And be as soon as possible**
- **Formal consultations with Trade**



GENERAL ANNEX - CHAPTER 2

DEFINITIONS

- **Terms are applicable to all Annexes of the Convention**
- **27 Definitions**
- **Alphabetic reference to the number indicates the language - English or French**



GENERAL ANNEX - CHAPTER 3

CLEARANCE AND OTHER CUSTOMS FORMALITIES

- **Location of offices and hours of business for needs of trade**
- **Work outside hours of business and away from Customs offices**
- **Correlation of hours and competence of common border crossing**
- **Encourage joint controls at common border crossing**



GENERAL ANNEX - CHAPTER 3

The Declarant

- **The declarant responsibilities and rights**
 - **Accuracy of the particulars of the declaration**
 - **Payment of duties and taxes**

- **Conditions under which a person is entitled to act as a declarant to be specified in national legislation**

- **Persons with the right to dispose of the goods also entitled to act as declarant**



GENERAL ANNEX - CHAPTER 3

The Goods declaration

- **Format and content**
 - **paper format based on UN layout key**
 - **electronic declaration based on CCC Recommendations for electronic information exchange on information technology**

- **Limit the data required**

- **Allow a provisional or incomplete Goods declaration + release goods if security is provided**

- **Limit the number of copies of goods declaration and supporting documents**

- **Translation of supporting documents only when necessary**



GENERAL ANNEX - CHAPTER 3

Lodgment, registration and checking of the Goods declaration

- **Lodge at any designated Customs office**
- **Lodge electronically**
- **Lodge prior to arrival of the goods (including supporting documents)**
- **Provide sufficient time limit for lodging the goods declaration + extend time limit if request is valid**



GENERAL ANNEX - CHAPTER 3

Lodgment, registration and checking of the Goods declaration

- **Allow amendment if requested prior to checking the Goods declaration**
- **Allow amendment for valid reasons if checking already begun**
- **Allow withdrawal and application for a different procedure if goods not yet released**
- **Register and check the Goods declaration at the same time, if possible**



GENERAL ANNEX - CHAPTER 3

Special procedures for authorized persons

- **Authorized persons : Determined by criteria specified by Customs**
 - **Appropriate record of compliance**
 - **Satisfactory system for commercial records**

- **Customs will :**
 - **release on minimum data with subsequent completion of the Goods declaration**
 - **clear at declarant's premises or other authorized location**



GENERAL ANNEX - CHAPTER 3

Special procedures for authorized persons

- Customs should also :**
 - allow single, periodic Goods declarations for multiple transactions**
 - use the trader's commercial record system to self assess duty and tax liability**
 - allow lodgment to be an entry in the trader's commercial records, followed later by the supplementary Goods declaration**



GENERAL ANNEX - CHAPTER 3

Examination of the Goods

- **Only when necessary**
- **As soon as possible**
- **Priority for perishables and other urgently required goods**
- **Coordinate examinations with other agencies**
- **Samples taken only if essential**



GENERAL ANNEX - CHAPTER 3

Errors in the Goods declaration

- **No substantial penalties when :**
 - **Errors are inadvertent and**
 - **No fraudulent intent or gross negligence**



GENERAL ANNEX - CHAPTER 3

Release of Goods

- **As soon as possible**

- **When satisfied that :**
 - **No offence has been found**
 - **Any licenses or permits have been acquired**
 - **Duties and taxes will be paid**
 - **Goods not liable to confiscation**
 - **No prohibitions or restrictions apply**



GENERAL ANNEX - CHAPTER 3

Release of Goods

- **If the main particulars of the consignment and security are furnished**
 - **release the goods and allow the declarant to complete the formalities later**

- **Release before laboratory or technical results, if possible**

- **Release before legal actions are completed for goods subject to an offence, if possible**



GENERAL ANNEX - CHAPTER 3

Destruction or abandonment of goods

- Allow if goods have not been released and no offence was detected
- No duties/taxes due if goods are :
 - Abandoned, destroyed
 - Rendered commercially valueless
 - Irrecoverably lost by accident or force majeure
- No duties/taxes due on shortages
- Goods sold by Customs
 - Proceeds of sale, minus duties/taxes and other charges, to persons entitled



GENERAL ANNEX - CHAPTER 4

DUTIES AND TAXES

- **Determine taxable event (when liability to duties and taxes are incurred)**
- **Set out factors and conditions of assessment**
- **Specify methods of payment and persons responsible**
- **Rates of duties and taxes - in official publications**
- **Assess the duties and taxes as soon as possible after the liability is incurred**



GENERAL ANNEX - CHAPTER 4

DUTIES AND TAXES

- Specify the point in time for purpose of determining the rate of duties/taxes
- Determine the due date and place of payment
- Permit due date to be after release of goods
 - at least 10 days + interest-free
- Specify rate of interest chargeable for late payments (beyond the due date)
- Fix a de-minimus value/amount for collection



GENERAL ANNEX - CHAPTER 4

Deferred payment

- **When national legislation permits deferred payment of duties and taxes (beyond the due date)**
 - **Specify conditions for deferred payment**
 - **Allow deferred payment without interest**
 - **Permit deferred period to be at least 14 days**



GENERAL ANNEX - CHAPTER 4

Repayment

- **Repay promptly**

- **Repay when :**
 - **duties/taxes have been overcharged due to an error (if caused by Customs, repay as a priority)**
 - **goods are defective/not according to specifications and are returned subject to certain conditions**
 - **goods are placed under another Customs procedure incurring less duties/taxes**



GENERAL ANNEX - CHAPTER 4

Repayment

- **Notify decisions on claims for repayment in writing and as soon as possible**
- **Allow sufficient time to file claims for repayment**
- **De-minimus rule applies on repayment amounts**



GENERAL ANNEX - CHAPTER 5

SECURITY

- **Enumerate the cases in which required**
- **Provide for various types of security**
- **Allow flexibility for trade to choose the type**
- **Customs to determine the amount of security**
- **Do not require if satisfied that all obligations will be met**



GENERAL ANNEX - CHAPTER 5

SECURITY

- **Accept general security covering multiple transactions**
- **Keep security as low as possible**
 - **Not to exceed the amount chargeable**
- **Discharge the security as soon as possible**



GENERAL ANNEX - CHAPTER 6

CUSTOMS CONTROL

- **Limited to that necessary to ensure compliance**
- **Move from transaction-based to audit-based or mixed controls**
- **Use risk management techniques**
- **Use trader's commercial records**
- **Apply compliance measurement**
- **Use MOU's with trade and MAA's with other Customs**



GENERAL ANNEX - CHAPTER 7

APPLICATION OF INFORMATION TECHNOLOGY

- **Apply IT for Customs processing where cost-effective and efficient for Customs and trade**
- **Use international standards**
- **Revise legislation to allow :**
 - **Electronic commerce instead of paper**
 - **Electronic authentication methods**



GENERAL ANNEX - CHAPTER 8

RELATIONSHIP BETWEEN THE CUSTOMS AND THIRD PARTIES

- **Person concerned can act directly with Customs or choose to designate a third party**
- **National legislation to specify who may act as third parties and their liability**
- **Equal treatment for persons acting directly and third parties**



GENERAL ANNEX - CHAPTER 8

Third parties

- Same rights as the person who designated the third party
- May participate in Customs formal trade consultations
- Customs must notify third party when it will not transact business with them



GENERAL ANNEX - CHAPTER 9

INFORMATION, DECISIONS AND RULINGS SUPPLIED BY THE CUSTOMS

- **Make general information easily available**
- **Keep information updated, especially prior to changes in requirements**
- **Use information technology to provide information**



GENERAL ANNEX - CHAPTER 9

Specific information

- Provide specific information quickly and accurately
- Provide all relevant information
- Maintain confidentiality
- Supply information free of charge
 - If not possible, limit charges to the actual costs



GENERAL ANNEX - CHAPTER 9

Decisions and rulings

- **Customs to notify decisions in writing**
- **Give reasons for adverse decisions**
- **Inform about the right of appeal**
- **Issue binding rulings**



GENERAL ANNEX - CHAPTER 10

APPEALS IN CUSTOMS MATTERS

- **Right of appeal for all Customs matters, including omissions by Customs**
- **Customs must give reasons for decisions or omissions**
- **Set out the system of appeals in national legislation**
 - **initial appeal to Customs**
 - **right of further appeal to an independent authority**
 - **right of final appeal to a judicial authority**



GENERAL ANNEX - CHAPTER 10

APPEALS IN CUSTOMS MATTERS

- Appeals to be in writing, stating the grounds
- Time limits for appeals to be sufficient for appellants and for supplying any evidence
- Customs ruling on appeals to be :
 - in writing
 - as soon as possible
 - inform of the right to any further appeal
- Implement the decisions on appeals promptly