

**ISSUES PAPER**  
**On**  
**HARMONISATION AND SIMPLIFICATION OF CUSTOMS DOCUMENTATION AND PROCEDURES\***

Significant progress has been achieved in standardisation of Customs documentation systems. The CARs all use declaration forms that are variants of the Single Administrative Document (SAD) and are generally in UN/SITPRO format. The PRC documentation is also believed to be compliant. This would suggest therefore that documentation, in itself, is not an area that needs further work in relation to simplification and harmonisation. This is not totally true, though it is considered that documentation may be a case where minor changes are still required rather than major introduction of new systems.

Documentation systems have been the subject of several Tacis TRACECA studies since 1995. The key concerns have tended to relate to the support documentation – invoices, packing lists, bank forms, certificate of origin, veterinary and phytosanitary certificates etc. - that are predominantly not in UN format. It can be argued reasonably that Customs cannot insist on standardisation of documentation over which they have no responsibility. This can only be achieved by discussion with other Ministries, particularly the Ministry of Trade, to improve the situation.

The various import, export and transit declarations are based on the SAD and are similar, though not identical. There is still a case to develop a single standard format for the CARs that will interface with that of the PRC by using identical forms with identical layouts. This has two main advantages:

- It can be replicated at each border if necessary using a diskette;
- It could be used as a transit document without the need for replication at the border.

In general, border crossings in the region tend to be in remote locations. At the border there is usually a requirement to change the export or transit declaration of the country of exit to the import or transit declaration of the country of entry. These two forms are virtually identical, except in the case of PRC. In an ideal situation, if the country of entry could accept a copy of the previous country's declaration this would save the transposition process. This would be useful in avoiding the incidence of revaluations at the border because the previous documentation would be available. This transposition process in remoter locations has been cited as a major cause of delays and problems, often due to typing errors. The importer would still have to present the national declaration at the point of clearance.

Trade facilitation is predominantly about informed compliance. In order to achieve this, it is necessary to “inform” the user what those regulations are. Informed compliance in the region is difficult because:

- The regulations and requirements are so complex that they are difficult to all but the most experienced to understand. Even Customs officers often fail to comprehend them;
- The regulations and requirements in force are not clear with different interpretations as to what is required; and
- Information on the requirements are often not available in source countries.

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There is an on-going need to try to simplify and streamline the requirements to raise compliance levels and use an effective communication medium to disseminate requirements information, particularly to source countries. Currently the system lacks transparency creating a negative image of Customs and the complexity provides for governance problems throughout the region.

The key area of concern in relation to trade facilitation and trade development is the procedures rather than the documentation. The procedures in the CARs were developed for a centrally controlled Soviet system that no longer exists. They have changed little since 1991 despite major changes in the environments in all the countries. Despite changes in Customs Codes and external assistance programmes the border and final clearance procedures are almost identical. In those countries where IT systems have been introduced, the procedures have also not been simplified and transit and clearance times have not improved. The PRC system is similarly complex, particularly to non-Chinese.

The Revised Kyoto Convention sets out the "Pathway to Progress" for Customs organisations, irrespective of whether they become signatories or not. Analysis of the Convention's standard, transitional standard and recommended practice recommendations indicate that the region is not compliant, despite indications to the contrary by some administrations. It is important that countries undertake audits to determine the current level of compliance such that some focus can be provided in relation to regional compliance requirements in relation to both documentation and procedures.

One of the roles of the Regional Customs Cooperation Committee is to address mutual issues such as a convention compliance. Given the similarities between the procedures throughout the region, it is considered that proposals for change to achieve compliance may have to be addressed regionally, rather than solely on a national basis.

The Tacis TRACECA project is currently addressing the issue of harmonisation and simplification of border procedures. They have done audits in each country except for the PRC and proposed new procedures. In general, these proposals are less radical than might have been expected but may still be difficult to implement. The concept of service and performance standards in particular is expected to be a contentious subject. However, there are no studies looking at other issues such as final clearance, usually a source of significantly longer delays than at the border. This will need to be addressed at some stage.

The proposed focus in the work program consists of proposals for joint training seminars:

- aimed at sharing country experience; and
- and raising awareness levels in respects of new control concepts.

Training initiatives, such as those under the Tacis program and others, do not have a particularly good record in terms of achievements in implementation. Key problems have been as follows:

- Attendance of decision makers – training is always for someone else I am too busy;
- Training in subjects that have no immediate application or relevance in the countries concerned; and
- Overseas courses are attended by more senior officials as a reward but is often not related to their area of expertise – national courses are poorly attended by senior personnel because they have no travel benefits.

Whilst it is recognised that training will be useful in the indicated areas the Working Group needs to be able to make proposals based on:

- What should be the subject of the training and what is its purpose?

- What level of personnel should attend?
- Where should the training take place and why?
- Has it a regional dimension?
- Has there been previous training covering this subject and if so why is it needed again?

Progress towards the simplification and harmonisation of both documentation and procedures is vital to the trade community. At this stage despite efforts by the international funding agencies and a recognition by many Customs that changes are needed, the track record to date is poor in terms of generating visible positive results. Any new initiatives needs to consider this situation in proposing programmes and set out realistic objectives to be achieved.