Article 11 TRANSIT



CAREC Subregional Workshop on Customs-Related Provisions of WTO TFA



Importance of efficient transit regimes



Main International Agreements

GATT Article V

Principle of Freedom of Transit



WTO
Trade Facilitation
Agreement

- ✓ Strengthened Principle of Freedom of Transit
- ✓ New transit measures

WCO Revised Kyoto Convention

- ✓ Facilitative measures of transit
- ✓ Operational standards



Complexity

Customs of departure

- Lodgement of Customs transit declaration
- Examination of goods

Customs of entry

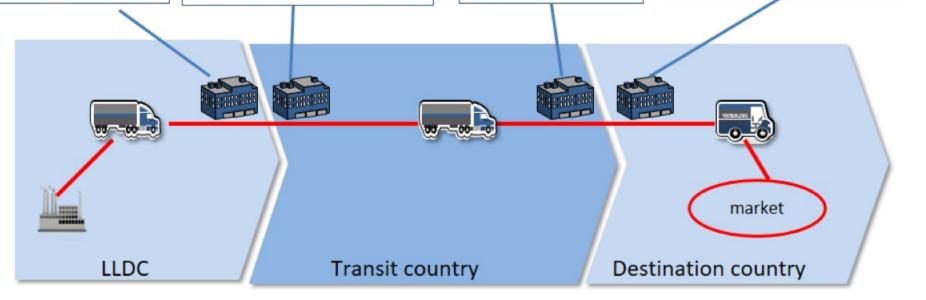
- Lodgement of Customs transit declaration
- Furnishing guarantee
- Examination of goods
- Affixing Customs seals
- Notification to the Customs office of exit

Customs of exit

- Examination of goods
- •Discharge of guarantee

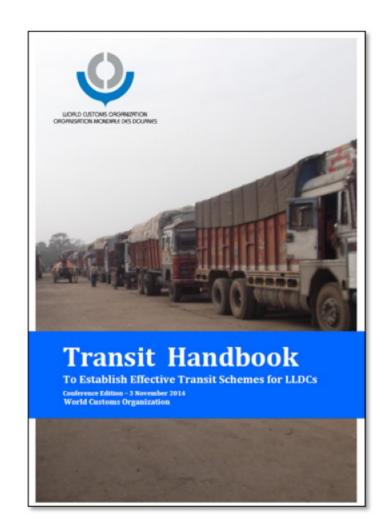
Customs of destination

- Lodgement of Customs declaration
- Examination of goods
- Collection of import duties, taxes and charges





WCO Transit Handbook (2014)



8 approaches:

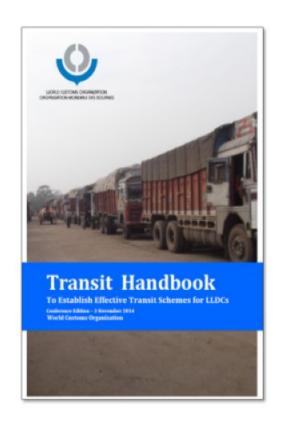
- (1) Effective information sharing
- (2) Guarantee system
- (3) Simplification of Customs formalities
- (4) Risk Management
- (5) Customs seals and other security measures
- (6) Border infrastructure
- (7) Coordinated Border Management
- (8) Performance measurement

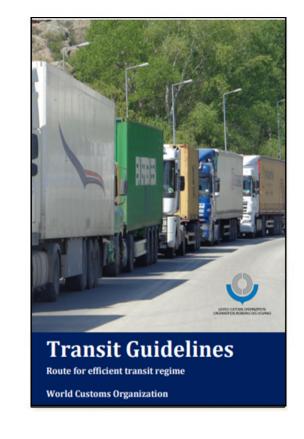
The WCO Transit Handbook (2014) provides valuable information on: the Revised Kyoto Convention; relevant WCO tools, the best practices of WCO Members in relation to efficient transit





Transit Guidelines (2017)



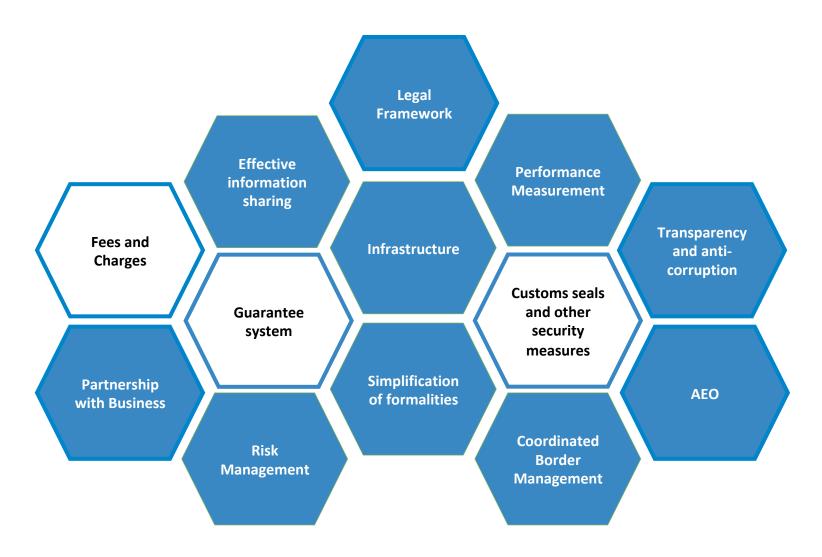


Structure of the Transit Guidelines

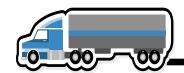
- I. Introduction including definitions
- II. Transit Guidelines in 13 sections
- III. The List of Guidelines
- IV. International Legal Framework GATT Article V, TFA, RKC (Chapter 5 of the GA and SA E1), TIR Convention (Body), Harmonisation Convention (Body), Container Convention (Body), Vienna Programme of Action for LLDCs



Scope of the Transit Guidelines







3. Guarantee system



Guarantee system

- **36.** The guarantee amount for transit should be **as low as possible** and not exceed the sum of the highest import duties and charges that would be imposed on goods imported into the transit Customs territory.
- **38.** Customs administrations are encouraged to set the guarantee amount according to the risk level of transit operators.
- **44.** Customs administrations should accept **any form of guarantee**. The possible types of guarantee may include, but not be limited to:
- a) cash deposits (national or foreign currency); b) temporary placement of funds on the Customs administration's bank account; c) tradable securities; d) movable property (e.g. means of transport) pledge agreement; e) non-movable property (e.g. office or production premises) pledge agreement; f) bank guarantee; g) insurance policy; h) surety contract; i) international guarantees; j) regional guarantees.

4. Fees and charges



Fees and charges

- **67.** Customs administrations **should not collect any fees or charges for transit except charges for administrative expenses** related to transit or charges for services rendered. Administrative expenses may include the following fees and charges (which should be kept to a minimum):
- a) special fees for work outside normal working hours;
- b) special fees for work outside Customs facilities;
- c) special fees for the use of extra facilities (for example for oversized goods);
- d) charges for storage;
- e) charges for special measures, procedures or services at the request of the transit operator (for example, a Customs convoy or Customs escort requested by the operator).

8. Customs seals and other security measures



Customs seals – general principles

93. Once the office of departure affixes Customs seals or applies other security measures to transit goods, other offices en routes should not impose any additional restrictions on the goods.

95. Seals affixed by consignors, shippers, transporters can be recognised as Customs seals in case these seals are approved by Customs administrations.

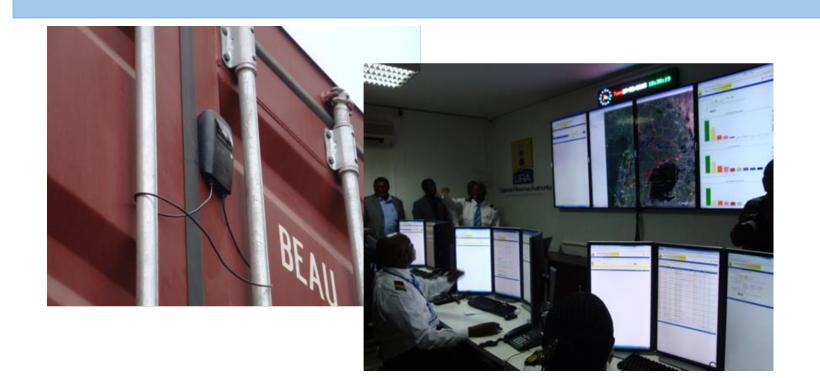
96. The office of departure, in principle, should use Customs seals **to ensure the integrity of the transit goods**. Other security measures should be used only in cases in which Customs seals are not sufficient to ensure the integrity of the transit goods.





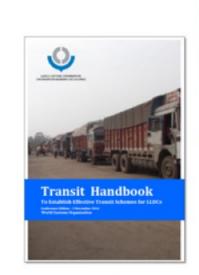
Electronic seals

105. Customs administrations are encouraged to develop **regional electronic Customs seals** to be used for transit operations in the region, as replacing the electronic Customs seal with another seal at the border could give rise to delays.



Together with the TRANSIT HANDBOOK and TRANSIT GUIDELINES

Other WCO tools to assist implementing the WTO TFA include...



Transit Handbook



Revised Kyoto Convention

Risk

Management

Compendium



Standards



SAFE Framework of



Time Release Study Guide



Single Window Compendium



Data Model



IT Guide for Executives







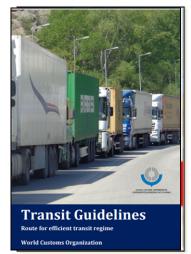




Implementation Guidance for TFA



Guidance on NCTF



Transit Guidelines

