

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

## Multilateral Trade Negotiations

Group "Non-Tariff Measures"  
Sub-Group "Customs Matters"

## IMPORT DOCUMENTATION AND CUSTOMS PROCEDURES

### Work of the International Organizations

#### Note by the Secretariat

1. At its July 1976 meeting, the Sub-Group "Customs Matters" requested the secretariat to prepare a report on the work presently undertaken in other international organizations, especially in the CCC and in the ECE, which is of relevance to the Sub-Group's task, commenting on the extent to which solutions to specific problems in the fields of import documentation and customs procedures (delays incurred in the customs clearance process, penalties for errors) have been or are presently being pursued in those organizations (MTN/NTM/18, paragraph 8).
2. Accordingly the secretariat has reviewed the available documentation of the organizations concerned, i.e., the Economic Commission for Europe (ECE), the Customs Cooperation Council (CCC), the International Standards Organization (ISO) and the UNCTAD special programme on trade facilitation (FALPRO). Contacts have also been made with the above-mentioned organizations in order to confirm the accuracy of the information and to obtain details about recent developments.
3. While a number of other international organizations are engaged in one way or another in documentation and customs procedures activities, this paper deals only with those which seem to be of direct interest to the Sub-Group's work.
4. The following paragraphs attempt to give a systematic presentation of the secretariat's findings.

#### I. IMPORT DOCUMENTATION

5. For the purpose of this paper, import documentation is limited to the trade documents which are required on the importation of goods, e.g., commercial invoices, customs invoices and certificates of origin, with the exception of shipping,

insurance, banking and administrative documents and the like which are also relevant for the importation of goods. The latter are important documents but they have not so far been considered by the Sub-Group and are being examined by other groups of experts in various international organizations, both governmental and non-governmental. Consular documents have also been excluded as this subject matter is being dealt with separately by the Sub-Group (see MTN/W/36/Rev.1).

A. Economic Commission for Europe (ECE)<sup>1</sup>

6. The activities of the ECE in the field of import documentation fall within the broader context of the facilitation of international trade procedures. These activities are not limited to import documents but extend to all international trade documents; they also cover electronic data transmission; lastly, they are concerned with the facilitation of these procedures or their rationalization by simplifying and reducing unnecessary or cumbersome data and by standardizing essential data, first at European level, and then at world level.

7. In the years 1961 to 1971, the ECE, through its Working Party on the Simplification and Standardization of External Trade Documents, succeeded in providing a basis for international standardization of international trade documents by the adoption of a standard format, called the ECE Layout Key.<sup>2</sup> From 1963 onwards, a number of international organizations, e.g. the Universal Postal Union, the International Chamber of Shipping, the Customs Cooperation Council, the International Transport Union, the International Railway Union and the International Air Transport Association have adapted their relevant documents to the ECE Layout Key. The ECE gave formal recognition to the Layout Key in Resolution 4 (XXIV) of 1969 which also recommended an extension of its use on a global level. In many countries where national ECE-aligned series of trade documents have been adopted, adherence to the ECE Layout Key is compulsory at least for official documents.

8. This first objective having been achieved, the Economic Commission for Europe, through the Committee on the Development of Trade, considered that in order to meet new problems arising on the one hand from the development of new modes of transport for goods - air transport, container transport - as well as from the greater speed of transport, and on the other hand from the introduction of new methods of processing the data required in international goods transport (computers and electronic facilities for automatic data processing), it was appropriate to entrust to a specialized body the overall task of rationalization of the activities connected with the exchange of information needed for international goods transport. Accordingly, in 1971, the Working Party was reorganized into a Working Party on Facilitation of International Trade Procedures (TRADE/WP.4). This Working Party is assisted by two Groups of Experts.

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<sup>1</sup>See list of ECE membership in Annex I.

<sup>2</sup>The ECE Layout Key has been described in MTN/3B/l<sup>4</sup>.

9. The task of one of these Groups, namely the Group of Experts on Data Requirements and Documentation (TRADE/WP.4/GE.2), is to establish the requirements of the various users of international trade documents in respect of the data to be included in such documents. In addition to reducing such data to a minimum, the Group continues to promote the harmonization of the various documents with the ECE Layout Key.

10. The second ECE Group, i.e., the Group of Experts on Automatic Data Processing and Coding (TRADE/WP.4/GE.1) has a twofold task: the first is to study computer systems already used or which could be used in international trade, with a view to establish whether they are compatible with each other and to determine the criteria or factors necessary for better utilization of computers in international trade. The second task is to find codes acceptable to all parties concerned for designating the various particulars included in documents, so as to facilitate the use of computers.

11. Because of the high complexity and technicality of the facilitation task, the two Groups of Experts have recently set up informal Task Teams (T.T.) to assist them in their work. Most of these teams, although presently awaiting final approval for their formal establishment by the Committee on Development of Trade at its next meeting to be held on 29 November-3 December this year, have already undertaken preliminary work in nine related fields as follows:

#### Fields

(a)	Data elements and codes	- GE.1/T.T.1
(b)	Interface requirements	- GE.1/T.T.2
(c)	Aligned Documentation and Automatic Data Processing (ADP)	- GE.1/T.T.3
(d)	Unique Consignment Reference Number	- GE.2/T.T.1
(e)	Legal problems	- GE.2/T.T.2
(f)	Import procedures	- GE.2/T.T.3
(g)	Alignment of trade documents	- GE.2/T.T.4
(h)	Dangerous goods documentation	- GE.2/T.T.5
(i)	Definitions of documentary functions	- GE.2/T.T.6

12. It should be emphasized that these Task Teams are of an informal character, have a limited membership and must report to their respective Group of Experts in full. Although GATT is not a member of these teams, it is following closely developments in all the relevant areas.

13. Of these nine fields and their respective Task Teams, six would appear to be relevant to the Sub-Group's work either at this or a later stage of the negotiations; these are (a), (b), (c), (e), (f), (g). For the sake of information and for future reference, a brief description of the provisional scope of the work of the six teams concerned is given below.

14. GE.1/T.T.1 Data Elements and Codes will endeavour to "establish the standard data elements required in international trade and identify those which need standard representation" (TRADE/WP.4/G.1/R.60). A joint ECE/ISO effort is expected in this task in order to avoid duplication. The results of this work will serve as the input for the Task Team 3 on Aligned Documentation and ADP. This T.T.1 is active but it is not possible to tell now when concrete results will emerge.

15. GE.1/T.T.2 Interface Requirements<sup>1</sup> should, *inter alia*, establish a set of standards for data exchange between international trade participants over data communication links, and for computer exchange using various media (TRADE/W.P.4/GE.1/R.61). Here again the results of T.T.1's work will serve as a basis for this Team's work and thus progress has to be made first in the area covered by T.T.1.

16. GE. 1/T.T.3 Aligned Documentation and Automatic Data Processing (ADP): the Task Team will "study the problems of using the ECE Layout Key in ADP systems; make recommendations for their solution; and ensure that information on such problems and solutions is disseminated" (TRADE/W.P.4/GE.1/R.62). This team is presently not active because it cannot undertake useful work until Task Team 1 is in a position to produce results.

17. GE. 2/T.T.2 Legal Problems will, *inter alia*, "pursue the studies on the interlocking problems of signatures on traditional international trade documentation and of authentication - and other problems of a legal rather than a technical nature - arising from the use of automatic data processing and data transmission in international trade" (TRADE/W.P.4/GE.2/R.72). It will be recalled that the questions of the authentication of documents and of the signature of the same were discussed in Working Group 2 of the Committee on Trade in Industrial Products. No written record of these discussions is available. Although these questions might not be taken up in the Sub-Group for some time or at all, the results of work of the Task Team may nevertheless be of interest to members of the Sub-Group.

18. GE. 2/T.T.3 Import Procedures is expected to "collect experiences on existing import documents and procedures and analyze the potentials for applying aligned documentation to import transactions, keeping in mind the potentials of the developing of ADP systems" (TRADE/WP.4/GE.2/R.73). Depending on the orientation of the Team's work and given the wide variety of the documents to be considered, the results may or may not be relevant to the Sub-Group's work. However, this

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<sup>1</sup> Interface is an hybrid term which has emerged out of the discussions over the years and is meant to cover the way in which data can be exchanged over communication links when different systems are being used.

is a major task which could be compared to the work which has been recently completed with regard to the aligned commercial invoice. While the work on the aligned commercial invoice was carried on from the point of view of the documentation required from the exporters, the Task Team on Import Procedures will focus on the documentation required from the importers by national administrations and on the procedures the importers have to follow. This work could extend to the consideration of an aligned document for customs purposes (which is regarded as difficult to achieve because of the different requirements of national customs administrations) where the CCC has provided a basis through the Kyoto Convention Annexes establishing ECE-based Layout Keys for import and transit entries and a model for a Certificate of Origin (see paragraph 36 below).

19. GE.2/T.T.4 Alignment of Trade Documents will, *inter alia*, "pursue the work on international standardization and rationalization of internationally used trade documents on the basis of the ECE Layout Key, in particular by making proposals for the alignment of such documents which have not yet been aligned, in consultation with relevant bodies and organizations and study ways and means of promoting the widest possible use of the aligned invoice and other aligned documents in foreign trade procedures" (TRADE/WP.4/GE.2/R.74). Among the documents which have yet to be aligned, priority has been given to the following:

airway bill, cargo receipt for air traffic, various export control applications and certificates (e.g. quality control, veterinary control, sanitary control, inspection certificate, dangerous goods documentation, perishable produce documentation, certificate of origin for the new Coffee Agreement).

20. The above paragraphs concerning the Task Teams give information about ongoing work or work to be undertaken. The results will be known in a more or less distant future depending on the varying complexity of the different tasks and the contribution made by ECE members towards these undertakings.

21. With regard to past or recent achievements in terms of proposed solutions advanced by the ECE, one has to mention the long-standing ECE Layout Key which provides for a critical selection of essential data, a standard position within aligned documents for certain main data elements with provision for a flexible range of commercial needs, and for careful control of printing standards. The Layout Key has thus provided a model for the alignment of documents for a period of over ten years.

22. More recently the ECE also adopted a Recommendation on an Aligned Invoice Layout Key for International Trade. The latter has been circulated to the Sub-Group as document MTN/NTM/W/34. This aligned invoice is intended to meet the information requirements of commercial invoices and to provide a standard layout of the data. Being above all an exporter's document it is not expected at this stage to replace customs invoices. It should remove the need for separate forms required for administrative and statistical purposes.

23. A further achievement of the ECE is to be found on the technical side in the adoption of various methods for coding data elements such as country, date, port, etc.

B. UNCTAD-FALPRO<sup>1</sup>

24. FALPRO is a special unit within UNCTAD which concerns itself with the facilitation of trade procedures, with special emphasis being put on documentation requirements. Apart from attending to facilitation matters in other UNCTAD sectors of activity, FALPRO, upon request from governments, provides technical expertise to countries which have expressed interest in improving their trade procedures or documentation requirements. In its advisory capacity it makes recommendations to the governments concerned as to the most appropriate way of solving the problems they face, e.g., setting up or modifying import procedures, or adopting appropriate documents for international trade. FALPRO's advisory services are mainly intended for developing countries. Some fifty of those have sought technical assistance from FALPRO.

25. FALPRO also acts as an information centre for countries, organizations, or trading entities interested in obtaining information concerning the various national documentation systems.

26. Moreover, FALPRO through its Director, provides the technical expertise for the relevant bodies of the ECE and participates actively in ECE meetings.

C. Customs Co-operation Council (CCC)<sup>2</sup>

27. One of the Council's main functions is to study all aspects of customs techniques in order to find practical means of attaining the highest possible degree of harmonization and uniformity in customs systems. It is assisted in this latter work by the Permanent Technical Committee which was established in 1953.

28. The achievement of a high degree of harmonization and uniformity is a long-term project. To accomplish the task, the Council uses the traditional means of Customs Conventions and Recommendations. In addition to technical Conventions and Recommendations, the Permanent Technical Committee has carried out a systematic study<sup>3</sup> of procedures in Member countries on the basis of which International Customs Norms have been drawn up laying down fundamental principles to guide customs

<sup>1</sup>FALPRO stands for Facilitation Procedures.

<sup>2</sup>See list of CCC membership in Annex II.

<sup>3</sup>Document CCC 22.450 (not reproduced here because of its length) gives the situation with regard to the acceptance of the Council's thirty-seven recommendations.

administrations which consider to amend or review their customs legislations or regulations. These studies and norms have provided and still provide essential information for the preparation of the Annexes to the new Convention on the Simplification and Harmonization of Customs Procedures (the so-called "Kyoto Convention") see paragraph 33 below. In parallel with these activities the Committee devotes part of each session to the consideration of such matters as the simplification of documentation and the use by customs administrations of computers, and also to questions submitted by members or by international organizations relating to, *inter alia*, customs techniques. These latter are either discussed in the Committee or are circulated to members as requests for information or for written observations.

29. In the past, the Council has adopted a number of Conventions which have introduced customs documents to be used in the preparatory phase to the actual customs clearance process. These are the 1961 Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods, and the 1971 Customs Convention on the International Transit of Goods (I.T.I.) which is aimed at establishing an international guarantee chain or chains through the use of a guarantee card.

30. More recently, i.e., on 18 May 1975, the Council adopted the "Kyoto Convention" which will deal systematically with all the principal customs procedures. It will consist at the end of a central body with some thirty different Annexes<sup>1</sup>, each of which laying down the basic principles of a given procedure. Each Annex will be assortd of comments which are intended to provide further details. As it can be seen from Annex III, to date sixteen Annexes have been adopted by the Council. One of these Annexes, i.e., Annex B.1 concerning clearance for home use<sup>2</sup>, contains provisions (especially Norm 11 together with its notes<sup>3</sup>, and the first two appendices) which are directly relevant to the Sub-Group's work. Norm 11 lays down the principles which should govern the goods declaration for home use and the notes list the particulars which should be generally required for the purpose of the declaration. The notes also suggest that when the Contracting Parties consider a revision of present forms or the preparation of new forms for Goods Declaration for home use, they may use the ECU Layout Key.

<sup>1</sup> See Annex III to this paper.

<sup>2</sup> So far this Annex has been adopted by only one country (Canada). The comments for this Annex should become available in early 1977.

<sup>3</sup> The text of Norm 11 and its notes is reproduced in Annex IV.

31. Other provisions of Annex B.1 are also relevant. These are Norm 15 and its note, Norms 16, 17 and 60. Norm 15 states that "in support of the goods declaration the customs authorities shall require only those documents considered necessary by them in order to permit control of the operation and ensure that all requirements relating to the application of relevant restrictions or other regulations have been complied with". The note goes on to say that the following documents are "frequently" required: import licence, documentary evidence of origin, health or phytopathological certificate, commercial invoice and transport documents. Norm 16 provides for missing documents to be provided within a specified period. Norm 17 says that the customs authorities should not require, "as a matter of course, a translation of the particulars given in those documents". Norm 60 for its part stipulates that "if the Customs authorities are satisfied that the declarant will subsequently accomplish all the formalities in respect of clearance for home use, they should release the goods provided that the declarant produces a commercial or official document giving the main particulars of the consignment concerned and acceptable to the Customs".

32. The Council has also produced a list showing the particulars required by the Customs for formalities on the importation of goods. This list has been reproduced in Annex V.

33. Both the Annex B.1 and the list of particulars are intended to provide a basis for alternative and complementary solutions to the problems encountered in this area.

34. It should be pointed out that the CCC's main interest is focused on the clearance formalities and not the forms used as such, assuming that the simpler the formalities, the simpler the form will be. This explains why the inclusion of a model form in Annex B.1 has been made with great difficulty and appears as a suggestion only. In the same way the note to Norm 11 represents a maximum list of the information elements generally required.

35. Another Annex, Annex C.1 concerning the outright exportation of goods, will be considered at the December 1976 meeting of the Permanent Technical Committee. This Annex is expected to contain a norm recommending that customs authorities should endeavour to require only the commercial invoice and at any rate "shall require only such particulars as are deemed necessary for the assessment and collection of any export duties and taxes chargeable, the compilation of statistics and the application of the other laws and regulations which the Customs are responsible for enforcing" (Norm 7). A list of particulars, similar to the one required in the declaration for home use, will be also provided for cases of outright exportation (Note to Norm 7).

36. In 1974 the Council also adopted three Annexes on the origin of goods.<sup>1</sup> These contain an attempt to rationalize the formalities deriving from the application of the notion of customs origin of goods, including as far as possible limitation on the use of certificates of origin, and finally a model certificate form.

37. The CCC's approach has consisted in the first stage in an attempt to expedite the adoption of all the remaining Annexes. In a later stage it will examine the various reservations which have been or will be entered with regard to some of their provisions and then proceed, if possible, to amending the latter, bearing in mind the intention to keep the Kyoto Convention as flexible as possible.

38. While a number of Member countries of the CCC would favour the abolition of customs invoices, a less ambitious approach for the near future would consist in aligning customs invoices to the ECE Layout Key. A recent proposal that a study be made of the possibility of establishing a customs invoice aligned to the ECE Layout Key did not, however, find the necessary support by the Council.

#### D. International Standards Organization (ISO)

39. From an analysis of the activities of the ISO Technical Committees dealing with problems of interest to trade facilitation (see TRADE/W.P. 4/R.19) it does not appear that these committees are engaged in work which is linked to the work of the Sub-Group. Indeed, apart from the joint ECE/ISO work on data elements and coding (see paragraph 14 above), interface requirements (see paragraph 15 above) and on alignment of trade documents (see paragraph 19 above), the work of the relevant technical committees is limited to the following areas: standardization in the field of international banking, office machines, credit cards, identification cards, computer and information processing, and labelling and file structures.

### II. CUSTOMS PROCEDURES

40. Apart from some aspects of the work of the ECE (see paragraph 18 above) and of FALPRO (see paragraph 26 above), the bulk of the work on customs procedures is carried out by the Customs Cooperation Council in the context of the Kyoto Convention and its Annexes.

41. Delays in customs clearance. In general the wording of Annex B.1 (clearance for home use) of the Kyoto Convention implies that customs clearance should be done expeditiously and without interruption. A number of provisions, in particular Norms 28, 30, 32, 57 and 59, are relevant to the question of delays in the physical clearance process and are intended to provide solutions. Norm 28 states that a "goods declaration shall be taken to be accepted when the Customs office at which it

<sup>1</sup>See Annex III, D.1, D.2, D.3.

was lodged has ascertained that it contains all the necessary particulars and is accompanied by all the documents required". Norm 30 specifies that the procedures which follow, i.e., the checking of the declaration, "shall be effected as soon as possible after the declaration has been accepted". Inspection of the goods declared, if it is decided to have one, "shall /also/ take place as soon as possible" after acceptance (Norm 32). The goods "shall be released as soon as the Customs authorities have examined them or decided not to examine them" (Norm 59).

42. With regard to the specific issue raised in the Inventory of Non-Tariff Measures concerning delays incurred in the customs clearance process, namely the deferred or retroactive assessment of the duties, Norm 57 for its part stipulates that "national legislation shall specify the period within which the customs authorities may take legal action to collect import duties and taxes not paid when due". The Council recognizes that Norm 57 as it stands is incomplete and that a separate recommended practice should have specified a time-limit for such assessment. Such a time-limit should be long enough to preserve the balance between the need for effecting a rapid clearance and the need for allowing control of false declarations a posteriori. Opinions vary as to the most practical time period that should be provided for. A first step in solving the problem would be to force the countries which do not provide for a fixed delay to adopt a time period. This would go in parallel with the recent trend which shows a preference for a minimum entry time coupled with later control within a set time-limit.

43. Excessive penalties for minor errors. Norm 43 of Annex B.1 deals with bona fide errors which have been made in a declaration and stipulates that "... where /the Customs/ are satisfied that the errors were inadvertent and that there has not been gross negligence on the part of the declarant, they shall allow him to amend his declaration and accomplish the necessary additional formalities without imposing a penalty". Norm 18, which can be read in parallel with the above stipulates that a declarant should be allowed to amend his declaration "provided that when his request is received, /the customs authorities/ have commenced neither the checking of the declaration nor the examination of the goods".

44. There is also a 1955 Council Recommendation (see Annex VII) concerning the treatment of such inadvertent errors in the declared value of goods. It recommends to the Contracting Parties to the Convention on the Valuation of Goods for Customs Purposes to invite their Customs Administrations to introduce measures for the lenient treatment of certain errors in the customs declaration, namely errors (believed to have been committed in good faith) of the following nature: transcription, arithmetics, omission of elements of the normal price, foreign exchange conversion, and incorrect deductions. The Recommendation further stipulates, inter alia, "that a de minimis limit should be fixed and that no penalties should be imposed in respect of such errors resulting in underpayments of duty below the limit" and

that "above the de minimis limit penalties should be moderate and proportionate to the gravity of the error, should not include confiscation, and should so far as possible be regulated by a scale related to the amount of the duty involved by the error".

45. In addition to the above, a future Annex H.2 concerning customs offences<sup>1</sup> is expected to deal with similar problems. Work on this Annex has not yet begun and is expected to be undertaken at the earliest in December 1977, as it is the last Annex included in the Draft Plan. The members of this Sub-Group might wish however to request the CCC to give greater priority to the drafting and consideration of the Annex.

46. With regard to other related questions, e.g. (a) appeals against penalties and tardy settlement of disputes, and (b) the limited number of entry points for specific products, questions under (a) are already covered by an international customs norm (1967) which deals with such questions as the competent authorities, the form of appeal, the time-limit, the evidence to be produced, etc., and by a 6 June 1967 Council Recommendation concerning the right of appeal in customs matters.<sup>2</sup> The matter will again be taken up in Annex H.1 to the Convention concerning the settlement of disputes between persons engaged in international trade and customs authorities. The matter raised in (b) has been examined already in the context of Annex B.1 to the Convention in Norm 3 and its notes and Norm 21 and its note. It would seem however that the latter go more in the direction of confirming the right of the Contracting Parties to limit the number of entry points than to meet the exporters' and importers' problems referred to in this context. Annex A.1 concerning formalities prior to the lodgement of the goods declaration also contains similar provisions. These are Norms 6 and its note and Norm 13 and its notes.

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<sup>1</sup>No draft text has yet been prepared.

<sup>2</sup>The full texts of the norm and of the Council's Recommendation are reproduced in Annexes VII and VIII.

ANNEX I

Membership of the Economic Commission for Europe (ECE)  
(as at 31 August 1976)

Albania	Italy**
*Austria**	Luxembourg**
*Belgium**	Malta
*Bulgaria**	*Netherlands**
Byelorussian SSR	*Norway**
*Canada**	*Poland**
Cyprus	Portugal**
*Czechoslovakia**	*Romania**
*Denmark**	Spain**
*Finland**	*Sweden**
*France**	*Switzerland**
*German Democratic Republic	*Turkey**
*Germany, Federal Republic of**	Ukrainian SSR
Greece**	*USSR
*Hungary**	*United Kingdom**
Iceland**	*United States**
Ireland**	Yugoslavia**

Note: From time to time countries take part under Article VII or XI of the Commission's terms of reference. This is the case for Australia, Japan and Nigeria at meetings of W.P.4 and/or Group of Experts.

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\* Also usually takes part in the work of the Working Party 4 on Facilitation of International Trade Procedures and/or its Group of Experts.

\*\* Member of the Trade Negotiations Committee.

ANNEX II

Members of the Customs Co-operation Council (CCC)  
(as at 31 August 1976)

*Algeria	*Madagascar
*Argentina	*Malawi
*Australia	*Malaysia
*Austria	Malta
Bahamas	*Mauritius
*Belgium	Morocco
*Bulgaria	*Netherlands
*Burundi	*New Zealand
*Cameroon	*Nigeria
*Canada	*Norway
*Chile	*Pakistan
*Congo, Republic of	Paraguay
Cyprus	*Peru
*Czechoslovakia	*Poland
*Denmark	*Portugal
*Egypt	*Romania
*Ethiopia	Rwanda
*Finland	Saudi Arabia
*France	*Senegal
*Gabon	Sierra Leone
*Germany, Federal Republic of	*Singapore
*Ghana	*South Africa
*Greece	*Spain
*Haiti	*Sri Lanka
*Hungary	*Sudan
*Iceland	*Sweden
*India	*Switzerland
*Indonesia	Syrian Arab Republic
*Iran	*Tanzania
*Ireland	*Thailand
*Israel	*Trinidad and Tobago
*Italy	*Tunisia
*Ivory Coast	*Turkey
*Jamaica	*Uganda
*Japan	*United Kingdom of Great Britain and Northern Ireland
Jordon	*United States
*Kenya	Upper Volta
*Korea	*Yugoslavia
Lebanon	
Liberia	*Zaire
*Luxembourg	

- 80 Contracting Parties -

\*Member of the Trade Negotiations Committee.

ANNEX IIICUSTOMS CO-OPERATION COUNCILInternational Convention on the Simplification and Harmonization of  
Customs ProceduresRevised Draft Plan of Annexes<sup>1</sup> and Annexes adopted as of 31 August 1976

The Convention has been signed without reservation by eighteen countries and has entered into force for the signatories. These are Australia, Austria, Belgium, Burundi, Canada, Cyprus, Denmark, France, Gambia, Germany (Federal Republic of), Ireland, Italy, Japan, Luxembourg, Nigeria, Norway, New Zealand, United Kingdom and the European Communities.

Annex reference number	Title	Date of adoption by the Council	Ratification <sup>2</sup>
A.	<u>Formalities prior to the lodgement of the goods declaration (inwards)</u>		
1.	Formalities prior to the lodgements of the goods declaration	June 1976	
2.	Temporary storage of goods	June 1976	
<u>3.</u>	Customs formalities applicable on the arrival and departure of means of transport <sup>7*</sup>		
B.	<u>Clearance of goods for home use</u>		
1.	Clearance for home use	May 1975	Canada
2.	Goods granted outright duty-free admission or admission at reduced rates	(in preparation, Spring 1977**)	
3.	Goods reimported in the same state as exported	(in preparation, Spring 1977**)	

\* The brackets represent the CCC's proposals for rearranging the Annex.

\*\* Tentative programme of future work.

<sup>1</sup> Taken from the CCC's Annex to document 22.512.

<sup>2</sup> For an Annex to the Convention to enter into force, at least five contracting parties must become signatories to it without reservation of ratification.

Annex reference number	Title	Date of adoption by the Council	Ratification
<b>C. Clearance of goods at exportation</b>			
1.	Outright exportation of goods	(in preparation, December 1976**)	
2.	Temporary exportation of goods for reimportation	(in preparation, Spring 1977**)	
<b>D. Origin of goods</b>			
1.	Rules of origin	May 1974	New Zealand
2.	Documentary evidence of origin	May 1974	New Zealand
3.	Control of origin	May 1974	New Zealand
<b>E. Conditional relief procedures and processing traffic</b>			
1.	Customs transit	May 1975	Canada
2.	Transhipment	(in preparation, December 1976**)	
3.	Customs warehouses	May 1973	Australia, Austria, Belgium, Burundi, Canada, Cyprus, Denmark, France, Gambia, Germany (Federal Republic), Ireland, Italy, Japan, Luxembourg, Nigeria, Norway United Kingdom, EEC

\*\* Tentative programme of future work.

Annex reference number	Title	Date of adoption by the Council	Ratification
4.	Drawback	May 1973	Australia, Austria, Burundi, Canada, Cyprus, Gambia, Italy, Norway, New Zealand
5.	Temporary admission subject to re-exportation in the same state	May 1973	Austria, Burundi, Gambia, Italy, Nigeria, Norway
6.	Temporary admission for processing (inward processing)	May 1974	Norway
7.	Duty-free replacements of goods		
8.	Temporary exportation for outward processing	May 1975	
F.	<u>Special Customs procedures</u>		
1.	Free zones and free ports	June 1976	
2.	Manufacture under Customs control of goods for home use	(in preparation, December 1976**)	
3.	Customs provisions applicable to travellers	June 1976	
4.	Customs provisions concerning postal traffic	(in preparation, Spring 1977**)	
5.	Customs provisions concerning urgent consignments	June 1976	
6.	Repayment of import duties and taxes	May 1974	Canada, Norway

\*\* Tentative programme of future work.

Annex reference number	Title	Date of adoption by the Council	Ratification
G.	<u>Customs relations with persons engaged in international trade</u>		
1.	Information binding on the Customs administrations supplying		
2.	Representation of third parties in relation to Customs administrations		
3.	Customs power in connexion with surveillance, examination, investigation etc./*		
4.	Special facilities for certain undertakings/*		
5.	Rules applicable to periods, dates and time-limits		
H.	<u>Settlement of disputes and offences</u>		
1.	Settlement of disputes between persons engaged in international trade and Customs authorities	(December 1977)**	
2.	Customs offences	(December 1977)**	
I.	<u>International co-operation</u> <sup>1</sup>		
1.	Mutual administrative assistance		

\* The brackets represent the CCC's proposals for rearranging the Annex.

\*\* Tentative programme of future work.

<sup>1</sup> A separate convention is presently being discussed with regard to mutual administrative assistance. If this Convention is agreed upon there would be no need for Annex IJ.1.

ANNEX IV

Annex B.1 to Kyoto Convention: Clearance for Home Use

The Goods Declaration for Home Use

- (a) Goods declaration form and contents

II. Standard

Forms for the goods declaration for home use shall conform to the official model laid down by the competent authorities.

The competent authorities shall require the goods declaration to provide only such particulars as are deemed necessary for the assessment and collection of import duties and taxes, the compilation of statistics and the application of the other laws and regulations which the customs are responsible for enforcing.

Notes

1. The customs authorities generally require:

- (a) particulars relating to persons

- name and address of declarant
- name and address of importer
- name and address of consignor

- (b) particulars relating to transport

- mode of transport
- identification of means of transport

- (c) particulars relating to the goods

- country whence consigned and country of origin
- description of the packages (number, nature, marks and numbers, weight)
- tariff description of the goods

(d) particulars for the assessment of import duties and taxes (for each description of goods)

- tariff heading
- rates of import duties and taxes
- gross weight, net weight or other quantity
- dutiable value

(e) other particulars

- statistical item number applicable to each description of goods
- area whence the goods were consigned or reference to applicable legal provisions (where preferential treatment is claimed)
- reference to documents submitted in support of the goods declaration

(f) place, date and signature of the declarant

2. When they are considering revision of present forms of preparation of new forms for goods declarations for home use, Contracting Parties may use the Layout Key in Appendix I to this Annex, having regard to the Notes in Appendix II.

ANNEX V

Customs Co-operation Council

PARTICULARS REQUIRED BY THE CUSTOMS FOR FORMALITIES  
ON THE IMPORTATION OF GOODS

Information Provided for in the form  
of Goods Declaration (Inwards)

Information requested by almost  
all customs administrations

Information which is requested by only  
a few customs administrations  
or only in certain forms

(a) Particulars relating to persons who participate  
in the operation

1. Declarant (owner, carrier,  
forwarding agent, consignee,  
professional customs agent, etc.)

Name, address and, if applicable,  
licence number

2. Importer (consignee or owner)

Name and address

3. Consignor (or supplier)

4. User of the goods

5. Bank domiciliation (see also item 25)

(b) Particulars relating to the transport of the goods

6. Mode of transport

Sea, air, rail, other surface  
modes

7. Identification of the ship,  
vehicle, etc.

Identification of the means of  
transport by its nationality,  
registration number or name  
(in the case of ship)

8. Carrier
9. Reference to transport documents  
Bill of lading number, air waybill number, TIR carnet number, etc.
10. Port or place of loading
11. Date of exportation
12. Place of introduction
13. Place of unloading
14. Date of arrival or importation
15. Location of the goods
16. Place of destination
17. Transport for own account or for account of other persons

(c) Particulars relating to the goods

18. Country of provenance
19. Country of origin
20. Description of the package  
Number, nature, markings and numbers
21. Description of the goods
22. Gross weight
23. Net weight
24. Quantity  
Number, volume, volume in litres, supplementary units

25. Financial or commercial system applicable to the goods - exchange control

26. Type of storage

27. Date of entry into warehouse

(d) Particulars relating to the value of the goods

28. Customs value

29. Date of invoice

30. Invoice price

31. Currency used in invoicing

32. Conditions of delivery and payment

33. Transport and other charges  
(charges for warehousing, surveillance, port dues, etc.)

34. Discount

35. Rates by which the value is adjusted

36. Unit value

37. Rate of exchange

38. Value for calculation of internal taxes

\* \* \*

Particulars relating to the value of the goods must also appear in documents to be presented with the goods declaration, either an invoice or a declaration of value.

(e) Particulars with a view to the assessment of import duties and taxes

- 39. Tariff heading
- 40. Rates of duties and taxes
- 41. Amount of duties and taxes
  - 42. Deferred payment
  - 43. Deposits
  - 44. Types of duties and taxes
  - 45. Clearance procedure
- (f) Particulars with a view to the granting of preferential treatment
  - 46. Area of provenance
  - 47. Reference to legal provisions
  - 48. Reference to appended justifying documents
    - 49. Statement of destination
    - 50. Claim for duty and tax exemption or reduction
- (g) Particulars of an exclusively statistical nature
  - 51. Statistical heading
    - 52. Importer's statistical number
    - 53. Statistical value

(h) Particulars relating to authentication  
of the declaration

54. Customs office

55. Certification by the declarant

Place, date, signature and  
reference number

56. Box for customs office use

The customs enter in this box  
the declaration number, the  
date it was lodged and the  
result of the examination  
(type of examination, date,  
officer's name and signature)

57. Application to be present during  
the examination

(ij) Other particulars required

58. Reference to the import licence  
and commercial declarations and  
documents to be presented with  
the customs declaration

59. References to reports or to accounts  
to be discharged

60. Form of payment

61. Advice of sale of foreign exchange

62. Particulars of drawback or other  
export relief now due to be repaid

ANNEX VI

Customs Cooperation Council

RECOMMENDATION OF THE COUNCIL  
CONCERNING THE TREATMENT OF INADVERTENT ERRORS  
IN THE DECLARED VALUE OF GOODS  
(17 JUNE 1955)

THE CUSTOMS CO-OPERATION COUNCIL

HAVING REGARD to a study made by the Valuation Committee concerning the treatment of inadvertent errors in the declared value of goods.

RECOMMENDS Contracting Parties to the Convention on the Valuation of Goods for Customs Purposes :

1. To invite their Customs Administrations to introduce measures for the lenient treatment of certain errors in the declaration of the value of goods for customs purposes, namely, errors of the following nature which the Administration concerned is satisfied have been committed in good faith :
  - Errors of transcription.
  - Arithmetical mistakes in declarations or supporting documents.
  - Inadvertent omissions of elements of the normal price such as inland freight abroad.
  - Inadvertent errors in the conversion of foreign currency.
  - Incorrect deductions, such as discounts, the inadmissibility of which is not within the knowledge of the importer, and similar errors arising from misapprehension of the principles of the Definition of Value.

THE COUNCIL FURTHER RECOMMENDS, subject to such national rules and such reservations as each Administration may find it desirable to formulate,

2. That the rectification of such errors should be subject to payment, or repayment, of the difference in duty involved.
3. That such rectification should not carry any additional charge for interest.
4. That a de minimis limit should be fixed and that no penalties should be imposed in respect of such errors resulting in underpayments of duty below the limit.
5. That above the de minimis limit penalties should be moderate and proportionate to the gravity of the error, should not include confiscation, and should so far as possible be regulated by a scale related to the amount of the duty involved by the error.

ANNEX VII

Customs Cooperation Council

CUSTOMS NORMS - THE RIGHT OF  
APPEAL IN CUSTOMS MATTERS (1967)

I. SUBJECT MATTER

Customs authorities act within the framework of the laws and regulations which they are responsible for enforcing. Their decisions, acts or omissions may, nevertheless, give rise to disputes between these authorities and the persons (natural or legal) concerned. In order to protect the interests of such persons provision should be expressly made whereby they have the right to challenge the decisions or measures which the Customs authorities take, or fail to take.

An important consequence of the right of appeal, and the existence of authorities responsible for ruling on disputes, is the contribution these make towards the uniform application of laws and regulations. The decisions taken and judgments rendered as the result of appeals can moreover provide a valuable basis of administrative and legal interpretation and precedent upon which similar disputes may be avoided or resolved.

This Norm sets out the fundamental principles which should govern the exercise of the right of appeal in Customs matters, and the procedure that should be followed in dealing with appeals addressed to the competent Customs authority. It does not, however, embrace appeals in penal matters, or appeals against provisions of a general character. Simple complaints about, for example, the conduct of the Customs service are similarly excluded.

II. DEFINITION

"Appeal" means the act by which a person (natural or legal) who deems himself to be aggrieved by a decision, an act, or an omission of the Customs authorities, seeks redress before a competent authority.

### III. PRINCIPLES

#### *Principle 1 : General principle*

A right of appeal should be available to any person (natural or legal) who deems himself to be aggrieved by a decision or measure of the Customs authorities or by their failure to take action on a request or a matter duly submitted to them.

The person exercising this right of appeal must be directly affected by the decision, act, or omission.

#### *Principle 2 : Competent authority*

The authority competent to determine the appeal may be either a Customs authority or an arbitral, administrative or judicial authority independent of the Customs Administration.

Where the competent authority is a Customs authority, the appellant should be entitled, at least in the last resort, to submit the matter to an authority independent of the Customs Administration.

Note. It should be possible for the Customs authority which took the decision (1) appealed against to modify it in favour of the appellant.

#### *Principle 3 : Form of appeal*

The appellant should submit the appeal in writing, stating the grounds of appeal.

Note 1. Evidence for the consideration of the appeal should accompany it or, if it is not immediately available, be submitted as soon as possible.

2. Where appropriate, the appeal may be lodged by telex or by telegram subject to its confirmation in conformity with any prescribed rules.

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(1) These provisions are applicable, mutatis mutandis, to challenged acts or omissions.

**Principle 4 : Time limit for appeal**

The appeal should be submitted within a prescribed period. This period should be sufficient to allow the appellant time to study the contested decision (1) and prepare the appeal.

Note. The period for lodging the appeal may be extended in exceptional circumstances, for example, where the appellant for reasons outside his control was prevented from making timely appeal.

**Principle 5 : Release of goods**

Where an appeal is lodged as a result of a dispute arising during the clearance of goods, release of the goods should be allowed provided that :

- (a) release would not prejudice consideration of the appeal;
- (b) there is no suspicion of fraud;
- (c) the goods are not considered to be prohibited goods;
- (d) the goods are not subject to import or export restrictions precluding their release; and
- (e) an amount adequate to cover the duties and taxes as assessed by the Customs authority is paid or security for that amount is provided.

**Principle 6 : Withdrawal of the appeal**

The appellant should be allowed to withdraw his appeal at any stage of the procedure.

Note. In consequence of the withdrawal the challenged decision (1) becomes final.

(1) These provisions are applicable, mutatis mutandis, to challenged acts or omissions.

*Principle 7 : Action on the appeal*

The competent authority is obliged to rule upon the appeal.

- Note 1. The appeal should be considered with the minimum of delay.
2. The appellant should be advised in writing of the decision taken. If the appeal is not upheld, the reasons should be given.

**IV. IMPLEMENTATION**

The provisions necessary for implementing these Principles could take account of the following points which are offered for guidance :

*Particulars to be given in the statement of appeal*

1. This statement should normally include the following particulars :
  - (a) the subject of the dispute (e.g. particulars of the contested decision);
  - (b) the purpose of the appeal; and
  - (c) the grounds of the appeal.

*Evidence to be produced*

2. The evidence submitted by the appellant, or required by the Customs authority, to determine the appeal, may vary according to the nature of the dispute.

In disputes relating to tariff classification the following may serve as evidence : certificates of analysis, samples of the goods in dispute, or even in certain cases the goods themselves; blueprints, drawings or photographs of the goods should be accepted if it is impossible to take samples.

In disputes relating to valuation the following may also serve as evidence : invoices, contracts, licences, extracts from accounts and registers, price lists, etc.

*Information concerning the right of appeal*

3. Information concerning the conditions and the procedures for appeals should be made known by official publication of the relevant laws and regulations. The information should be made available, on request, to any interested person. Where it is considered desirable, a note on the conditions and the procedures for appeals may be inserted in decisions rendered by Customs authorities.

ANNEX VIII

Customs Cooperation Council

RECOMMENDATION OF THE  
CUSTOMS CO-OPERATION COUNCIL CONCERNING THE  
RIGHT OF APPEAL IN CUSTOMS MATTERS  
(6 June 1967)

THE CUSTOMS CO-OPERATION COUNCIL,

CONSIDERING that the decisions, acts or omissions of Customs authorities may give rise to disputes between them and the persons concerned;

CONSIDERING that it is desirable for these persons to have a right of appeal in order to protect their legitimate interests;

CONSIDERING that this right of appeal would also contribute to the uniform application of the laws and regulations which the Customs authorities are responsible for enforcing;

RECOMMENDS that Members should

1. grant a right of appeal to any person (natural or legal) who deems himself to be aggrieved by a decision or act of the Customs authorities or by their failure to take action on a request or a matter duly submitted to them, provided that such person is directly affected by the decision, act or omission;
2. provide for appeals to be determined by a competent authority. The authority may be either a Customs authority or an arbitral, administrative or judicial authority independent of the Customs Administration;
3. provide that, where the competent authority is a Customs authority, the appellant shall be entitled, at least in the last resort, to submit the matter to an authority independent of the Customs Administration;

4. allow goods, which become the subject of an appeal as a result of a dispute arising during their clearance, to be released provided that :
  - (a) release would not prejudice consideration of the appeal;
  - (b) there is no suspicion of fraud;
  - (c) the goods are neither considered to be prohibited goods, nor subject to import or export restrictions precluding their release; and
  - (d) an amount adequate to cover the duties and taxes as assessed by the Customs authorities is paid or security for that amount is provided;
5. ensure that the appeals procedure is as simple as possible and that decisions are reached and notified to the appellant with the minimum delay;
6. ensure that suitable publicity is given to the appeals procedure, in particular with regard to the time-limit and the other conditions to be fulfilled for lodging an appeal;

POINTS OUT that the present Recommendation covers appeals in matters relating to the laws and regulations which the Customs authorities are responsible for enforcing. It does not, however, embrace appeals in penal matters, appeals against provisions of a general character or appeals against opinions expressed by Customs authorities which are not binding in effect;

REQUESTS Members who accept the present Recommendation to notify the Secretary General of the Council accordingly and to specify the date and terms of its implementation. The Secretary General will communicate this information to Members' Customs Administrations.