THE WTO TRADE FACILITATION AGREEMENT

WTO OMC
The International Organization that Governs the Rules of Trade Between Nations
WTO Trade Facilitation

TF negotiations began in 2004

Bali Ministerial Declaration (WT/MIN(13)/DEC) & WTO Trade Facilitation Agreement (WT/MIN(13)/36)

Preparatory Committee

Trade Facilitation Committee
Why TF at the WTO?

- Binding commitments from trading partners (160 Member countries)
- Enforcement through dispute settlement
- Apply to all border agencies
Why a Needs Assessment?

For developing countries:

✓ Implementation linked to capacity to implement

✓ Members decide when they can implement each trade facilitation measure

✓ Member decides technical assistance needs

✓ Must fulfill notification requirements to benefit

✓ Assessment will determine needs and prepare for notification and implementation of obligations
WTO Trade Facilitation Agreement

Objectives:

- Expedite movement, release & clearance of goods
- Improve cooperation between customs/other authorities
- Enhance technical assistance and build capacity
Trade Facilitation Agreement

Section I:
❖ 12 articles of technical measures

Section II:
❖ Special and Differential Treatment (SDT)

Provisions for developing countries

WT/MIN(13)/36
WT/L/911
TF Measures

Transparency and Appeals

- Publication/internet publication
- Enquiry Point for trade information
- Opportunity to comment
- Consultations
- Advance rulings
- Right of appeal

Import/Export/Transit Fees & Formalities

- Disciplines on fees
- Pre-arrival processing
- Risk management
- Post clearance audit
- Publish average release times
- Authorized operators
- Border agency cooperation
- Review formalities and documents
- Single window
- Eliminate use of PSI for tariff classification and customs valuation.
- Separate release from clearance
- Customs cooperation

Transit

- Restrictions on fees and charges
- Use of guarantee
Article 13- Institutional Arrangements

- Establishment of a committee in WTO
- Made up of all WTO Members
- Oversee implementation of Agreement
- Share relevant info and best practices
- Liaise with other international organizations

(This article not considered in assessment)
Final Provisions

• General issues affecting all or many provisions
• Provides further detail on implementation and relationship to GATT 1994

Example: “Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other Members.”
Special and Differential Treatment (SDT)

Section II of Agreement

Applies only to developing countries
(including least-developed countries)

Gives flexibility in implementation of obligations

Each developing country decides when it can implement each provision
Special & Differential Treatment for developing and LDC countries

- Implementation of agreement linked with capacity

- Each county can say when it will implement each measure

- Donors have promised sufficient technical assistance
Categorization of each measure

Each developing and LDC country Member will categorize each measure into one of three categories:

- **Category A**: at time Agreement enters into force (one year later for LDCs)

- **Category B**: Entry into force + (X) time (only “local action” needed)

- **Category C**: After TACB
LDCs Notification for all categories of provisions

Notify designation for all categories of provisions and indicative dates for Cat. A and B.

Notify definitive dates of implementation for Cat. B provisions

Inform TF Committee on progress in provision of TACB and notify definitive dates

Entry into force of TFA

1 year

2 years

3 years

4 years

5.5 years

Notify technical assistance required for implementation of Cat. C provisions

Inform TF Committee of arrangements with donors & indicative dates for implementation for Cat. C provisions

All Categories

Category B

Category C
Developing Countries: Notification for all categories of provisions

- Notify A, B, C categories & indicative implementation dates for categories B & C
- Notify definitive implementation dates for Cat. B provisions
- Notify: 1. progress in provision of TACB arrangements For Cat. C 2. definitive dates for implementation

Entry into force of TFA (when 2/3 of Members ratify)

- 1 year
- 2 years
- 2.5 years

All Categories

Category B

Category C
To take advantage of delayed implementation
Notify time period- implementation plan for B/C

<table>
<thead>
<tr>
<th>Provision/Sub-part of Provision</th>
<th>Time Period</th>
<th>Assistance Required and Other Information</th>
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**Article 4**
## Schedules of Commitments for Barua

<table>
<thead>
<tr>
<th>A - Implement right away</th>
<th>B – time needed</th>
<th>C – time and TACB needed</th>
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<tbody>
<tr>
<td>A.1 Publication</td>
<td>A.2 Internet Publication</td>
<td>C.1 Advance Rulings</td>
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<tr>
<td>B.1 Consultations</td>
<td>A.3 Enquiry Point</td>
<td>G.1 Pre-Arrival Processing</td>
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<td>D.1 Right of Appeal</td>
<td>A.4 Notification</td>
<td>G.4 Post-Clearance Audit</td>
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<td>E. 1 Import/Rapid Alert</td>
<td>G.3 Risk Management</td>
<td>J.2 Reduction of Formalities</td>
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<td>F.1 Disciplines on Fees</td>
<td>G.6 Authorized Traders</td>
<td>J.5 Single Window</td>
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<tr>
<td>G.2 Separation of Release</td>
<td>G.7 Expedited Shipment</td>
<td>J.6 PSI</td>
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<td>J.1 Periodic review of Formalities</td>
<td>L.7 Regional Transit Agreements</td>
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Additional Flexibilities and Assistance

Section II

Article 5: “early warning system” – extension requests for delays in Implementation Dates for Provisions in Categories B and C

Article 6: If capacity is still lacking for implementation of Category C, Expert Group makes recommendations to Committee (last resort measure)

Article 7: Shifting between Categories B and C

Articles 8: Grace period – countries refrain from use of WTO dispute settlement. TF committee reviews progress in provision of TACB.
Trade Facilitation Agreement

Status and next steps

- Part of Bali Ministerial Declaration, the ‘Bali Package’
- Preparatory Committee, under General Council:
  - Select Chair
  - Legal scrubbing
  - Protocol of Amendment
  - Receive notifications
- Notifications of Category A annexed to Agreement can be accepted as of July 2014
- Protocol open for acceptance until 31 July 2015
- Entry into force – when 2/3 Members ratify
<table>
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<tr>
<th>Benefits for Your Exporters</th>
<th>Benefits for Government</th>
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<tbody>
<tr>
<td><strong>Transparency + Fairness</strong></td>
<td><strong>Predictability</strong></td>
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<td><strong>Reduced time/costs</strong></td>
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<td><strong>Good Governance</strong></td>
<td><strong>Better compliance</strong></td>
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<td><strong>Better quality decisions</strong></td>
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<td><strong>Reduced costs</strong></td>
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<td><strong>Reduced delays</strong></td>
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<td><strong>Reduced complexity</strong></td>
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<td><strong>Modernization</strong></td>
<td><strong>Better compliance</strong></td>
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<td><strong>Reduce clearance times and costs</strong></td>
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<td><strong>Align with modern business practice</strong></td>
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WTO Basic Principles

- Transparent
- Bottom up
- Member driven
- All Inclusive (open-ended meetings)
Issues of National Importance