

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Multilateral Trade Negotiations

GROUP 3(b) - IMPORT DOCUMENTATION

Note by the Secretariat on Information Required by Countries for Customs Entry Purposes

1. At its last meeting, the Group instructed the secretariat to prepare an analysis of the existing situation regarding the information required by customs authorities on the basis of work already carried out by the Customs Co-operation Council and any other information at the secretariat's disposal (MTN/3B/11, paragraph 8).
2. In attempting to analyze the particulars required for import documentation, it is essential to bear in mind certain important distinctions. The first distinction relates to the purposes for which the information is required. These may be any of the following:
 - (i) calculation of customs duty payable;
 - (ii) calculation of taxes and other charges payable;
 - (iii) conformity with licensing regulations;
 - (iv) central banking and foreign currency control;
 - (v) health and sanitary control;
 - (vi) collection of statistical data.

Although only the first purpose may be said to fall clearly within the purview of the customs authorities, these authorities are often required to act as an agent for other government agencies in the fulfilment of any or all of the functions listed above, and therefore all the formalities will have to be passed before the goods may be cleared for home use.

3. A further distinction has to be drawn between the information itself and the different documents on which the relevant information is to be provided. For example, although any two countries may demand, by and large, similar types of information, one may require the particulars to be given on the customs entry form (normally completed by the importer or his agent), while another may require the information to be provided on a customs invoice or a consular invoice (which are normally completed

by the exporter). At the same time, it must be borne in mind that most of the information required for importation formalities has to be provided in the first instance by the exporter, either in the form of the commercial invoice or in the form of other supporting documentary evidence which may be required.

4. Thus, in seeking to simplify and harmonize import documentation, the Group will have to deal with two distinct problems:

- (a) the information required;
- (b) the different types of documents to be completed.

In accordance with the Group's instructions, the present note confines itself to the first of these problems.

5. Since the last meeting of the Group in May 1974, the Secretariat of the Customs Co-operation Council has issued a revised draft annex to the International Convention on the Simplification and Harmonization of Customs Procedures which concerns clearance for home use, and this is to be discussed at the next meeting of the Permanent Technical Committee in October and at a preceding Working Party meeting. Paragraph 21 of this draft annex deals with the contents of the Goods Declaration and contains a list of particulars generally deemed necessary for the assessment and collection of import duties and taxes and fulfilment of other functions which devolve on the customs authorities. Appendix I to the present note contains the following extracts from the relevant CCC document (20.672):

- (a) The CCC Secretariat Note to the draft Annex;
- (b) Plan of Annex B.1;
- (c) Paragraph 21 of the draft Annex;
- (d) List of Definitions.

The attention of the Group is drawn to paragraphs 4 and 5 of the CCC Secretariat Note, in which interested international organizations are invited to submit their comments by 31 July 1974.

6. The list of particulars reproduced in Appendix I (Extract (c)) is based on information collected by the CCC from member countries in 1972. The list is made up of the items which practically all countries which replied to the questionnaire require for their customs entry formalities, and this list has subsequently been the subject of further discussion in the CCC. A further list of items requested only by a few customs administrations has been published by the CCC in documents 19.060 and 18.909; for the information of members of the Group, an abridged version of this list is reproduced in Appendix II.

7. In considering the CCC list of particulars generally considered necessary for customs formalities, it must be emphasized that this list refers to the simple case of imports for direct home use. Additional particulars or documentary evidence may be required in other cases, such as when the goods are subject to licensing, health or sanitary regulations, or importation for re-export.

8. For the purpose of facilitating discussion within the Group, the Secretariat has carried out a comparison between the proposed list of Common Requirements for an All-Purpose Entry Document, contained in the second part of Annex I to document MTN/3B/8, and the information obtained from the CCC questionnaire referred to in paragraph 6 above. The results of the comparison are contained in Appendix III.

9. Similarly, the list of Common Invoice Requirements which appears in the first part of Annex I to MTN/3B/8 has been compared with a new ECE draft proposal for an Aligned Commercial Invoice which has been circulated to the Group in a separate document (MTN/3B/14). The results of the comparison may be found in Appendix IV.

APPENDIX I

Customs Co-operation Council

INTERNATIONAL CONVENTION
ON THE SIMPLIFICATION AND HARMONIZATION
OF CUSTOMS PROCEDURES

Extracts from the Draft Annex
Concerning Clearance for Home Use (Document 20.672)

EXTRACT (a)

Secretariat Note

1. At the Permanent Technical Committee's last Session, the Secretariat was instructed to prepare a new draft annex concerning clearance for home use, in which due consideration was to be given to the comments already made by Members and the opinions expressed by the Working Party. It was agreed that provisions relating to deferred payment might also be incorporated in the new draft annex (Report, Document 20.440, paragraph 66).
2. The new draft annex concerning clearance for home use is appended hereto. Provisions relating to deferred payment have been incorporated.
3. In view of the length of this text, it has been felt that a plan of the annex should be provided to facilitate the Committee's work.
4. Member States, non-Members and interested international organizations are invited to submit their comments and suggestions on this draft.
5. Replies, typed in duplicate on one side of the paper only, should reach the Secretariat by 31 July 1974.

EXTRACT (b)

INTRODUCTION

Plan of Annex B.1

DEFINITIONS

STANDARDS AND RECOMMENDED PRACTICES

Paragraphs

PRINCIPLES

1 and 2

COMPETENT CUSTOMS OFFICES

3 and 4

LODGEMENT OF THE GOODS DECLARATION

(a) Choice of the office of clearance

5

(b) Lodgement of the goods declaration outside the business hours of the customs office

6

(c) Time allowed for lodgement of the declaration

7 to 9

(d) Periodic deposit of declarations

10

THE DECLARANT

(a) Persons entitled to act as declarant

11 to 13

(b) Responsibilities of the declarant

14

(c) Rights of the declarant

15 to 17

THE GOODS DECLARATION FOR HOME USE

(a) Goods declaration form

18 and 19

(b) Lay-out key for the goods declaration

20

(c) Contents of the goods declaration

21 and 22

(d) Number of copies to be submitted

23 and 24

(e) Documents to be submitted in support of the goods declaration

25 to 27

(f) Amendment of the goods declaration

28 and 29

(g) Withdrawal of the goods declaration

30

OFFICIAL ACCEPTANCE OF THE GOODS DECLARATION

31 and 32

CHECKING OF THE GOODS DECLARATION

33 to 35

Paragraphs

EXAMINATION OF THE GOODS

(a) Examination of goods outside the business hours of the customs office	36
(b) Examination of goods outside the premises of the customs office	37
(c) Time required for examination of goods	38 to 41
(d) Extent of examination of goods	42 to 44
(e) Sampling	45 and 46
(f) Presence of the declarant at examination of goods	47
(g) Errors in the declaration	48 and 49

ASSESSMENT OF IMPORT DUTIES AND TAXES

(a) Factors to be taken into consideration	50
(b) Rates of import duties and taxes applicable	51 and 52

PAYMENT OF IMPORT DUTIES AND TAXES

(a) Methods of payment accepted	53 and 54
(b) Date and place of payment	55
(c) Deferred payment of import duties and taxes	56 to 61
(d) Proof of payment	62
(e) Period of limitation for the collection of import duties and taxes	63
(f) Interest on arrears	64

RELEASE OF GOODS 65 to 68

DESTRUCTION, ABANDONMENT OR SALE OF GOODS 69 and 70

INFORMATION CONCERNING CLEARANCE FOR HOME USE 71

EXTRACT (c)

Paragraph 21 of the Draft Annex

Contents of the goods declaration

Recommended practice

The customs authorities should 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.

Note

The customs authorities generally require the following particulars:

(a) Particulars relating to persons

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

(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
- value for customs purposes

(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
- place, date and signature of the declarant.

EXTRACT (d)

Definitions

For the purposes of this Annex:

- (a) the term "clearance for home use" means the Customs procedure under which imported goods are released by the Customs and may remain permanently in the Customs territory. This procedure implies the payment of any import duties and taxes chargeable and the accomplishment of any necessary Customs formalities;
- (b) the term "import duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the importation of goods but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (c) the term "Goods declaration" means a statement made in the form prescribed by the customs, by which the persons interested indicate the particular Customs procedure to be applied to the goods and furnish the facts which the Customs require to be declared for the application of that procedure;
- (d) the term "declarant" means the person who signs a Goods declaration or in whose name it is signed;
- (e) the term "checking of the Goods declaration" means the action taken by the Customs to satisfy themselves that the Goods declaration is properly made out and the supporting documents required are attached;
- (f) the term "examination of goods" means the physical inspection of goods by the Customs to ascertain that their nature, condition, quantity and value are in accordance with the particulars furnished in the Goods declaration;
- (g) the term "assessment of import duties and taxes" means the determination of the amount of duties and taxes payable;
- (h) the term "release" means the action by the Customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned.

Note

There are two kinds of release:

- unconditional release, which means that the goods are freed from any Customs restrictions; and
 - conditional release, which means that the goods remain subject to certain Customs restrictions;
- (ij) the term "security" means that which ensures to the satisfaction of the the Customs that an obligation to the Customs will be fulfilled. Security is described as "general" when it ensures that the obligations arising from several operations will be fulfilled;
- (k) the term "person" means both natural and legal persons, unless the context otherwise requires.

APPENDIX II

Information which is Requested by Only a Few
Customs Administrations¹

- (a) PARTICULARS RELATING TO PERSONS WHO PARTICIPATE IN THE OPERATION
 - 1. Consignor (or supplier)
- (b) PARTICULARS RELATING TO THE TRANSPORT OF THE GOODS
 - 2. References to transport documents: bill of lading number, airway bill number, TIR carnet number, etc.
 - 3. Port or place of loading
 - 4. Place of introduction
 - 5. Place of unloading
 - 6. Date of arrival or importation
 - 7. Location of the goods
- (c) PARTICULARS RELATING TO THE GOODS
 - 8. Financial or commercial system applicable to the goods - exchange control
- (d) PARTICULARS RELATING TO THE VALUE OF THE GOODS
 - 9. Invoiced price
 - 10. Conditions of delivery and payment
 - 11. Transport and other charges (charges for warehousing, surveillance, port dues, etc.
 - 12. Rate of exchange
- (e) PARTICULARS WITH A VIEW TO THE ASSESSMENT OF IMPORT DUTIES AND TAXES
 - 13. Deferred payment
 - 14. Deposits
- (f) OTHER PARTICULARS REQUIRED
 - 15. References to reports or to accounts to be discharged.

¹Information which is requested by less than four customs administrations has been omitted.

APPENDIX III

Comparison of Proposed List of Common Requirements for an All-Purpose Entry Document (MTN/3B/8, Annex I) with the Results of the CCC Questionnaire

(a) Items required by all Customs Administrations

<u>Item</u>	<u>Question No. in All-Purpose Entry Document</u>
Country of export	3
Country of origin	4
Importer of record (name and address)	6
Description of merchandise, tariff identification number and total quantities expressed in units listed in the tariff schedules	14
Entered rate of duty	15
Total entered value	16
A signed declaration by the party presenting the entry document stating that all listed information is true and correct. If contrary or supplemental information is received by declarant after entry document is filed with customs, such information will be immediately reported to the chief customs officer at the port of entry	18

(b) Items required by 4-10 Customs Administrations

Foreign port of lading	1
Port of unloading	2
Date of import	9
Dock or terminal location of merchandise	10
Bill of lading number	12
Currency conversion rate if other than official rate	17

(c) Items required by O-3 Customs Administrations

<u>Item</u>	<u>Question No. in All-Purpose Entry Document</u>
Importing vessel or carrier	5
Party for whose account the merchandise was imported (name and address)	7
Date of export	8
Bond number ¹	11
Type of invoice supplied with entry document, i.e., pro forma, commercial, or special customs invoice and number of pages. ¹	13

(d) Items required by all administrations but not included in list for proposed
all-purpose Entry Document

Tariff Heading	-
Statistical item No.	-

¹This item is not required by any administration.

APPENDIX IV

Comparison of Proposed List of Common Invoice Requirements
for Customs Purposes (MTN/3B/8, Annex I) and the ECE draft
Proposal for an Aligned Commercial Invoice (MTN/3B/14, Annex)

(a) Items in GATT Common Invoice list marked as basic data in ECE draft

<u>Item</u>	<u>Question No. in Common Invoice Requirements List</u>
Name and address of the seller/exporter	2
Name of the purchaser	3
Marks and numbers of shipping packages	6
Description of goods	8
Unit value or price in the currency of purchase and terms of sale	9
Country of origin	13

(b) Other items in GATT Common Invoice list appearing wholly or partially in
ECE draft

Date of purchase	4
Date of shipment	5
Manufacturers' or sellers' numbers	7
Total invoice value plus all other costs, charges and expenses	10

(c) Items in GATT Common Invoice list not included in ECE draft

Whether or not the merchandise is consigned or purchased	1
Current home consumption price	11
Current price for export	12
Any rebates, drawbacks, bounties or other grants allowed upon exportation of the goods, separately itemized	14
Information as to assistance given by the importer to the manufacturer of imported items and not included in the unit price	15

(d) Items in ECE draft not included in GATT Common Invoice list

Item

Invoice date and number

Seller's order date

Transport information (including mode and means of transport, port of discharge, destination etc.)

Terms of delivery

Commodity No. (preferably BTN No.)

Net quantity, gross weight and measurement

Declaration of value (see item 10 in ECE draft aligned invoice)