

**INTERNATIONAL CONVENTION
on the simplification and harmonization
of Customs procedures**

Preamble

The CONTRACTING PARTIES to the present Convention, established under the auspices of the Customs Co-operation Council,

Noting that divergences between national Customs procedures can hamper international trade and other international exchanges,

Considering that it is in the interests of all countries to promote such trade and exchanges and to foster international co-operation,

Considering that simplification and harmonization of their Customs procedures can effectively contribute to the development of international trade and of other international exchanges,

Convinced that an international instrument proposing provisions which countries undertake to apply as soon as they are able to do so would lead progressively to a high degree of simplification and harmonization of Customs procedures, which is one of the essential aims of the Customs Co-operation Council,

Have agreed as follows :

CHAPTER I

Definitions

Article 1

For the purposes of this Convention :

(a) the term "the Council" means the Organization set up by the Convention

establishing a Customs Co-operation Council, done at Brussels on 15 December 1950;

(b) the term "Permanent Technical Committee" means the Permanent Technical Committee of the Council;

(c) the term "ratification" means ratification, acceptance or approval.

CHAPTER II

*Scope of the Convention
and structure of the Annexes*

Article 2

Each Contracting Party undertakes to promote the simplification and harmonization of Customs procedures and, to that end, to conform, in accordance with the provisions of this Convention, to the Standards and Recommended Practices in the Annexes to this Convention. However, nothing shall prevent a Contracting Party from granting facilities greater than those provided for therein, and each Contracting Party is recommended to grant such greater facilities as extensively as possible.

Article 3

The provisions of this Convention shall not preclude the application of prohibitions or restrictions imposed under national legislation.

Article 4

Each Annex to this Convention consists, in principle, of :

(a) an introduction summarizing the various matters dealt with in the Annex;

(b) definitions of the main Customs terms used in the Annex;

(c) Standards, being those provisions the general application of which is recognized as necessary for the achievement of

harmonization and simplification of Customs procedures;

- (d) Recommended Practices, being those provisions which are recognized as constituting progress towards the harmonization and the simplification of Customs procedures, the widest possible application of which is considered to be desirable;
- (e) Notes, indicating some of the possible courses of action to be followed in applying the Standard or Recommended Practice concerned.

Article 5

1. Any Contracting Party which accepts an Annex shall be deemed to accept all the Standards and Recommended Practices therein unless at the time of accepting the Annex or at any time thereafter it notifies the Secretary General of the Council of the Standard(s) and Recommended Practice(s) in respect of which it enters reservations, stating the differences existing between the provisions of its national legislation and those of the Standard(s) and Recommended Practice(s) concerned. Any Contracting Party which has entered reservations may withdraw them, in whole or in part, at any time, by notification to the Secretary General specifying the date on which such withdrawal takes effect.

2. Each Contracting Party bound by an Annex shall at least once every three years review the Standards and Recommended Practices therein in respect of which it has entered reservations, compare them with the provisions of its national legislation and notify the Secretary General of the Council of the results of that review.

CHAPTER III

Role of the Council and of the Permanent Technical Committee

Article 6

1. The Council shall, in accordance with the provisions of this Convention, supervise

the administration and development of this Convention. It shall, in particular, decide upon the incorporation of new Annexes in the Convention.

2. To these ends the Permanent Technical Committee shall, under the authority of the Council, and in accordance with any directions given by the Council, have the following functions :

- (a) to prepare new Annexes and to propose to the Council their adoption with a view to their incorporation in the Convention;
- (b) to submit to the Council proposals for such amendments to this Convention or to its Annexes as it may consider necessary and, in particular, proposals for amendments to the texts of the Standards and Recommended Practices and for the upgrading of Recommended Practices to Standards;
- (c) to furnish opinions on any matters concerning the application of the Convention;
- (d) to perform such tasks as the Council may direct in relation to the provisions of the Convention.

Article 7

For the purposes of voting in the Council and in the Permanent Technical Committee each Annex shall be taken to be a separate convention.

CHAPTER IV

Miscellaneous provisions

Article 8

For the purposes of this Convention, any Annex or Annexes to which a Contracting Party is bound shall be construed to be an integral part of the Convention, and in relation to that Contracting Party any reference to the Convention shall be deemed to include a reference to such Annex or Annexes.

Article 9

Contracting Parties which form a Customs or Economic Union may state by notification to the Secretary General of the Council that for the application of a given Annex to this Convention their territories are to be taken as a single territory. In each instance where, as a result of such notification, differences exist between the provisions of that Annex and those of the legislation applicable to the territories of the Contracting Parties, the States concerned shall enter a reservation to the Standard or Recommended Practice in question under Article 5 of the Convention.

CHAPTER V

Final provisions

Article 10

1. Any dispute between two or more Contracting Parties concerning the interpretation or application of this Convention shall so far as possible be settled by negotiation between them.
2. Any dispute which is not settled by negotiation shall be referred by the Contracting Parties in dispute to the Permanent Technical Committee which shall thereupon consider the dispute and make recommendations for its settlement.
3. If the Permanent Technical Committee is unable to settle the dispute, it shall refer the matter to the Council which shall make recommendations in conformity with Article III(e) of the Convention establishing the Council.
4. The Contracting Parties in dispute may agree in advance to accept the recommendations of the Permanent Technical Committee or Council as binding.

Article 11

1. Any State Member of the Council and any State Member of the United Nations or its specialized agencies may become a Contracting Party to this Convention :
 - (a) by signing it without reservation of ratification;
 - (b) by depositing an instrument of ratification after signing it subject to ratification; or
 - (c) by acceding to it.
2. This Convention shall be open until 30th June 1974 for signature at the Headquarters of the Council in Brussels by the States referred to in paragraph 1 of this Article. Thereafter, it shall be open for their accession.
3. Any State, not being a Member of the Organizations referred to in paragraph 1 of this Article, to which an invitation to that effect has been addressed by the Secretary General of the Council at the Council's request, may become a Contracting Party to this Convention by acceding thereto after its entry into force.
4. Each State referred to in paragraph 1 or 3 of this Article shall at the time of signing, ratifying or acceding to this Convention specify the Annex or Annexes it accepts, it being necessary to accept at least one Annex. It may subsequently notify the Secretary General of the Council that it accepts one or more further Annexes.
5. The instruments of ratification or accession shall be deposited with the Secretary General of the Council.
6. The Secretary General of the Council shall notify the Contracting Parties to this Convention, the other signatory States, those States Members of the Council that are not Contracting Parties to the Convention, and the Secretary General of the United Nations of any new Annex that the Council may decide to incorporate in this Convention. Contracting Parties accepting such a new Annex shall notify the Secretary General of the Council

in accordance with paragraph 4 of this Article.

7. The provisions of paragraph 1 of this Article shall also apply to the Customs and Economic Unions referred to in Article 9 of this Convention in so far as the obligations arising from the instruments establishing such Customs or Economic Unions require the competent bodies thereof to contract in their own name. However, such bodies shall not have the right to vote.

Article 12

1. This Convention shall enter into force three months after five of the States referred to in paragraph 1 of Article 11 thereof have signed the Convention without reservation of ratification or have deposited their instruments of ratification or accession.
2. For any State signing without reservation of ratification, ratifying or acceding to this Convention after five States have signed it without reservation of ratification or have deposited their instruments of ratification or accession, this Convention shall enter into force three months after the said State has signed without reservation of ratification or deposited its instrument of ratification or accession.
3. Any Annex to this Convention shall enter into force three months after five Contracting Parties have accepted that Annex.
4. For any State which accepts an Annex after five States have accepted it, that Annex shall enter into force three months after the said State has notified its acceptance.

Article 13

1. Any State may, at the time of signing this Convention without reservation of ratification or of depositing its instrument of ratification or accession, or at any time thereafter, declare by notification given to the Secretary General of the Council that this Convention shall extend to all or any of the

territories for whose international relations it is responsible. Such notification shall take effect three months after the date of the receipt thereof by the Secretary General of the Council. However, the Convention shall not apply to the territories named in the notification before the Convention has entered into force for the State concerned.

2. Any State which has made a notification under paragraph 1 of this Article extending this Convention to any territory for whose international relations it is responsible may notify the Secretary General of the Council, under the procedure of Article 14 of this Convention, that the territory in question will no longer apply the Convention.

Article 14

1. This Convention is of unlimited duration but any Contracting Party may denounce it at any time after the date of its entry into force under Article 12 thereof.
2. The denunciation shall be notified by an instrument in writing, deposited with the Secretary General of the Council.
3. The denunciation shall take effect six months after the receipt of the instrument of denunciation by the Secretary General of the Council.
4. The provisions of paragraphs 2 and 3 of this Article shall also apply in respect of the Annexes to this Convention, any Contracting Party being entitled, at any time after the date of their entry into force under Article 12 of the Convention, to withdraw its acceptance of one or more Annexes. Any Contracting Party which withdraws its acceptance of all the Annexes shall be deemed to have denounced the Convention.

Article 15

1. The Council may recommend amendments to this Convention. Every Contracting Party shall be invited by the Secretary

General of the Council to participate in the discussion of proposals for amendment of this Convention.

2. The text of any amendment so recommended shall be communicated by the Secretary General of the Council to all Contracting Parties to this Convention, to the other signatory States and to those States Members of the Council that are not Contracting Parties to this Convention.

3. Within a period of six months from the date on which the recommended amendment is so communicated, any Contracting Party or, if the amendment affects an Annex in force, any Contracting Party bound by that Annex, may inform the Secretary General of the Council :

- (a) that it has an objection to the recommended amendment, or
- (b) that, although it intends to accept the recommended amendment, the conditions necessary for such acceptance are not yet fulfilled in its country.

4. If a Contracting Party sends the Secretary General of the Council a communication as provided for in paragraph 3 (b) of this Article, it may, so long as it has not notified the Secretary General of its acceptance of the recommended amendment, submit an objection to that amendment within a period of nine months following the expiry of the six-month period referred to in paragraph 3 of this Article.

5. If an objection to the recommended amendment is stated in accordance with the terms of paragraph 3 or 4 of this Article, the amendment shall be deemed not to have been accepted and shall be of no effect.

6. If no objection to the recommended amendment in accordance with paragraph 3 or 4 of this Article has been stated, the amendment shall be deemed to have been accepted as from the date specified below :

- (a) if no Contracting Party has sent a communication in accordance with

paragraph 3 (b) of this Article, on the expiry of the period of six months referred to in paragraph 3;

- (b) if any Contracting Party has sent a communication in accordance with paragraph 3 (b) of this Article, on the earlier of the following two dates :

- (i) the date by which all the Contracting Parties which sent such communications have notified the Secretary General of the Council of their acceptance of the recommended amendment, provided that, if all the acceptances were notified before the expiry of the period of six months referred to in paragraph 3 of this Article, that date shall be taken to be the date of expiry of the said six-month period;
- (ii) the date of expiry of the nine-month period referred to in paragraph 4 of this Article.

7. Any amendment deemed to be accepted shall enter into force either six months after the date on which it was deemed to be accepted or, if a different period is specified in the recommended amendment, on the expiry of that period after the date on which the amendment was deemed to be accepted.

8. The Secretary General of the Council shall, as soon as possible, notify the Contracting Parties to this Convention and other signatory States of any objection to the recommended amendment made in accordance with paragraph 3 (a), and of any communication received in accordance with paragraph 3 (b), of this Article. He shall subsequently inform the Contracting Parties and other signatory States whether the Contracting Party or Parties which have sent such a communication raise an objection to the recommended amendment or accept it.

Article 16

1. Independently of the amendment procedure laid down in Article 15 of this Convention any Annex, excluding its definitions, may be modified by a decision of

the Council. Every Contracting Party to this Convention shall be invited by the Secretary General of the Council to participate in the discussion of any proposal for the amendment of an Annex. The text of any amendment so decided upon shall be communicated by the Secretary General of the Council to the Contracting Parties to this Convention, the other signatory States and those States Members of the Council that are not Contracting Parties to this Convention.

2. Amendments decided upon under paragraph 1 of this Article shall enter into force six months after their communication by the Secretary General of the Council. Each Contracting Party bound by an Annex forming the subject of such amendments shall be deemed to have accepted those amendments unless it enters a reservation under the procedure of Article 5 of this Convention.

Article 17

1. Any State ratifying or acceding to this Convention shall be deemed to have accepted any amendments thereto which have entered into force at the date of deposit of its instrument of ratification or accession.

2. Any State which accepts an Annex shall be deemed, unless it enters reservations under Article 5 of this Convention, to have accepted any amendments to that Annex which have entered into force at the date on which it notifies its acceptance to the Secretary General of the Council.

Article 18

The Secretary General of the Council shall notify the Contracting Parties to this Convention, the other signatory States, those States Members of the Council that are not Contracting Parties to this Convention, and the Secretary General of the United Nations of :

(a) signatures, ratifications and accessions under Article 11 of this Convention;

- (b) the date of entry into force of the Convention and of each of the Annexes in accordance with Article 12;
- (c) notifications received in accordance with Articles 9 and 13;
- (d) notifications and communications received in accordance with Articles 16 and 17;
- (e) denunciations under Article 14;
- (f) any amendment deemed to have been accepted in accordance with Article 17 and the date of its entry into force;
- (g) any amendment to the Annexes adopted by the Council in accordance with Article 16 and the date of its entry into force.

Article 19

In accordance with Article 102 of the Charter of the United Nations, this Convention shall be registered with the Secretariat of the United Nations at the request of the Secretary General of the Council.

In witness whereof the undersigned, being duly authorized thereto, have signed this Convention.

Done at Kyoto, this eighteenth day of May nineteen hundred and seventy-three, in the English and French languages, both texts being equally authentic, in a single original which shall be deposited with the Secretary General of the Council who shall transmit certified copies to all the States referred to in paragraph 1 of Article 11 of this Convention.

ANNEX A.1.

Annex
concerning Customs formalities
prior to the lodgement
of the Goods declaration

Introduction

Goods may be introduced into a country by many different modes of transport. In order to safeguard the Revenue and ensure compliance with national legislation, the carrier having introduced goods into the Customs territory must produce them, and the means of transport by which they are carried, to the Customs authorities at the earliest possible time. The provisions necessary to control the introduction of goods into the Customs territory depend, to a large extent, upon the geography of the country and other circumstances such as the principal modes of transport bringing goods into the country.

In many cases the Customs office at which the goods are to be produced and the Goods declaration is to be lodged is situated at the place where the goods are introduced into the Customs territory; however, in other cases, this Customs office is situated some distance from that place. It is essential that the Customs authorities be in a position to control the conveyance of goods to the Customs office at which the goods are to be produced to the Customs.

The interests of the Customs may be safeguarded by placing obligations on the carrier through regulations and by means of physical surveillance by the Customs of means of transport and goods introduced into the Customs territory.

It is important that these measures cause a minimum of inconvenience to international trade. To this end all formalities to be accomplished by the carrier should be as simple as possible and information concerning

them should be readily available to all interested persons.

This Annex does not cover goods which arrive under a Customs procedure, e.g. international Customs transit, goods carried by post or in travellers' baggage or the temporary storage of goods; nor does it cover certain other formalities which may be applicable in the case of particular modes of transport, e.g. presentation of a report on the arrival of a ship.

Definitions

For the purposes of this Annex :

- (a) the term "Customs formalities prior to the lodgement of the Goods declaration" means all the operations to be carried out by the person concerned and by the Customs from the time goods are introduced into the Customs territory to the placing of the goods under a Customs procedure;

Note

Temporary storage may be considered as a Customs procedure.

- (b) the term "Customs territory" means the territory in which the Customs law of a State applies in full;
- (c) the term "carrier" means the person actually transporting goods or in charge of or responsible for the operation of the means of transport;
- (d) 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;

(e) 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 particulars which the Customs require to be declared for the application of that procedure;

(f) the term "Customs control" means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;

(g) the term "person" means both natural and legal persons unless the context otherwise requires.

Principles

1. *Standard*
Customs formalities prior to the lodgement of the Goods declaration shall be governed by the provisions of this Annex.

2. *Standard*
National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished in respect of goods which are introduced into the Customs territory.

3. *Standard*
All goods which are introduced into the Customs territory, regardless of whether they are liable to import duties and taxes, shall be subject to Customs control.

4. *Standard*
Customs formalities prior to the lodgement of the Goods declaration shall be reduced to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

5. *Standard*
Customs formalities prior to the lodgement of the Goods declaration shall apply

equally, regardless of the country of origin of the goods or the country whence they arrived.

Introduction of goods into the Customs territory

Places at which goods may be introduced into the Customs territory

6. *Standard*
National legislation shall specify the places at which goods may be introduced into the Customs territory. In determining these places the factors to be taken into account shall include the particular requirements of trade, industry and transport.

Note

Countries may specify for this purpose the Customs routes, that is to say, the roads, railways, waterways and any other routes (pipelines, etc.) which must be used for the importation of goods.

Obligations of the carrier

7. *Standard*
The fact of having introduced goods into the Customs territory shall carry with it the obligation upon the carrier to convey them directly to a designated Customs office or other place specified by the Customs authorities without altering their nature or their packaging.

8. *Standard*
Where the conveyance of the goods from the place of their introduction into the Customs territory to a designated Customs office or other specified place is interrupted by accident or force majeure the carrier shall be required to take precautions to prevent the goods from entering into unauthorized circulation and to advise the Customs or other competent authorities of the nature of the accident or other circumstance which has interrupted the journey.

*Customs control*9. *Standard*

Customs control in respect of imported goods shall be reduced to the minimum.

Notes

1. Customs control may include the boarding and searching of means of transport.

2. The Customs authorities may have the power to take special control measures which are applied only in specified areas, for example, in the frontier zone.

3. As a rule it is not necessary to take control measures which involve unloading goods, affixing seals or identification marks to means of transport or goods or conveyance of goods under Customs escort. However, where the Customs authorities consider such control measures to be indispensable, they would apply those which would cause the least inconvenience to both the Customs and the carrier while still providing adequate safeguards. Customs seals and identification marks affixed by foreign Customs authorities would normally be accepted unless they were considered not to be sufficient or secure.

*Production of goods to the Customs**Documentation*10. *Recommended Practice*

Where the Customs office at which the goods are to be produced is not located at the place where the goods are introduced into the Customs territory no document should be required to be lodged with the Customs authorities at that place.

Note

For the purpose of identifying the goods the Customs authorities may require the presentation of commercial, transport or other accompanying documents.

11.

Standard

Where the Customs authorities require documentation in respect of the production of the goods to the Customs this shall not be required to contain more than the information necessary to identify the goods and the means of transport.

Note

The information is normally obtained from commercial and transport documents the contents of which may vary from one mode of transport to another. The Customs authorities would not normally require any more than a description of the goods and of the packages (marks and numbers, number and kind, weight) and identification of the means of transport. Some international agreements lay down the maximum information which may be required (e.g. the country may be a Contracting Party to Annex 9 to the Convention on International Civil Aviation or the Convention on Facilitation of International Maritime Traffic).

12.

Recommended Practice

Where the documents produced to the Customs are made out in a language which is not specified for this purpose or in a language which is not a language of the country into which the goods are introduced a translation of the particulars given in those documents should not be required as a matter of course.

Competence and hours of business of Customs offices

13.

Standard

The Customs authorities shall designate the Customs offices at which goods may be produced to the Customs. In determining the competence of these offices and their hours of business, the factors to be taken into account shall include the particular requirements of trade and industry and transport.

Notes

1. In some countries the competence of the Customs offices is determined with reference to the Customs routes and their importance.

2. Where necessary the competence of certain Customs offices may be restricted to certain modes of transport or to certain categories of goods or to goods consigned to specified areas (e.g. the frontier zone or an industrial zone).

14. *Recommended Practice*

Where corresponding Customs offices are located on a common frontier, the Customs authorities of the two countries concerned should correlate the business hours and the competence of those offices.

Note

In some cases joint controls have been established at common frontiers with Customs offices of the two countries installed at the same place and sometimes in the same building.

Arrival outside working hours

15. *Standard*

The Customs authorities shall specify the precautions to be taken by the carrier to prevent the goods from entering into unauthorized circulation in the Customs territory when they arrive at a Customs office outside working hours.

Note

The carrier may be required to keep the goods at a specific place at or in the vicinity of the Customs office.

16. *Recommended Practice*

At the request of the carrier, and for reasons deemed valid by the Customs authorities, the latter should, so far as possible, allow the Customs formalities prior to the lodgement of the Goods declaration to be accomplished outside the business hours of the Customs office; any expenses

which this entails may be charged to the carrier.

Unloading

Places of unloading

17. *Standard*

National legislation shall specify the places which are approved for unloading.

18. *Recommended Practice*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should allow goods to be unloaded at a place other than the one approved for unloading; any expenses which this entails may be charged to the person concerned.

Note

Goods may be unloaded, according to the circumstances, at the premises of the person concerned, at premises with appropriate equipment or at any place within the Customs surveillance zone.

Commencement of unloading

19. *Recommended Practice*

The commencement of unloading should be permitted as soon as possible after the arrival of the means of transport at the place of unloading.

20. *Recommended Practice*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should, so far as administrative circumstances permit, allow unloading to proceed outside the business hours of the Customs office; any expenses which this entails may be charged to the person concerned.

Goods damaged, destroyed or lost

21. *Standard*

Total or partial exemption, as the case may be, from payment of import duties and

taxes shall be granted in respect of goods damaged, destroyed or irrecoverably lost by accident or force majeure during the accomplishment of the Customs formalities prior to the lodgement of the Goods declaration provided that the facts are duly established to the satisfaction of the Customs authorities.

Note

At the request of the person concerned remnants of goods covered by this Standard may be :

- (a) cleared for home use in their existing state as if they had been imported in that state; or
- (b) re-exported; or
- (c) rendered commercially valueless under Customs control, without expense to the Revenue; or
- (d) with the consent of the Customs authorities, abandoned free of all expenses to the Revenue.

Responsibility for the payment
of import duties and taxes

22. *Standard*

National legislation shall specify the person or persons responsible for the payment of any import duties and taxes in respect of goods introduced into the Customs territory which have not been produced to the Customs in compliance with the conditions and formalities to be fulfilled prior to the lodgement of the Goods declaration.

Information concerning Customs formalities
prior to the lodgement of the Goods declaration

23. *Standard*

The Customs authorities shall ensure that all relevant information regarding Customs formalities prior to the lodgement of the Goods declaration is readily available to any person interested.

ANNEX A.2.

Annex
concerning the temporary storage of goods

Introduction

It is important that, on arrival, goods may be permitted to be unloaded from the means of transport as soon as possible. In recognition of this fact Customs administrations have introduced arrangements under which the discharge of cargo may commence as soon as possible after arrival with a minimum of formalities subject to the Revenue being safeguarded.

For a variety of reasons some time may elapse between the arrival of the goods and the lodgement of the relevant Goods declaration. In these circumstances Customs authorities require the goods to be kept under Customs control and for this purpose they are usually placed in a specified area where they are stored pending lodgement of the Goods declaration. Such areas are termed temporary stores and may consist of buildings or may be enclosed or unenclosed spaces.

The provisions of this Annex do not apply to the storage of goods in Customs warehouses or in free zones.

Definitions

For the purposes of this Annex :

- (a) the term "temporary storage of goods" means the storing of goods under Customs control in premises and enclosed or unenclosed spaces specified by the Customs (hereinafter called temporary stores) pending lodgement of the Goods declaration;
- (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 Customs procedure to be applied to the goods and furnish the particulars which the Customs require to be declared for the application of that procedure;
- (d) the term "Customs control" means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (e) the term "security" means that which ensures to the satisfaction of 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;
- (f) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*
The temporary storage of goods shall be governed by the provisions of this Annex.

2. *Standard*
National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished in respect of goods placed in temporary store.

Scope

3. *Standard*
The Customs authorities shall authorize the establishment of temporary stores when-

ever they deem it necessary to meet the requirements of trade and industry.

Notes

1. In accordance with the provisions of national legislation, temporary stores may be managed by the Customs authorities, by other authorities or by natural or legal persons.

2. Temporary stores may be open to all importers and other persons entitled to dispose of goods being imported, or use of them may be restricted to specified persons.

4. *Standard*

Temporary storage shall be allowed in respect of all kinds of goods irrespective of quantity, country of origin or country whence arrived. However, goods which constitute a hazard, which are likely to affect other goods or which require special installations shall be admitted only into temporary stores specially designed to receive them.

5. *Standard*

The only document to be required when goods are placed in temporary store shall be that used to describe the goods when they are produced to the Customs.

Management of temporary stores

6. *Standard*

The requirements as regards the construction, layout and management of temporary stores and the arrangements for the storage of goods, for stock-keeping and accounting and for Customs control shall be laid down by the Customs authorities.

Notes

1. For the purposes of control the Customs may, in particular :

- keep, or require to be kept, accounts of goods placed in the temporary store (by

using either special registers or the relevant documentation);

- keep the temporary store under permanent or intermittent supervision;
- require that the temporary store be double-locked (secured by the lock of the person concerned and by Customs lock);
- take stock of the goods in the temporary store from time to time.

2. Goods are usually required to be stored in locked premises. However, bulky or heavy goods and low-duty goods which constitute little Revenue risk are frequently stored in unenclosed spaces under Customs supervision.

7. *Standard*

National legislation shall specify the person or persons held responsible for the payment of any import duties and taxes chargeable on goods placed in a temporary store which are not accounted for to the satisfaction of the Customs authorities.

8. *Standard*

When security is required from the authority or person managing a temporary store, the Customs authorities shall accept a general security.

9. *Recommended Practice*

The amount of any security should be set as low as possible having regard to the import duties and taxes potentially chargeable.

10. *Recommended Practice*

The Customs authorities should waive security where the temporary store is under adequate Customs supervision, in particular where it is Customs locked.

Authorized operations

11. *Standard*

Any person entitled to dispose of goods in temporary stores shall, for the purposes of preparing the Goods declaration, be allowed to :

- (a) inspect them;
- (b) weigh them;
- (c) take samples, against payment of the import duties and taxes where appropriate.

12. *Standard*

Goods in temporary store shall be allowed to undergo normal operations necessary for their preservation in their unaltered state.

Note

The normal operations necessary for the preservation of the goods in their unaltered state may include cleaning, beating, removal of dust, sorting and repair or change of faulty packings.

13. *Recommended Practice*

Goods in temporary store should be allowed under such conditions as may be laid down by the Customs authorities, to undergo normal operations necessary to facilitate their removal from store and their further transport.

Note

These operations may include sorting, piling, weighing, marking, labelling. They may also involve the consolidation of different consignments of goods intended for further transport under a single transport document and/or a single Customs document (groupage).

Duration of temporary storage

14. *Standard*

Where national legislation lays down a time limit for temporary storage, the time allowed shall be sufficient to enable the

importer to complete the necessary formalities to place the goods under a Customs procedure.

Note

The time limit laid down may vary according to the mode of transport used, and in the case of goods imported by sea may well be of considerable duration.

15. *Recommended Practice*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should extend the period initially fixed.

Deterioration, damage, loss, destruction
or abandonment of goods16. *Standard*

Goods deteriorated, spoiled or damaged by accident or force majeure before leaving the temporary store shall be allowed to be cleared as if they had been imported in their deteriorated, spoiled or damaged state.

17. *Standard*

Goods in temporary store which are destroyed or irrecoverably lost by accident or force majeure shall not be subjected to import duties and taxes, provided that such destruction or loss is duly established to the satisfaction of the Customs authorities.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste and scrap imported in that state.

18. *Standard*

At the request of the person entitled to dispose of them, goods in temporary store shall be allowed to be abandoned, in whole or in part, to the Revenue or to be destroyed or rendered commercially valueless under Customs control, as the Customs authorities

may decide. Such abandonment or destruction shall not entail any cost to the Revenue.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste and scrap imported in that state.

19. *Removal from temporary store* *Standard*

Any person having the right to dispose of the goods shall be entitled to remove them from temporary store subject to compliance with the conditions and formalities in each case.

Note

The Customs authorities may require the person concerned to establish his right to dispose of the goods.

20. *Goods not removed from temporary store* *Standard*

National legislation shall specify the procedure to be followed when goods are not removed from temporary store within the period laid down.

21. *Recommended Practice*

When goods not removed from temporary store are sold by the Customs, the proceeds of the sale, after deduction of the import duties and taxes and all other charges and expenses incurred, should either be made over to the person(s) entitled to receive them, when this is possible, or be held at their disposal for a specific period.

Information concerning temporary storage

22. *Standard*

The Customs authorities shall ensure that all relevant information regarding the temporary storage of goods is readily available to any person interested.

ANNEX A.3.

Annex
concerning Customs facilities
applicable to commercial means
of transport

Introduction

The obligation upon Customs authorities to control international transport in their territory in order to safeguard the Revenue, combat fraud and ensure compliance with national legislation in other respects, involves not only control of goods and passengers carried but also that of the means of transport used in international traffic. To this end, national legislation in most countries contains provisions which the Customs authorities are responsible for enforcing, concerning the movement of commercial means of transport to, in and from the Customs territories, the designated Customs offices or other approved places of call where commercial means of transport must be reported, the related documentary formalities, etc.

It is important that the Customs formalities applicable to commercial means of transport be carried out as rapidly as possible. Thus the measures taken by the Customs should be adapted to meet the needs in each case according to factors such as the purpose and duration of the stay of commercial means of transport in the Customs territory.

This Annex deals with means of transport which are used in international traffic for the transport of persons for remuneration or for the industrial or commercial transport of goods, whether or not for remuneration. Where appropriate, the provisions of the Annex also apply to commercial means of transport owned and registered in the territory concerned. It does not deal with means of transport for private use, nor with military or government means of transport not engaged in commercial activities.

Definitions

For the purposes of this Annex :

- (a) the term " Customs formalities applicable to commercial means of transport " means all the operations to be carried out by the person concerned and by the Customs in respect of commercial means of transport arriving in or departing from the Customs territory and during their stay therein;
- (b) the term " commercial means of transport " means any vessel (including lighters and barges, whether or not ship-borne, and hydrofoils), hovercraft, aircraft, road vehicle (including trailers, semi-trailers and combinations of vehicles) or railway rolling stock, which is used in international traffic for the transport of persons for remuneration or for the industrial or commercial transport of goods, whether or not for remuneration, together with their normal spare parts, accessories and equipment, as well as lubrication oils and fuel contained in their normal tanks, when carried with the commercial means of transport;
- (c) the term " Customs territory " means the territory in which the Customs law of a State applies in full;
- (d) the term " Customs control " means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (e) 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;
- (f) the term " declaration of arrival " or " declaration of departure ", as the case may be, means any declaration required to be made or produced to the Customs

authorities upon the arrival or departure of commercial means of transport, by the person responsible for the commercial means of transport, and containing the necessary particulars relating to the commercial means of transport and to the journey, cargo, stores, crew or passengers;

- (g) the term "security" means that which ensures to the satisfaction of the Customs that an obligation to the Customs will be fulfilled;
- (h) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*

Customs formalities applicable to commercial means of transport shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall specify the conditions to be fulfilled and the Customs formalities applicable in respect of commercial means of transport.

Note

Such conditions and formalities may include measures carried out on behalf of other bodies, for example, harbour authorities.

3. *Standard*

Customs formalities applicable to commercial means of transport shall be reduced to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

4. *Standard*

All commercial means of transport shall be subject to Customs control on arriving in or departing from the Customs territory and during their stay therein.

5.

Standard

Customs formalities applicable to commercial means of transport shall apply equally, regardless of the country of registration or ownership of the commercial means of transport, of the country whence arrived or the country of destination.

Temporary importation of commercial means of transport

6.

Standard

Commercial means of transport, whether loaded or not, shall be allowed to be brought temporarily into a Customs territory conditionally relieved from payment of import duties and taxes and free of import prohibitions and restrictions. They must be intended for re-exportation without having undergone any change except normal depreciation due to their use, normal consumption of lubrication oils and fuel and necessary repairs.

Notes

1. The question of temporary importation does not generally arise in respect of commercial means of transport owned and registered in the territory concerned which are either home-produced or have previously paid any import duties and taxes to which they were liable.

2. Temporary importation may be made subject to the condition that commercial means of transport are not used for internal transport in the Customs territory of the country of temporary importation.

7.

Recommended Practice

No security or temporary importation document should be required for commercial means of transport.

8.

Standard

Where the Customs authorities prescribe a time limit for the re-exportation

commercial means of transport, they shall take into account all the circumstances of the transport operations intended.

9. *Recommended Practice*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should extend any period initially fixed.

Temporary importation of special equipment for the loading, unloading, handling and protection of cargo

10. *Standard*

Special equipment for the loading, unloading, handling and protection of cargo, whether or not it is capable of being used separately from the commercial means of transport, which is imported with the commercial means of transport and is intended to be re-exported therewith, shall be allowed to be brought temporarily into a Customs territory conditionally relieved from payment of import duties and taxes and free of import prohibitions and restrictions.

Notes

1. Temporary importation of such equipment may be made subject to the condition that it is used only in the immediate vicinity of the commercial means of transport, for example within an airport or on shore at ports of call.

2. No security or temporary importation document is normally required for such equipment.

Temporary importation of parts and equipment

11. *Standard*

Parts and equipment which are to be used, in the course of repair or maintenance, as replacements for parts and equipment incorporated in or used on a commercial means of transport already temporarily imported in a Customs territory, shall be allowed to be brought temporarily into that territory conditionally relieved from

payment of import duties and taxes and free of import prohibitions and restrictions.

Notes

1. A temporary importation document and, in some instances, security may be required for such parts and equipment. However, some countries have found it possible to dispense with these requirements.

2. At the request of the person concerned, replaced parts and equipment which are not re-exported may be :

- (a) cleared for home use in their existing state as if they had been imported in that state; or
- (b) destroyed or rendered commercially valueless under Customs control, without expense to the Revenue; or
- (c) with the consent of the Customs authorities, abandoned free of all expenses to the Revenue.

Places of arrival in and departure from the Customs territory

12. *Standard*

National legislation shall specify the places where commercial means of transport may arrive in or depart from the Customs territory. In determining those places the factors to be taken into account shall include the particular requirements of trade, industry and transport.

Note

Countries may specify for this purpose the Customs routes, that is to say, the roads, railways, waterways and any other routes which commercial means of transport must follow. This may have to be done in collaboration with authorities of the neighbouring countries.

Designated Customs offices, their competence and hours of business, and other approved places of call

13. *Standard*

National legislation shall designate the Customs offices at which commercial means

of transport arriving in or departing from the Customs territory must be reported to the Customs. In determining the competence of these offices and their hours of business, the factors to be taken into account shall include the particular requirements of trade, industry and transport.

Notes

1. In some countries the competence of the Customs offices is determined with reference to the Customs routes and their importance.

2. Where necessary, the competence of certain Customs offices may be restricted to certain modes of transport.

3. In general, aircraft arriving in the Customs territory are required to make their first landing at a Customs airport. Similarly, ships may be required to make their first call at a place provided with a Customs office.

14. *Recommended Practice*

Where corresponding Customs offices are located on a common frontier, the Customs authorities of the two countries concerned should correlate the business hours and the competence of those offices.

Note

In some cases joint controls have been established at common frontiers with Customs offices of the two countries installed at the same place and sometimes in the same building.

15. *Recommended Practice*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should, as far as possible, allow the Customs formalities on the arrival and departure of commercial means of transport to be accomplished outside the business hours of the Customs office; any expenses which this entails may be charged to the person concerned.

16. *Recommended Practice*

At the request of the person concerned, and for reasons deemed valid by the Customs

authorities, the latter should, as far as possible, allow the Customs formalities on the arrival and departure of commercial means of transport to be accomplished at an approved place of call other than the designated Custom office; any expenses which this entails may be charged to the person concerned.

Note

Such permission may be granted, for example, for ships carrying cargo to be unloaded at private wharves.

17. *Standard*

Priority shall be given to the accomplishment of the Customs formalities on the arrival and departure of commercial means of transport carrying passengers or urgent consignments such as live animals or perishable goods.

Customs control
before arrival at a designated Customs office
or other approved place of call

18. *Standard*

Customs control in respect of commercial means of transport before arrival at a designated Customs office or other approved place of call shall be reduced to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Notes

1. For the purposes of Customs control, Customs authorities may be empowered, inter alia, to board ships and other vessels, stop trains at frontier stations, stop road vehicles and require the presentation of commercial, transport or other documents concerning the commercial means of transport and the cargo, stores, crew and passengers.

2. As a rule it is not necessary to take Customs control measures which involve searching commercial means of transport, affixing seals to them or requiring them to

travel under Customs escort from the place of arrival in the Customs territory to a designated Customs office or other approved place of call. Foreign Customs seals would normally be accepted unless they were considered not to be sufficient or secure.

3. National legislation may provide that any accidents or other unforeseen interruptions of the journey shall be reported to the Customs or other competent authorities closest to the scene of the accident or other event.

19. *Recommended Practice*

Where the designated Customs office or other approved place of call at which commercial means of transport are to be reported is not located at the place where such means of transport arrive in the Customs territory, no document concerning commercial means of transport should be required to be lodged with the Customs authorities at the place of arrival in the Customs territory.

Customs formalities
on arrival at the designated Customs office
or other approved place of call

Documentation

20. *Standard*

The cases where a declaration of arrival is required to be lodged with the Customs authorities on arrival of commercial means of transport and the particulars required to be given thereon, shall be limited to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Notes

1. The declaration of arrival may consist of several separate forms which together contain all the required particulars.

2. A number of international agreements lay down the maximum information which may be required to be given on the declaration of arrival, e.g. the Annex to the Convention on Facilitation of International Maritime

Traffic (London, 9 April 1965), Annex 9 to the Convention on International Civil Aviation (Chicago, 7 December 1944), the international Convention to facilitate the crossing of frontiers for goods carried by rail (TIF Convention, Geneva, 10 January 1952) and the Regulations (1963 version) of the Central Rhine Commission concerning the use of the Rhine Manifest.

21. *Standard*

The Customs authorities shall reduce, as far as possible, the number of copies of the declaration of arrival required to be submitted to them.

22. *Standard*

Where the Customs authorities require documentation in support of the declaration of arrival this shall not be required to contain more than the information necessary to verify that declaration.

Note

The Customs authorities may require the presentation of, for example, bills of lading, certificate of nationality or registration, certificate of measurement, journey logbook, waybills and consignment notes.

23. *Recommended Practice*

Where the documents produced to the Customs are made out in a language which is not specified for this purpose or in a language which is not a language of the country into which commercial means of transport have arrived, a translation of the particulars given in those documents should not be required as a matter of course.

24. *Recommended Practice*

When they are considering the revision of present forms or preparation of new forms for the declaration of arrival, the competent authorities should base their forms on the models laid down by any relevant international instruments, and should combine any two or more such forms into a single form where this is feasible for the presentation of

all data required for the completion of the declaration of arrival.

25. *Standard*

No documents to be produced to or lodged with the Customs authorities in connexion with the arrival of commercial means of transport shall be required to be legalized, verified, authenticated or previously dealt with by any representatives abroad of the country into which commercial means of transport arrive.

Customs control

26. *Standard*

Customs control upon arrival of commercial means of transport at the designated Customs office or other approved place of call shall be limited to measures necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing and shall take into account the type of commercial means of transport and the purpose of the stay in the Customs territory.

Notes

1. Commercial means of transport which stop only for a short time in the Customs territory without discharging or taking on passengers or cargo, are not normally subject to measures other than general supervision.

2. Customs authorities may carry out checks to ensure that commercial means of transport fulfil the technical conditions laid down by certain international agreements for the international transport of goods.

27. *Standard*

The Customs authorities shall not as a matter of course search commercial means of transport but shall confine themselves to searches on a selective or random basis.

Note

National legislation may provide that, when searching commercial means of

transport, Customs authorities are entitled to every assistance by the crew.

28. *Recommended Practice*

Where the Customs authorities exercise their right to search commercial means of transport such search should be carried out as rapidly as possible.

Subsequent calls in the Customs territory

29. *Standard*

Where commercial means of transport call at subsequent places in the Customs territory without intermediate calls in another country, the applicable Customs formalities shall be kept as simple as possible and shall take into account any Customs control measures already taken.

Note

Where appropriate, copies of documents previously lodged with or produced to the Customs authorities may be allowed to be used for the purposes of accomplishing the Customs formalities at subsequent places of call, particularly in respect of cargo for such places.

Customs formalities

upon departure of commercial means of transport from the Customs territory

30. *Standard*

Customs formalities applicable upon the departure of commercial means of transport from the Customs territory shall be limited to measures to ensure that :

- (a) where required, a declaration of departure is duly lodged with the competent Customs office;
- (b) where appropriate, Customs seals are affixed;
- (c) where required, specified Customs routes are followed; and
- (d) no unauthorized delay occurs in the departure of commercial means of transport.

31. *Recommended Practice*

The use of declaration of departure forms identical to those prescribed for declaration of arrival forms should be allowed by the Customs authorities, provided that their use for purposes of departure is clearly indicated.

Note

Model forms laid down by certain relevant international instruments have been prepared with a view to their use both on arrival and on departure.

32. *Standard*

Commercial means of transport shall be permitted to depart from the Customs territory through a Customs office other than that through which they arrived.

Commercial means of transport damaged,
destroyed or irrecoverably lost

33. *Standard*

Temporarily imported commercial means of transport which are damaged, destroyed or irrecoverably lost by accident or force majeure while in the Customs territory, shall not be required to be re-exported but they may be :

- (a) cleared for home use in their existing state as if they had been imported in that state;
- (b) rendered commercially valueless under Customs control, without expense to the Revenue, any parts or materials salvaged being subjected to the import duties and taxes to which such components are liable at the time when, and in the condition in which, they are presented; or
- (c) with the consent of the Customs authorities, abandoned free of all expenses to the Revenue.

Information
concerning Customs formalities
applicable to commercial means of transport

34. *Standard*

The Customs authorities shall ensure that all relevant information regarding Customs formalities applicable to commercial means of transport is readily available to any person interested.

ANNEX A. 4.

Annex
concerning Customs treatment
of stores

Introduction

Most countries exempt from import duties and taxes stores which are carried on board vessels, aircraft and trains arriving in the Customs territory and which are intended to meet the needs of passengers and the crew as well as the needs of the means of transport themselves. Exemption is granted because, as a rule, such stores remain on board and may be regarded as temporarily imported with a minimum of Customs formalities. For obvious reasons, however, some of the stores may be used or consumed while the means of transport stay in the Customs territory.

Similarly, stores for vessels and aircraft departing for an ultimate foreign destination are usually supplied free of any duties and taxes. In this connexion, granting of the exemption is due to the fact that such goods are regarded as exported and thus receive the same benefits as those exported in the usual way.

The Customs control applicable to stores is usually adapted according to the differing requirements of each means of transport and, in some cases, according to the revenue status of the stores themselves. The measures normally taken include general supervision, documentary control and placing certain stores under Customs seal.

This Annex deals with stores for vessels, aircraft and trains which are used, or intended to be used, in international traffic for the transport of persons for remuneration or for the industrial or commercial transport of goods, whether or not for remuneration. It does not deal with stores for means of trans-

port for private use or for military or government means of transport not engaged in commercial activities.

Definitions

For the purposes of this Annex :

- (a) the term "stores" means :
- stores for consumption; and
 - stores to be taken away;
- (b) the term "stores for consumption" means :
- goods intended for consumption by the passengers and the crew on board vessels, aircraft or trains, whether or not sold; and
 - goods necessary for the operation and maintenance of vessels, aircraft or trains including fuel and lubricants but excluding spare parts and equipment;

which are either on board upon arrival or are taken on board during the stay in the Customs territory of vessels, aircraft or trains used, or intended to be used, in international traffic for the transport of persons for remuneration or for the industrial or commercial transport of goods, whether or not for remuneration;

- (c) the term "stores to be taken away" means goods for sale to the passengers and the crew of vessels and aircraft with a view to being landed, which are either on board upon arrival or are taken on board during the stay in the Customs territory of vessels and aircraft used, or intended to be used, in international traffic for the transport of persons for remuneration or for the industrial or

commercial transport of goods, whether or not for remuneration;

2.

Standard

National legislation shall specify the conditions to be fulfilled and the Customs treatment applicable in respect of stores.

(d) the term "Customs treatment of stores" means all the facilities to be accorded and all the Customs formalities applicable to stores;

3.

Standard

Customs formalities applicable to stores shall be reduced to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

(e) the term "Customs formalities applicable to stores" means all the operations to be carried out by the person concerned and by the Customs in respect of stores;

(f) the term "Customs territory" means the territory in which the Customs law of a State applies in full;

4.

Standard

Customs treatment of stores shall apply equally, regardless of the country of registration or ownership of vessels, aircraft or trains.

(g) 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;

Stores on board arriving vessels,
aircraft or trains

I. Vessels

(h) the term "import and export 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 or exportation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;

(a) Exemption from import duties and taxes

5.

Standard

Stores for consumption by the passengers and the crew and stores to be taken away carried in a vessel arriving in the Customs territory shall be exempted from import duties and taxes provided that they are not taken ashore.

(ij) the term "person" means both natural and legal persons, unless the context otherwise requires.

6.

Standard

Stores for consumption necessary for the operation and maintenance of vessels which are on board a vessel arriving in the Customs territory, shall be exempted from import duties and taxes provided that they remain on board while the vessel stays in the Customs territory.

Principles

1.

Standard

Customs treatment of stores shall be governed by the provisions of this Annex.

Note

In addition to fuel and lubricants the following, in particular, are normally considered as stores for consumption necessary for the operation and maintenance of vessels :

- boiler compounds, fuel oil treatment preparations and filter sponges;
- cleaning compounds and materials;
- paints, varnishes and solvents and corrosion and rust inhibitors;
- gas for welding purposes;
- products for the preservation, treatment or preparation on board of the goods carried.

(b) Documentation

7.

Standard

Where a written declaration concerning stores on board vessels arriving in the Customs territory is required by the Customs authorities, only goods which are subject to high import duties and taxes and goods which are subject to import restrictions or prohibitions shall be required to be listed in detail thereon.

Notes

1. Some countries have found it possible to dispense with the requirement for a written declaration concerning any kind of stores on board arriving vessels.

2. In many countries only the following stores on board vessels have to be listed in detail : narcotics for medical use, tobacco products, beer, spirits, wines.

8.

Recommended Practice

When considering a revision of the present forms or preparation of new forms for the declaration concerning stores on board vessels, the competent authorities should base

the form on the Model Ship's Stores Declaration (Form FAL 3), as recommended by the Inter-Governmental Maritime Consultative Organization.

(c) Issue of stores on board a vessel at arrival

9.

Standard

The Customs authorities shall allow the issue of stores for consumption during the stay of a vessel in the Customs territory in such quantities as the Customs authorities deem reasonable having regard to the number of the passengers and the crew and to the length of the stay of the vessel in the Customs territory, provided that such stay is considered to be of reasonable duration.

Notes

1. In some countries the grant of this facility for passengers is subject to the condition that no passengers or cargo are embarked at one port of call in the Customs territory for disembarkation at another port in that territory.

2. The Customs authorities normally allow the issue, whether or not against the payment of any duties and taxes, of stores for consumption to be served at functions organized on board, which are also attended by persons other than the passengers and the crew.

3. In some countries, the following quantities of alcoholic beverages and tobacco products are allowed to be issued for consumption on board by the passengers and the crew during the stay of a vessel in the Customs territory :

- 1/4 l of spirits, 3/4 l of wine and 1 l of beer; and
 - 40 g of tobacco or an equivalent amount in cigars and cigarettes,
- per person per day. Certain limits may be fixed concerning the overall quantities of such products to be issued at one time, for example,

eight days' allowance of tobacco products and four days' allowance of alcoholic beverages.

10. *Recommended Practice*

The Customs authorities should allow stores for consumption to be issued for the crew whilst the ship is undergoing repairs in a dock or shipyard, provided that the stay in a dock or shipyard is considered to be of reasonable duration.

(d) Customs control

11. *Standard*

The measures taken by the Customs authorities to prevent any unauthorized manipulation of the stores shall cause the minimum of inconvenience.

Note

The Customs may, from time to time, take stock of stores on board or, after the quantities permitted have been issued, place the remainder under Customs seal. In general, only goods which are subject to high import duties and taxes and sensitive to smuggling, mainly alcoholic beverages and tobacco products, are placed under Customs seal. In some countries, sealing is carried out only if so requested by the person responsible for the vessel. Sealing may be waived in the case of vessels which stay in the Customs territory for only a short time or in the case of cruise vessels.

12. *Standard*

Only when they deem it indispensable, shall the Customs authorities require the removal of stores from the vessel for storage elsewhere during the stay of the vessel in the Customs territory.

13. *Recommended Practice*

The quantities of stores for consumption by the passengers and the crew and stores to be taken away which are allowed by the Customs authorities to be issued from the stores held on board should be recorded on the written declaration concerning stores produced to the Customs authorities upon arrival of the vessel in the Customs territory and no separate form should be required to be lodged with the Customs in respect thereof.

Note

As a measure of facilitation, certain Customs administrations use a separate document on which all changes in the quantities of stores placed under Customs seal are recorded by the Customs authorities. This document is drawn up by the Customs authorities themselves at the first port of call, on the basis of the Ship's stores declaration required to be produced to the Customs at this port. The master of the ship is to produce the document to the Customs at the subsequent ports of call.

II. *Aircraft*

(a) Exemption from import duties and taxes

14. *Standard*

Stores for consumption by the passengers and the crew and stores to be taken away carried in an aircraft arriving in the Customs territory shall be exempted from import duties and taxes provided that they remain on board.

15. *Standard*

Stores for consumption necessary for the operation and maintenance of an aircraft which are on board the aircraft when it arrives in the Customs territory, shall be exempted from import duties and taxes provided that they remain on board while the aircraft stays in the Customs territory.

(b) Documentation

16. *Standard*

The Customs authorities shall not require the presentation of a written declaration of stores remaining on board aircraft.

(c) Issue of stores

17. *Standard*

When an aircraft is to land at one or more airports in the Customs territory the issue of stores for consumption shall be permitted both during the stay of the aircraft at such intermediate airports and during its flight between such airports.

Note

In some countries, the grant of this facility for passengers is subject to the condition that no passengers or cargo are embarked at one airport in order to be disembarked at another in the Customs territory.

(d) Customs control

18. *Standard*

Only when they deem it indispensable shall the Customs authorities require stores on board an aircraft to be removed from the aircraft for storage elsewhere during its stay at an airport.

Note

The Customs authorities would normally keep the aircraft under general supervision or, in the case of a long stay at the airport, place the stores on board under Customs seal.

III. *Trains*19. *Recommended Practice*

Foodstuffs, non-alcoholic beverages, beer and wine (including champagne and

sparkling wine), imported as provisions in restaurant cars, pullman cars, sleeping cars and similar cars on international express trains, should be exempted from import duties and taxes provided that :

- (a) such goods are purchased only in the countries crossed by the international train in question;
- (b) such goods have paid any internal duties and taxes and any import duties and taxes chargeable in the country where they were purchased;
- (c) the consumption of such goods on an international train shall not involve the repayment of duties and taxes or the granting of all or part of any of the advantages allowed in respect of exportation;
- (d) such goods shall be sold solely for the purpose of consumption on board the train, their sale for "taking away" being prohibited;
- (e) the quantities of such goods shall not exceed the minimum required for the normal provisioning of restaurant services for one complete outward or inward journey;
- (f) in order to facilitate Customs control at frontiers all bottles bear the operating company's mark.

Note

Spirits and tobacco goods on board may subject to usual Customs control measures.

20. *Standard*

Stores for consumption necessary for the operation and maintenance of a train which are on board the train when it arrives in the Customs territory shall be exempted from import duties and taxes provided that they remain on board while the train stays in the Customs territory.

Supply of stores
free of duties and taxes

(a) Exemption from duties and taxes

21.

Standard

Vessels and aircraft which depart for an ultimate foreign destination shall be entitled to take on board, free of import and export duties and taxes and internal duties and taxes :

- (a) stores for consumption by the passengers and the crew and stores to be taken away in such quantities as the Customs authorities deem reasonable having regard to the number of the passengers and the crew, to the length of the voyage or flight and to any quantities of such stores already on board; and
- (b) stores for consumption necessary for their operation and maintenance, in such quantities as are deemed reasonable for operation and maintenance during the intended voyage or flight having regard also to any quantities of such stores already on board.

Notes

1. The exemptions from duties and taxes referred to in this Standard may be granted as, for example, a remission, a refund or a repayment, as the case may be.
2. In some countries, this facility is also granted to vessels and aircraft which leave the Customs territory although their ultimate destination is not foreign.
3. The voyage or flight generally includes both the outward and return journeys.
4. In the case of frequent and regular traffic on short routes, the quantities supplied at one time may meet the requirements for several journeys.
5. The Customs authorities may accept a request for the supply of stores for quick turn round vessels and aircraft in advance of their arrival in the port or airport.

6. As regards stores supplied for vessels, appropriate control measures may be taken by the Customs to safeguard the interests of the Revenue. The Customs may, from time to time, take stock of stores on board, or place the stores supplied under Customs seal. In general, only goods which are subject to high duties and taxes and sensitive to smuggling are placed under Customs seal. In some countries, sealing is carried out only if so requested by the person responsible for the vessel. Sealing may be waived in the case of vessels which stay in the Customs territory for only a short time or in the case of cruise vessels.

7. In determining the quantities of alcoholic beverages and tobacco products to be supplied, the number of passengers need not necessarily be the exact number of passengers on a voyage or flight but may be fixed having regard to the passenger-carrying capacity of vessels and aircraft or, in the case of vessels, to an average number of passengers carried at a given time of the year.

8. In some countries, the following quantities of alcoholic beverages and tobacco products are allowed to be supplied for consumption on board by the passengers and the crew of vessels :

- 1/4 l of spirits, 3/4 l of wine and 1 l of beer; and
 - 40 g of tobacco or an equivalent amount in cigars and cigarettes,
- per person per day.

- (b) Replenishment of stores for the journey to final destination

22.

Standard

Replenishment of stores shall be allowed free of import and export duties and taxes and internal duties and taxes for vessels and aircraft which have arrived in the Customs territory and which need to replenish their

stores for the journey to their final destination in the Customs territory.

Notes

1. Such replenishment may cover only the requirements for the journey to the final destination or may be allowed in quantities that make it unnecessary to request a further supply at final destination for the return journey abroad.

2. In some countries, the grant of this facility is subject to the condition that no passengers or cargo are embarked at one port of call or airport in the Customs territory for disembarkation at another port or airport in that territory.

(c) Issue of stores

23.

Standard

The Customs authorities shall allow stores for consumption supplied to vessels and aircraft during their stay in the Customs territory to be issued under the same conditions as are applicable in this Annex to stores for consumption held on board arriving vessels and aircraft.

(d) Documentary formalities in connexion with supply and departure

24.

Recommended Practice

The quantities of stores which are supplied to vessels during their stay in the Customs territory should be recorded on any written declaration concerning stores which has been required by the Customs.

25.

Recommended Practice

No separate written declaration concerning stores should be required upon departure from the Customs territory of vessels.

Notes

1. The necessary information is usually available from the written declaration produced upon arrival, supplemented with any notations as mentioned in Recommended Practices 13 and 24, together with the documents (Export declarations) covering the exportation of the stores when they were loaded on board.

2. To prevent smuggling of alcoholic beverages and tobacco products carried on board as stores in maritime traffic between their territories, certain countries have mutually established a system whereby the quantities of such goods on board upon departure from one country are recorded on a document which the person responsible for the vessel is required to produce to the Customs authorities upon arrival in another country. The system does not apply to passenger vessels in scheduled service.

26.

Recommended Practice

When a written declaration is required concerning stores laden on board vessels or aircraft upon departure from the Customs territory, the information required should be kept to the minimum necessary for the purposes of Customs control.

Other disposal
of stores

27.

Standard

Stores on board vessels, aircraft and trains having arrived in the Customs territory shall be allowed :

- (a) to be cleared for home use or to be placed under another Customs procedure, subject to compliance with the relevant conditions; or
- (b) subject to prior authorization by the Customs authorities, to be transferred respectively to other vessels, aircraft or trains in international traffic.

Note

The facility provided for under (b) above may be granted, for example, between aircraft belonging to the same airline company. In some countries, such transfers are dealt with under the transshipment procedure.

Information
concerning Customs treatment
of stores

28.

Standard

The Customs authorities shall ensure that all relevant information regarding the Customs treatment of stores is readily available to any person interested.

ANNEX B.1.

Annex
concerning clearance for home use

Introduction

Goods which are imported outright for use or consumption within the Customs territory must be declared for home use.

They may be declared for home use either directly on importation or after another Customs procedure such as warehousing, temporary admission or Customs transit.

The main obligations to be fulfilled by the declarant to obtain the clearance of goods for home use are the lodgement of a Goods declaration with supporting documents (import licence, certificates of origin, etc.) and the payment of any import duties and taxes chargeable. Under certain conditions the payment of import duties and taxes may be deferred. Where appropriate, security may be required by the Customs to guarantee payment of the import duties and taxes.

The measures taken by the Customs in connexion with clearance are : checking of the Goods declaration and accompanying documents, examination of the goods, assessment and collection of import duties and taxes and release of the goods. Depending upon national administrative practice, these operations may be carried out in a different order from that shown above. The Customs may also be responsible for obtaining the data required for trade statistics and for the enforcement of other statutory or regulatory provisions relating to the control of imported goods. Other competent authorities may also carry out certain controls (veterinary, health, phytopathological, etc.) on goods declared for home use.

The provisions of this Annex apply to the various formalities and measures (Customs formalities) involved in the clearance of goods for home use, whatever their mode of importation.

The Annex does not apply to the clearance for home use of goods imported by post or carried in travellers' baggage.

Definitions

For the purposes of this Annex :

- (a) the term "clearance for home use" means the Customs procedure which provides that imported goods may remain permanently in the Customs territory. This procedure implies the payment of any import duties and taxes chargeable and the accomplishment of all the 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 Customs procedure to be applied to the goods and furnish the particulars 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, that the supporting documents required are attached and that they fulfil the conditions laid down as to their authenticity and validity;

- (f) the term "examination of goods" means the physical inspection of goods by the Customs to satisfy themselves that the nature, origin, condition, quantity and value of the goods 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 import 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;
- (ij) the term "security" means that which ensures to the satisfaction of 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.

Principles

1. *Standard*

Clearance for home use shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall specify the conditions to be fulfilled and the Customs formalities to be accomplished for the clearance of goods for home use.

Notes

1. National legislation may include prohibitions and restrictions in respect of the importation of certain categories of goods.

2. The obligations to be fulfilled to effect the clearance of goods for home use include the lodgement of a Goods declaration, the production of supporting documents and the payment of any import duties and taxes chargeable.

Competent Customs offices

3. *Standard*

The Customs authorities shall designate the Customs offices at which goods may be cleared for home use. In determining the competence of these offices and their hours of business, the factors to be taken into account shall include the particular requirements of trade and industry.

Notes

1. The Customs authorities may allow goods to be cleared for home use at inland Customs offices.

2. The competence of certain Customs offices may be restricted in terms of the mode of transport used or to specified categories of goods or to goods consigned to a specified region (e.g. the frontier zone or an industrial zone).

3. The Customs authorities may require that certain categories of goods (e.g., diamonds, antiques, works of art) be cleared for home use at Customs offices designated for that purpose.

4. *Recommended Practice*

Where corresponding Customs offices are located on a common frontier, the Customs authorities of the two countries concerned should, as far as possible, correlate the business hours and the competence of those offices.

The declarant

- (a) Persons entitled to act as declarant

5. *Standard*

National legislation shall specify the conditions under which a person is entitled to act as declarant.

Note

The declarant need not be the owner of the goods; he may be, for example, the carrier, the forwarding agent, the consignee or an agent approved by the Customs.

6. *Recommended Practice*

Any person having the right to dispose of the goods should be entitled to act as declarant.

Note

The Customs authorities may require the declarant to establish his right to dispose of the goods.

(b) Responsibilities of the declarant

7. *Standard*

The declarant shall be held responsible to the Customs authorities for the accuracy of the particulars given in the Goods declaration and payment of the import duties and taxes.

(c) Rights of the declarant

8. *Standard*

Before lodging the Goods declaration the declarant shall be authorized, under such conditions as may be laid down by the Customs authorities :

- (a) to inspect the goods and
- (b) to draw samples.

9. *Recommended Practice*

The Customs authorities should not require a separate Goods declaration for home use in respect of samples allowed to be drawn under Customs supervision, provided that such samples are included in the Goods declaration for home use concerning the relevant consignment and that this declaration is lodged within the prescribed time limit.

10. *Recommended Practice*

In cases of special difficulty, and if so requested by the declarant, the Customs

authorities should provide any necessary information available to them to assist him in completing the Goods declaration for home use.

The Goods declaration
for home use

(a) Goods declaration form and contents

11. *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
- (a) 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 or preparation of new forms for Goods declarations for home use, Contracting Parties may use the lay-out key in Appendix I to this Annex, having regard to the Notes in Appendix II.

12. *Recommended Practice*

Where, for reasons deemed valid by the Customs authorities, the declarant does not have all the information required to make the Goods declaration for home use, he should be allowed to lodge a provisional or incomplete declaration provided that it contains the particulars deemed necessary by the Customs and that he undertakes to complete it within a specified period.

If the Customs authorities accept a provisional or incomplete declaration, the tariff treatment to be accorded to the goods should not be different from that which would have been accorded had a complete and correct declaration been lodged in the first instance.

Note

Where release is granted before all the necessary particulars have been supplied, the declarant may be required to furnish security for the payment of any sums that may become chargeable.

(b) Number of copies to be submitted

13. *Recommended Practice*

The Customs authorities should reduce, so far as possible, the number of copies of the Goods declaration for home use required to be submitted by the declarant.

14. *Recommended Practice*

Where several copies of the Goods declaration for home use are required, it should be made possible for the declarant to complete all of them in one run.

(c) Documents to be submitted in support of the Goods declaration

15. *Standard*

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.

Note

The Customs authorities frequently require production of the following documents in support of the Goods declaration for home use : import licence, documentary evidence of origin, health or phytopathological certificate, commercial invoice, transport documents.

16. *Recommended Practice*

Where certain supporting documents cannot be lodged with the Goods declaration and the declarant gives reasons deemed valid by the Customs authorities, the latter should

authorize him to produce those documents within a specified period.

Note

Where release is granted before the missing documents are produced, the declarant may be required to furnish security for the payment of any sums that may become chargeable.

17. *Recommended Practice*

Where the documents produced in support of a Goods declaration are made out in a language that is not a language of the country of importation, the Customs authorities should not require, as a matter of course, a translation of the particulars given in those documents.

(d) Amendment of the Goods declaration

18. *Standard*

The Customs authorities shall permit the declarant to amend a Goods declaration already lodged, provided that when his request is received they have commenced neither the checking of the declaration nor the examination of the goods.

19. *Recommended Practice*

A request to amend a Goods declaration, submitted by the declarant after either the checking of the declaration or the examination of the goods has commenced, should be accepted by the Customs authorities if the reasons given by the declarant are deemed valid.

Note

Amendment of the Goods declaration for home use does not prevent the Customs authorities from taking any necessary action if an offence has been discovered during the checking of the declaration or the examination of the goods.

(e) Withdrawal of the Goods declaration

20. *Recommended Practice*

The declarant should be authorized to withdraw a Goods declaration for home use and request the application of another Customs procedure, provided that his request is made to the Customs authorities before the goods have been released and his reasons are deemed valid.

Note

Withdrawal of the Goods declaration for home use does not prevent the Customs authorities from taking any necessary action if an offence has been discovered during the checking of the declaration or the examination of the goods.

Lodgement of the Goods declaration

(a) Choice of the office of clearance

21. *Standard*

The Goods declaration for home use shall be lodged at the competent Customs office where the goods are presented.

Note

If standing authority has been given for the release of goods before presentation of a Goods declaration, the Customs authorities may require the Goods declaration to be lodged at a specified Customs office.

(b) Time allowed for lodgement of the declaration

22. *Standard*

Where national legislation lays down a time limit for lodgement of the Goods declaration for home use at a competent Customs office, the time allowed shall enable the declarant to assemble the particulars

needed for making the declaration and to obtain the supporting documents required.

importer keeps proper commercial records (e.g., by means of computers) and that the necessary control measures can be taken.

Notes

1. National legislation may provide that the time limits for lodgement of the Goods declaration shall run, for example, from the time when the goods are unloaded, from the time when they are presented at the Customs office or from the time when they are released.

2. When the Goods declaration has not been lodged on expiry of the time limit, the Customs authorities may take such action as may be deemed necessary, in particular to protect the interests of the Revenue.

23. *Recommended Practice*

At the request of the declarant, and for reasons deemed valid by the Customs authorities, the latter should extend a time limit prescribed for lodging the Goods declaration.

24. *Recommended Practice*

The declarant should be authorized to lodge a Goods declaration for home use at a competent Customs office before the goods arrive at that office.

Note

Authority may also be given for lodgement of the declaration before the goods arrive in the Customs territory.

(c) Periodic lodgement of declarations

25. *Recommended Practice*

Where goods are imported frequently by the same person, the Customs authorities should allow a single Goods declaration to cover all importations by that person in a given period.

Notes

1. The Customs authorities may make this facility subject to the condition that the

2. If the Customs authorities grant this facility, they may require the declarant to produce, at each importation, a commercial or official document (commercial invoice, waybill, despatch note, etc.) giving the main particulars of the consignment concerned.

(d) Lodgement of the Goods declaration outside the business hours of the Customs office

26. *Standard*

The Goods declaration shall be lodged during the business hours of the competent Customs office.

27. *Recommended Practice*

At the request of the declarant, and for reasons deemed valid by the Customs authorities, the latter should, so far as possible, allow the Goods declaration to be lodged outside the business hours of the competent Customs office; any expenses which this entails may be charged to the declarant.

Acceptance of the Goods declaration

28. *Standard*

A Goods declaration shall be taken to be accepted when the Customs office at which it was lodged has ascertained that it contains all the necessary particulars and is accompanied by all the documents required.

29. *Standard*

Where the Customs authorities cannot accept a Goods declaration for home use lodged at a Customs office, they shall state the reasons to the declarant.

Note

A Goods declaration may be refused, for example, when the Customs office does not

have the necessary competence or when the immediate production of missing documents is deemed essential.

Checking of the Goods declaration

30. *Standard*

The checking of the Goods declaration shall be effected as soon as possible after the declaration has been accepted.

31. *Standard*

For the purpose of checking the Goods declaration the Customs authorities shall take only such action as they deem essential to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Note

As a general rule, the Customs :

- satisfy themselves that the tariff heading shown corresponds to the description of the goods and that the rates of import duties and taxes indicated are those in force;
- check that the particulars in the Goods declaration tally with those in the documents produced, in particular as regards identification of the packages and the quantity and value of the goods declared;
- check the authenticity and validity of the documents produced in support of the declaration.

Examination of the goods

(a) Time required for examination of goods

32. *Standard*

Where the Customs authorities decide that goods declared for home use shall be examined this examination shall take place as soon as possible after the Goods declaration has been accepted.

33. *Recommended Practice*

Priority should be given to the examination of live animals, perishable goods and other urgent consignments.

34. *Recommended Practice*

If the goods must also be inspected by other competent authorities (for the purpose of applying veterinary, health, phytopathological, etc., controls) the Customs should, where practicable, perform their examination at the same time.

Note

The Customs authorities may require that goods to be examined by other competent authorities be declared at Customs offices designated for that purpose.

(b) Examination of goods outside the business hours of the Customs office

35. *Standard*

At the request of the declarant, and for reasons deemed valid by the Customs authorities, the latter shall, so far as possible, allow goods declared for home use to be examined outside the business hours of the Customs office; the expenses entailed by such examination may be charged to the declarant.

Note

Examination outside the business hours of the Customs office may be arranged for, e.g. perishable goods, live animals and other urgent consignments.

(c) Examination of goods at a place other than the Customs office

36. *Standard*

At the request of the declarant, and for reasons deemed valid by the Customs

authorities, the latter shall, so far as possible, allow goods declared for home use to be examined at a place other than the Customs office where the Goods declaration was lodged; the expenses entailed by such examination may be charged to the declarant.

Notes

1. Goods may be examined, according to the circumstances, at the premises of the person concerned, on premises with appropriate equipment, at any place within the Customs surveillance zone or at a Customs office other than that at which the Goods declaration was lodged.

2. The cases in which arrangements may be made for examination at a place other than the Customs office where the Goods declaration was lodged include :

- goods which cannot readily be examined until unloaded at destination (for example : wheat, oil or ores imported by ship or barge; bulk consignments of parts in containers; furniture and household effects imported on transfer of residence);
- goods which cannot be examined without appropriate equipment (such as a dark room or a cold chamber);
- goods which cannot usefully be required to be produced at a Customs office (for example, products obtained from the working of border lands or quarries near the frontier, imported by the shortest route).

(d) Presence of the declarant at examination of goods

37.

Standard

The declarant shall have the right to attend or to be represented at the examination of the goods. If the Customs authorities deem it useful, they may require him to be present or to be represented at the examination of

the goods in order that he may give the Customs any assistance necessary to facilitate the examination.

Notes

1. The declarant may be required to group the packages, open them, sort the goods by description and tally them.

2. If goods declared for home use are dangerous, delicate or fragile, the declarant may be required to provide experts to assist the Customs.

3. The declarant may also be required to furnish the Customs with the technical specifications of imported goods.

(e) Extent of examination of goods

38.

Standard

When examining goods, the Customs authorities shall take only such action as they deem essential to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Notes

1. The examination of goods may be either summary or detailed. In a summary examination the Customs may carry out some, though not necessarily all, of the following checks — counting the packages, noting their marks and numbers and ascertaining the description of the goods. Detailed examination involves thorough inspection of the goods to determine as accurately as possible their composition, quantity, tariff heading, value and, where necessary, origin.

2. Detailed examination of the goods is warranted, in particular, where the Customs authorities are not satisfied about the accuracy of particulars furnished in the declaration or in the supporting documents.

3. Goods liable to high import duties and/or taxes may be regularly subjected to

detailed examination.

legislation. Any samples drawn shall be as small as possible.

39. *Recommended Practice*

The Customs authorities should in as many cases as possible be content with a summary examination of goods declared for home use.

Note

Summary examination may be considered sufficient, for example, where goods of the same description are imported frequently by a person known by the Customs to be reliable, where the accuracy of the particulars given in the declaration can be checked against the supporting documents or against other evidence, or where the import duties and taxes involved are low.

40. *Recommended Practice*

Where the Customs authorities carry out a detailed examination of goods shown in a declaration relating to a consignment consisting of many packages and covered by a packing list or other similar document, such examination should normally be undertaken on a random basis.

Note

The Customs authorities may decide, having regard to the staff available, that consignments of goods declared for home use will be subjected to detailed examination by a selective technique.

(f) Sampling by the Customs

41. *Standard*

Samples shall be taken only where deemed necessary by the Customs authorities to establish the description and/or value of goods declared for home use or to ensure the application of other provisions of national

Errors in the declaration

42. *Standard*

If the Customs authorities find that errors in the Goods declaration or in the assessment of the import duties and taxes will cause or have caused the collection of an amount of import duties and taxes greater than that legally chargeable they shall repay or remit the amount overcharged, or shall inform the declarant so that he may amend the declaration or lodge a claim for repayment or remission, as the case may be.

43. *Standard*

If the Customs authorities find that errors in the Goods declaration entail liability to additional import duties and taxes, the production of additional supporting documents or the application of additional laws or regulations, and there is no evidence of illegal intent, they shall inform the declarant without delay. Where they 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.

44. *Standard*

National legislation shall provide that where errors found in the Goods declaration or in the assessment of the import duties and taxes entail either the collection of additional import duties and taxes in an amount regarded as negligible, or the refund of such an amount,

the Customs shall not collect or refund that amount.

Assessment of import duties and taxes

(a) Factors to be taken into consideration

45. *Standard*

National legislation shall specify the factors on which the assessment of import duties and taxes is based and the conditions under which these factors are determined.

Notes

1. The factors on which the assessment of import duties and taxes is based are generally the following :

- tariff classification;
- value or quantity, according to whether the import duties and taxes applicable are ad valorem or specific;
- country of origin or country whence consigned, where liability depends upon these factors.

2. The rules for determining tariff classification, dutiable value or quantity, and origin may be set out in explanatory notes drawn up by the competent authorities.

(b) Rates of import duties and taxes applicable

46. *Standard*

The rates of import duties and taxes chargeable on goods taken into home use shall be set out in official tariffs which shall be given adequate publicity.

47. *Standard*

National legislation shall specify the point in time to be taken into consideration for the purpose of determining the rates of

import duties and taxes chargeable on goods declared for home use.

Note

The point in time taken into consideration for determining the rates chargeable may be, for example, the time when the goods arrive, the time when the Goods declaration is lodged, the time when the declaration is accepted by the Customs, the time when the import duties and taxes are paid, or the time when the goods are released.

Payment of import duties and taxes

(a) Methods of payment accepted

48. *Standard*

National legislation shall specify the methods that may be used to pay the import duties and taxes chargeable.

49. *Recommended Practice*

The Customs authorities should permit payment other than in cash.

Notes

1. Authorized methods of payment other than cash may include bank or postal cheques, payments or transfers.

2. If cheques drawn on a foreign bank are accepted it may be required that the bank must have an office in the country of importation.

(b) Date and place of payment

50. *Standard*

The Customs authorities shall determine the date when payment of the amount of import duties and taxes chargeable is due and the place where payment must be made.

Notes

1. Import duties and taxes are normally paid at the Customs office where the Goods

declaration was lodged. Payment may also be made through another agency or office designated by the Customs authorities.

2. Import duties and taxes are generally required to be paid at the time when the Goods declaration is lodged or accepted or before the goods are released. In certain circumstances, payment may be deferred.

(c) Deferred payment of import duties and taxes

51. *Recommended Practice*

Persons who regularly clear goods for home use should be authorized to defer payment of import duties and taxes without interest charges.

Notes

1. A person given the benefit of this facility may be required to furnish security in an amount determined by the Customs authorities.

2. Any person wishing to defer payment may be required to submit an application in writing to the Customs.

52. *Recommended Practice*

If security is required for deferred payment, persons who regularly clear goods for home use at different Customs offices in the Customs territory should be authorized to provide a general security.

53. *Recommended Practice*

The amount of the security to be provided for deferred payment should not exceed the amount of the import duties and taxes potentially chargeable in respect of the goods imported during the period for which the payment of import duties and taxes is deferred.

Note

The Customs authorities may determine the amount of the security on the basis of the amount of the import duties and taxes paid during a previous period of the same duration. In the event of changes in, for example, the rates applicable or the volume of the importations, the amount of the security may be adjusted accordingly.

54. *Standard*

Any person required to provide security for deferred payment shall be allowed to choose whatever form of security prescribed by national legislation is most convenient to him.

55. *Recommended Practice*

The period for which payment of import duties and taxes can be deferred should be at least fourteen days following the date when payment of the amount of import duties and taxes chargeable is otherwise due.

Notes

1. Different periods may be fixed for each type of tax.

2. The Customs authorities may agree that the import duties and taxes in respect of imports during a given period shall be payable on a fixed date.

(d) Proof of payment

56. *Standard*

When the import duties and taxes have been paid a receipt constituting proof of payment shall be issued to the payer.

Note

The receipt may be given on the declarant's copy of the declaration.

(e) Period of limitation for the collection of import duties and taxes.

57. *Standard*

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.

(f) Interest on arrears

58. *Standard*

National legislation shall determine the rate of interest chargeable on amounts of import duties and taxes that have not been paid when due and the conditions of application of such interest.

Release of goods

59. *Standard*

Goods declared for home use shall be released as soon as the Customs authorities have examined them, or decided not to examine them, provided that no offence has been found and that any import duties and taxes chargeable have been paid or that appropriate action has been taken to ensure their collection.

60. *Recommended Practice*

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.

Notes

1. The Customs authorities may make it a condition for release that the supporting documents deemed essential have been produced and that the controls provided for in national legislation (veterinary, health, phytopathological, etc., controls) have been carried out by the competent authorities.

2. The declarant may be required to furnish security to ensure compliance with his undertakings to the Customs.

61. *Recommended Practice*

When the goods cannot be examined promptly, for instance when experts have to be called in or when the goods must be analysed in specialized laboratories, and examination is possible on the basis of samples or detailed technical documentation, the Customs authorities should not wait for the examination to be completed before they release the goods.

Note

The Customs authorities may grant release on condition that security is furnished to ensure collection of any additional import duties and taxes that might become chargeable.

62. *Recommended Practice*

Where an offence has been discovered during the checking of the Goods declaration or the accompanying documents or during the examination of the goods, the Customs authorities should not wait for the offence to be regularized before they release the goods, provided that the declarant furnishes security to ensure collection of the additional import duties and taxes and of the penalties to which he is liable and that the goods are not liable to confiscation.

Destruction or abandonment of goods

63. *Recommended Practice*

On condition that no offence has been discovered during the checking of the declaration or the examination of the goods, the declarant or the person interested should not be required to pay the import duties and taxes or should be entitled to repayment thereof :

— where at his request goods that have been declared for home use but have not been released are abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control, as the Customs authorities may decide. Such abandonment or destruction shall not entail any cost to the Revenue;

- where goods that have been declared for home use are destroyed or irrecoverably lost by accident or force majeure, provided that such destruction or loss occurs before the goods are released and is duly established to the satisfaction of the Customs authorities.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste or scrap imported in that state.

Note

Where an offence has been discovered, the Customs authorities may allow this facility subject to payment of the penalties laid down in national legislation.

64. *Recommended Practice*

Where the Customs authorities sell goods which have not been declared within the time allowed or could not be released although no offence has been discovered, the proceeds of the sale, after deduction of the import duties and taxes and all other charges and expenses incurred, should be made over to the person(s) entitled to receive them, when this is possible, or be held at their disposal for a specified period.

Note

This procedure may be followed, in particular, where a Goods declaration has been accepted but the declarant has been unable to pay the import duties and taxes and has not requested that the goods be assigned to another Customs procedure.

Information concerning clearance for home use

65. *Standard*

The Customs authorities shall ensure that all relevant information concerning the clearance for home use procedure is readily available to any person interested.

LAY-OUT KEY
for Goods declaration for home use

Appendix I to Annex B.1

FREE DISPOSAL	Declaration No	
	Customs office	
Importer (name and address)	Declarant (name and address)	
Free disposal	Country whence consigned	Import licence No.
	Country of origin	Preference claimed
	Other documents attached	
	Free disposal	
Mode of transport and identification of means of transport		
Description of packages (marks and numbers, number and kind); description of goods; gross weight		
<p>.....</p> Tariff heading, statistical No, net weight, quantity, dutiable value, nature, rates & amount of duties & taxes		
(Free disposal)		
		Place and date
		Signature of declarant

APPENDIX II

Notes

1. The size of the lay-out key is the international ISO size A4 (210 × 297 mm, 8.27 × 11.69 inches). The form should be provided with a 10 mm top margin and a 20 mm left-hand filing margin. Line spacing should be based on multiples of 4.24 mm (1/6 inch) and width-spacing on multiples of 2.54 mm (1/10 inch). The lay-out should be in conformity with the Economic Commission for Europe (ECE) lay-out key, as illustrated in Appendix I. Minor deviations in the exact size of boxes etc., are permissible if required for particular reasons in the issuing country, such as the existence of non-metric measurement systems, features of national aligned systems of documents etc.

2. Countries may determine standards concerning the weight per m² of the paper, and the use of a machine-turned background to prevent falsification.

3. The standardization comprises only questions of size and lay-out; guiding words included in the lay-out key are intended only to indicate the nature of the information which should appear in a given place. Accordingly each country remains free to replace these words in its national form by such wording as it considers more appropriate provided that this wording does not affect the nature of the information as indicated in the lay-out key.

4. In addition it is open to administrations to omit from their forms items in the lay-out key which they do not require. The spaces which thus become vacant may be used for official purposes.

5. Additional items required by administrations which are not provided for by the lay-out key may be allocated to the "free disposal area".

ANNEX B. 2.

Annex
concerning relief from import duties
and taxes
in respect of goods declared for home use

Introduction

Most countries experience the need to relieve from import duties and taxes certain goods cleared for home use, irrespective of their normal tariff classification or normal liability, provided that they are imported in specified circumstances and for specified purposes. This relief may be provided for in the Customs tariff or may be set out in separate legislation or regulations.

Relief may be granted on philanthropic or humanitarian grounds, or may be based on considerations of equity. It may be intended to encourage the development of education, science and culture, or to foster harmonious international relations, or be introduced simply for administrative convenience, to avoid expenditure that would be out of proportion to the amounts collected. Occasionally, economic considerations may also have to be taken into account when granting relief.

The relief referred to here is outright inasmuch as the goods are taken into home use and are not placed under a Customs procedure affording only conditional relief from import duties and taxes.

However, though the relief is outright, there are usually certain conditions to be met and the facility may, for a time at least, be subject to constraints : use for approved purposes, prohibition on sale, etc.

The relief may apply to both import duties and import taxes or, in certain cases, to Customs duties only.

This Annex does not contain an exhaustive list of the various reliefs granted by all countries. It does not cover, inter alia, goods reimported in the same state, goods consumed on board ships, aircraft and international trains or goods contained in travellers' baggage. Nor does it cover tariff preferences, whether granted unilaterally or under bilateral or multilateral agreements.

Definitions

For the purposes of this Annex :

- (a) the term " relief from import duties and taxes " means the clearance of goods for home use free of import duties and taxes, irrespective of their normal tariff classification or normal liability, provided that they are imported in specified circumstances and for specified purposes;
- (b) the term " clearance for home use " means the Customs procedure which provides that imported goods may remain permanently in the Customs territory. This procedure implies the payment of any import duties and taxes chargeable and the accomplishment of all the necessary Customs formalities;
- (c) 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 service rendered;
- (d) the term " Customs duties " means the duties laid down in the Customs tariff,

to which goods are liable on entering the Customs territory;

- (e) the term "security" means that which ensures to the satisfaction of the Customs that an obligation to the Customs will be fulfilled;
- (f) the term "person" means both natural and legal persons, unless the context otherwise requires.

from import duties and taxes and to designate the authorities empowered to grant such authority.

6. *Recommended Practice*

The cases in which prior authority is required for relief from import duties and taxes should be as few as possible.

1. Principles

Standard

Relief from import duties and taxes in respect of goods declared for home use shall be governed by the provisions of this Annex.

(b) *Declaration*

Standard

National legislation shall specify the conditions under which goods qualifying for relief from import duties and taxes shall be produced at the competent Customs office and a Goods declaration shall be lodged.

2.

Standard

National legislation shall specify the circumstances and enumerate the cases in which relief from import duties and taxes is granted and shall lay down the requirements which must be met to qualify for such relief.

8.

Recommended Practice

When a Goods declaration is required the form used should be that normally used for the Goods declaration for home use.

3.

Standard

Relief from import duties and taxes shall be authorized not only for goods imported directly from abroad but also for goods which are under another Customs procedure.

(c) *Security*

9.

Standard

The form in which security, if any, is to be provided for the purposes of relief from import duties and taxes shall be laid down in national legislation or determined by the Customs authorities in accordance with national legislation.

4.

Recommended Practice

Except where an international instrument provides for reciprocity, relief from import duties and taxes should be granted without regard to the country of origin of the goods or the country whence they arrived.

10.

Recommended Practice

Where security is required to ensure compliance with any conditions laid down in respect of relief from import duties and taxes, the Customs authorities should be satisfied with a written undertaking alone.

Formalities

(a) *Prior authority*

5.

Standard

National legislation shall specify the cases in which prior authority is required for relief

11.

Recommended Practice

Where, in special cases, security is required in the form of a deposit or a surety

must be provided, the amount should be as small as possible and should not exceed the amount of the import duties and taxes that would have been involved if no relief had been granted.

12. *Standard*

Where security has been furnished, it shall be discharged as soon as possible after the Customs are satisfied that the conditions under which relief from import duties and taxes has been granted have been duly fulfilled during any period laid down.

Scope

I. *Cases covered by international instruments*

13. *Recommended Practice*

Relief from import duties and taxes or from Customs duties only, as appropriate, should be granted for goods specified in the following international instruments and under the conditions laid down therein :

- (a) goods referred to in the Annexes to the Unesco Agreement on the importation of educational, scientific and cultural materials (New York, 22 November 1950) and to the Protocol thereto (Nairobi, 26 November 1976) as well as in the Unesco Agreement for facilitating the international circulation of visual and auditory materials of an educational, scientific and cultural character (Beirut, 1948);
- (b) equipment or material referred to in Recommended Practices 4.39 and 4.41 of Annex 9 (7th Edition) to the Convention on International Civil Aviation (Chicago, 7 December 1944);
- (c) commercial samples of negligible value and advertising material referred to in the International Convention to facilitate the importation of commercial samples and advertising material (Geneva, 7 November 1952);

(d) tourist publicity documents and material referred to in the Additional Protocol to the Convention concerning Customs facilities for touring, relating to the importation of tourist publicity documents and material (New York, 4 June 1954);

(e) products referred to in Articles 6 and 7 of the Customs Convention concerning facilities for the importation of goods for display or use at exhibitions, fairs, meetings or similar events (Brussels, 8 June 1961); and

(f) goods imported under diplomatic or consular privileges as referred to in the Vienna Conventions on Diplomatic Relations (18 April 1961) and Consular Relations (24 April 1963).

Contracting Parties are invited to consider the possibility of acceding to the above international instruments.

II. *Samples of no commercial value*

14. *Standard*

Relief from import duties and taxes and from economic prohibitions or restrictions shall be granted in respect of samples of no commercial value (samples of negligible value within the meaning of the International Convention to facilitate the importation of commercial samples and advertising material; Geneva, 7 November 1952).

*15. *Recommended Practice*

The following should be regarded as samples of no commercial value :

- (a) raw materials and products of such dimensions that they are useless except for purposes of demonstration;
- (b) articles of non-precious materials affixed to cards or put up as samples in the manner usual in the trade, provided that there is not more than one of each size or kind;

(c) raw materials and products, and articles of such materials or products, rendered useless, except for purposes of demonstration, by slashing, perforation, indelible marking or by any other effective method;

(d) products which cannot be put as samples of no commercial value in accordance with paragraphs (a) to (c) above and which consist of :

(1) non-consumable goods of an individual value not exceeding US\$5, and provided there is not more than one sample of each kind or quality;

(2) consumable goods of an individual value not exceeding US\$5, even if they consist wholly or partly of samples of the same kind or quality, provided the quantity and the manner in which they are put up preclude their being used otherwise than as samples.

III. *Human therapeutic substances, blood-grouping and tissue-typing reagents*

16. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of the following substances, where they are consigned to institutions or laboratories approved by the competent authorities :

(a) therapeutic substances of human origin : human blood and its derivatives (whole blood, dried plasma, albumin, gammaglobulin, fibrinogen); bodily organs;

(b) blood-grouping reagents of human, animal, plant or other origin; and

(c) tissue-typing reagents of human, animal, plant or other origin.

IV. *Removable articles imported on transfer of residence*

17. *Standard*

Relief from import duties and taxes and from economic prohibitions or restrictions shall be granted in respect of removal of articles belonging to a natural person or members of his household imported on transfer of their residence to the country of importation.

18. *Recommended Practice*

For the purposes of Standard 17 the expression "removable articles" should be taken to include, in particular :

(a) furniture and furnishings;

(b) household appliances and audio-visual equipment;

(c) personal effects;

(d) means of transport for private use e.g. motor vehicles and trailers thereof, cycles, motor-cycles, caravans, pleasure boats and light aircraft;

(e) household provisions normally kept in stock;

(f) collector's pieces;

(g) household pets and saddle horses;

(h) equipment necessary for the calling, trade or profession of the persons transferring their residence, other than industrial, commercial or agricultural plant or equipment.

Note

In some countries, relief from Customs duties and from economic prohibitions or restrictions is granted in respect of industrial, commercial or agricultural plant or equipment imported by natural persons in connexion with the transfer of their undertaking to the country of importation.

19. *Recommended Practice*

The relief provided for in Standard 17 should not be made subject to conditions more restrictive than the following :

- (a) that the articles are appropriate, in kind, number and value to the circumstances of the case;
- (b) that in the case of persons returning to the country of importation, there has been an appropriate period of residence abroad. This period should not be fixed at more than one year;
- (c) that except for household provisions, the removable articles have been owned or possessed, and used, abroad by the importer or the members of his household for a reasonable period. This period should not be fixed at more than six months except in the case of articles liable to large amounts of import duties and taxes, for which it should not exceed one year;
- (d) that except for household provisions, the removable articles granted relief will continue to be owned or possessed, and used, by the importer or the members of his household for a reasonable period after importation. This period should not be fixed at more than six months except in the case of articles liable to large amounts of import duties and taxes, for which it should not exceed one year;
- (e) that the removable articles be imported within an appropriate period starting from the date on which the importer establishes residence in the country of importation. This period should not be less than six months;
- (f) that any alcoholic beverages and tobacco goods do not exceed the quantities laid down in national legislation;
- (g) that the importer submits a list (inventory) of all the articles being imported.

V. *Furniture and household articles for furnishing secondary residences*20. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of furniture and household articles imported for the purpose of furnishing a secondary residence by a person whose normal residence is in another country, under the conditions laid down by national legislation.

Note

Relief is normally made subject to the following conditions :

- (a) the furniture and household articles must :
 - (1) have been used before by the person concerned for a reasonable period;
 - (2) be imported to furnish the secondary residence and be for the personal use of a private person and the members of his family living with him during their stay in the secondary residence;
 - (3) be appropriate, in kind and quantity, to the normal furnishing of the secondary residence in question;
 - (4) be retained in the possession of the person concerned for a reasonable period;
- (b) relief may be granted on one occasion only for one and the same secondary residence; and
- (c) the secondary residence must be owned by the person concerned or have been rented by him for a reasonable period.

VI. *Trousseaux and wedding presents*21. *Standard*

Relief from import duties and taxes and from economic prohibitions or restrictions shall be granted in respect of trousseaux and wedding presents for a person resident abroad who transfers residence to the country of

importation on, or with a view to, marriage to a person already residing in that country.

22. *Standard*

Trousseaux and wedding presents shall be taken to include :

- (a) household linen and clothing, whether or not new, for the personal use of the person concerned or for use in his household;
- (b) any articles customarily given on the occasion of a wedding.

23. *Recommended Practice*

The relief provided for in Standard 21 should not be made subject to conditions more restrictive than the following :

- (a) that the person concerned has lived abroad for an appropriate period. This period should not be fixed at more than one year;
- (b) that the goods be imported no earlier than three months before the scheduled date of the wedding and no later than six months after the wedding;
- (c) that the person granted the relief will continue to own or possess the goods imported as trousseaux and wedding presents for a reasonable period after importation. As a rule, this period should not be fixed at more than one year;
- (d) that the goods are intended for the personal use of the couple;
- (e) that any alcoholic beverages and tobacco goods do not exceed the quantities laid down in national legislation;
- (f) that a list (inventory) of all the goods being imported be submitted, together with any supporting documents required by the Customs authorities.

VII. *Personal effects and educational articles for persons attending educational establishments*

24. *Standard*

Relief from import duties and taxes and from economic prohibitions or restrictions shall be granted in respect of the personal effects and educational articles used by persons normally resident abroad who are duly enrolled as full-time pupils or students in an educational establishment in the country of importation.

25. *Recommended Practice*

The relief provided for in Standard 24 should not be made subject to conditions more restrictive than the following :

- (a) that the goods be for the personal use of the person concerned;
- (b) that a list (inventory) of the goods to be imported be submitted, together with any supporting documents required by the Customs authorities.

VIII. *Effects acquired by inheritance*

26. *Standard*

Relief from import duties and taxes and from economic prohibitions or restrictions shall be granted in respect of effects inherited by a person who, at the time of the death of the deceased, has his principal residence in the country of importation provided that such effects were for the personal use of the deceased.

27. *Recommended Practice*

The relief provided for in Standard 26 should not be made subject to conditions more restrictive than the following :

- (a) that the deceased was resident abroad at the time of death;
- (b) that the effects be imported within one year of the date on which the person concerned became entitled to dispose of them;

- (c) that, except in the case of household provisions, the person granted relief retain ownership or possession of the goods inherited for a reasonable period after importation. As a rule, this period should not be fixed at more than one year;
- (d) that any alcoholic beverages and tobacco goods do not exceed the quantities laid down in national legislation;
- (e) that a list (inventory) of the goods to be imported be submitted, together with any supporting documentary proof required by the Customs authorities.

IX. *Personal gifts*

28. *Standard*

Relief from import duties and taxes and from economic prohibitions or restrictions shall be granted in respect of personal gifts (excluding alcohol, alcoholic beverages and tobacco goods) the aggregate value of which, determined on the basis of the retail prices in the country of despatch, does not exceed US\$25. Where several consignments are despatched at the same time by the same sender to the same addressee, the aggregate value shall be taken to be the total value of all those consignments.

Note

A gift is usually considered to be personal if it :

- (a) is sent to a private person by or on behalf of another private person resident abroad;
- (b) is occasional; and
- (c) consists only of goods for personal use by the addressee or his family, and the nature and quantity of the goods imported are such that the consignment is obviously not of a commercial nature.

X. *Goods sent to charitable or philanthropic organizations*

29. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of basic necessities (such as foodstuffs, medicaments, clothing and blankets) sent as gifts to an approved organization for distribution free of charge to needy persons by the organization or under its control.

XI. *Awards*

30. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of :

- (a) decorations presented by foreign governments to persons resident in the country of importation;
- (b) objets d'art, trophies, medals and similar articles presented abroad either as prizes in a competition or as a reward for acts of courage or self-sacrifice, to persons resident in the country of importation, or such articles donated by authorities or non-profit-making organizations abroad with a view to presentation for the same purposes in the country of importation to persons resident in that country, subject to the production of any supporting documents required by the Customs authorities.

XII. *Materials for the construction, upkeep or ornamentation of military cemeteries; coffins, funerary urns and ornamental funerary articles*

31. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of :

- (a) goods, imported by organizations approved by the competent authorities of the country of importation and appropriate for the construction, upkeep or ornamentation of military cemeteries;
- (b) coffins containing the bodies, and urns containing the ashes, of deceased persons, and the flowers, wreaths and other ornamental objects accompanying them;
- (c) flowers, wreaths and other ornamental objects brought by persons attending a funeral or mourners coming to decorate graves in the country of importation.

XIII. Documents and miscellaneous articles of no commercial value

32. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of consignments containing the following items when they are clearly, by their quantity or nature, of no commercial value :

- (a) publications of foreign governments and publications of official international organizations;
- (b) printed forms issued by foreign governments;
- (c) voting papers for foreign nationals;
- (d) documents sent free of charge to the public services of the country of importation;
- (e) objects to be submitted as evidence or for similar purposes to the courts or other official agencies of the country of importation;
- (f) printed circulars concerning signatures addressed to public services or banks in the country of importation;
- (g) securities in foreign currencies, cheque books and travellers' cheques of banks established abroad;

- (h) reports, statements and notes drawn by companies established abroad;
- (ij) recorded media such as punched cards, sound recordings, magnetic tape, microfiches, microfilms and magnetic discs, for the international exchange of information;
- (k) publications of chambers of commerce of the country of importation abroad;
- (l) plans, technical drawings, traced designs, specifications and other documents imported solely with a view to placing orders abroad or to participating in competitions or calls for tenders in the country of importation;
- (m) documents relating to trade marks, patterns or designs and patent applications submitted to the agencies in the country of importation which deal with the protection of copyrights or the protection of industrial or commercial property;
- (n) printed forms and tickets sent by transport and travel undertakings located abroad to their offices and agencies in the country of importation;
- (o) printed forms and tickets, bills of lading, waybills and other commercial documents which have been processed;
- (p) press photographs and stereotype mats for press photographs sent to press agencies or to publishers of newspapers or periodicals.

XIV. Religious objects

33. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of objects used for religious worship, subject to compliance with the conditions laid down in national legislation.

XV. *Products imported for testing*

34. *Standard*

Relief from import duties and taxes and from economic prohibitions or restrictions shall be granted in respect of products imported for testing, provided that the quantities imported do not exceed those strictly necessary for testing and that :

- (a) they are products that will be completely used up during testing;
- (b) if not so used up, they will be re-exported, destroyed or rendered commercially valueless under official control, without expense to the Revenue.

XVI. *Products and materials for the protection of goods during transport*

35. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of packing materials (straw, paper, fibre glass, wood shavings, etc.) and various products such as rope, paper and paperboard which have been used to stow and protect goods during transport.

XVII. *Fodder and other feed for animals in the course of being transported*

36. *Recommended Practice*

Relief from import duties and taxes and from economic prohibitions or restrictions should be granted in respect of fodder and other feed accompanying imported animals and intended for use during transport.

Information concerning relief

37. *Standard*

The Customs authorities shall ensure that all relevant information concerning relief from import duties and taxes is readily available to any person interested.

ANNEX B. 3.

Annex
concerning reimportation in the same state

Introduction

Goods are often reimported into the country whence they were exported in the same state as they were before exportation. In many cases, this reimportation was foreseeable at the time of exportation, in which case the goods may have been exported with notification of intended return. However, in certain cases, goods are reimported owing to circumstances which arise after their exportation.

The national legislation of most States includes provisions enabling such reimported goods to enter free of import duties and taxes and provides for the repayment of any export duties and taxes paid on exportation. The Customs procedure which provides for such duty-free importation and repayment is that of reimportation in the same state. This procedure is granted subject to the condition that the identity of the goods can be established. Any sums chargeable as a result of repayment or remission of or conditional relief from duties and taxes or of any subsidies or other amounts granted at exportation, must be paid.

This Annex does not apply to the reimportation of travellers' personal effects or of means of transport for private use.

Definitions

For the purposes of this Annex :

- (a) the term "reimportation in the same state" means the Customs procedure under which goods which were exported and were in free circulation or were compensating products may be taken into home use free of import duties and taxes, provided that they have not undergone any manufacturing, processing or repairs

abroad. Any sums chargeable as a result of repayment or remission of or conditional relief from duties and taxes or of any subsidies or other amounts granted at exportation, must be paid;

- (b) the term "clearance for home use" means the Customs procedure which provides that imported goods may remain permanently in the Customs territory. This procedure implies the payment of any import duties and taxes chargeable and the accomplishment of all the necessary Customs formalities;
- (c) the term "import duties and taxes" means the 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;
- (d) the term "export duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the exportation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (e) the term "goods exported with notification of intended return" means goods specified by the declarant as intended for reimportation, in respect of which identification measures may be taken by the Customs to facilitate reimportation in the same state;

Note

Goods exported with notification of intended return may be regarded as placed under a Customs procedure described as "temporary exportation";

- (f) the term "goods in free circulation" means goods which may be disposed of without Customs restriction;
- (g) the term "compensating products" means the products obtained during or

as a result of the manufacturing, processing or repair of the goods temporarily admitted for inward processing;

(h) the term "Goods declaration" means a statement made in the form prescribed by the Customs, by which the persons interested indicate the Customs procedure to be applied to the goods and furnish the particulars which the Customs require to be declared for the application of that procedure;

(i) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*

Reimportation in the same state shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall specify the conditions to be fulfilled and the Customs formalities to be accomplished for reimportation in the same state.

Note

Reimportation in the same state is subject to identification of the goods as the exported goods to the satisfaction of the Customs authorities.

General provisions

3. *Standard*

Reimportation in the same state shall be allowed even if only a part of the exported goods is reimported.

4. *Recommended Practice*

When circumstances so justify, reimportation in the same state should be allowed even if the goods are reimported by a person other than the person who exported them.

5. *Standard*

Reimportation in the same state shall not be refused on the grounds that the goods have been used or damaged, or have deteriorated during their stay abroad.

6. *Standard*

Reimportation in the same state shall not be refused on the grounds that, during their stay abroad, the goods have undergone operations necessary for their preservation or maintenance provided, however, that their value at the time of exportation has not been enhanced by such operations.

7. *Standard*

Reimportation in the same state shall not be limited to goods imported directly from abroad but shall also be authorized for goods which are under another Customs procedure.

8. *Recommended Practice*

Economic prohibitions and restrictions on importation should not be applied to goods reimported in the same state which were in free circulation when exported.

9. *Recommended Practice*

Reimportation in the same state should not be refused on the grounds of the country whence the goods were consigned.

10. *Standard*

Reimportation in the same state shall not be refused on the grounds that the goods were exported without notification of intended return.

Time limit for reimportation in the same state

11. *Recommended Practice*

Where time limits are fixed in national legislation beyond which reimportation in the same state will not be granted, such limits should be of sufficient duration to take

account of the differing circumstances pertaining to each type of case in which reimportation in the same state may be granted and should not be less than one year.

Repayment of export duties and taxes

12. *Recommended Practice*

Any export duties and taxes paid should be repaid as soon as possible after the goods have been reimported in the same state.

Competent Customs offices

13. *Standard*

Customs offices at which goods may be declared for home use shall also be competent to grant reimportation in the same state.

14. *Standard*

Provision shall be made to permit goods reimported in the same state to be declared at a Customs office other than that through which they were exported.

Goods declaration

15. *Recommended Practice*

Goods declaration forms used for reimportation in the same state should be harmonized with those used for clearance for home use.

Notes

1. In some countries the Goods declaration for exportation with notification of intended return may also be used for reimportation in the same state.

2. Where goods have been exported under cover of an ATA carnet in accordance with the Customs Convention on the ATA carnet for the temporary admission of goods, done at Brussels on 6 December 1961, reimportation

in the same state takes place under cover of that carnet.

16. *Recommended Practice*

No written Goods declaration should be required for the reimportation in the same state of packings, containers, pallets and commercial road vehicles which are in use for the international transport of goods, subject to the satisfaction of the Customs authorities that they were in free circulation at the time of exportation.

Documentation to be presented in support of the declaration for reimportation in the same state

17. *Standard*

In support of the declaration for reimportation in the same state the Customs authorities shall require the production of only such documents as are considered necessary to ensure that the conditions laid down for the application of the procedure are fulfilled.

Note

The Customs authorities may require production of the export declaration, other export documents, invoices, contracts, etc. relating to the exported goods, and correspondence exchanged in respect of the return of the goods.

18. *Recommended Practice*

Where goods to be reimported in the same state were exported with notification of intended return, the Customs authorities should normally not require in support of the declaration of reimportation in the same state any document other than the Goods declaration or the identification document issued at exportation.

Notes

1. In certain countries the declaration for exportation with notification of intended return is the only document required for reimportation in the same state.

2. The identity of the goods may be established by the Customs authorities on the basis of the identification measures taken on exportation.

Goods exported with notification of intended return

(a) *Goods to be exported with notification of intended return*

19. *Recommended Practice*

The Customs authorities should, at the request of the declarant, allow goods to be exported with notification of intended return, and should take any necessary steps to facilitate reimportation in the same state.

(b) *Customs offices competent for exportation with notification of intended return*

20. *Standard*

Customs offices at which goods may be exported outright shall also be competent to authorize exportation with notification of intended return.

(c) *Goods declaration for exportation with notification of intended return*

21. *Recommended Practice*

The Goods declaration forms used for exporting goods with notification of intended return should be harmonized with those used for outright exportation.

Note

Exportation with notification of intended return may also be authorized under cover of an ATA carnet in lieu of a national Customs document.

(d) *Documentation to be presented in support of the declaration for exportation with notification of intended return*

22. *Standard*

In support of the declaration for exportation with notification of intended return the Customs authorities shall require only those documents considered necessary by them to permit control of the operation and to ensure compliance with all

requirements relating to the application of relevant restrictions or other regulations.

(e) *Identification of goods exported with notification of intended return*

23. *Standard*

When determining the nature of the identification measures to be taken with respect to goods exported with notification of intended return, the Customs authorities shall take account in particular of the nature of the goods and the revenue interests involved.

Note

For the identification of goods to be exported with notification of intended return, the Customs authorities may affix Customs marks (seals, stamps, perforations, etc.), or rely on marks, numbers or other indications permanently affixed to the goods or on the description of the goods, scale plans or photographs, or take samples.

(f) *Facilities granted to goods exported with notification of intended return*

24. *Recommended Practice*

Goods exported with notification of intended return should be granted conditional relief from any export duties and taxes applicable.

Note

The declarant may be required to provide security for recovery of the sums that would be chargeable if the goods were not reimported within any time limit specified.

25. *Standard*

At the request of the person concerned, the Customs authorities shall allow exportation with notification of intended return to be converted to definitive exportation, subject to compliance with the relevant conditions and formalities.

Notes

1. Any export duties and taxes not paid become chargeable.

2. Normally, any repayment of or exemption from duties and taxes which could not be obtained because the goods were exported with notification of intended return is allowed.

26. *Recommended Practice*

Where the same goods are to be exported with notification of intended return and reimported in the same state several times, the Customs authorities should, at the request of the declarant, allow the declaration for exportation with notification of intended return lodged on the first exportation to cover the subsequent reimportations and exportations of the goods during a specified period.

Note

The subsequent reimportations and exportations may be recorded on the Goods declaration by the Customs authorities, by stamping or by appropriate endorsement.

Information concerning reimportation in the same state

27. *Standard*

The Customs authorities shall ensure that all relevant information regarding reimportation in the same state is readily available to any person interested.



ANNEX C.1.

Annex
concerning outright exportation

Introduction

The outright exportation of goods generally involves relatively simple Customs formalities. While normally a Goods declaration is required, in some cases the exporter need only produce to the Customs a commercial document containing the information required about the goods to be exported. Under certain conditions, the exporter may be authorized to lodge a single Goods declaration or a consolidated return covering all his exportations in a given period.

Apart from the collection of any export duties and taxes applicable, the purposes of Customs control are, in particular, to ensure the enforcement of national legislation concerning export prohibitions and restrictions and to check the particulars used to determine the amount of any internal duties and taxes from which repayment can be allowed or from which exemption can be granted. In addition, the Customs are normally responsible for collecting the information needed for the preparation of external trade statistics.

Goods to be exported may also be subject to certain controls by competent authorities other than the Customs, for example veterinary, phytopathological and other health controls.

This Annex deals with the various formalities and measures (Customs formalities) involved in outright exportation, irrespective of the mode of transport.

In accordance with the definition of "outright exportation", this Annex does not deal with goods exported under the drawback

procedure or under a processing procedure or with repayment of import duties and taxes. Nor does it cover goods which are carried by post or in travellers' baggage.

Definitions

For the purposes of this Annex :

- (a) the term "outright exportation" means the Customs procedure applicable to goods which, being in free circulation, leave the Customs territory and are intended to remain permanently outside it, excluding goods exported under the drawback procedure or under a processing procedure or with repayment of import duties and taxes;
- (b) the term "goods in free circulation" means goods which may be disposed of without Customs restriction;
- (c) the term "Customs territory" means a territory in which the Customs law of a State applies in full;
- (d) the term "export duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the exportation of goods but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (e) the term "Goods declaration" means a statement made in the form prescribed by the Customs, by which the persons interested indicate the Customs procedure to be applied to the goods and furnish the particulars which the Customs require to be declared for the application of that procedure;

(f) the term "examination of goods" means the physical inspection of goods by the Customs to satisfy themselves that the nature, origin, condition, quantity and value of the goods are in accordance with the particulars furnished in the Goods declaration;

(g) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principles

1.

Standard

Outright exportation shall be governed by the provisions of this Annex.

2.

Standard

National legislation shall specify the conditions to be fulfilled and the Customs formalities to be accomplished for outright exportation.

Notes

1. National legislation may include prohibitions and restrictions in respect of the exportation of certain categories of goods.

2. The obligations to be fulfilled in connexion with outright exportation include, in particular, the lodgement of a covering document and the payment of any export duties and taxes chargeable.

Competent Customs offices

3.

Standard

The Customs authorities shall designate the Customs offices at which goods may be cleared for outright exportation. In determining the competence of these offices and their hours of business, the factors to be taken into account shall include the particular requirements of trade, industry and transport.

Notes

1. The competence of certain Customs offices may be restricted to exportations by

certain modes of transport or to specified categories of goods or to goods coming from a specified region (e.g. the frontier zone or an industrial zone).

2. The Customs authorities may require that the outright exportation of certain categories of goods subject to special control measures (e.g. diamonds, antiques, works of art) or to controls by other competent authorities be effected at Customs offices designated for that purpose.

4.

Standard

The Customs authorities shall allow goods for outright exportation to be declared at inland Customs offices.

Notes

1. Where justified by the circumstances, the Customs authorities may authorize a Customs post to be set up on the premises of a commercial undertaking.

2. Examination of the goods, where necessary, is normally carried out at the inland Customs office where the goods were declared for outright exportation.

3. The Customs authorities may require that goods declared for outright exportation at an inland Customs office be conveyed to the office of exit in Customs transit.

5.

Standard

Where corresponding Customs offices are located on a common frontier, the Customs authorities of the countries concerned shall as far as possible correlate the business hours and the competence of those offices.

Clearance of goods outside the business hours
of the Customs office

6. *Standard*

At the request of the declarant, and for reasons they deem valid, the Customs authorities shall, as far as administrative organization permits, allow goods for outright exportation to be cleared outside the business hours of the Customs office; the expenses entailed by such clearance may be charged to the declarant.

The declarant

7. *Standard*

National legislation shall specify the conditions under which a person is entitled to act as declarant, the extent of his responsibility and his rights.

Documentation
to be submitted on outright exportation

(a) *Goods declaration form and content*

8. *Standard*

Forms for the Goods declaration for outright exportation shall conform to the official model laid down by the Customs authorities.

The Customs authorities shall require only such particulars as are deemed necessary for the assessment and collection of any export duties and taxes chargeable, any repayment of, or exemption from, internal 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:

- (a) particulars relating to persons
- name and address of declarant;
 - name and address of exporter;
 - name and address of consignee.

- (b) particulars relating to transport
- mode of transport;
 - identification of means of transport.

- (c) particulars relating to the goods
- country of destination;
 - description of the packages (marks and numbers, number and kind);
 - description of the goods;
 - gross weight;
 - net weight or other quantity;
 - value.

- (d) particulars for the assessment of any export duties and taxes chargeable
- tariff heading;
 - rates of export duties and taxes;
 - amount of export duties and taxes.

- (e) other particulars
- statistical item number applicable to each description of goods;
 - reference to documents submitted (for example, export licence, health or other certificate).

- (f) place, date and signature of the declarant.

9. *Recommended Practice*

When they are considering revision of present forms or preparation of new forms for the Goods declaration for outright exportation, the Customs authorities should use as far as possible the lay-out key in Appendix I in accordance with the Notes in Appendix II.

- (b) *Acceptance of a commercial document in lieu of an official form*

10. *Recommended Practice*

The Customs authorities should, as far as possible, provide that, instead of using an official form, the declaration of the goods may

be made by lodging a commercial document (for example, the invoice) containing the necessary particulars relating to the goods to be exported.

Notes

1. The Customs authorities are usually satisfied with a commercial document where the goods to be exported are not liable to export duties and taxes and do not give rise to repayment of or exemption from internal duties and taxes and the Goods declaration is not used for the compilation of statistics.

2. A Recommendation on an aligned invoice lay-out key for international trade has been adopted within the Economic Commission for Europe (ECE). This lay-out key is reproduced at Appendix III.

3. The Customs authorities may accept commercial documents produced by automatic data-processing techniques.

11. *Recommended Practice*

The Customs authorities should, in agreement with the other authorities competent in matters of external trade, ensure that all the documents required in connexion with outright exportation can be included in a standard series of external trade documents.

Note

By using a standard series of external trade documents aligned on the lay-out key of the Economic Commission for Europe (or compatible with it) the information common to these documents can be reproduced by the one-run method on pre-printed or blank forms.

(c) *Number of copies to be submitted*

12. *Recommended Practice*

The Customs authorities should reduce, so far as possible, the number of copies of the

Goods declaration or the commercial document required to be lodged by the declarant.

(d) *Documents to be submitted in support of the Goods declaration or commercial document*

13. *Standard*

In support of the Goods declaration or commercial document to be lodged by the declarant, the Customs authorities shall require only those documents considered necessary by them to permit control of the operation and to ensure compliance with all requirements relating to the application of relevant restrictions or other regulations.

Note

The Customs authorities may require, where appropriate, production of an export licence and a phytopathological or other health certificate.

(e) *Periodic lodgement of Goods declaration or commercial documents*

14. *Standard*

Where a person frequently exports goods, the Customs authorities shall allow, under such conditions as may be laid down by them, a single Goods declaration, or a consolidated return setting out the necessary particulars, to cover all exportations by that person in a given period.

Notes

1. The Customs authorities may grant this facility subject to the conditions that the exporter keeps proper commercial records and that the necessary control measures can be taken.

2. The Customs authorities may require the declarant to produce, at each exportation, a copy of the transport document or some other supporting document.

3. The Customs authorities may accept consolidated returns produced by automatic data-processing techniques.

Examination of the goods

(a) *Extent of the examination*

15. *Standard*

The Customs authorities shall limit the examination of the goods to cases where they deem it essential to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Note

The examination of the goods by the Customs authorities, when undertaken, is in general confined to counting the packages and verifying the description of the goods and the quantities exported.

(b) *Examination of the goods at a place other than the Customs office*

16. *Standard*

Where the Customs authorities undertake examination of the goods they shall, at the request of the declarant, and for reasons deemed valid, allow the examination to take place, so far as possible, at a place other than the Customs office; the expenses entailed by such examination may be charged to the declarant.

Note

The goods may be examined at the premises of the person concerned, at the time when the container or means of transport is loaded.

(c) *Sampling by the Customs*

17. *Standard*

Where samples have to be taken to ensure the application of the provisions of national

legislation, any samples drawn shall be as small as possible.

Assessment and payment of export duties and taxes chargeable

18. *Standard*

National legislation shall specify the rules to be followed, the formalities to be accomplished and the facilities granted in connexion with the assessment and payment of export duties and taxes chargeable on outright exportation.

Exportation of the goods

(a) *Permission to export*

19. *Standard*

The exportation of the goods shall be permitted as soon as the necessary controls by the Customs and other competent authorities have been completed, provided that :

- no offence has been found;
- the export licence or any other documents required have been produced and;
- the export duties and taxes chargeable have been paid or appropriate action has been taken to ensure their collection.

Notes

1. Goods which are not exported immediately after exportation has been permitted may be placed under Customs control until they are in fact exported.

2. Countries may specify the Customs routes, that is to say, the roads, railways, waterways and any other routes (pipelines, etc.) which must be used for the exportation of goods.

20. *Recommended Practice*

The exportation of goods should not be delayed on the grounds that the Goods

declaration is incomplete or minor irregularities have been found in documentation, provided that the interests of the Revenue, essential controls or any export prohibitions or restrictions in force are not affected.

(b) *Evidence of arrival at destination*

21.

Standard

The Customs authorities shall not require evidence of the arrival of the goods abroad as a matter of course.

Notes

1. In general, such evidence is required only in respect of goods for which evidence of exportation is not otherwise available and which qualify for repayment of or exemption from a considerable sum of internal duties and taxes, and there is reason to fear abuse, or in respect of certain goods which are subject to special controls (for example, arms and ammunition).

2. Where such evidence is required, it may consist of a statement supplied by the consignee and certified by the Customs authorities in the country of destination.

(c) *Repayment of or exemption from internal duties and taxes*

22.

Standard

National legislation shall specify the rules to be followed and the formalities to be accomplished in respect of any repayment of or exemption from internal duties and taxes.

23.

Recommended Practice

Goods which, on being exported outright, qualify for repayment of or exemption from internal duties and taxes should benefit from such repayment or exemption as soon as possible after exportation.

Information concerning outright exportation

24.

Standard

The Customs authorities shall ensure that all relevant information concerning outright exportation is readily available to any person interested.

LAY-OUT KEY for Goods declaration for outright exportation

Exporter/Consignor (name and address)	Declaration No. Customs office	
Consignee (name and address)	Declarant (name and address)	
	Export licence No.	Country of destination
Mode of transport and identification of means of transport	Other documents attached	

Description of packages (marks and numbers, number and kind); description of goods; gross weight

Tariff heading, statistical No., net weight or other quantity, value, nature, rates & amount of duties & taxes

(Free disposal)

Declaration for export
Place, and date and signature of declarant

Notes

1. The size of the lay-out key is the international ISO size A4 (210 × 297 mm, 8.27 × 11.69 inches). The form should be provided with a 10 mm top margin and a 20 mm left-hand filing margin. Line spacing should be based on multiples of 4.24 mm (1/6 inch) and width-spacing on multiples of 2.54 mm (1/10 inch). The lay-out should be in conformity with the Economic Commission for Europe (ECE) lay-out key, as illustrated in Appendix I. Minor deviations in the exact size of boxes etc., are permissible if required for particular reasons in the issuing country, such as the existence of non-metric measurement systems, features of national aligned systems of documents etc.
2. Countries may determine standards concerning the weight per m² of the paper, and the use of a machine-turned background to prevent falsification.
3. The standardization comprises only questions of size and lay-out; guiding words included in the lay-out key are intended only to indicate the nature of the information which should appear in a given place. Accordingly each country remains free to replace these words in its national form by such wording as it considers more appropriate provided that this wording does not affect the nature of the information as indicated in the lay-out key.
4. In addition it is open to administrations to omit from their forms items in the lay-out key which they do not require. The spaces which thus become vacant may be used for official purposes.
5. Additional items required by administrations which are not provided for by the lay-out key may be allocated to the "free disposal area".

INVOICE LAYOUT KEY

Seller	Invoice date and No. Other references		
Consignee	Buyer (if other than consignee)		
Transport information	Country of origin of goods		
	Terms and conditions of delivery and payment		
Marks and numbers, No. & kind of pkgs; Description of goods (in full and/or in code)		Gross weight, kg	Cube, m ³
Specification of commodities (in code and/or in full)		Quantity	Unit price
			Amount
Packing		Included above	Not incl. above
Freight Other costs (Specify)			
73 Insurance			

FREE DISPOSAL

A. CHANGE OF TARIFF HEADING

ANNEX D.1.

Annex concerning rules of origin

Introduction

The concept of the origin of goods enters into the implementation of many measures whose application is the responsibility of the Customs. The rules applied to determine origin employ two different basic criteria : the criterion of goods " wholly produced " in a given country, where only one country enters into consideration in attributing origin, and the criterion of " substantial transformation ", where two or more countries have taken part in the production of the goods. The " wholly produced " criterion applies mainly to " natural " products and to goods made entirely from them, so that goods containing any parts or materials imported or of undetermined origin are generally excluded from its field of application. The " substantial transformation " criterion can be expressed by a number of different methods of application.

In practice the substantial transformation criterion can be expressed :

- by a rule requiring a change of tariff heading in a specified nomenclature, with lists of exceptions, and/or
- by a list of manufacturing or processing operations which confer, or do not confer, upon the goods the origin of the country in which those operations were carried out, and/or
- by the ad valorem percentage rule, where either the percentage value of the materials utilized or the percentage of the value added reaches a specified level.

The advantages and disadvantages of these various methods of expression, from the point of view of the Customs and of the user, may be summed up as follows :

The usual method of application is to lay down a general rule whereby the product obtained is considered to have undergone sufficient manufacturing or processing if it falls in a heading of a systematic goods nomenclature different from the headings applicable to each of the materials utilized.

This general rule is usually accompanied by lists of exceptions based on the systematic goods nomenclature; these specify the cases in which a change of heading is not decisive or impose further conditions.

Advantages

This method permits the precise and objective formulation of the conditions determining origin. If required to produce evidence, the manufacturer will normally have no difficulty in furnishing data establishing that the goods do in fact meet the conditions laid down.

Disadvantages

The preparation of lists of exceptions is often difficult and moreover such lists must normally be constantly updated to keep them abreast of technical developments and economic conditions. Any descriptions of manufacturing or qualifying processes must not be unduly complicated, since otherwise they might lead manufacturers to commit errors in good faith.

In addition, a prerequisite for use of the structure of a systematic goods nomenclature for determining origin is that both the country of exportation and the country of importation have adopted the same nomenclature as a basis for their respective tariffs and apply it uniformly.

B. LISTS OF MANUFACTURING OR PROCESSING OPERATIONS

This method is generally expressed by using general lists describing for each product the technical manufacturing or processing operations regarded as sufficiently important ("qualifying processes").

Advantages

The advantages are the same as those described at A above.

Disadvantages

Apart from sharing the disadvantages referred to at A above, the general lists are longer and more detailed, so their preparation is even more difficult.

C. AD VALOREM PERCENTAGE RULE

In order to determine origin by this method, regard is had to the extent of the manufacturing or processing undergone in a country, by reference to the value thereby added to the goods. When this added value equals or exceeds a specified percentage, the goods acquire origin in the country where the manufacturing or processing was carried out.

The value added may also be calculated by reference to the materials or components of foreign or undetermined origin used in manufacturing or producing the goods. The goods retain origin in a specific country only if the materials or components do not exceed a specified percentage of the value of the finished product.

In practice, therefore, this method involves comparison of the value of the materials imported or of undetermined origin with the value of the finished product.

The value of constituents imported or of undetermined origin is generally established from the import value or the purchase price. The value of the goods as exported is normally

calculated using the cost of manufacture, the ex-works price or the price at exportation.

This method may be applied :

- either in combination with the two other methods, by means of the lists of exceptions referred to at A above or the general lists referred to at B, or
- by a general rule prescribing a uniform percentage, without reference to a list of individual products.

Advantages

The main advantages of this method are its precision and simplicity.

The value of constituent materials imported or of undetermined origin can be established from available commercial records or documents.

Where the value of the exported goods is based on the ex-works price or the price at exportation, as a rule both prices are readily ascertained and can be supported by commercial invoices and the commercial records of the traders concerned.

Disadvantages

Difficulties are likely to arise especially in border-line cases in which a slight difference above or below the prescribed percentage causes a product to meet, or fail to meet, the origin requirements.

Similarly, the origin attributed depends largely on the fluctuating world market prices for raw materials and also on currency fluctuations. These fluctuations may at times be so marked that the application of rules of origin formulated on this basis is appreciably distorted.

Another major disadvantage is that such elements as cost of manufacture or total cost of products used, which may be taken as the basis for calculating value added, are often difficult to establish and may well have a different make-up and interpretation in the country of exportation and the country of importation. Disputes may arise as to whether certain factors, particularly overheads, are to be allocated to cost of manufacture or, for example, to selling, distribution, etc. costs.

While these various rules for determining origin all have, in one degree or another, advantages and disadvantages, it must be stressed that the absence of common rules of origin, at both importation and exportation, not only complicates the task of Customs administrations and of the bodies empowered to issue documentary evidence of origin but also causes difficulties for those involved in international trade. This points to the desirability of moving progressively towards harmonization in this field. Even where different methods have been introduced to reflect economic conditions or negotiating factors in preferential tariff arrangements, it seems very desirable that they should exist within a common or standard framework, for ease of understanding by traders and ease of application by the Customs.

Having regard to the foregoing considerations, the Annex proposes, following the definitions of certain technical terms, those rules for the determination of origin which it is felt can be most easily applied and controlled, with least risk of misunderstanding and fraud and the least interference with commercial activities.

The provisions concerning these rules are accompanied by other provisions generally agreed to be essential for the practical application of a system of origin determination.

The Annex deals solely with the Customs aspects of rules of origin. It does not, for example, extend to measures taken to protect industrial or commercial property or to ensure respect for origin indications or other trade descriptions in force.

Definitions

For the purposes of this Annex :

- (a) the term " country of origin of goods " means the country in which the goods have been produced or manufactured, according to the criteria laid down for the purposes of application of the Customs tariff, of quantitative restrictions or of any other measure related to trade;

Note

In this definition the word " country " may include a group of countries, a region or a part of a country.

- (b) the term " rules of origin " means the specific provisions, developed from principles established by national legislation or international agreements (" origin criteria "), applied by a country to determine the origin of goods;
- (c) the term " substantial transformation criterion " means the criterion according to which origin is determined by regarding as the country of origin the country in which the last substantial manufacturing or processing, deemed sufficient to give the commodity its essential character, has been carried out;
- (d) the term " Customs control " means the measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Principle

1. *Standard*
- The rules of origin necessary for the implementation of the measures which the

Customs are responsible for applying both at importation and at exportation shall be laid down in accordance with the provisions of this Annex.

Rules of origin

2. *Standard*

Goods produced wholly in a given country shall be taken as originating in that country. The following only shall be taken to be produced wholly in a given country :

- (a) mineral products extracted from its soil, from its territorial waters or from its sea-bed;
- (b) vegetable products harvested or gathered in that country;
- (c) live animals born and raised in that country;
- (d) products obtained from live animals in that country;
- (e) products obtained from hunting or fishing conducted in that country;
- (f) products obtained by maritime fishing and other products taken from the sea by a vessel of that country;
- (g) products obtained aboard a factory ship of that country solely from products of the kind covered by paragraph (f) above;
- (h) products extracted from marine soil or subsoil outside that country's territorial waters, provided that the country has sole rights to work that soil or subsoil;
- (ij) scrap and waste from manufacturing and processing operations, and used articles, collected in that country and fit only for the recovery of raw materials;
- (k) goods produced in that country solely from the products referred to in paragraphs (a) to (ij) above.

3. *Standard*

Where two or more countries have taken part in the production of the goods, the origin of the goods shall be determined according to the substantial transformation criterion.

Notes

1. In practice the substantial transformation criterion can be expressed :

- by a rule requiring a change of tariff heading in a specified nomenclature with lists of exceptions, and/or
- by a list of manufacturing or processing operations which confer, or do not confer, upon the goods the origin of the country in which those operations were carried out, and/or
- by the ad valorem percentage rule, where either the percentage value of the materials utilized or the percentage of the value added reaches a specified level.

2. In order to determine whether the conditions relating to substantial transformation are met, use may be made of the structure of a tariff classification system such as the Brussels Nomenclature by laying down a general rule accompanied by lists of exceptions.

Under this general rule the product obtained is considered to have undergone sufficient manufacturing or processing if it falls in a heading of the tariff classification system different from the headings applicable to each of the materials utilized.

The lists of exceptions may cite :

- (a) the manufacturing or processing operations which, although they entail a change in the tariff classification heading, are not regarded as substantial or are regarded as substantial only under certain conditions;

- (b) the manufacturing or processing operations which, although they do not entail a change in the tariff classification heading, are regarded as substantial under certain conditions.

The conditions referred to in (a) and (b) may relate either to a type of treatment undergone by the goods or to an "ad valorem" percentage rule.

3. The "ad valorem" percentage requirement may be expressed in the form of a general rule laying down a uniform rate, without a list of individual products.

4. *Recommended Practice*

In applying the substantial transformation criterion, use should be made of the Brussels Nomenclature as provided for in Note 2 to Standard 3.

5. *Recommended Practice*

Where the substantial transformation criterion is expressed in terms of the ad valorem percentage rule, the values to be taken into consideration should be :

- for the materials imported, the dutiable value at importation or, in the case of materials of undetermined origin, the first ascertainable price paid for them in the territory of the country in which manufacture took place, and
- for the goods produced, either the ex-works price or the price at exportation, according to the provisions of national legislation.

6. *Standard*

Operations which do not contribute or which contribute to only a small extent to the essential characteristics or properties of the goods, and in particular operations confined to one or more of those listed below, shall not be regarded as constituting substantial manufacturing or processing :

- (a) operations necessary for the preservation of goods during transportation or storage;
- (b) operations to improve the packaging or the marketable quality of the goods or to prepare them for shipment, such as breaking bulk, grouping of packages, sorting and grading, repacking;
- (c) simple assembly operations;
- (d) mixing of goods of different origin, provided that the characteristics of the resulting product are not essentially different from the characteristics of the goods which have been mixed.

Special cases of qualification for origin

7. *Standard*

Accessories, spare parts and tools for use with a machine, appliance, apparatus or vehicle shall be deemed to have the same origin as the machine, appliance, apparatus or vehicle, provided that they are imported and normally sold therewith and correspond, in kind and number, to the normal equipment thereof.

8. *Standard*

An unassembled or disassembled article which is imported in more than one consignment because it is not feasible, for transport or production reasons, to import it in a single consignment shall, if the importer so requests, be treated as one article for the purpose of determining origin.

9. *Standard*

For the purpose of determining origin, packings shall be deemed to have the same origin as the goods they contain unless the national legislation of the country of importation requires them to be declared separately for tariff purposes, in which case their origin shall be determined separately from that of the goods.

For the purpose of determining the origin of goods, where packings are deemed to have the same origin as the goods account should be taken, in particular where a percentage method is applied, only of packings in which the goods are ordinarily sold by retail.

11.

Standard

For the purpose of determining the origin of goods, no account shall be taken of the origin of the energy, plant, machinery and tools used in the manufacturing or processing of the goods.

Direct transport rule

12.

Recommended Practice

Where provisions requiring the direct transport of goods from the country of origin are laid down, derogations therefrom should be allowed, in particular for geographical reasons (for example, in the case of landlocked countries) and in the case of goods which remain under Customs control in third countries (for example, in the case of goods displayed at fairs or exhibitions or placed in Customs warehouses).

Information concerning rules of origin

13.

Standard

The competent authorities shall ensure that the rules of origin, including any changes and interpretative information, are readily available to any person interested.

14.

Standard

Changes in the rules of origin or in the procedures for their application shall enter into force only after sufficient notice has been given to enable the interested persons, both in export markets and in supplying countries, to take account of the new provisions.

**Annex concerning
documentary evidence of origin**

Introduction

The applicability of many Customs measures, in particular those relating to tariffs, depends on the origin of the goods. Certificates and other documentary evidence of origin produced at importation are intended to facilitate control of origin and thus expedite clearance operations.

Documentary evidence of origin may be provided by a simple statement shown on the commercial invoice or some other document by the manufacturer, producer, supplier, exporter or other competent person.

In some cases, however, these statements must be authenticated or supplemented by means of certification by an authority or body which is empowered for this purpose and is independent of both the exporter and the importer. In other cases provision may be made for special forms ("certificates of origin") on which the body empowered to issue them certifies the origin of the goods and which may also include a statement by the manufacturer, producer, etc.

On the other hand, there are circumstances where it may be possible to dispense with the requirement of any documentary evidence of origin.

This range of possible forms of documentary evidence of origin allows account to be taken of the various degrees of importance of origin determination, having regard to the variety of interests involved.

Precise rules are, however, necessary so that exporters and importers may know exactly what the Customs requirements are in this field and may thus take advantage of the simplification of formalities made pos-

sible in some cases. These rules also lay down the conditions of validity to be met by the various forms of documentary evidence.

Definitions

For the purposes of this Annex :

- (a) the term "documentary evidence of origin" means a certificate of origin, a certified declaration of origin or a declaration of origin;
- (b) the term "certificate of origin" means a specific form identifying the goods, in which the authority or body empowered to issue it certifies expressly that the goods to which the certificate relates originate in a specific country. This certificate may also include a declaration by the manufacturer, producer, supplier, exporter or other competent person;

Note

In this definition the word "country" may include a group of countries, a region or a part of a country.

- (c) the term "certified declaration of origin" means a "declaration of origin" certified by an authority or body empowered to do so;
- (d) the term "declaration of origin" means an appropriate statement as to the origin of the goods made, in connexion with their exportation, by the manufacturer, producer, supplier, exporter or other competent person on the commercial invoice or any other document relating to the goods;

Note

The statement may be worded as follows :

" The country of origin of the goods described herein is... (country of origin). "

(e) the term " regional appellation certificate " means a certificate drawn up in accordance with the rules laid down by an authority or approved body, certifying that the goods described therein qualify for a designation specific to the given region (e.g. Champagne, Port wine, Parmesan cheese);

(f) the term " person " means both natural and legal persons, unless the context otherwise requires.

Principle

1. *Standard*

The requirement, establishment and issue of documentary evidence relating to the origin of goods shall be governed by the provisions of this Annex.

Requirement of documentary evidence of origin

2. *Standard*

Documentary evidence of origin may be required only when it is necessary for the application of preferential Customs duties, of economic or trade measures adopted unilaterally or under bilateral or multilateral agreements or of measures adopted for reasons of health or public order.

3. *Recommended Practice*

1. Documentary evidence of origin should not be required in the following cases :

(a) goods sent in small consignments addressed to private individuals or carried in travellers' baggage, provided that such importations are of a non-commercial nature and the aggregate value of the importation does not exceed an amount which shall not be less than US\$100;

(b) commercial consignments the aggregate value of which does not exceed an amount which shall not be less than US\$60;

(c) goods granted temporary admission;

(d) goods carried in Customs transit;

(e) goods accompanied by a regional appellation certificate as well as certain specific goods, where the conditions to be met by the supplying countries under bilateral or multilateral agreements relating to those goods are such that documentary evidence need not be required.

2. Where several consignments of the kind referred to in paragraph 1 (a) or (b) are sent at the same time, by the same means, to the same consignee, by the same consignor, the aggregate value shall be taken to be the total value of those consignments.

4. *Recommended Practice*

When rules relating to the requirement of documentary evidence of origin have been laid down unilaterally, they should be reviewed at least every three years to ascertain whether they are still appropriate in the light of changes in the economic and commercial conditions under which they were imposed.

5. *Standard*

Documentary evidence from the competent authorities of the country of origin may be required whenever the Customs authorities of the country of importation have reason to suspect fraud.

Applications and form of the various types of documentary evidence of origin

(a) Certificate of origin

Form and content

6. *Recommended Practice*

1. When revising present forms or preparing new forms of certificates of origin,

Contracting Parties should use the model form in Appendix I to this Annex, in accordance with the Notes in Appendix II, and having regard to the Rules in Appendix III.

2. Contracting Parties which have aligned their forms of certificate of origin on the model form in Appendix I to this Annex should notify the Secretary General of the Council accordingly.

Languages to be used

7. *Recommended Practice*

Certificate of origin forms should be printed in the language(s) selected by the country of exportation and, if these languages are neither English nor French, also in English or French.

8. *Recommended Practice*

Where the certificate of origin is made out in a language that is not a language of the country of importation, the Customs authorities of that country should not require, as a matter of course, a translation of the particulars given in the certificate of origin.

Authorities and other bodies empowered to issue certificates of origin

9. *Standard*

Contracting Parties accepting this Annex shall indicate, either in their notification of acceptance or subsequently, the authorities or bodies empowered to issue certificates of origin.

Note

Certificates of origin may be issued not only by Customs or other authorities, but also by bodies (for example, Chambers of Commerce) previously approved by the competent authorities.

10. *Recommended Practice*

Where goods are not imported directly from the country of origin but are forwarded

through the territory of a third country, certificates of origin should be allowed to be drawn up by the authorities or bodies empowered to issue such certificates in that third country, on the basis of a certificate of origin previously issued in the country of origin of the goods.

11. *Recommended Practice*

Authorities or bodies empowered to issue certificates of origin should retain for not less than two years the applications for, or control copies of, the certificates of origin issued by them.

(b) Documentary evidence other than certificates of origin

12. *Recommended Practice*

1. Where documentary evidence of origin is required, a declaration of origin should be accepted in the following cases :

(a) goods sent in small consignments addressed to private individuals or carried in travellers' baggage, provided that such importations are of a non-commercial nature and the aggregate value of the importation does not exceed an amount which shall not be less than US\$500;

(b) commercial consignments the aggregate value of which does not exceed an amount which shall not be less than US\$300.

2. Where several consignments of the kind referred to in paragraph 1 (a) or (b) are sent at the same time, by the same means, to the same consignee, by the same consignor, the aggregate value shall be taken to be the total value of those consignments.

Sanctions

13. *Standard*

Provision shall be made for sanctions against any person who prepares, or causes

to be prepared, a document containing false information with a view to obtaining documentary evidence of origin.

Information concerning requirements
with respect to documentary evidence of origin

14.

Standard

The competent authorities shall ensure that all relevant information regarding the requirements with respect to documentary evidence of origin is readily available to any person interested.

1. Exporter (name, address, country) Exportateur (nom, adresse, pays)	2. Number - Numéro CERTIFICATE OF ORIGIN CERTIFICAT D'ORIGINE
3. Consignee (name, address, country) Destinataire (nom, adresse, pays)	
4. Particulars of transport (where required) Renseignements relatifs au transport (le cas échéant)	

5. Marks & Numbers, Number and kind of packages; Description of the goods Marques et numéros; Nombre et nature des colis; Désignation des marchandises	6. Gross weight Poids brut	7.
---	-------------------------------	----

8. Other information - Autres renseignements

It is hereby certified that the above mentioned goods originate in:
 Il est certifié par la présente que les marchandises mentionnées ci-dessus sont originaires de:

CERTIFYING BODY
ORGANISME AYANT DELIVRE LE CERTIFICAT

 Place and date of issue - Lieu et date de délivrance

 Authorised signature - Signature autorisée

Stamp - Timbre



APPENDIX II

Notes

1. The size of the certificate should be the international ISO size A4 (210 × 297 mm, 8.27 × 11.69 inches). The form should be provided with a 10 mm top margin and a 20 mm left-hand filing margin. Line spacing should be based on multiples of 4.24 mm (1/6 inch) and width-spacing on multiples of 2.54 mm (1/10 inch). The layout should be in conformity with the ECE layout key, as illustrated in Appendix I. Minor deviations in the exact size of boxes, etc., should be permissible if required for particular reasons in the issuing country, such as the existence of other than metric measurement systems, features of national aligned systems of documents, etc.

2. Where it is necessary to provide for applications for certificates of origin, the form of application and the form of certificate should be compatible to permit completion in one run.

3. Countries may determine standards concerning the weight per m² of the paper, and the use of a machine-turned background to prevent falsification.

4. For the guidance of users, rules for the establishment of the certificate of origin may be printed on the back of the certificate.

5. Where requests for post facto control may be submitted under a mutual administrative assistance agreement, a space may be provided for that purpose on the back of the certificate.

6. The following comments refer to the boxes in the model form :

Box No. 1 : " Consignor ", " producer ", " supplier ", etc., may be substituted for " exporter ".

Box No. 2 : There should be only one original certificate of origin, identified by the word "Original" adjacent to the document title. If a certificate of origin is issued in replacement of an original certificate that has been lost, the replacement certificate shall be identified by the word " Duplicate " adjacent to the document title. Copies of an original or of a duplicate certificate shall bear the word " copy " adjacent to the title. This box is also intended for the name (logo-type, emblem, etc.) of the issuing authority and should leave space for other official purposes.

Box No. 3 : The particulars provided for in this box may be replaced by " to order " and, possibly, the country of destination.

Box No. 4 : This box can be used for additional information on means of transport, route, etc., which can be inserted if so desired by, for example, the issuing authority.

Box No. 5 : If an indication of " Item No. " is required this can be inserted, preferably, in the margin to this box, or at the beginning of each line in the box. " Marks and Nos. " can be separated from " Number and kind of packages " and " Description of the goods " by a vertical line. If a line is not used, these particulars should be distinguished by adequate spacing. The description of the goods can be supported by adding the number of the applicable Brussels Nomenclature heading, preferably in the right hand part of the column. Particulars of the

origin criteria, if required, should be given in this box and should be separated from the other information by a vertical line.

- Box No. 6 : Normally gross weight should suffice for the identification of the goods.
- Box No. 7 : This column is left blank for any additional details that might be required, such as measurements, or for reference to other documents (e.g., commercial invoices).
- Boxes Nos. 6 and 7 : Other quantities which the exporter may state in order to facilitate identification can be entered in either box 6 or box 7, as appropriate.
- Box No. 8 : This area is reserved for the details of the certification by the competent body (certification legend, stamps, signatures, date and place of issue, etc.). The precise wording of texts, etc., is left to the discretion of the issuing authority, the wording used in the model form serving only as an example. This box may also be used for a signed declaration by the exporter (or the supplier or manufacturer).

APPENDIX III

Rules for the establishment of certificates of origin

The rules for the establishment of certificates of origin (and where applicable, of applications for such certificates) are left to the discretion of national authorities, due account being taken of the Notes set out above. However, it may be necessary to ensure compliance with, inter alia, the following provisions :

1. The forms may be completed by any process, provided that the entries are indelible and legible.
2. Neither erasures nor superimpositions should be allowed on the certificates (or applications). Any alterations should be made by striking out the erroneous material and making any additions required. Such alterations should be approved by the person who made them and certificated by the appropriate authority or body.
3. Any unused spaces should be crossed out to prevent any subsequent addition.
4. If warranted by export trade requirements, one or more copies may be drawn up in addition to the original.

ANNEX D.3.

Annex concerning
the control of documentary evidence of origin

Introduction

Customs authorities are not bound to accept the documentary evidence of origin produced to them and retain the right to control the origin of the goods when they consider the circumstances warrant it.

This control may be carried out when the goods are cleared, but at this stage such action can only consist in checking the documents presented or in calling for supplementary evidence to support the declaration or certificate given. Any effective control that may be necessary if there is reason for doubt must take place in the country in which the documentary evidence of origin was drawn up. Generally, this control can be done by the competent authorities or authorized bodies in that country in two ways : firstly, by carrying out the necessary control before the goods are shipped and, if satisfied, endorsing as correct the declaration or certificate of origin; or, secondly, by making checks on a selective basis after the goods have gone. These latter checks can be made either on the initiative of the competent authorities or authorized bodies or at the request of the importing country.

In the latter case, which is the subject of the present Annex, it is usually necessary for the country of importation to request the assistance of the authorities or bodies referred to above, by asking them to carry out the investigations required and communicate the results to the requesting country.

Such assistance is a useful adjunct to systems for determining origin. It can safeguard the economic, revenue or commercial interests of States from the damage which incorrect documentary evidence of origin may cause.

Definitions

For the purposes of this Annex :

- (a) the term "documentary evidence of origin" means a certificate of origin, a certified declaration of origin or a declaration of origin;
- (b) the term "certificate of origin" means a specific form identifying the goods, in which the authority or body empowered to issue it certifies expressly that the goods to which the certificate relates originate in a specific country. This certificate may also include a declaration by the manufacturer, producer, supplier, exporter or other competent person;

Note

In this definition the word "country" may include a group of countries, a region or a part of country.

- (c) the term "certified declaration of origin" means a "declaration of origin" certified by an authority or a body empowered to do so;
- (d) the term "declaration of origin" means an appropriate statement as to the origin of the goods made, in connexion with their exportation, by the manufacturer, producer, supplier, exporter or other competent person on the commercial invoice or any other document relating to the goods;

Note

The statement may be worded as follows :

"The country of origin of the goods described herein is... (country of origin)."

- (e) the term "release" means the action by which the Customs permit goods undergoing clearance to be placed at the disposal of the persons concerned.

Principle

1. *Standard*
Administrative assistance for the control of documentary evidence of origin shall be governed by the provisions of this Annex.

Reciprocity

2. *Standard*
The competent authority of the State which has received a request for control need not comply with it if the competent authority of the requesting State would be unable to furnish that assistance if the positions were reversed.

Requests for control

3. *Standard*
The Customs administration of a Contracting Party which has accepted this Annex may request the competent authority of a Contracting Party which has accepted this Annex and in whose territory documentary evidence of origin has been established to carry out control of such evidence :
- (a) where there are reasonable grounds to doubt the authenticity of the document;
 - (b) where there are reasonable grounds to doubt the accuracy of the particulars given therein;
 - (c) on a random basis.

4. *Standard*
Requests for control on a random basis as provided for in Standard 3 (c) above shall be identified as such and be kept to the minimum necessary to ensure adequate control.

5. *Standard*
Requests for control shall :
- (a) specify the reasons for the requesting Customs administration's doubts about the authenticity of the document

produced or the accuracy of the particulars given therein, unless the control is requested on a random basis;

- (b) specify, where appropriate, the rules of origin applicable to the goods in the country of importation and any additional information requested by that country;
- (c) be accompanied by the documentary evidence of origin to be checked or a photocopy thereof and where appropriate any other documents such as invoices, correspondence, etc. that might facilitate control.

6. *Standard*
Any competent authority receiving a request for control from a Contracting Party having accepted this Annex shall reply to the request after having carried out the necessary controls itself or having had the necessary investigations made by other administrative authorities or by bodies authorized for the purpose.

7. *Standard*
An authority receiving a request for control shall answer the questions put by the requesting Customs administration and furnish any other information it may consider relevant.

8. *Standard*
Replies to requests for control shall be furnished within a prescribed period not exceeding six months. If the authority receiving the request cannot reply within six months it shall so inform the requesting Customs administration.

9. *Standard*
Requests for control shall be made within a prescribed period which, except in special circumstances, should not exceed one year, commencing with the date on which the document was produced to the Customs office of the country making the request.

Release of the goods

10. *Standard*

A request for control shall not prevent the release of the goods provided that they are not held to be subject to import prohibitions or restrictions and there is no suspicion of fraud.

Miscellaneous provisions

11. *Standard*

Any information communicated in accordance with the provisions of this Annex shall be treated as confidential and used for Customs purposes only.

12. *Standard*

The documents needed for control of documentary evidence of origin issued by the competent authorities or authorized bodies shall be retained by them for an adequate period which should not be less than two years following the date on which the documentary evidence was issued.

13. *Standard*

The Contracting Parties that accept this Annex shall specify the authorities in their countries which are competent to receive requests for control and communicate their address to the Secretary General of the Council who will transmit such information to the other Contracting Parties having accepted this Annex.

ANNEX E.1.

Annex
concerning Customs transit

Introduction

For a variety of reasons it is frequently necessary for goods which are potentially liable to import or export duties and taxes to move from one Customs office to another.

The legislation of most countries contains provisions under which such movements may take place without payment of the import or export duties and taxes, the goods being transported under Customs control to ensure compliance with the requirements laid down. The procedure under which such movements are made is termed Customs transit.

To facilitate the international transport of goods which have to pass through a number of Customs territories, arrangements have been made under international agreements for the States concerned to apply standard procedures for the treatment of goods carried in Customs transit through their territories.

This Annex relates to both national and international Customs transit. It does not apply to goods carried by post or in travellers' baggage.

Definitions

For the purposes of this Annex :

- (a) the term " Customs transit " means the Customs procedure under which goods are transported under Customs control from one Customs office to another;
- (b) the term " Customs transit operation " means the transport of goods from an office of departure to an office of destination under Customs transit;
- (c) the term " office of loading " means any Customs office under whose authority certain preliminary measures are taken to facilitate commencement of a Customs transit operation at an office of departure;
- (d) the term " office of departure " means any Customs office at which a Customs transit operation commences;
- (e) the term " office en route " means any Customs office where goods are imported or exported in the course of a Customs transit operation;
- (f) the term " office of destination " means any Customs office at which a Customs transit operation is terminated;
- (g) the term " Goods declaration " means a statement made in the form prescribed by the Customs by which the persons interested indicate the Customs procedure to be applied to the goods and furnish the particulars which the Customs require to be declared for the application of that procedure;
- (h) the term " declarant " means the person who signs a Goods declaration or in whose name it is signed;
- (ij) the term " transport-unit " means :
- (i) containers having an internal volume of one-cubic metre or more,
 - (ii) road vehicles, including trailers and semi-trailers,
 - (iii) railway waggons, and
 - (iv) lighters, barges and other vessels suitable for use on inland waterways;
- (k) the term " import and export 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 or exportation of goods but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (l) the term " Customs control " means measures applied to ensure compliance

with the laws and regulations which the Customs are responsible for enforcing;

- (m) the term " security " means that which ensures to the satisfaction of 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;
- (n) the term " person " means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*

Customs transit shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished for the purposes of Customs transit.

Scope

3. *Standard*

The Customs authorities shall allow goods to be transported under Customs transit in their territory :

- (a) from an office of entry to an office of exit;
- (b) from an office of entry to an inland Customs office;
- (c) from an inland Customs office to an office of exit;
- (d) from one inland Customs office to another inland Customs office.

Note 1

Customs transit movements as described in (a) — (c) above are termed " international Customs transit " when they take place as part of a single Customs transit operation during which one or more frontiers are crossed in accordance with a bilateral or multilateral agreement.

Note 2

The following expressions may be used to describe the Customs transit movements referred to above :

- (a) through transit (office of entry to office of exit);
- (b) inward transit (office of entry to inland Customs office);
- (c) outward transit (inland Customs office to office of exit);
- (d) interior transit (one inland Customs office to another).

4. *Standard*

Goods being carried under Customs transit shall not be subject to the payment of import or export duties and taxes provided the conditions laid down by the Customs authorities are complied with.

5. *Recommended Practice*

Any person having the right to dispose of the goods, for example the owner, the carrier, the forwarding agent, the consignee or an authorized agent approved by the Customs should be entitled to declare the goods for Customs transit.

Note

The Customs authorities may require the declarant to establish his right to dispose of the goods.

6. *Standard*

The declarant shall be responsible to the Customs authorities for compliance with the obligations incurred under Customs transit; in particular he shall ensure that the goods are produced intact at the office of destination in accordance with the conditions imposed by those Customs authorities.

General provisions

7. *Standard*

The Customs authorities shall designate the Customs offices which are competent to perform the functions laid down for the purposes of Customs transit.

8. *Recommended Practice*

Where corresponding Customs offices are located on a common frontier, the Customs authorities of the two countries concerned should correlate the business hours and the competence of those offices for the purposes of Customs transit.

9. *Recommended Practice*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should, so far as administrative circumstances permit, perform the functions laid down for the purposes of Customs transit outside the business hours and outside the premises of the Customs office, it being understood that the expenses entailed may be charged to the person concerned.

10. *Standard*

Priority shall be given to the Customs operations relating to live animals, perishable goods and other urgent consignments which are under Customs transit and for which rapid transport is essential.

Formalities at the office of departure

(a) Goods declaration for Customs transit

11. *Standard*

Unless this formality is waived by the Customs authorities a written Goods declaration for Customs transit shall be presented at the office of departure.

Note

In various countries simplified procedures exist under which certain Customs formalities, including the presentation of a Goods declaration, are waived. These procedures are applicable, for example, to goods carried by rail under cover of an international consignment note, and to goods moving only in the frontier zone.

12. *Standard*

Goods declaration forms for Customs transit shall conform to the official model prescribed by the competent authorities.

Note 1

The declarant is normally required to declare the following items :

- name and address of consignor;
- name and address of declarant;
- name and postal address of consignee;
- mode of transport;
- identification of means of transport;
- seals etc. affixed;
- place of loading;
- office of destination;
- transport-unit (type, identification No.);
- marks, numbers, number and kind of packages;
- description of goods;
- gross weight per consignment in kilos;
- list of documents attached;
- place, date and signature of declarant.

Note 2

When they are considering revision of present forms or preparation of new forms for Goods declarations for Customs transit, the competent authorities may base their forms on the model in Appendix I to this Annex having regard to the Notes in Appendix II. The model is intended as a basis for the designing of Customs transit declaration forms to be used in Customs transit procedures where other forms have not been prescribed by bilateral or multilateral agreements. The model has been designed to be used for national Customs transit operations but can also be used for international Customs transit operations.

13. *Recommended Practice*

Any commercial or transport document setting out clearly the necessary particulars should be accepted as the descriptive part of the Goods declaration for Customs transit.

(b) Security

14. *Standard*

The form in which security is to be provided for the purposes of Customs transit shall be laid down in national legislation or determined by the Customs authorities in accordance with national legislation.

15. *Recommended Practice*

The choice between the various acceptable forms of security should be left to the declarant.

16. *Standard*

The Customs authorities shall determine the amount in which security is to be provided for the Customs transit operation.

17. *Standard*

When security is required to ensure that the obligations arising from several Customs transit operations will be fulfilled, the Customs authorities shall accept a general security.

18. *Recommended Practice*

The amount of any security should be set as low as possible having regard to the import or export duties and taxes potentially chargeable.

(c) Examination and identification of consignments

19. *Recommended Practice*

Where the Customs authorities exercise their right to examine goods declared for Customs transit, they should limit the extent of the examination to that deemed necessary

to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

20. *Standard*

The Customs authorities at the office of departure shall take all necessary action to enable the office of destination to identify the consignment and to detect any unauthorized interference.

21. *Standard*

When a consignment is conveyed in a transport-unit, Customs seals shall be affixed to the transport-unit itself provided that the transport-unit is so constructed and equipped that :

- (a) Customs seals can be simply and effectively affixed to it;
- (b) no goods can be removed from or introduced into, the sealed part of the transport-unit without leaving visible traces of tampering or without breaking the Customs seal;
- (c) it contains no concealed spaces where goods may be hidden;
- (d) all spaces capable of holding goods are readily accessible for Customs inspection.

Such transport-units shall also have been approved for the transport of goods under Customs seal.

Note 1

Transport-units are approved for the transport of goods under Customs seal pursuant to various international agreements such as the Customs Convention on Containers, done at Geneva on 18 May 1956, the Customs Convention on the international transport of goods under cover of TIR carnets, done at Geneva on 15 January 1959, the Unité technique des chemins de fer, concluded at Berne in May 1886, 1960 edition, and the Regulations (21 November 1963 version) of the Central Rhine Commission concerning the sealing of Rhine navigation

E.1.

vessels. They may be approved in the future pursuant to agreements which may supersede the foregoing. Additional arrangements for approval may be made by countries by bilateral or multilateral agreement for transport-units to be used for the purposes of Customs transit solely in their territories, for example in respect of containers which have an internal volume of less than one-cubic metre but which in all other respects qualify for Customs treatment as containers.

Note 2

In certain circumstances Customs authorities may decide to seal transport-units which have not been approved for the transport of goods under Customs seal when they are satisfied that the units, when sealed, are sufficiently secure.

22.

Standard

When the consignment is conveyed in a transport-unit which cannot be effectively sealed, identification shall be assured and unauthorized interference rendered readily detectable, either by affixing Customs seals to individual packages, by affixing identification marks, by describing the goods, by reference to samples, plans, sketches or photographs attached to the Goods declaration, by full examination of the goods and recording the results thereof on the Goods declaration, or by Customs escort.

Note

The precise action which the Customs authorities may decide to take when goods are to be transported in a transport-unit which cannot be effectively sealed will depend upon the individual circumstances of each case, taking account of factors such as the nature of the goods and their packing, and the potential import or export duties and taxes involved.

(d) Additional control measures

23.

Standard

Only when they consider such a measure to be indispensable shall the Customs authorities :

- (a) require goods to follow a prescribed itinerary; or
- (b) require goods to be transported under Customs escort.

24.

Recommended Practice

When the Customs authorities prescribe a time limit for the production of the goods at a specified Customs office they should take account of the circumstances in which the Customs transit operation will take place.

Customs seals and identification marks

25.

Standard

Customs seals and fastenings used in the application of Customs transit shall fulfil the minimum requirements laid down in Appendix III to this Annex.

26.

Recommended Practice

Customs seals and identification marks affixed by foreign Customs authorities should be accepted for the purposes of the Customs transit operation unless they are considered not to be sufficient or secure or the Customs authorities proceed to an examination of the goods. When foreign Customs seals and fastenings have been accepted in a Customs territory they should be afforded the same legal protection in that territory as national seals and fastenings.

Termination of Customs transit

27.

Standard

National legislation shall not, in respect of the termination of a Customs transit operation, require more than that the goods and the relevant Goods declaration be presented at the office of destination within

any time limit fixed, without the goods having undergone any change and without having been used, and with Customs seals or identification marks intact.

Note 1

The controls carried out for the purposes mentioned above by the office of destination may vary according to the circumstances of each individual Customs transit operation. The Customs authorities generally, however, satisfy themselves that any seals and fastenings or identification marks are intact, may verify that the transport-unit, if any, is otherwise secure and may carry out either a summary or a detailed examination of the goods themselves. The examination of the goods may take place, for example, in connexion with the placing of the goods under another Customs procedure.

Note 2

National legislation may provide that accidents and other unforeseen events en route affecting the Customs transit operation be reported to, and verified by, the Customs or other competent authorities closest to the scene of the accident or other event.

28. *Standard*

When it has been established to the satisfaction of the competent Customs authorities that the person concerned has fulfilled his obligations, any security given shall be discharged without delay.

29. *Recommended Practice*

Failure to follow a prescribed itinerary or to comply with a prescribed time limit should not entail the collection of any import or export duties potentially chargeable provided the Customs authorities are satisfied that all other requirements have been met.

30. *Standard*

Exemption from the payment of the import or export duties and taxes normally

chargeable shall be granted when it is established to the satisfaction of the Customs authorities that goods being transported under Customs transit have been destroyed or irrecoverably lost by accident or by force majeure, or are short for reasons due to their nature.

Note

Remnants of such goods may be :

- (a) cleared for home use in their existing state as if they had been imported in that state; or
- (b) re-exported; or
- (c) abandoned free of all expenses to the Revenue; or
- (d) destroyed or rendered commercially valueless under Customs control without expense to the Revenue; as the Customs authorities may require.

International agreements relating to Customs transit

31. *Recommended Practice*

Contracting Parties should give careful consideration to the possibility of acceding to :

- the Customs Convention on the International Transit of Goods (ITI Convention), Vienna, 7 June 1971;
- the Customs Convention on the International Transport of Goods under cover of TIR carnets (TIR Convention), Geneva, 15 January 1959;
- the Customs Convention on the ATA carnet for the Temporary Admission of Goods (ATA Convention), Brussels 6 December 1961;

and of adhering to any international instruments that may supersede them.

Note

ATA carnets can be accepted for the transit of goods under temporary admission

which have to be conveyed to or from their destination under Customs control, either in the country of temporary admission or through a country or countries between those of exportation and importation.

32. *Recommended Practice*

Contracting Parties which are not in a position to adhere to the international instruments enumerated in Recommended Practice 31 should, when drawing up bilateral or multilateral agreements with a view to setting up an international Customs transit procedure, take account therein of Standards and Recommended Practices 1 to 30 in the present Annex and, in addition, incorporate in the agreements the following specific provisions :

- (1) where goods are transported in a transport-unit meeting the requirements set out in Standard 21, and where the person concerned so requests and gives the assurance that the transport-unit will, at a subsequent stage of the transport operation, be placed under a Customs transit procedure requiring a Customs seal, the Customs authorities at the office of loading should :
 - satisfy themselves of the accuracy of the accompanying documents approved by the bilateral or multilateral agreement and describing the contents of the transport-unit;
 - seal the transport-unit;
 - record on the accompanying documents the name of the office of loading, details of the Customs seals affixed and of the date of affixing.
- (2) when the goods are subsequently declared for Customs transit, the Customs authorities at the office of departure should, unless in exceptional circumstances they deem it necessary to examine the goods, accept the seals affixed by the office of loading and the accompanying documents referred to in (1) above;

- (3) common Goods declaration forms for Customs transit should be accepted in each Customs territory involved; such forms should be based on the model shown in Appendix I to this Annex taking account of the Notes contained in Appendix II;
- (4) security, where required, should be given and accepted in the form of a guarantee valid and enforceable in each Customs territory involved, evidence of the existence of such guarantee being provided either by the Goods declaration form for Customs transit or by another document;
- (5) without prejudice to their right to examine the goods, the Customs authorities should, as a rule, limit the extent of the formalities to be carried out at offices en route to the following :
 - at offices where goods are imported into the Customs territory the Customs authorities should satisfy themselves that the Goods declaration is in order, that any Customs seals and fastenings or identification marks previously affixed are intact and, where appropriate, that the transport-unit is secure, and that, where required, a guarantee is in force; they should then endorse the Goods declaration accordingly;
 - at offices where goods leave the Customs territory, the Customs authorities should satisfy themselves that any Customs seals and fastenings or identification marks are intact and, where necessary, that the transport-unit is secure; they should then endorse the Goods declaration accordingly;
- (6) when an office en route removes a Customs seal or identification mark, for example, in order to examine the goods, it should record details of the new Customs seals or identification marks on

the Goods declaration accompanying the goods;

- (7) formalities at offices en route should be further reduced, or completely abolished, the discharge of the obligations incurred under Customs transit being given by the competent authorities in respect of the entire Customs transit operation;
- (8) arrangements should be made for measures of mutual assistance between the Customs administrations of the countries concerned with regard to verification of the accuracy of the documents describing goods transported under Customs transit and of the authenticity of Customs seals.

Information concerning Customs transit

33. *Standard*

The Customs authorities shall ensure that all relevant information concerning Customs transit is readily available to any person interested.

Consignor (name and address)		Office of departure	Date
			No.
Consignee (name and postal address)		Declarant (name and address)	
Delivery address		Country whence consigned	Country of destination
Place of loading	Pier, warehouse, etc. *	Documents attached	Official use
Via	Mode and means of transport		
Office of destination			
		Seals, etc. affixed by <input type="checkbox"/> Customs <input type="checkbox"/> Declarant	

No	Transport-unit (type, identification No.), Marks & numbers of pkgs or items	Number & kind of packages; Description of goods	Commodity No.	Gross weight, kg.
		Total number of packages	Total gross weight, kg.	

(National administrative requirements)

(Security details)

I, the undersigned, declare that the particulars given in this Declaration are true and correct and accept responsibility for fulfilment of the obligations incurred under this Customs transit operation in accordance with the conditions prescribed by the competent authorities.

Place, date and signature of declarant

1st TRANSIT COUNTRY	Office of entry Stamp	Office of exit Stamp
	<p>I have verified that the packages etc specified in this declaration conform to the description given and that they are undamaged.</p> <p>SEALS</p> <p><input type="checkbox"/> on means of transport <input type="checkbox"/> intact</p> <p><input type="checkbox"/> on packages <input type="checkbox"/> affixed</p> <p>Date, signature</p>	<p>Means of transport/packages exported with seals intact. National transit requirements satisfied.</p> <p>Date, signature</p>
2nd TRANSIT COUNTRY	Office of entry Stamp	Office of exit Stamp
	<p>Means of transport/packages imported with seals intact.</p> <p>Documents checked</p> <p>Additional seals Numbers</p> <p><input type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>Date, signature</p>	<p>Means of transport/packages exported with seals intact. National transit requirements satisfied.</p> <p>Date, signature</p>
3rd TRANSIT COUNTRY	Office of entry Stamp	Office of exit Stamp
	<p>Means of transport/packages imported with seals intact.</p> <p>Documents checked</p> <p>Additional seals Numbers</p> <p><input type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>Date, signature</p>	<p>Means of transport/packages exported with seals intact. National transit requirements satisfied.</p> <p>Date, signature</p>
COUNTRY OF DESTI- NATION	Office of entry Stamp	Office of final destination Stamp
	<p>Means of transport/packages imported with seals intact.</p> <p>Documents checked</p> <p><input type="checkbox"/> Transferred to office of final destination</p> <p><input type="checkbox"/> Transit operation completed</p> <p>Date, signature</p>	<p>Means of transport/packages received with seals intact.</p> <p>Documents checked</p> <p>Transit operation completed</p> <p>Date, signature</p>

APPENDIX II

Notes

1. The size of the Model Goods Declaration for Customs Transit is the international ISO size A4 (210 × 297 mm, 8.27 × 11.69 inches). The form should be provided with a 10 mm top margin and a 20 mm left-hand filing margin. Line spacing should be based on multiples of 4.24 mm (1/6 inch) and width-spacing on multiples of 2.54 mm (1/10 inch). The lay-out should be in conformity with the ECE lay-out key, as illustrated in Appendix I. Minor deviations in the exact size of boxes, etc., are permissible if required for particular reasons in the issuing country, such as the existence of non-metric measurement systems, features of national aligned systems of documents, etc.

2. Countries may determine standards concerning the weight per m² of the paper, and the use of a machine-turned background to prevent falsification.

3. The guiding words included in the Model Goods Declaration for Customs Transit are intended to indicate the nature of the information which should appear in a given place. In cases where national legislation makes it necessary, each country remains free to replace these words in its national form by such wording as it considers more appropriate provided that this wording does not affect the nature of the information as indicated in the Model Goods Declaration for Customs Transit.

4. In addition it is open to administrations to omit from their forms items which they do not require. The space which thus becomes vacant may be used for official purposes.

5. The Model is so designed that particulars relating only to international Customs transit are placed on the reserve side of the form and thus can be omitted for other applications.

6. The following comments refer to the boxes in the model form :

Consignor (name and address)

This box is intended to show the name and address of the sender of goods. If goods from several consignors are covered by a single declaration reference is made to appended documents.

Consignee (name and postal address)

The upper part of this box is intended to show the mail address of the consignee of goods; the lower part of it under the heading "Delivery address" is intended to specify the address where the goods are to be delivered, if differing from the mail address.

Declarant (name and address)

This term means the natural or legal person who signs the Customs transit declaration or in whose name it is signed.

Country whence consigned

This box is intended to show the country from which the goods are sent, viz. the export country.

Country of destination

This means the country of final destination of goods, after the Customs transit operation.

Place of loading ()*

This means the place of departure where the goods are actually loaded onto the means of transport.

Pier, warehouse, etc. ()*

This box is intended to show — when desirable — the place where the goods are stored before being loaded, which is of particular interest if goods are exported from Customs warehouse, etc.

(*) The design of these boxes can be adjusted according to the requirements under a particular application or for inclusion in a one-run system of aligned forms.

Via ()*

Under "Via" is mentioned the places where Customs frontiers are crossed, the places where a change in mode or means of transport occurs, etc.

Mode and means of transport ()*

Information should be given of the mode and means of transport used for each part of the transport, by indicating ship's name, registration number of railway waggon or road vehicle, etc., as relevant. In intermodal transport, these data might have to be entered during the course of the transport.

Office of destination ()*

This means the name of the Customs office at which the Customs transit operation is terminated.

Documents attached

The declarant should list in this box such documents, e.g. certificates of origin and of sanitary control, goods manifests, which are attached to the declaration.

Official use

This box is intended for any information related to the control of the packages, etc.

Seals, etc. affixed by Customs/declarant

This space is intended for indicating the number of seals, etc., affixed and their numbers or other identification details. The appropriate box shall be marked to indicate whether the seals, etc., were affixed by the Customs themselves or by the declarant.

Transport-unit (type, identification No.), marks and numbers of packages or items

This area is intended for identification particulars for transport-units (e.g. container type and identification No.) or for the goods,

(*) The design of these boxes can be adjusted according to the requirements under a particular application or for inclusion in a one-run system of aligned forms.

such as shipping marks, leading numbers and consecutive numbers, or address marking.

Number and kind of packages/description of goods

This area is intended for particulars of the number and kind of the packages and a description of the goods either in common trade terms or, if possible, using the terminology of the Customs or freight tariffs applicable.

Commodity No

When possible the relevant number of the applicable statistical commodity list or Customs tariff should be given, as in most cases these numbers, or parts of them, are used worldwide, and this would aid in identifying the commodity.

Gross weight, kg

The gross weight of the goods should be given in kilogrammes.

National administrative requirements

This box is set aside to provide space for any additional details required by administrations, such as name of driver, prescribed itinerary or time-limit. It may also be used for official indications relating to the office of destination.

Security details

Details concerning the security provided, e.g. cash deposit, guarantee, should be given in this box.

Place, date and signature of declarant

The text of the declaration in this box can be changed, as appropriate, to reflect national legislation, bilateral or multilateral agreements.

As regards the boxes on the back of the Customs transit declaration, these are intended as examples only and will have to be adjusted according to the procedure envisaged under a bilateral or multilateral Customs transit agreement.

APPENDIX III

**Minimum requirements
to be met by Customs seals and fastenings**

Customs seals and fastenings shall meet the following minimum requirements :

1. General requirements in respect of seals and fastenings :

The seals and fastenings, together, shall

- (a) be strong and durable;
- (b) be capable of being affixed easily and quickly;
- (c) be capable of being readily checked and identified;
- (d) not permit removal or undoing without breaking or tampering without leaving traces;
- (e) not permit use more than once;
- (f) be made as difficult as possible to copy or counterfeit.

2. Physical specification of seals :

- (a) the shape and size of the seal shall be such that any identifying marks are readily legible;
- (b) each eyelet in a seal shall be of a size corresponding to that of the fastening used, and shall be positioned so that the fastening will be held firmly in place when the seal is closed;
- (c) the material used shall be sufficiently strong to prevent accidental breakage, early deterioration (due to weather conditions, chemical action, etc.) or undetectable tampering;
- (d) the material used shall be selected by reference to the sealing system used.

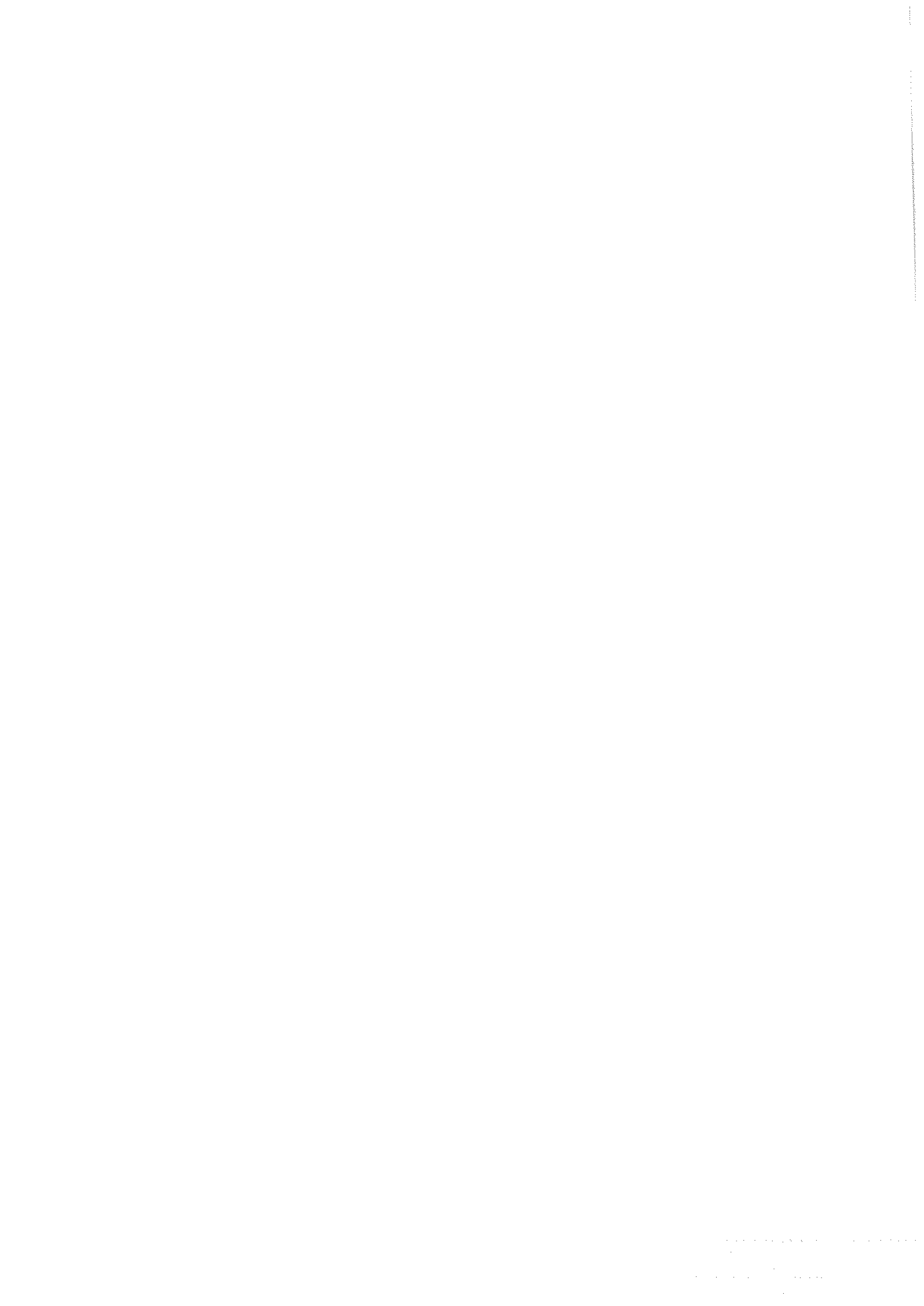
3. Physical specification of fastenings :

- (a) the fastening shall be strong and durable and resistant to weather and corrosion;
- (b) the length of the fastening used shall not enable a sealed aperture to be opened or partly opened without the seal or fastening being broken or otherwise showing obvious damage;
- (c) the material used shall be selected by reference to the sealing system used.

4. Identification marks :

The seal or fastening, as appropriate, shall be marked :

- (a) to show that it is a Customs seal, by application of the word " Customs " preferably in one of the official languages of the Council (English or French);
- (b) to show the country which applied the seal, preferably by means of the sign used to indicate the country of registration of motor vehicles in international traffic;
- (c) to enable the Customs office by which the seal was affixed, or under whose authority it was affixed, to be identified, for example, by means of code letters or numbers.



ANNEX E. 2.

Annex concerning transshipment

Introduction

It often occurs for reasons of trade or transport that goods are imported into the Customs territory of a country in order to be transferred from the importing means of transport to another means of transport in which they then leave that territory for their destination.

Frequently the importation, transfer of goods from one means of transport to another and exportation all take place within the area of a single Customs office, and to facilitate operations the legislation of some countries contains a procedure which enables them to be carried out under Customs control without payment of import or export duties and taxes. This procedure, under which a simple control system is generally used, is called transshipment and is the subject of this Annex.

The Annex does not apply to goods which on arrival in the Customs territory of a country are already under a Customs procedure (such as Customs transit) and are transferred from one means of transport to another during the course of that procedure, such transfer being dealt with by the Customs under the procedure already in operation. Nor does the Annex apply to goods carried by post or in travellers' baggage.

Definitions

For the purposes of this Annex :

(a) the term " transshipment " means the Customs procedure under which goods are transferred under Customs control from the importing means of transport to the exporting means of transport within the area of one Customs office which is the office of both importation and exportation;

- (b) 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 particulars which the Customs require to be declared for the application of that procedure;
- (c) the term " declarant " means the person who signs a Goods declaration or in whose name it is signed;
- (d) the term " means of transport " means any ship or other vessel, aircraft, hovercraft, road vehicle (including trailers and semi-trailers) or railway wagon;
- (e) 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;
- (f) the term " export duties and taxes " means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the exportation of goods but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (g) the term " Customs control " means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (h) the term " security " means that which ensures to the satisfaction of 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;
- (ij) the term " person " means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*

Transhipment shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished for the purposes of transhipment.

3. *Standard*

Goods admitted to transhipment shall not be subjected to the payment of import duties and taxes or export duties and taxes provided the conditions laid down by the Customs authorities are complied with.

4. *Standard*

Transhipment shall not be refused solely on the grounds of the country of origin of the goods, the country whence they arrived or the country of destination.

The declarant

5. *Standard*

Any person having the right to dispose of the goods shall be entitled to declare them for transhipment.

Notes

1. The declarant need not be the owner of the goods; he may be, for example, the carrier, the forwarding agent, the consignee or an agent approved by the Customs.

2. The Customs authorities may require the declarant to establish his right to dispose of the goods.

6. *Standard*

The declarant shall be responsible to the Customs authorities for compliance with the obligations incurred under transhipment.

General provisions

7. *Standard*

Priority shall be given to the Customs operations relating to live animals, perishable goods and other urgent consignments which are to be transhipped and for which rapid transport is essential.

8. *Standard*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter shall, insofar as their administrative organization permits, perform the functions laid down for the purposes of transhipment outside the business hours of the Customs office, it being understood that the expenses entailed may be charged to the person concerned.

Admission to transhipment

(a) *Declaration*

9. *Recommended Practice*

Only one Goods declaration should be required for the purposes of transhipment.

10. *Recommended Practice*

Any commercial or transport document setting out clearly the necessary particulars should be accepted as the descriptive part of the Goods declaration for transhipment.

(b) *Security*

11. *Standard*

The form in which security, if any, is to be provided for the purposes of transhipment shall be laid down in national legislation or determined by the Customs authorities in accordance with national legislation.

12. *Recommended Practice*

The choice between the various acceptable forms of security should be left to the declarant.

13. *Standard*

The Customs authorities shall determine the amount in which security is to be provided for the transshipment operation.

14. *Standard*

When security is required to ensure that the obligations arising from several transshipment operations will be fulfilled, the Customs authorities shall accept a general security.

Recommended Practice

The amount of any security should be set as low as possible having regard to the import duties and taxes or export duties and taxes potentially chargeable.

(c) *Examination and identification of goods*16. *Recommended Practice*

Goods declared for transshipment should be examined by the Customs authorities only where there are special circumstances in which examination is deemed to be necessary.

17. *Recommended Practice*

When they consider it necessary, the Customs authorities should take action at importation to ensure that the goods to be transhipped will be identifiable at exportation and that unauthorized interference will be readily detectable.

(d) *Additional control measures*18. *Standard*

Only when they consider such a measure to be indispensable shall the Customs authorities:

- (a) require goods to follow a prescribed itinerary; or
- (b) require goods to be transported under Customs escort.

19. *Standard*

When the Customs authorities prescribe a time limit for the exportation of goods declared for transshipment, they shall take account of the particular circumstances of the transshipment operation.

20. *Recommended Practice*

At the request of the person concerned, and for reasons the Customs authorities deem valid, the latter should extend any period initially fixed.

(e) *Authorized operations*21. *Recommended Practice*

At the request of the person concerned, and subject to such conditions as they may lay down, the Customs authorities should as far as possible allow goods in transshipment to undergo operations likely to facilitate their exportation.

Note

These operations may include regrouping, repacking, remarking, sampling and repair or change of damaged packings.

*Termination of transshipment*22. *Standard*

When it has been established to the satisfaction of the competent Customs authorities that the person concerned has fulfilled his obligations in respect of transshipment, any security given shall be discharged without delay.

23. *Recommended Practice*

Failure to follow a prescribed itinerary or to comply with a prescribed time limit

should not entail the collection of any import duties and taxes or export duties and taxes potentially chargeable provided the Customs authorities are satisfied that all other requirements have been met.

24.

Standard

Total or partial exemption, as the case may be, from payment of any import duties and taxes normally chargeable shall be granted in respect of goods damaged, destroyed or irrecoverably lost by accident or force majeure or short for reasons due to their nature during a transshipment operation provided that the facts are duly established to the satisfaction of the Customs authorities.

Note

At the request of the person concerned, remnants of goods covered by this Standard may be :

- (a) cleared for home use in their existing state as if they had been imported in that state; or
- (b) exported; or
- (c) rendered commercially valueless under Customs control, without expense to the Revenue, or
- (d) with the consent of the Customs authorities, abandoned free of all expenses to the Revenue.

Information concerning transshipment

25.

Standard

The Customs authorities shall ensure that all relevant information concerning transshipment is readily available to any person interested.

ANNEX E.3.

Annex concerning Customs warehouses

Introduction

It is in the nature of international trade practice that in a great many cases it is not known at the time of importation how imported goods will finally be disposed of. This means that the importers are obliged to store the goods for more or less long periods.

Where it is intended to re-export the goods, it is in the importer's interest to place them under a Customs procedure which obviates the need to pay import duties and taxes.

When goods are intended for outright importation, it is again in the importer's interest to be able to delay payment of the import duties and taxes until the goods are actually taken into home use.

In order to make these facilities available to importers, most countries have provided in their national legislations for the Customs warehousing procedure.

However, imported goods are not the only goods which may qualify for Customs warehousing.

For example, some countries allow goods that are liable to, or have borne, internal duties and taxes (whether of national origin or previously imported against payment of import duties and taxes) to be stored in Customs warehouses in order that they may qualify for exemption from, or repayment of, such internal duties and taxes.

Similarly, the deposit in a Customs warehouse of goods that have previously been dealt with under another Customs procedure or that may qualify, upon exportation, for repayment of import duties and taxes, makes it possible for the Customs authorities to grant discharge of such other Customs procedure

or to repay the import duties and taxes, as the case may be, before the goods are actually re-exported.

The provisions of this Annex do not apply to :

- the storage of goods in temporary store (locked premises and enclosed or unenclosed spaces approved by the Customs, in which goods may be stored pending clearance),
- the storage of goods in free ports and free zones,
- the processing or manufacturing, under Customs supervision, of goods conditionally relieved from import duties and taxes in premises approved by the Customs (inward processing warehouses).

Definitions

For the purposes of this Annex :

- (a) the term " Customs warehousing procedure " means the Customs procedure under which imported goods are stored under Customs control in a designated place (a Customs warehouse) without payment of import duties and taxes;
- (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 connection 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 " Customs control " means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (d) the term " security " means that which ensures to the satisfaction of 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;

- (e) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principle

1. *Standard*

The Customs warehousing procedure shall be governed by the provisions of this Annex.

Classes of warehouses

2. *Standard*

National legislation shall provide for Customs warehouses open to all importers (*public Customs warehouses*).

Note

In accordance with the provisions of national legislation, public Customs warehouses may be managed either by the Customs authorities or by other authorities or by natural or legal persons.

3. *Standard*

The right to store imported goods in public Customs warehouses shall not be restricted only to importers but shall be extended to any other persons interested.

4. *Standard*

National legislation shall provide for Customs warehouses to be used solely by specified persons (*private Customs warehouses*) when this is necessary to meet the special requirements of trade or industry.

Establishment of warehouses

5. *Standard*

The requirements as regards the construction and layout of Customs warehouses and the arrangements for Customs control shall be laid down by the Customs authorities.

Note

For the purpose of control, the Customs authorities may, in particular :

- require that Customs warehouses be double-locked (secured by the lock of the person concerned and by the Customs lock),
- keep the premises under permanent or intermittent supervision,
- keep, or require to be kept, accounts of goods warehoused (by using either special registers or the relevant declarations), and
- take stock of the goods in the warehouse from time to time.

Management of warehouses

6. *Standard*

National legislation shall specify the person or persons held responsible for the payment of any import duties and taxes chargeable on goods placed under the Customs warehousing procedure that are not accounted for to the satisfaction of the Customs authorities.

7. *Standard*

When security is required to ensure that the obligations arising from several operations will be fulfilled, the Customs authorities shall accept a general security.

8. *Recommended Practice*

The amount of any security should be set as low as possible having regard to the import duties and taxes potentially chargeable.

9. *Recommended Practice*

The Customs authorities should waive security where the warehouse is under adequate Customs supervision, in particular where it is Customs-locked.

10.

Standard

The Customs authorities shall lay down the requirements as regards the management of Customs warehouses, and arrangements for storage of goods in Customs warehouses and for stock-keeping and accounting shall be subject to the approval of the Customs authorities.

Goods allowed to be warehoused

11.

Recommended Practice

Storage in public Customs warehouses should be allowed for all kinds of imported goods liable to import duties and taxes or to restrictions or prohibitions other than those imposed on grounds of public morality or order, public security, public hygiene or health, or for veterinary or phytopathological considerations, or relating to the protection of patents, trade marks and copyrights, irrespective of quantity, country of origin, country whence arrived or country of destination.

Goods which constitute a hazard, which are likely to affect other goods or which require special installations should be accepted only by Customs warehouses specially designed to receive them.

12.

Standard

The kinds of goods which may be stored in private Customs warehouses shall be specified by the competent authorities in the authority granting the benefit of the Customs warehousing procedure or in an appropriate provision.

13.

Recommended Practice

Storage in Customs warehouses should be allowed for goods which are entitled to repayment of import duties and taxes when exported, so that they may qualify for such repayment immediately, on condition that they are to be exported subsequently.

14.

Recommended Practice

Storage in Customs warehouses, with a view to subsequent exportation or other authorized disposal, should be allowed for goods under the temporary admission procedure, the obligations under that procedure thereby being discharged.

15.

Recommended Practice

Storage in Customs warehouses should be allowed for goods intended for exportation that are liable to, or have borne, internal duties or taxes, in order that they may qualify for exemption from, or repayment of, such internal duties and taxes, on condition that they are to be exported subsequently.

Admission into warehouses

16.

Standard

National legislation shall specify the conditions under which goods for warehousing shall be produced at the competent Customs office and a Goods declaration shall be lodged.

Authorized operations

17.

Standard

Any person entitled to dispose of the warehoused goods shall be allowed :

- (a) to inspect them;
- (b) to take samples, against payment of the import duties and taxes where appropriate;
- (c) to carry out operations necessary for their preservation.

18.

Standard

Warehoused goods shall be allowed to undergo usual forms of handling to improve their packaging or marketable quality or to prepare them for shipment, such as breaking bulk, grouping of packages, sorting and grading, and repacking.

Duration of warehousing

19. *Standard*

The authorized maximum duration of storage in a Customs warehouse shall be fixed with due regard to the needs of trade and shall be not less than one year.

Transfer of ownership

20. *Standard*

The transfer of ownership of warehoused goods shall be allowed.

Deterioration, loss or destruction of goods

21. *Standard*

Goods deteriorated or spoiled by accident or force majeure before leaving the warehouse shall be allowed to be cleared for home use as if they had been imported in their deteriorated or spoiled state.

22. *Standard*

Warehoused goods destroyed or irrecoverably lost by accident or force majeure shall not be subjected to import duties and taxes, provided that such destruction or loss is duly established to the satisfaction of the Customs authorities.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste and scrap imported in that state.

23. *Standard*

At the request of the person entitled to dispose of them, any warehoused goods shall be allowed to be abandoned, in whole or in part, to the Revenue or to be destroyed or rendered commercially valueless under Customs control, as the Customs authorities may decide. Such abandonment or destruction shall not entail any cost to the Revenue.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste and scrap imported in that state.

Removal from warehouse

24. *Standard*

Any person entitled to dispose of the goods shall be authorized to remove all or part of them from warehouse for re-exportation, home use, removal to another Customs warehouse or assignment to any other Customs procedure, subject to compliance with the conditions and formalities applicable in each case.

Goods taken into home use

25. *Standard*

National legislation shall specify the point in time to be taken into consideration for the purpose of determining the value and quantity of goods removed from Customs warehouse for home use and the rates of the import duties and taxes applicable to them.

Goods not removed from warehouse

26. *Standard*

National legislation shall specify the procedure to be followed where goods are not removed from Customs warehouse within the period laid down.

27. *Recommended Practice*

When goods not removed from Customs warehouse are sold by the Customs, the proceeds of the sale, after deduction of the import duties and taxes and all other charges and expenses incurred, should either be made over to the person(s) entitled to receive them, when this is possible, or be held at their disposal for a specified period.

Information concerning warehouses

28. *Standard*

The Customs authorities shall ensure that all relevant information regarding the Customs warehousing procedure is readily available to any person interested.

ANNEX E. 4.

Annex concerning drawback

Introduction

When imported materials which have borne import duties and taxes are subjected to manufacturing or processing (or, in certain circumstances, repair) and are then exported, they can often be offered for sale in foreign markets at more competitive prices if the import duties and taxes are refunded at exportation. The drawback procedure provides facilities for such a refund.

Since, however, such refunds may encourage the importation of foreign goods for which equivalents are available from domestic sources, some restriction on the granting of such refund may be considered necessary in respect of particular categories of goods or particular processing or manufacturing operations. The extent to which drawback may be granted will have to be specified as necessary by individual countries.

This Annex covers not only the granting of drawback in cases where the goods have undergone processing, manufacture or repair, but also the possibility of granting drawback in cases where goods have been imported and are subsequently re-exported in the same state. The Annex does not cover, however, repayment made on grounds of equity, for example, when goods are returned to the supplier as being not in accordance with contract. Neither does the Annex cover the repayment on exportation of duties and taxes other than import duties and taxes.

Definitions

For the purposes of this Annex :

- (a) the term "drawback procedure" means the Customs procedure which, when goods are exported, provides for a refund

(total or partial) to be made in respect of the import duties and taxes charged on the goods, or on materials contained in them or used up in their production;

- (b) the term "drawback" means the amount of import duties and taxes repaid under the drawback procedure;
- (c) the term "import duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connection with the importation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered.

Principle

1. *Standard*
The drawback procedure shall be governed by the provisions of this Annex.

Scope

2. *Standard*
National legislation shall specify the cases in which drawback may be claimed and the conditions under which it is paid.

Note 1

The cases where drawback may be claimed may be specified by reference to certain goods or classes of goods or to certain uses of goods. Drawback may also be restricted to certain categories of import duties and taxes or to cases where the goods have undergone processing, manufacture or repair or other authorized uses. Drawback in respect of goods used up in the production of exported goods does not normally extend to mere aids to manufacture, such as lubricants, but may apply to waste or loss resulting from such manufacture.

Note 2

Repayments under the drawback procedure are not granted in cases where import duties and taxes have been, or will be, repaid under other provisions.

3. *Recommended Practice*

The drawback procedure should also be applied in cases where the goods or materials which have borne import duties and taxes have been replaced by equivalent goods or materials used in the manufacture or production of exported goods.

Conditions to be fulfilled

4. *Standard*

The interested parties shall maintain records or stock accounts enabling the validity of the claim for drawback to be verified.

5. *Standard*

When it is known or anticipated at the time of importation of the goods for home use that drawback will be claimed, the declarant may be required, in order to facilitate a later claim, to state this intention; however, payment of drawback shall not be withheld solely because such a statement has not been made, nor shall exportation be required because of such a statement.

Note

The Customs may require that goods on which drawback is to be claimed be segregated from other goods or be processed or manufactured under Customs supervision.

Duration of stay of the goods
in the Customs territory

6. *Standard*

Where a time limit for the exportation of the goods is fixed beyond which they no

longer qualify for drawback, due account shall be taken in fixing such limit of the nature of the process or manufacture to which the goods may be subjected, and of the commercial or other factors involved.

7. *Recommended Practice*

Where a time limit for the exportation of the goods is fixed, this should, upon request, be extended if the reasons are deemed by the Customs authorities to be valid.

Declaration on exportation and claim for drawback

8. *Standard*

A declaration of exportation on drawback accompanied by supporting documents shall be lodged at a competent Customs office.

9. *Recommended Practice*

At the request of the exporter, and for reasons deemed to be valid, the Customs authorities should, so far as possible, allow goods for exportation to be examined on private premises, the expenses entailed by such examination being borne by the exporter.

The Customs authorities may themselves require goods for exportation to be produced for examination at private premises.

10. *Recommended Practice*

Where the exportation of goods under the drawback procedure is controlled through the exporter's records, production of the goods at exportation should normally be dispensed with.

11. *Standard*

The claim for drawback shall contain (or provide in the accompanying documents) such proof as is required to show that the conditions laid down for the payment of drawback have been fulfilled.

Note

The particulars that may be required by the Customs authorities for the payment of drawback include the following :

- (a) the claimant,
- (b) the initial clearance of the goods for home use (for example, the number and date of the Goods declaration for home use),
- (c) the import duties and taxes paid,
- (d) the nature or tariff description, and the quantity, of the goods,
- (e) the use, process or manufacture to which the goods have been subjected,
- (f) details of exportation.

12. *Recommended Practice*

Where a time limit is fixed beyond which claims for drawback will not be accepted, provision should be made for its extension for commercial or other reasons deemed by the Customs authorities to be valid.

Payment of drawback

13. *Standard*

Drawback shall be paid as soon as possible after the claim has been verified.

14. *Recommended Practice*

Drawback should also be paid on deposit of the goods in a Customs warehouse on condition that they are to be exported subsequently.

15. *Recommended Practice*

The Customs authorities should, if so requested, pay drawback periodically, on goods exported during a specified period.

Information concerning drawback

16. *Standard*

The Customs authorities shall ensure that all relevant information regarding the drawback procedure is readily available to any person interested.



ANNEX E. 5.

Annex concerning temporary admission
subject to re-exportation in the same state

Introduction

There are many economic, social and cultural reasons which may lead a country to encourage the temporary stay of goods.

Moreover, when goods have to stay only temporarily in the Customs territory of a State, to require final payment of the import duties and taxes applicable to them would as a rule be unjustified since the effect would be, for example, to subject goods to payment of import duties and taxes every time they were imported, on a temporary basis, into one country or another.

The national legislations of most countries accordingly contain provisions allowing conditional relief from duties and taxes for certain categories of goods temporarily imported.

The Customs procedure under which conditional relief from import duties and taxes may be granted in respect of goods imported for a specific purpose and intended for re-exportation in the same state is the temporary admission procedure.

As a general rule, temporary admission involves total conditional relief from import duties and taxes. In certain special cases, however, for example when the goods are used for purposes such as production, work projects or internal transport, the conditional relief granted may be only partial.

The present Annex does not apply to articles temporarily imported by travellers for their personal use nor to private conveyances.

Definitions

For the purposes of this Annex :

- (a) the term "temporary admission" means the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved from payment of import duties and taxes; such goods must be imported for a specific purpose and must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of the goods;
- (b) the term "import duties and taxes" means the Customs duties and all other duties, taxes, fees or other charges which are collected on or in connection 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 "Customs control" means the measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (d) the term "security" means that which ensures to the satisfaction of 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;
- (e) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principle

1. *Standard*
Temporary admission shall be governed by the provisions of this Annex.

Field of application

2. *Standard*
National legislation shall enumerate the cases in which temporary admission may be granted and shall lay down the requirements which must be met.

3. *Standard*

Goods temporarily admitted shall be afforded total conditional relief from import duties and taxes. However, the conditional relief from import duties and taxes may be only partial in the cases referred to in Recommended Practice 38.

4. *Standard*

Temporary admission shall not be limited to goods imported directly from abroad but shall also be authorized for goods ex Customs transit, ex Customs warehouse or from a free port or a free zone.

5. *Recommended Practice*

Temporary admission should be granted without regard to the country of origin of the goods, the country whence they arrived or their country of destination.

Grant of temporary admission

(a) Formalities prior to grant of temporary admission

6. *Standard*

National legislation shall specify the cases in which prior authority is required for temporary admission and the authorities empowered to grant such authority.

7. *Recommended Practice*

The cases in which prior authority is required for temporary admission should be as few as possible.

(b) Declaration for temporary admission

8. *Standard*

National legislation shall specify the conditions under which goods for temporary admission shall be produced at the competent Customs office and a Goods declaration shall be lodged.

9. *Recommended Practice*

National forms used for temporary admission should be harmonized with those used for the Goods declaration for home use.

(c) Security

10. *Standard*

The form in which security is to be provided on temporary admission shall be laid down in national legislation or determined by the Customs authorities in accordance with national legislation.

11. *Recommended Practice*

The choice between the various acceptable forms of security should be left to the declarant.

12. *Standard*

The Customs authorities shall, in accordance with national legislation, determine the amount in which security is to be provided on temporary admission.

13. *Recommended Practice*

The amount of the security to be provided on temporary admission should not exceed the amount of the import duties and taxes from which the goods are conditionally relieved.

Note

This Recommended Practice does not prevent the amount of the security from being determined on the basis of a single rate where the goods fall in a wide range of tariff headings.

14. *Standard*

Persons who regularly use the temporary admission procedure at one or more Customs offices in a given Customs territory shall be authorized to provide general security.

15. *Recommended Practice*

Customs authorities should waive the requirement for security where they are satisfied that payment of any sums that might fall due can be ensured by other means.

(d) A. T. A. carnets

16. *Recommended Practice*

Contracting Parties should give careful consideration to the possibility of acceding to the Customs Convention on the A. T. A. carnet for the temporary admission of goods done at Brussels on 6 December 1961 and thus accepting A. T. A. carnets in lieu of national Customs documents and as security for the import duties and taxes in respect of goods granted temporary admission with total conditional relief from import duties and taxes.

(e) Examination of the goods

17. *Recommended Practice*

At the request of the importer, and for reasons deemed to be valid, the Customs authorities should, so far as possible, allow goods for temporary admission to be examined on private premises, the expenses entailed by such examination being borne by the importer.

(f) Identification measures

18. *Recommended Practice*

For the purpose of identifying goods temporarily admitted, the Customs authorities should have recourse to the affixing of Customs marks (seals, stamps, perforations, etc.) only where the goods cannot readily be identified by means of foreign seals, by marks, numbers or other indications permanently affixed to them, by a description, or by sampling.

Stay of the goods in the Customs territory

19. *Standard*

The time limit for temporary admission shall be fixed, for each type of case, by

reference to the time necessary for the temporary admission, up to the maximum period, if any, laid down in national legislation.

20. *Recommended Practice*

At the request of the person concerned, and for reasons deemed to be valid, the Customs authorities should extend the period initially fixed.

Termination of temporary admission

21. *Standard*

National legislation shall specify the conditions under which goods on temporary admission shall be produced at the competent Customs office and a Goods declaration shall be lodged.

(a) Re-exportation

22. *Standard*

Provision shall be made to permit temporarily admitted goods to be re-exported in one or more consignments.

23. *Standard*

Provision shall be made for terminating temporary admission by placing the goods in a free port or free zone.

24. *Standard*

Provision shall be made to permit temporarily admitted goods to be re-exported through a Customs office other than that through which they were imported.

25. *Recommended Practice*

At the request of the exporter, and for reasons deemed to be valid, the Customs authorities should, so far as possible, allow goods for re-exportation to be examined on private premises, the expenses entailed by such examination being borne by the exporter.

(b) Other methods of disposal

26. *Standard*

Provision shall be made for terminating temporary admission by declaring the goods for home use, subject to compliance with the conditions and formalities applicable in such case.

27. *Standard*

National legislation shall specify the point in time to be taken into consideration for the purpose of determining the value and quantity of goods declared for home use and the rates of the import duties and taxes applicable to them.

28. *Recommended Practice*

Provision should be made for terminating temporary admission by deposit of the goods in a Customs warehouse with a view to subsequent exportation or other authorized disposal.

29. *Recommended Practice*

Provision should be made for terminating temporary admission by placing the goods under a Customs transit procedure with a view to their subsequent exportation.

30. *Standard*

Provision shall be made for temporary admission to be terminated where, at the request of the person concerned, the goods are abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control, as the Customs authorities may decide. Such abandonment or destruction shall not entail any cost to the Revenue.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste or scrap imported in that state.

31. *Standard*

Temporarily admitted goods which are destroyed or irrecoverably lost by accident

or force majeure shall not be subjected to import duties and taxes, provided that such destruction or loss is duly established to the satisfaction of the Customs authorities.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste or scrap imported in that state.

Note

In the case of partial conditional relief from import duties and taxes, Standards 30 and 31 are applicable provided that the portion of import duties and taxes payable at the time of the abandonment, destruction or loss of the goods is paid.

Discharge of security

32. *Standard*

Any security furnished shall be discharged as soon as possible after temporary admission has been terminated.

33. *Recommended Practice*

If security has been given in the form of a cash deposit, provision should be made for it to be repaid at the office of re-exportation, even if the goods were not imported through that office.

Information concerning temporary admission

34. *Standard*

The Customs authorities shall ensure that all relevant information regarding temporary admission is readily available to any person interested.

Scope

(a) Temporary admission with total conditional relief from import duties and taxes

35. *Recommended Practice*

Temporary admission should be granted to the following goods :

- (1) "Packings" referred to in Article 2 of the Customs Convention on the temporary importation of packings (Brussels, 6 October 1960).
- (2) "Goods for display or use at exhibitions, fairs, meetings or similar events" referred to in Article 2, paragraph 1, of the Customs Convention concerning facilities for the importation of goods for display or use at exhibitions, fairs, meetings or similar events (Brussels, 8 June 1961).
- (3) "Professional equipment" referred to in Annexes A to C of the Customs Convention on the temporary importation of professional equipment (Brussels, 8 June 1961).
- (4) "Welfare material for seafarers" referred to in Article 1, paragraph (a), of the Customs Convention concerning welfare material for seafarers (Brussels, 1 December 1964).
- (5) "Scientific equipment" referred to in Article 1, paragraph (a), of the Customs Convention on the temporary importation of scientific equipment (Brussels, 11 June 1968).
- (6) "Pedagogic material" referred to in Article 1, paragraph (a), of the Customs Convention on the temporary importation of pedagogic material (Brussels, 8 June 1970).
- (7) "Samples" and "advertising films" referred to in Articles III and V of the International Convention to facilitate the importation of commercial samples and advertising material (Geneva, 7 November 1952).
- (8) "Tourist publicity material" referred to in Article 3 of the Additional Protocol to the Convention concerning Customs facilities for touring, relating to the importation of tourist publicity documents and material (New York, 4 June 1954).
- (9) "Containers" referred to in Article 1 (c) of the Customs Convention on containers (Geneva, 2 December 1972).
- (10) "Pallets" referred to in Article 1 of the European Convention on Customs treatment of pallets used in international transport (Geneva, 9 December 1960).
- (11) "Commercial road vehicles" referred to in Article 1 of the Customs Convention on the temporary importation of commercial road vehicles (Geneva, 18 May 1956).

Contracting Parties are invited to consider the possibility of acceding to the above international instruments.

36. *Recommended Practice*

Customs authorities should waive the requirement of a declaration in writing and of security in the cases of temporary admission referred to in items 1, 9, 10 and 11 of Recommended Practice 35.

37. *Recommended Practice*

Temporary admission should be granted in respect of the following goods unless they are eligible for outright duty-free admission under national legislation :

- (1) Used removable articles belonging to a person who takes up temporary residence in the country of importation.
- (2) Articles (including vehicles) which, by their nature, are unsuitable for any purpose other than advertising of specific articles or publicity for a specific purpose.
- (3) Data-carrying media for use in automatic data processing.
- (4) Drawings, plans and models to be used in the manufacture of goods.
- (5) Matrices, blocks, plates and similar articles, on loan or hire, for printing illustrations in periodicals or books.
- (6) Matrices, blocks, plates, moulds and similar articles, on loan or hire, to be used in the manufacture of articles that are to be delivered abroad.

- (7) Instruments, apparatus and machines to be tested or checked.
- (8) Instruments, apparatus and machines made available free of charge to a customer by or through a supplier or repairer, pending the delivery or repair of similar goods.
- (9) Costumes and scenery items sent on loan or on hire to dramatic societies or theatres.
- (10) Goods which have to undergo a change of packing prior to their delivery abroad.
- (11) Goods such as apparel, articles of jewellery and carpets, sent on "sale or return" terms to persons not engaged in trade in such goods.
- (12) Animals, sports requisites and other articles belonging to a person resident abroad, for use by that person in sports contests or demonstrations.
- (13) Works of art, collectors' pieces and antiques for display in exhibitions, including those organized by the artists themselves.
- (14) Books sent on loan to persons resident in the country of importation.
- (15) Photographs, transparencies and films to be shown in an exhibition or at a competition for still or cinema photographers.
- (16) Draught animals and equipment for the working of lands adjacent to the border by persons resident abroad.
- (17) Animals brought to pasture on lands adjacent to the border worked by persons resident abroad.
- (18) Horses and other animals imported for shoeing or weighing, or for treatment or other veterinary purposes.
- (19) Specialized equipment arriving by ship and used on shore at ports of call for the

loading, unloading and handling of cargo.

- (b) Temporary admission with partial conditional relief from import duties and taxes

38. *Recommended Practice*

Goods, other than those referred to in Recommended Practices 35 and 37, which are to be temporarily used for purposes such as production, work projects or internal transport, should be granted temporary admission with partial conditional relief from import duties and taxes.

Note

National legislation may provide that, for the purposes of calculating the amount of any duties and taxes payable upon such goods, account shall be taken of the duration of their stay in the Customs territory, of the depreciation consequent upon the use made of them or of the hire charges paid for them.

ANNEX E.6.

Annex concerning
temporary admission for inward processing

Introduction

The national legislations of most countries contain provisions allowing conditional relief from import duties and taxes to be granted in respect of goods that are to be re-exported after having undergone specified manufacturing, processing or repair. The Customs procedure which reflects these provisions is that of temporary admission for inward processing.

The main purpose of this Customs procedure is to make it possible for national enterprises to offer their products or services on foreign markets at competitive prices and thereby to help to provide more employment opportunities for national labour.

However, temporary admission for inward processing may be made subject to the condition that the proposed operations shall be beneficial to the national economy and shall not conflict with the interests of national producers of goods identical or similar to those in respect of which admission is requested.

As a general rule, temporary admission for inward processing involves total conditional relief from import duties and taxes. However, import duties and taxes may be charged on waste deriving from the processing or manufacturing of the goods.

National legislations usually require that the goods exported shall have been obtained from the goods imported.

In some cases, however, authority may be given for the utilization of goods equivalent to those temporarily admitted for inward processing (equivalents).

Within the context of temporary admission for inward processing, exemption from import duties and taxes may be granted in respect of goods used up during the production of the exported goods without actually being contained in them.

Definitions

For the purposes of this Annex :

- (a) the term " temporary admission for inward processing " means the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved from payment of import duties and taxes; such goods must be intended for re-exportation within a specific period after having undergone manufacturing, processing or repair;
- (b) the term " import duties and taxes " means the 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 " compensating products " means the products obtained during or as a result of the manufacturing, processing or repair of the goods temporarily admitted for inward processing;
- (d) the term " Customs control " means the measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (e) the term " security " means that which ensures to the satisfaction of 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;

(f) The term "person" means both natural and legal persons, unless the context otherwise requires.

Principle

1. *Standard*
Temporary admission for inward processing shall be governed by the provisions of this Annex.

Field of application

2. *Standard*
National legislation shall specify the circumstances in which temporary admission for inward processing may be granted and shall lay down the requirements which must be met.

Notes

1. The circumstances in which temporary admission for inward processing is allowed may be set out in general terms and/or in detail.

2. Exemption from import duties and taxes may be accorded in respect of goods such as catalysts and accelerators or retarders of chemical reactions which, on being used to obtain compensating products, disappear entirely or partially during such use without actually being contained in those products. The exemption may be granted only insofar as the compensating products obtained are exported. However, it does not normally extend to mere aids to manufacture, such as lubricants.

3. The right to import goods temporarily for inward processing may be made subject to the condition that the proposed processing operations are regarded by the competent authorities as beneficial to the national economy.

4. The right to import goods temporarily for inward processing may be reserved to persons established in the Customs territory.

5. Operations allowed under the temporary admission for inward processing procedure may be carried out in premises designated as warehouses for inward processing.

The main features of these arrangements may be :

- the requirements as to the location and layout of inward processing warehouses will be laid down by the competent authorities.
- declaration for home use of a specified proportion of the compensating products obtained is authorized;
- examination of the goods to be used, and of the compensating products to be removed from the warehouse, will generally be carried out in the warehouse.

3. *Standard*

Goods temporarily admitted for inward processing shall be afforded total conditional relief from import duties and taxes. However, import duties and taxes may be assessed on waste deriving from the processing or manufacturing of goods temporarily admitted for inward processing that is not re-exported or treated in such a way as to render it commercially valueless.

Notes

1. National legislation may provide that waste having commercial value shall be assessed either on the basis of its own tariff description or on the basis of the tariff description of the goods from which it is derived.

2. National legislation may provide that import duties and taxes shall not be charged on waste within certain percentage limits or on waste that is irrecoverable or unusable.

4. *Standard*

Temporary admission for inward processing shall not be limited to goods imported directly from abroad but shall also be granted for goods ex Customs transit, ex Customs warehouse or from a free port or a free zone.

5. *Recommended Practice*

Temporary admission for inward processing should not be refused solely on the grounds of the country of origin of the goods, the country whence consigned or the country of destination.

6. *Standard*

The right to import goods temporarily for inward processing shall not be limited to the owner of the imported goods.

7. *Recommended Practice*

When, in the execution of a contract entered into with a person established abroad, the goods to be used are supplied by that person, temporary admission for inward processing should not be made subject to the condition that goods equivalent to those to be imported are not available in the Customs territory of importation.

8. *Recommended Practice*

The possibility of determining the presence of the imported goods in the compensating products should not be imposed as a necessary condition of temporary admission for inward processing when the identity of the goods can be established during the processing operations by Customs control or when the procedure is terminated by the exportation of products obtained from the treatment of goods, identical in description,

quality and technical characteristics to those temporarily admitted for inward processing.

Temporary admission of goods
for inward processing

(a) Formalities prior to temporary admission
for inward processing

9. *Standard*

National legislation shall specify the circumstances in which prior authority is required for temporary admission for inward processing and the authorities empowered to grant such authority.

10. *Recommended Practice*

Persons who carry on large-scale and continuous temporary admission for inward processing operations should be granted a general authorization covering such operations.

11. *Standard*

Where goods temporarily admitted for inward processing are to undergo manufacturing or processing, the competent authorities shall fix the rate of yield of the operation by reference to the actual conditions under which it is effected. The description, quality and quantity of the various compensating products shall be specified upon fixing that rate.

12. *Recommended Practice*

Where the inward processing operations :

- relate to goods whose characteristics remain reasonably constant;
- are customarily carried out under clearly defined technical conditions, and
- give compensating products of constant quality;

the competent authorities should lay down standard rates of yield applicable to the operations.

(b) Declaration for temporary admission for inward processing

13. *Standard*

National legislation shall specify the conditions under which goods temporarily admitted for inward processing shall be produced at the competent Customs office and a Goods declaration shall be lodged.

14. *Recommended Practice*

The national forms used on temporary admission for inward processing should be harmonized with those used for the Goods declaration for home use.

(c) Security

15. *Standard*

The forms in which security is to be provided on temporary admission for inward processing shall be laid down in national legislation or determined by the Customs authorities in accordance with national legislation.

16. *Recommended Practice*

The choice between the various acceptable forms of security should be left to the declarant.

17. *Standard*

The Customs authorities shall, in accordance with national legislation, determine the amount in which security is to be provided when goods are temporarily admitted for inward processing.

18. *Recommended Practice*

The amount of the security to be provided when goods are temporarily admitted for

inward processing should not exceed the amount of the import duties and taxes from which the goods are conditionally relieved.

Note

This Recommended Practice does not prevent the amount of the security from being determined on the basis of a single rate where the goods fall in a wide range of tariff headings.

19. *Standard*

Persons who regularly use the temporary admission for inward processing procedure at one or more Customs offices in a given Customs territory shall be authorized to provide general security.

20. *Recommended Practice*

Customs authorities should waive the requirement for security where they are satisfied that payment of any sums that might fall due can be ensured by other means.

(d) Examination of the goods

21. *Recommended Practice*

At the request of the importer, and for reasons deemed valid by the Customs authorities, the latter should, so far as possible, allow goods that are to be temporarily admitted for inward processing to be examined on private premises, the expenses entailed by such examination being borne by the importer.

(e) Identification measures

22. *Standard*

The requirements relating to the identification of goods temporarily admitted for inward processing shall be laid down by the Customs authorities, due account being taken of the nature of the goods, of the operation to be carried out and of the magnitude of the interests involved.

Note

For the identification of goods temporarily admitted for inward processing, the Customs authorities may rely on foreign seals affixed to the goods, on marks, numbers or other indications permanently affixed to them, on the description of the goods or scale plans or photographs, or have recourse to sampling, to the affixing of Customs marks (seals, stamps, perforations, etc.). The Customs authorities may also have recourse to the importers' records.

Stay of the goods in the Customs territory

23. *Standard*

The time limit for temporary admission for inward processing shall be fixed, in each case, by reference to the time necessary to complete the processing operations, up to the maximum period, if any, laid down in national legislation.

24. *Recommended Practice*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should extend the period initially fixed.

25. *Standard*

At the request of the Customs authorities, the persons concerned shall keep records from which the use of the goods temporarily admitted for inward processing can be checked.

26. *Standard*

The Customs authorities shall have the right to require that any person accorded the benefit of this procedure shall allow them to check on his premises, at any time, the goods temporarily admitted for inward processing and also the compensating products.

27. *Recommended Practice*

The competent authorities should allow part of the processing operations provided for to be carried out by a person other than the person accorded temporary admission for inward processing facilities, without the latter having to transfer ownership of the goods temporarily admitted for inward processing but on condition that, for the entire duration of the operations, he remain responsible to the Customs for compliance with the conditions under which processing facilities were allowed.

28. *Recommended Practice*

Provision should be made for continuing temporary admission for inward processing in the event of transfer of ownership of the imported goods and the compensating products to a third person, provided that that person assumes the obligations of the importer.

Termination of temporary admission
for inward processing29. *Standard*

National legislation shall specify the conditions under which the compensating products shall be produced at the competent Customs office and a Goods declaration shall be lodged.

Note

National legislation may prescribe that the Goods declaration shall contain the particulars needed to permit discharge of the temporary admission for inward processing declaration with respect to the goods that have been utilized.

(a) Re-exportation

30. *Standard*

Provision shall be made to permit compensating goods to be exported through a Customs office other than that through which the goods temporarily admitted for inward processing were imported.

31. *Standard*

Provision shall be made to permit temporary admission for inward processing to be terminated by exportation of the compensating products in one or more consignments.

32. *Recommended Practice*

At the request of the exporter, and for reasons deemed valid by the Customs authorities, the latter should, so far as possible, allow compensating products for re-exportation to be examined on private premises, the expenses entailed by such examination being borne by the exporter.

33. *Standard*

Upon request by the person concerned the competent authorities shall authorize the re-exportation of the goods in the same state as imported, with termination of temporary admission for inward processing.

34. *Standard*

Provision shall be made for terminating temporary admission for inward processing by placing the compensating products in a free port or free zone.

(b) Other methods of disposal

35. *Recommended Practice*

Provision should be made for terminating temporary admission for inward processing by placing the compensating products in a Customs warehouse with a view to subsequent exportation or other authorized disposal.

36. *Recommended Practice*

Provision should be made for terminating temporary admission for inward processing by placing the goods under a Customs transit procedure with a view to their subsequent exportation or other authorized disposal.

37. *Standard*

Provision shall be made for terminating temporary admission for inward processing

by declaring the imported goods or the compensating products for home use, subject to compliance with the conditions and formalities applicable in such case.

38. *Standard*

National legislation shall specify the point in time to be taken into consideration for the purpose of determining the value and quantity of goods declared for home use and also the rates of the import duties and taxes applicable to them.

Note

In the event of declaration for home use of compensating products that have been sent abroad for supplementary processing, account may be taken in calculating the import duties and taxes, besides those applicable to the goods initially used, of the difference between :

- (a) the amount of the import duties and taxes that would be chargeable on the products reimported after supplementary processing, and
- (b) the amount of the import duties and taxes that would be chargeable on the products temporarily exported for supplementary processing if they were imported directly from the country in which such processing had taken place.

39. *Recommended Practice*

National legislation should provide that the amount of import duties and taxes applicable in the case where the compensating products are not exported shall not exceed the amount of import duties and taxes applicable to the goods temporarily admitted for inward processing.

40. *Recommended Practice*

Provision should be made for terminating temporary admission for inward processing in respect of goods lost as a consequence

of the nature of the goods, insofar as the compensating products are exported, provided that such loss is duly established to the satisfaction of the Customs authorities.

Note

National legislation may lay down standard loss percentages for specified categories of goods temporarily admitted for inward processing.

41. *Standard*

Provision shall be made for temporary admission for inward processing to be terminated where, at the request of the person concerned, the goods temporarily admitted for inward processing or the compensating products are abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control, as the Customs authorities may decide. Such abandonment or destruction shall not entail any cost to the Revenue.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste or scrap imported in that state.

42. *Standard*

Goods temporarily admitted for inward processing, and compensating products, which are destroyed or irrecoverably lost by accident or force majeure shall not be subjected to import duties and taxes, provided that such destruction or loss is duly established to the satisfaction of the Customs authorities.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste or scrap imported in that state.

43. *Recommended Practice*

The products obtained from the treatment of imported or domestic goods identical in description, quality and technical characteristics to those temporarily admitted for inward processing should be deemed to be compensating products for the purposes of this Annex (setting-off with equivalent goods).

Note

Where setting-off with equivalent goods occurs in circumstances that so warrant, the competent authorities may allow, as compensating products, goods exported before importation of the goods which benefit from the temporary admission for inward processing procedure.

Discharge of security

44. *Standard*

Any security furnished shall be discharged as soon as possible after temporary admission for inward processing has been terminated.

Information concerning temporary admission
for inward processing

45. *Standard*

The Customs authorities shall ensure that all relevant information regarding temporary admission for inward processing is readily available to any person interested.

ANNEX E.7.

Annex concerning
the duty-free replacement of goods

Introduction

In most countries, national legislation contains provisions under which goods used to make products for export are not required to bear duties and taxes.

The drawback procedure and temporary admission for inward processing allow a refund of, or conditional relief from, import duties and taxes to be granted in respect of foreign goods used to obtain exported products.

In the case of the duty-free replacement of goods procedure, the subject of the present Annex, the technique employed is to grant exemption from import duties and taxes for goods equivalent to those which were in free circulation and were processed into products exported from the Customs territory.

However, application of this procedure may be made subject to the condition that the importation of goods equivalent to those incorporated in the products previously exported is regarded by the competent authorities as beneficial to the national economy.

Products manufactured from goods admitted free of import duties and taxes under this procedure may be put on the home market. Should they be exported, the duty-free replacement of goods procedure could again become applicable.

Definitions

For the purposes of this Annex :

- (a) the term "duty-free replacement of goods procedure" means the Customs procedure which permits the importation,

free of import duties and taxes, of goods equivalent (i.e., identical in description, quality and technical characteristics) to those which were in free circulation and which were processed into products previously exported outright;

- (b) the term "import duties and taxes" means the 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 "person" means both natural and legal persons, unless the context otherwise requires.

Principle

1. *Standard*
The duty-free replacement of goods procedure shall be governed by the provisions of this Annex.

Field of application

2. *Standard*
National legislation shall specify the circumstances in which the duty-free replacement of goods procedure may be granted and shall lay down the requirements which must be met.

Notes

1. The circumstances in which the duty-free replacement of goods procedure is allowed may be set out in general terms and/or in detail.

2. The granting of this procedure may be made subject to the condition that the importation of goods equivalent to those incorporated in the products previously exported is regarded by the competent authorities as beneficial to the national economy.

3. The benefit of the procedure may be reserved to persons established in the Customs territory.

3. *Standard*

At importation, goods equivalent to those which were in free circulation and which were incorporated in the products previously exported shall be afforded total exemption from import duties and taxes, subject to payment of any duties and taxes repaid or remitted on the exportation of the products.

Notes

1. The exemption from import duties and taxes may be granted in respect of raw materials and semi-manufactured products as well as to parts equivalent to those incorporated, without further manufacture, in the products exported.

2. Goods such as catalysts and accelerators or retarders of chemical reactions which, on being used to obtain products for exportation with entitlement to duty-free replacement of goods, disappear entirely or partially during such use without actually being contained in the products for export, may be treated as goods used to obtain the said products and granted the same exemption from import duties and taxes. However, this exemption does not normally extend to mere aids to manufacture such as lubricants.

4. *Recommended Practice*

The benefit of the duty-free replacement of goods procedure should not be withheld solely on the grounds that the products are exported to a specific country.

5. *Standard*

National legislation shall specify the categories of persons who may receive an authorization for the duty-free replacement of goods.

Note

The holder of an authorization for the duty-free replacement of goods may be the exporter, the manufacturer or the owner of the exported products.

6. *Standard*

The benefit of the duty-free replacement of goods procedure shall be granted where it is possible to ascertain the use of the goods in arriving at the exported products.

Note

In order to ascertain the use of the goods in arriving at the exported products the Customs authorities may carry out controls during the manufacturing process or may have recourse to the records kept by the manufacturer of the products to be exported.

Exportation of products with entitlement to duty-free replacement of goods

(a) Formalities prior to the exportation of the products

7. *Standard*

National legislation shall specify the circumstances in which prior authority is required for application of the duty-free replacement of goods procedure and the authorities empowered to grant such authority.

8. *Recommended Practice*

Persons who carry on large-scale and continuous operations involving the duty-free replacement of goods should be granted a general authority covering such operations.

9. *Standard*

The description, quality, technical characteristics and quantity of the various goods which were in free circulation and are contained in the products to be exported with entitlement to duty-free replacement of goods shall be determined by the competent authorities on the basis of the actual conditions under which those products were obtained.

10. *Recommended Practice*

In determining the quantities of the various goods contained in the products to be exported with entitlement to duty-free replacement of goods, the competent authorities should make allowance for losses and irrecoverable waste deriving from the manufacturing process.

11. *Recommended Practice*

Where products to be exported with entitlement to duty-free replacement of goods have reasonably constant characteristics and are obtained under clearly defined technical conditions, the competent authorities should establish standard quantity scales for the various goods contained in the products to be exported.

- (b) Declaration for exportation with entitlement to duty-free replacement of goods

12. *Standard*

National legislation shall specify the conditions under which products to be exported with entitlement to duty-free replacement of goods shall be produced at the competent Customs office and a Goods declaration (outwards) shall be lodged.

Note

National legislation may provide that the Goods declaration relating to the exportation of the products must contain the particulars necessary to enable the Customs to determine the quantities of the various goods for which exemption from import duties and taxes will be claimed.

13. *Recommended Practice*

Where the competent authorities have not been able to give a ruling on an application for duty-free replacement of goods, the declarant should be authorized to export the products concerned without delay provided that the conditions prescribed are met and without prejudice to the final decision.

14. *Recommended Practice*

The national forms used for the exportation of products with entitlement to duty-free replacement of goods should be harmonized with the Goods declaration (outwards).

- (c) Examination of products exported with entitlement to duty-free replacement of goods

15. *Recommended Practice*

At the request of the declarant, and for reasons which they deem valid, the Customs authorities should, so far as possible, allow products for exportation with entitlement to duty-free replacement of goods to be examined on private premises, the expenses entailed by such examination being borne by the declarant.

- (d) Authorized destinations of products exported with entitlement to duty-free replacement of goods

16. *Recommended Practice*

Provision should be made to permit products for exportation with entitlement to duty-free replacement of goods to be placed in free ports or free zones.

17. *Recommended Practice*

Provision should be made to permit products for exportation with entitlement to duty-free replacement of goods to be placed in a Customs warehouse with a view to subsequent exportation.

- (e) Certification of exportation with entitlement to duty-free replacement of goods

18. *Standard*

Where products have been exported with entitlement to duty-free replacement of goods, the Customs authorities shall issue to the declarant a document establishing his entitlement to import, without payment of import duties and taxes, goods equivalent to those which were in free circulation and which were contained in the products in question.

Note

The document issued to the declarant may consist of a copy, duly certified by the Customs, of the declaration for exportation with entitlement to duty-free replacement of goods, or may be made out on an appropriate form.

Importation of goods

19. *Standard*

National legislation shall specify the conditions under which goods which may be admitted free of import duties and taxes under the duty-free replacement of goods procedure shall be produced at the competent Customs office and a Goods declaration shall be lodged.

Note

National legislation may provide that the Goods declaration must contain the particulars necessary for authorizing exemption from import duties and taxes and that the entitling document(s) issued by the Customs authorities must be produced in support of that declaration.

20. *Standard*

The competent authorities shall fix with due regard to the commercial circumstances the time limit for the importation of goods which may be admitted free of import duties and taxes.

21. *Standard*

Provision shall be made to permit goods which may be admitted free of import duties and taxes to be imported through a Customs office other than that through which the products were exported.

22. *Standard*

Provision shall be made to permit goods which may be admitted free of import duties and taxes to be imported in one or more consignments.

23. *Standard*

Provision shall be made to permit goods covered by several documents establishing entitlement to importation under the duty-free replacement of goods procedure to be imported in one consignment.

24. *Standard*

Provision shall be made to permit goods which may be admitted free of import duties and taxes to be imported from a country other than that to which the products were exported.

25. *Recommended Practice*

Provision should be made to permit goods which may be admitted free of import duties and taxes to be imported by a person other than the exporter of the products, subject to compliance with the conditions laid down by the Customs authorities.

26. *Recommended Practice*

At the request of the declarant, and for reasons deemed to be valid, the Customs authorities should, as far as possible, allow goods which may be admitted free of import duties and taxes to be examined on private premises, the expenses entailed by such examination being borne by the declarant.

27. *Standard*

National legislation shall specify the Customs treatment applicable when products which have been exported with entitlement to duty-free replacement of goods are re-imported.

Information concerning the duty-free replacement of goods procedure

28. *Standard*

The Customs authorities shall ensure that all relevant information regarding the duty-free replacement of goods procedure is readily available to any person interested.

ANNEX E.8.

Annex
concerning temporary exportation
for outward processing

Introduction

Most States have made provision in their national legislation for total or partial exemption from import duties and taxes when goods which are reimported after manufacturing, processing or repair abroad are declared for home use. The Customs procedure which provides for this exemption is that of temporary exportation for outward processing.

The application of this procedure may be made subject to the condition that the processing operations envisaged are regarded by the competent authorities as not detrimental to national interests.

The exemption granted on the reimportation of the goods processed abroad is usually partial; however, it may be total, in particular where repairs have been carried out abroad free of charge.

Definitions

For the purposes of this Annex :

- (a) the term "temporary exportation for outward processing" means the Customs procedure under which goods which are in free circulation in a Customs territory may be temporarily exported for manufacturing, processing or repair abroad and then reimported with total or partial exemption from import duties and taxes;
- (b) the term "goods in free circulation" means goods which may be disposed of without Customs restriction;
- (c) the term "import duties and taxes" means the Customs duties and all other duties, taxes, free 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;

- (d) the term "compensating products" means the products obtained abroad during or as a result of the manufacturing, processing or repair of the goods temporarily exported for outward processing;
- (e) the term "Customs control" means the measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (f) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principle

- | | | |
|----|---|-----------------|
| 1. | | <i>Standard</i> |
| | Temporary exportation for outward processing shall be governed by the provisions of this Annex. | |

Field of application

- | | | |
|----|--|-----------------|
| 2. | | <i>Standard</i> |
| | National legislation shall specify the circumstances in which temporary exportation for outward processing may be allowed and shall lay down the requirements which must be met. | |

Notes

- 1. The circumstances in which temporary exportation for outward processing is allowed may be set out in general terms and/or in detail.
- 2. Temporary exportation for outward processing may be made subject to the condition that the processing operations envisaged are not detrimental to national interests.
- 3. The Customs authorities may require a person exporting goods temporarily for outward processing to specify the processing or

manufacturing operation which the goods are to undergo abroad.

3. *Recommended Practice*

Temporary exportation for outward processing should not be refused solely on the grounds that the goods are to be processed in a given country.

4. *Standard*

Temporary exportation of goods for outward processing shall not be restricted to the owner of the goods.

Temporary exportation of the goods

- (a) Formalities prior to temporary exportation of the goods

5. *Standard*

Where temporary exportation for outward processing is subject to prior authority, national legislation shall specify the circumstances in which such authority is required and the authorities empowered to grant it.

6. *Recommended Practice*

Persons who carry on large-scale and continuous temporary exportation for outward processing operations involving the same type of goods should be granted a general authorization covering such operations.

7. *Recommended Practice*

Where such action will facilitate a temporary exportation for outward processing operation or the competent authorities deem it necessary, these authorities should fix a rate of yield for that operation. The description, quality and quantity of the various compensating products shall be specified upon fixing that rate.

Notes

1. In order to fix the rate of yield, the Customs authorities may take as a basis

the conditions under which the operation is carried out, insofar as these are known. They may require production of the contracts with the foreign undertaking which is to carry out the processing or manufacturing. They may also take as a basis the rates of yield fixed by the Customs authorities in the country in which the processing operations are to be carried out.

2. Standard rates of yield may be fixed where the outward processing operations :

- relate to goods whose characteristics remain reasonably constant;
- are customarily carried out under clearly defined technical conditions; and
- give compensating products of constant quality.

- (b) Declaration for temporary exportation

8. *Standard*

National legislation shall specify the conditions under which goods to be temporarily exported for outward processing shall be produced at the competent Customs office and a Goods declaration (outwards) shall be lodged.

9. *Recommended Practice*

Customs authorities should allow the Goods declaration (outwards) form to be used for making out the declaration for the temporary exportation of goods for outward processing.

10. *Recommended Practice*

If special forms are used for making out the declaration for the temporary exportation of goods for outward processing, they should be harmonized with the form used for the Goods declaration (outwards).

- (c) Examination of the goods

11. *Recommended Practice*

At the request of the declarant, and for reasons deemed valid by the Customs

authorities, the latter should, so far as possible, allow goods that are to be temporarily exported for outward processing to be examined on private premises; the expenses entailed by such examination may be charged to the declarant.

(d) Identification measures

12.

Standard

The requirements relating to the identification of goods to be temporarily exported for outward processing shall be laid down by the Customs authorities, due account being taken, for example, of the nature of the goods and of the operation to be carried out.

Notes

1. For the identification of goods to be temporarily exported for outward processing, the Customs authorities may affix Customs marks (seals, stamps, perforations, etc.), or rely on marks, numbers or other indications permanently affixed to the goods or on the description of the goods, scale plans or photographs, or take samples.

2. The Customs authorities may also allow identification of the goods to be ensured by production, at the time of importation of the compensating products, of a written declaration by the importer concerning the identity of the goods contained in those products supported, as appropriate, by the commercial documents relating to the operation in question.

13.

Recommended Practice

Where no other identification measure is feasible, the Customs authorities should make use of an information document conforming to the model in Appendix I to this Annex provided that the processing or manufacturing is to be carried out in the Customs territory of a Contracting Party that has agreed to take part in the use of information documents in accordance with the principles set out in Appendix II to this Annex.

Duration of temporary exportation

14.

Standard

Where Customs authorities impose a time limit for temporary exportation for outward processing, this time limit shall be fixed by reference to the time necessary to complete the processing operations, up to the maximum period, if any, laid down in the national legislation.

15.

Recommended Practice

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should extend the period initially fixed.

Importation of compensating products

16.

Standard

National legislation shall specify the conditions under which the compensating products shall be produced at the competent Customs office and a Goods declaration shall be lodged.

Notes

1. National legislation may prescribe that the Goods declaration shall contain the particulars needed to permit discharge of the temporary exportation for outward processing declaration concerning the goods utilized.

2. National legislation may provide that the products obtained abroad from the treatment of goods identical in description, quality and technical characteristics to those temporarily exported for outward processing shall be deemed to be compensating products for the purposes of this Annex (setting-off with equivalent goods).

17.

Recommended Practice

Provision should be made to permit compensating products to be imported through a competent Customs office other than that through which the goods were temporarily exported for outward processing.

18. *Standard*
Provision shall be made to permit compensating products to be imported in one or more consignments.

19. *Recommended Practice*
At the request of the importer, and for reasons deemed valid by the Customs authorities, the latter should, so far as possible, allow imported compensating products to be examined on private premises; the expenses entailed by such examination may be charged to the importer.

20. *Standard*
At the request of the person concerned, the competent authorities shall, under the conditions laid down by national legislation, allow goods temporarily exported for outward processing to be reimported with total exemption from import duties and taxes if they could not undergo the manufacturing, processing or repair for which they were sent abroad and are returned to the exporter in the same state.

This exemption shall not apply to import duties and taxes which have been repaid or remitted in connexion with the temporary exportation of the goods for outward processing.

21. *Standard*
Unless national legislation requires the reimportation of goods temporarily exported for outward processing, provision shall be made for terminating temporary exportation for outward processing by declaring the goods for outright exportation subject to compliance with the conditions and formalities applicable in such case.

Import duties and taxes
applicable to compensating products

22. *Standard*
National legislation shall specify the extent of the exemption from import duties and taxes granted when compensating

products are taken into home use, and the method of calculation of that exemption.

Note

In the case of partial exemption, the assessment of import duties and taxes may be based on the value added by the processing of the goods abroad. It may also be made by deducting from the amount of the import duties and taxes applicable to the compensating products the amount of the import duties and taxes that would be charged on the goods temporarily exported for outward processing that were used to obtain the compensating products if these goods were imported from the country where they were processed in the state in which they were exported to that country. The rates used to calculate the deduction are those in force at the time determined for the purpose of taking the compensating products into home use; however, where the rates to be taken into consideration under this rule are higher than those applicable to the compensating products, the deduction may be calculated at the rates applicable to those products.

23. *Standard*
The exemption from import duties and taxes provided for in respect of compensating products shall not apply to duties and taxes which have been repaid or remitted in connexion with the temporary exportation of the goods for outward processing.

24. *Recommended Practice*
Where goods temporarily exported for outward processing have been repaired abroad free of charge, provision should be made for them to be reimported with total exemption from import duties and taxes on the conditions laid down in national legislation.

25. *Recommended Practice*
The exemption from import duties and taxes should be granted if the compensating

products were placed in a Customs warehouse or a free zone before being declared for home use.

26. *Recommended Practice*

The exemption from import duties and taxes should be granted if the compensating products were placed under a temporary admission procedure before being declared for home use.

27. *Recommended Practice*

The exemption from import duties and taxes should be granted if the ownership of the compensating products is transferred before they are taken into home use, provided that they are taken into home use in the name or for the account of the person who placed the goods under the temporary exportation for outward processing procedure.

Note

Certain internal taxes may become chargeable because of the transfer of ownership of the goods.

Information concerning temporary exportation
for outward processing

28. *Standard*

The Customs authorities shall ensure that all relevant information regarding temporary exportation for outward processing is readily available to any person interested.

1
INFORMATION DOCUMENT TO FACILITATE THE TEMPORARY EXPORTATION OF GOODS SENT FROM ONE COUNTRY FOR MANUFACTURE, PROCESSING OR REPAIR IN ANOTHER

TO BE COMPLETED AT EXPORTATION (*)

Before completing this form please read note on page 4.

(*) Unused lines or cages must be struck out or the word "Nil" written across them.
 (**) Delete if inapplicable.

<p>A Customs Administration of _____</p> <p>Customs Office of _____</p>	<p>The goods described below, intended for manufacture -- processing -- repair (***) in _____ have been entered for exportation (by _____ (Name of exporter in block capitals) of _____ (Address in block capitals))</p>													
<p>B</p>	<p>Number, type, marks and numbers of packages</p> <p style="text-align: center;">- 1 -</p>	<p>Tariff Ref. No.</p> <p style="text-align: center;">- 2 -</p>	<p style="text-align: center;">Specification of goods</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Quantity</th> <th style="width: 15%;">Gross weight</th> <th style="width: 15%;">Net weight, number, volume, measurements, etc.</th> <th style="width: 15%;">Value</th> <th style="width: 15%;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">- 3 -</td> <td style="text-align: center;">- 4 -</td> <td style="text-align: center;">- 5 -</td> <td style="text-align: center;">- 6 -</td> <td style="text-align: center;">- 7 -</td> </tr> </tbody> </table>		Quantity	Gross weight	Net weight, number, volume, measurements, etc.	Value	Remarks	- 3 -	- 4 -	- 5 -	- 6 -	- 7 -
Quantity	Gross weight	Net weight, number, volume, measurements, etc.	Value	Remarks										
- 3 -	- 4 -	- 5 -	- 6 -	- 7 -										
<p>C</p>	<p>Nature of proposed operations:</p> <p>_____</p>													
<p>D</p>	<p>Particulars of examinations carried out:</p> <p>_____</p>													
<p>E</p>	<p>Means of identification used:</p> <p>_____</p>													
<p>F Certified to correspond with the particulars shown on _____ (Customs document)</p> <p>No. _____ dated _____ (Place) _____ (Date)</p> <p>(Signature) _____ (Customs Office stamp)</p>														

**II
TO BE COMPLETED AT IMPORTATION (*)**

(*) Unused lines or cages must be struck out or the word "Nil" written across them.
 (**) Delete if inapplicable.

<p>A Customs Administration of _____ Customs Office of _____</p>		<p>The goods described (in Part I (**)) intended for manufacture — processing — repair (**) were entered (by (on behalf of (**)) _____ of _____ (Name of importer in block capitals) _____ (Address in block capitals)</p>			
B		Specification of goods			
<p>Number, type, marks and numbers of packages — 1 —</p>	<p>Tariff Ref. No. — 2 —</p>	<p>Commercial description — 3 —</p>	Quantity		
			Gross weight — 4 —	Net weight, number, volume, measurements, etc. — 5 —	Value — 6 —
					Remarks — 7 —
<p>C Nature of proposed operations: _____ _____ _____</p>					
<p>D Particulars of examinations carried out: _____ _____ _____</p>					
<p>E Means of identification used: _____ _____ _____</p>					
<p>F Certified to correspond with the particulars shown on _____ _____ (Customs document) No. _____ dated _____ _____ (Place) _____ (Date) _____ (Signature) _____ (Customs Office stamp)</p>					

III
TO BE COMPLETED AT RE-EXPORTATION (*)

(*) Unused lines or cages must be struck out or the word "Nil" written across them.
 (**) Delete if inapplicable.

Customs Administration of Customs Office of		A The goods described (below in Part II (**)) (resulting from the manufacture or processing of the goods described in Part II (**)) (which have been repaired (by (on behalf of (**)) were entered for re-exportation (Name of re-exporter in block capitals) of (Address in block capitals)			
B		Specification of goods			
Number, type, marks and numbers of packages	Tariff Ref. No.	Commercial description	Quantity		Remarks
- 1 -	- 2 -	- 3 -	Gross weight - 4 -	Net weight, number, volume, measurements, etc. - 5 -	Value - 6 -
C Nature of operations (Include particulars of any parts added and/or any manufacturing waste):		G Split Re-exportation No. No. dated) Particulars as in Part I (Customs document)) as in Part I (Customs Office)) Cage F (Customs Office))			
D Particulars of examinations carried out:		F Certified to correspond with the particulars shown on (Customs document)			
E It (has not (has (**)) been established that the re-exported goods (are those which were imported (have been made or obtained from the goods imported (**)) Means of identification used:		No. dated (Place) (Date) (Signature) (Customs Office stamp)			

For official use only

NOTE FOR THE USE OF THE INFORMATION DOCUMENT

1. The exporter must ensure that, subject to any conditions they may lay down, the Customs authorities of the country of temporary importation are in a position to establish the identity of the goods.
2. The duly completed Information Document (I.D.) must be presented to the Customs authorities whenever the goods are cleared.
3. If the goods are to be re-imported in split consignments the following procedure applies.
 - (a) Temporary exportation :

The exporter produces the I.D. in duplicate. The Customs certify both copies (Part I) and return them to the exporter who sends the original I.D. to the importer who keeps it until the last split re-exportation. The exporter keeps the duplicate I.D.
 - (b) Temporary importation :

The importer produces the original I.D. to the Customs who certify Part II and return the I.D. to him.
 - (c) Split re-exportation :

The re-exporter completes an additional Part III (including Cage G) and produces it to the Customs together with the original I.D. The Customs certify the additional Part III after checking it against the I.D. The re-exporter sends the additional Part III to re-importer.
 - (d) Split re-importation :

The re-importer produces the additional Part III and his copy of the I.D. to the Customs for checking against each other.
 - (e) Last split re-exportation :

The re-exporter completes Part III of the original I.D. including Cage G. The Customs certify the original I.D. and return it to the re-exporter who sends it to the re-importer.
 - (f) Last split re-importation :

The re-importer produces both copies of the I.D. to the Customs.

APPENDIX II

Principles governing the use of the Information Document

1. The Information Document may be used when it would not be possible to identify the goods on reimportation by the usual means of control (seals, marks, samples, etc.) or to accept a written declaration by the reimporter concerning the identity of the goods.

2. The exporter should ensure that, subject to any condition they may lay down, the Customs authorities of the country of temporary importation are in a position to establish the identity of the goods.

3. When an Information Document has been certified by the Customs authorities of the country of temporary exportation, the Customs authorities of the country of temporary importation should give the required certification.

4. Customs authorities of the country of temporary importation should endeavour to complete the Information Document whenever requested to do so, even if the goods in question are not imported under a temporary admission procedure (e.g. because they are not liable to import duties and taxes).

5. It would be open to the Customs administrations of the countries concerned to reach agreement on modifications in the form or use the Information Document to cover cases where exceptional difficulty in the identification of goods on their reimportation renders this necessary.

ANNEX F.1.

Annex
concerning free zones

Introduction

Certain States have long considered it necessary to encourage the development of their external trade, and of international commerce in general, by granting indefinite relief from import duties and taxes in respect of goods introduced into a part of their territory where they are generally regarded as being outside the Customs territory. Goods so introduced are not subject to the usual Customs control.

In the present Annex this part of the territory is referred to as a "free zone" although in some countries it is also known under various other names, such as "free port", "free warehouse".

A distinction may be made between commercial and industrial free zones. In commercial free zones, the permitted operations are generally limited to those necessary for the preservation of the goods and the usual forms of handling to improve their packaging or marketable quality or to prepare them for shipment. In industrial free zones, processing operations are authorized.

Although goods introduced into free zones are generally regarded, insofar as import duties and taxes are concerned, as being outside the Customs territory, certain provisions laid down by the State concerned may remain applicable, e.g. prohibitions and restrictions deriving from national legislation. The Customs also carry out certain controls within the free zone to ensure that the operations carried out are in accordance with the requirements laid down.

Goods introduced into a free zone from the Customs territory normally qualify for the

exemption from or repayment of import duties and taxes or internal duties and taxes granted at exportation.

Where goods which have not been processed in a free zone are allowed to be introduced into the Customs territory for home use, they become liable to import duties and taxes, as if they had been imported direct from abroad. However, special assessment rules, laid down in national legislation, are applicable in the case of foreign goods which have been processed in the free zone or where the goods utilized were of national origin or had been imported against payment of import duties and taxes and had been granted exemption from or repayment of duties and taxes when they were introduced into the free zone.

In some countries Customs facilities comparable to those characteristics of free zones are granted throughout the territory, in the context of other Customs procedures such as Customs warehousing, drawback, temporary admission for inward processing or Customs transit.

Definitions

For the purposes of this Annex :

- (a) the term "free zone" means a part of the territory of a State where any goods introduced are generally regarded, insofar as import duties and taxes are concerned, as being outside the Customs territory and are not subject to the usual Customs control.

Note

A distinction may be made between commercial and industrial free zones. In commercial free zones, goods are admitted pending subsequent disposal

and processing or manufacture is normally prohibited. Goods admitted to industrial free zones may be subjected to authorized processing operations;

- (b) the term "Customs territory" means the territory in which the Customs law of a State applies in full;
- (c) 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;
- (d) the term "Customs control" means the measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (e) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principle

1. *Standard*
- The Customs regulations applicable in free zones shall be governed by the provisions of this Annex.

Establishment of free zones

2. *Standard*
- National legislation shall specify the requirements relating to the establishment of free zones, the kinds of goods admissible to such zones and the nature of the operations to which goods may be subjected in them.

Notes

1. Free zones are generally established at seaports, river ports, airports, and places with similar geographical advantages.

2. In accordance with the provisions of national legislation, free zones may be managed by the Customs authorities, by other authorities or by natural or legal persons.

3. *Standard*

The requirements as regards the construction and layout of free zones and the arrangements for Customs control shall be laid down by the Customs authorities.

Notes

1. The Customs authorities may require that free zones be enclosed; they may also impose restrictions on means of access and establish the hours of business.

2. For the purpose of control, the Customs authorities may, in particular :

- keep the means of access to the free zone under permanent or intermittent supervision;
- require persons introducing goods into free zones to keep accounts so that the circulation of the goods can be controlled;
- make spot checks on the goods admitted to ensure that they have been subjected to authorized operations only and that no unauthorized goods have been introduced.

4. *Standard*

Customs authorities shall have the right to carry out checks at any time of the goods stored on the premises of any person introducing goods into a free zone.

Goods admitted

5. *Recommended Practice*

Admission to a free zone should not be subject to the condition that the goods are introduced into or stored in the zone in specified quantities.

6. *Standard*

Admission to a free zone shall be authorized not only for goods imported direct from abroad but also for goods brought from the Customs territory of the State concerned.

Note

Goods brought from the Customs territory of the State concerned may be goods in free circulation or goods placed under a procedure affording conditional relief from import duties and taxes or a processing procedure.

7. *Standard*

Goods admissible to a free zone which are entitled to exemption from or repayment of import duties and taxes when exported shall qualify for such exemption or repayment immediately after they have been introduced into the free zone.

8. *Standard*

Goods admissible to a free zone which are entitled to exemption from or repayment of internal duties and taxes when exported, shall qualify for such exemption or repayment after they have been introduced into the free zone.

Note

Exemption or repayment is generally granted immediately after introduction of the goods into the free zone. In special cases, exemption or repayment may be made subject to the exportation of the goods from the national territory. Exceptionally, evidence of arrival of the goods in the country of destination may also be required.

9. *Standard*

Admission to a free zone shall not be refused solely on the grounds of the country of origin of the goods, the country whence they arrived or their country of destination.

10. *Standard*

Admission to a free zone of goods brought from abroad shall not be refused solely on the grounds that the goods are liable to restrictions or prohibitions other than those imposed on grounds of public morality or order, public security, public hygiene or health, or for veterinary or phytopathological considerations, or relating to the protection of patents, trade marks and copyrights.

11. *Recommended Practice*

Goods which constitute a hazard, which are likely to affect other goods or which require special installations should be admitted only to free zones specially designed to receive them.

*Introduction into a free zone*12. *Standard*

Where a document must be presented to the Customs in respect of goods introduced into a free zone directly from abroad, without having to cross the Customs territory of the State concerned, the Customs authorities shall not require more than the production of a commercial or official document (commercial invoice, waybill, despatch note, etc.) giving the main particulars of the goods concerned.

13. *Recommended Practice*

The admission to a free zone of goods brought from the Customs territory of the State concerned or which have crossed that territory in transit should not involve the completion of a document other than the Goods declaration normally required in that territory to cover the exportation, re-exportation or transit of goods.

14. *Standard*

The Customs authorities shall not require security for the admission of goods to a free zone.

15. *Standard*

Where the Customs authorities carry out a control of goods intended for introduction into a free zone, they shall take only such action as is deemed essential to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Note

In particular, the Customs may ensure that the goods are of a kind allowed to be introduced into the free zone and that any relevant prohibitions and restrictions have been complied with.

Authorized operations

16. *Standard*

In addition to loading, unloading, transshipment and storage, goods admitted to a commercial free zone shall be allowed to undergo operations necessary for their preservation and usual forms of handling to improve their packaging or marketable quality or to prepare them for shipment, such as breaking bulk, grouping of packages, sorting and grading, and repacking.

17. *Standard*

The processing operations to which goods admitted to an industrial free zone may be subjected shall be specified by the competent authorities in general terms and/or in detail in a regulation applicable throughout the free zone or in the authority granted to the enterprise carrying out these operations.

Note

The right to carry out processing operations may be made subject to the condition that the proposed operations are regarded by the competent authorities as advantageous to the national economy.

Goods consumed within the free zone

18. *Standard*

National legislation shall enumerate the cases in which goods to be consumed inside the free zone may be admitted free of duties and taxes and shall lay down the requirements which must be met.

Notes

1. Free admission may be allowed not only in respect of import duties and taxes but also in respect of internal duties and taxes.

2. Free admission of equipment to be used solely inside the free zone for the transport, storage and processing of goods may also be allowed.

Transfer of ownership

19. *Standard*

The transfer of ownership of goods admitted to a free zone shall be allowed.

Note

1. Retail sales within free zones may be prohibited.

2. Goods admitted to free zones may be used for provisioning ships and aircraft.

Destruction

20. *Standard*

Goods admitted to a free zone shall be allowed to be destroyed or rendered commercially valueless under Customs control.

Duration of stay in free zone

21. *Standard*

No limits shall be imposed on the duration of the stay of goods in a free zone.

Removal from free zone

22. *Standard*

Where a document must be produced to the Customs in respect of goods which on

removal from a free zone are sent directly abroad without having to cross the Customs territory of the State concerned, the Customs authorities shall not require more than the production of a commercial or official document (commercial invoice, waybill, despatch note, etc.) giving the main particulars of the goods concerned.

23. *Standard*

The only declaration required for goods that are allowed to be introduced into the Customs territory of the State concerned on removal from a free zone shall be the Goods declaration normally required for the Customs procedure to which those goods are assigned.

24. *Recommended Practice*

Goods which are allowed to be removed from a free zone to the Customs territory of the State concerned should be eligible for the conditional relief or processing procedures in force under the conditions applicable to goods imported direct from abroad.

25. *Standard*

National legislation shall specify the point in time to be taken into consideration for the purpose of determining the value and quantity of goods which may be taken into home use on removal from a free zone and the rates of the import duties and taxes applicable to them.

26. *Standard*

National legislation shall specify the rules applicable for determining the amount of the import duties and taxes chargeable on goods taken into home use after manipulation or processing in a free zone.

Notes

1. The amount of the import duties and taxes chargeable on goods taken into home use after processing in a free zone may be

limited to the amount of the import duties and taxes applicable to the foreign goods utilized, in the state in which they were introduced into the free zone, plus, where goods of national origin or goods imported against payment of import duties and taxes were utilized, the amount of any exemption from or repayment of internal duties or taxes or import duties and taxes granted when those goods were introduced into the free zone.

2. A special assessment procedure may be laid down where equipment which has been used to process goods in a free zone was admitted free of import duties and taxes.

Abolition of a free zone

27. *Standard*

In the event of the abolition of a free zone, the persons concerned shall be given sufficient time to arrange for the disposal of their goods.

Information concerning free zones

28. *Standard*

The Customs authorities shall ensure that all relevant information regarding the Customs regulations applicable to free zones is readily available to any person interested.

ANNEX F. 2.

Annex
concerning processing of goods
for home use

Introduction

In general the duties and taxes chargeable on goods imported for home use are well adapted to the tariff policy of the country concerned. However, in certain cases, the level of the import duties and taxes chargeable on imported goods is such that any intended manufacture, processing or further working of the goods after clearance for home use would render the overall commercial operation unprofitable with a resultant loss to the country because of the transfer of such economic activities to another country.

On the other hand, these economic activities can be encouraged by permitting certain goods to be processed under Customs control prior to being taken into home use.

The purpose of the Customs procedure of processing of goods for home use is to provide for the possibility, where it is in the national economic interest, of processing certain imported goods under Customs control to such an extent that the amount of the import duties and taxes applicable to the products thus obtained is lower than that which would be applicable to the imported goods.

Definitions

For the purposes of this Annex :

- a) the term "processing of goods for home use" means the Customs procedure under which imported goods may be manufactured, processed or worked, before clearance for home use and under Customs control, to such an extent that the amount of the import duties and taxes applicable to the products thus

obtained is lower than that which would be applicable to the imported goods;

- (b) the term "clearance for home use" means the Customs procedure which provides that imported goods may remain permanently in the Customs territory. This procedure implies the payment of any import duties and taxes chargeable and the accomplishment of all the necessary Customs formalities;
- (c) 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;
- (d) the term "Goods declaration" means a statement made in the form prescribed by the Customs, by which the persons interested indicate the Customs procedure to be applied to the goods and furnish the particulars which the Customs require to be declared for the application of that procedure;
- (e) the term "Customs control" means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (f) the term "security" means that which ensures to the satisfaction of 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;
- (g) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*
- Processing of goods for home use shall be governed by the provisions of this Annex.

2.	<i>Standard</i>	Scope
<p>National legislation shall specify the conditions to be fulfilled and the Customs formalities to be accomplished for processing of goods for home use.</p>		
Notes		
<p>1. The granting of approval for processing of goods for home use may be made subject to the condition that the proposed processing operations are regarded by the competent authorities as beneficial to the national economy.</p>		
<p>2. The right to process goods for home use may be reserved to persons established in the Customs territory and whose operations meet the requirements of the Customs authorities.</p>		
<p>3. The Customs authorities normally give approval for the processing operations to be carried out at a particular place (e.g. the importer's premises) and by specified persons.</p>		
<p>4. The Customs authorities may set standard rates of yield for the operations involved in the processing of goods for home use.</p>		
3.	<i>Standard</i>	
<p>The granting of the procedure of processing of goods for home use shall be subject to the condition that the Customs authorities are able to satisfy themselves that the products resulting from the processing have been obtained from the imported goods.</p>		
4.	<i>Standard</i>	
<p>The granting of the procedure of processing of goods for home use shall be subject to the condition that the original state of the goods cannot be economically recovered after the processing.</p>		
5.	<i>Standard</i>	
<p>Processing of goods for home use shall be allowed in respect of specified categories of goods undergoing approved processing operations.</p>		
Note		
<p>Approval may be restricted to processing operations which result in products classifiable under specified tariff headings.</p>		
6.	<i>Standard</i>	
<p>Processing of goods for home use shall not be limited to goods imported directly from abroad but shall also be granted in respect of goods ex Customs transit, ex Customs warehouse or from a free zone.</p>		
7.	<i>Recommended Practice</i>	
<p>Processing of goods for home use should not be refused solely on the grounds of the country of origin of the goods or the country whence consigned.</p>		
8.	<i>Standard</i>	
<p>The right to process goods for home use shall not be limited to the owner of the imported goods.</p>		
9.	<i>Recommended Practice</i>	
<p>Persons who carry on large-scale and continuous processing of the same type of goods for home use should be granted a general authorization covering such operations.</p>		

Declaration for processing of goods
for home use

10. *Standard*

National legislation shall specify the conditions under which the Goods declaration for processing of goods for home use shall be lodged and under which the goods shall be produced at the competent Customs office.

Note

The Goods declaration is generally lodged before the goods are processed for home use but, in cases where the operations involved are relatively simple, approval may be given for the processing to be carried out prior to the lodgement of the Goods declaration.

Security

11. *Standard*

The form in which security, if any, is to be provided in respect of processing of goods for home use shall be laid down in national legislation or determined by the Customs authorities in accordance with national legislation.

12. *Recommended Practice*

The choice between the various acceptable forms of security should be left to the person concerned.

13. *Standard*

The Customs authorities shall, in accordance with national legislation, determine the amount in which security is to be provided in respect of the processing of goods for home use.

14. *Recommended Practice*

The amount of any security should be set as low as possible having regard to the import duties and taxes potentially chargeable.

Note

This Recommended Practice does not prevent the amount of the security from being determined on the basis of a single rate where the goods fall in a wide range of tariff headings.

15. *Standard*

When security is to be provided to ensure that the obligations arising from several operations under the procedure of processing of goods for home use will be fulfilled, the Customs authorities shall accept a general security.

16. *Recommended Practice*

Customs authorities should waive the requirement for security where they are satisfied that payment of any sums that might fall due can be ensured by other means.

Termination of processing of goods
for home use

17. *Standard*

Processing of goods for home use shall be terminated when the products resulting from the processing are cleared for home use.

18. *Standard*

National legislation shall specify the point in time to be taken into consideration for the purpose of determining the value and quantity of goods declared for home use and also the rates of the import duties and taxes applicable to them.

19. *Recommended Practice*

Where justified by the circumstances and at the request of the person concerned the Customs authorities should approve termina-

tion of the procedure when the products obtained from the processing or working are exported, placed in a Customs warehouse or introduced into a free zone.

20. *Standard*

Any waste or scrap resulting from the processing of goods for home use shall be liable, if cleared for home use, to the import duties and taxes that would be applicable to such waste or scrap imported in that state.

Note

Approval may be given for such waste or scrap to be rendered commercially valueless under Customs control or to be re-exported.

21. *Standard*

Goods intended for processing for home use or products resulting therefrom which are destroyed or irrecoverably lost by accident or force majeure before they are cleared for home use shall not be subjected to import duties and taxes, provided that such destruction or loss is duly established to the satisfaction of the Customs authorities.

Any waste or scrap remaining after destruction shall be liable, if cleared for home use, to the import duties and taxes that would be applicable to such waste or scrap imported in that state.

Discharge of security

22. *Standard*

Any security furnished shall be discharged as soon as possible after processing of goods for home use has been terminated.

Information concerning processing of goods for home use

23. *Standard*

The Customs authorities shall ensure that all relevant information concerning processing of goods for home use is readily available to any person interested.

ANNEX F.3.

Annex
concerning Customs facilities
applicable to travellers

Introduction

The great increase in international travel has had a considerable effect upon the work of Customs administrations, since travellers with their goods and means of transport must pass through Customs control during their journey.

It is in the interest both of the traveller and of the authorities concerned to facilitate movement through the necessary Customs control, but nevertheless this should not be accomplished at the expense of other responsibilities assigned to the Customs such as protecting the country's fiscal and economic interests, preventing the importation of prohibited articles and repressing other Customs offences.

This Annex provides for what are considered to be the minimum facilities for travellers, and in this context particular attention is drawn to the recommendation made in Article 2 of the Convention.

This Annex relates to the Customs facilities applicable to all travellers, irrespective of whether they are non-residents or departing or returning residents or of their mode of transport, and to the goods carried by such travellers, whether on their person, in their baggage or in the means of transport. It also applies to their private means of transport (motor road vehicles, boats and aircraft).

The Annex applies also to workers who live in one country but work in another, to crew members and to other persons crossing the border frequently. However these types of travellers may be excluded from the benefit of some facilities.

The Annex does not apply to the various controls sometimes carried out by the Customs on behalf of other authorities such as immigration controls and phyto-sanitary checks. Nor does the Annex cover the case of persons transferring their residence from one country to another.

Definitions

For the purposes of this Annex :

- (a) the term "traveller" means :
- (1) any person who temporarily enters the territory of a country in which he or she does not normally reside ("non-resident"), and
 - (2) any person who returns to the territory of the country in which he or she normally resides after having been abroad temporarily ("returning resident").

Note

A person may be treated as normally residing in a country if he or she is principally or permanently resident in that country. However, the place where a person normally resides is determined in accordance with national legislation;

- (b) the term "means of transport for private use" means motor road vehicles (including motor cycles) and trailers, boats and aircraft, together with their spare parts and normal accessories and equipment, imported or exported exclusively for personal use by the person concerned and not for the transport of persons for remuneration or the industrial or commercial transport of goods, whether or not for remuneration;
- (c) the term "personal effects" means all articles (new or used) which a traveller may reasonably require for his or her personal use during the journey, taking into account all the circumstances of the journey, but excluding any goods imported or exported for commercial purposes;

- (d) 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;
- (e) the term "export duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the exportation of goods but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (f) the term "temporary admission" means the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved from payment of import duties and taxes; such goods must be imported for a specific purpose and must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of the goods;
- (g) the term "security" means that which ensures to the satisfaction of the Customs that an obligation to the Customs will be fulfilled;
- (h) the term "Customs control" means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Principles

1. *Standard*
The Customs facilities applicable to travellers shall be governed by the provisions of this Annex.
2. *Standard*
National legislation shall specify the conditions to be fulfilled and the Customs formalities to be accomplished for the clearance of travellers' goods and means of transport for private use.

General provisions

3. *Standard*
The Customs authorities shall designate the Customs offices at which Customs formalities relating to travellers may be accomplished. In determining the location, competence and hours of business of such offices, the factors to be taken into account shall include the geographical situation and the volume of passenger traffic.

Notes

1. Such Customs offices may be located either at the border or inland (e.g. at an airport or main railway station).
2. In some instances it may be possible for travellers to accomplish all the necessary Customs formalities on international trains, ferries, cruise ships, etc.
3. Another method of expediting the passage of travellers through Customs control is that of providing pre-clearance facilities in the country of departure.

4. *Recommended Practice*

On prior request by the person concerned, and for reasons deemed valid by the Customs authorities, the latter should, insofar as their administrative organization permits, allow Customs formalities applicable to travellers to be accomplished at places other than the Customs offices designated for this purpose; any expenses which this entails may be charged to the person concerned.

5. *Standard*

The main Customs offices at which Customs formalities applicable to travellers may be accomplished shall be open 24 hours a day where the needs of traffic so warrant or, if this is not necessary, at specified hours during which travellers may be expected to enter or leave the country.

6. *Recommended Practice*

Where corresponding Customs offices are located on a common frontier, the Customs

authorities of the countries concerned should correlate the competence and the business hours of those offices.

Note

In some cases joint controls have been established at common frontiers with Customs offices of the countries concerned installed at the same place and sometimes in the same building.

7. *Standard*

Without prejudice to their right to apply full Customs control to all travellers, the Customs authorities shall normally apply such control on only a selective or sampling basis.

8. *Standard*

Personal searches of travellers for Customs purposes shall be carried out only in exceptional cases and when there are reasonable grounds to suspect smuggling or other offences.

9. *Standard*

Travellers entering or leaving the country by road vehicle or train shall be permitted to accomplish all necessary Customs formalities without, as a matter of course, having to leave the means of transport in which they are travelling.

10. *Recommended Practice*

At major international airports the dual-channel system as outlined in Appendix I to this Annex should be used for the clearance inwards of travellers and their baggage.

11. *Recommended Practice*

At suitable international seaports, particularly those used by passenger vessels making short sea voyages (such as the regular ferry services), the dual-channel system as outlined in Appendix II to this Annex should be used for the clearance inwards of travellers,

their baggage and their road vehicles for private use.

12. *Standard*

The Customs facilities provided for in this Annex shall apply to travellers irrespective of their citizenship/nationality.

13. *Recommended Practice*

Regardless of the mode of transport used, a list of travellers or a list of their accompanying baggage should not be required for Customs purposes.

Note

This provision does not preclude the Customs from requesting information concerning the number of travellers arriving or departing on a particular means of transport.

14. *Standard*

Travellers shall be permitted to make an oral declaration in respect of the goods accompanying them. However, the Customs may require a written declaration for goods carried by travellers which constitute an importation or exportation of a commercial nature or which exceed, in value or quantity, the limits laid down in national legislation.

Note

The written declaration envisaged in this Standard may be the declaration usually required for clearance for home use or a simplified Goods declaration. The Customs may require as an alternative the production of a commercial invoice or other commercial document.

15. *Standard*

Goods carried by travellers shall be stored or kept, subject to the conditions prescribed by the Customs authorities, pending clearance under the appropriate Customs procedure, re-exportation or other disposal in

accordance with national legislation, in the following cases :

- at the traveller's request,
- when the goods concerned cannot be cleared immediately,
- where the other provisions of this Annex do not apply to such goods.

16.

Standard

Unaccompanied baggage (i.e. baggage arriving or leaving before or after the traveller) shall be cleared under the procedure applicable to accompanied baggage or under another simplified Customs procedure.

Notes

1. The admission free of import duties and taxes applicable to goods other than personal effects contained in accompanied baggage does not necessarily apply to those goods contained in unaccompanied baggage.

2. Where admission free of import duties and taxes is claimed in respect of goods in a traveller's unaccompanied baggage, the Customs authorities may require proof that the person concerned is in fact arriving from abroad.

3. The provisions outlined in Appendix III to this Annex may provide useful guidance in the Customs treatment of registered baggage carried by rail.

17.

Standard

Provision shall be made for a traveller's unaccompanied baggage to be cleared by a person other than the traveller.

18.

Recommended Practice

A system of flat-rate assessment should be applied to goods declared for home use under the facilities applicable to travellers, provided that the importation is of a non-commercial nature and that the aggregate

value or quantity of the goods does not exceed the amounts laid down in national legislation. The flat-rate system :

- should lay down rates that cover all types of import duties and taxes;
- should not deprive the goods of the benefit of any duty-free admission facilities to which they are otherwise entitled;
- should provide that goods may, if the traveller so requests, be charged at their own appropriate rates of import duties and taxes, in which case, however, the Customs authorities may require that all dutiable and taxable goods shall be so charged; and
- should not rule out the possibility for Customs authorities to determine special rates for high duty goods or even to exclude some goods from the benefit of the flat-rate system.

Note

An importation is usually considered to be of a non-commercial nature when it is occasional and consists only of goods for personal use or consumption by the traveller or his family or to be disposed of by the traveller as gifts in the country and not suggesting, by their nature or quantity, that they are imported for commercial purposes.

Provisions concerning entry

(a) Non-residents

19.

Standard

The personal effects of non-residents shall be granted temporary admission. Except for articles which involve a high amount of import duties and taxes, such personal effects

shall be admitted without any documents or security being required.

20. *Standard*

In addition to clothing, toilet articles and other articles obviously of a personal nature, the following shall in particular be considered to be personal effects :

- personal jewellery;
- still and motion picture cameras together with a reasonable supply of films and accessories therefor;
- portable slide or film projectors and accessories therefor together with a reasonable quantity of slides or films;
- binoculars;
- portable musical instruments;
- portable gramophones with records;
- portable sound recorders and reproducers (including dictating machines) with tapes;
- portable radio receivers;
- portable television sets;
- portable typewriters;
- portable calculators;
- perambulators;
- wheel-chairs for invalids;
- sports equipment such as tents and other camping equipment, fishing equipment, climbing equipment, sporting firearms with ammunition, non-motorised bicycles, canoes or kayaks less than 5.5 metres long, skis, tennis racquets.

21. *Standard*

In addition to the consumable products allowed to be imported free of import duties and taxes within specified quantitative limits, non-residents shall be permitted to import, free of import duties and taxes, goods of a

strictly non-commercial nature up to an aggregate value of US \$ 50. A lower amount may be fixed for persons less than 15 years of age or for persons who cross the frontier frequently.

Notes

1. The facilities provided for in this Standard may be made subject to the condition that the goods shall be for personal use or consumption by the traveller or his family or are to be disposed of by the traveller as gifts in the country and that they be carried in his accompanied baggage, on his person or in his hand baggage.

2. Non-residents who are only passing through the country may be allowed greater facilities.

22. *Standard*

The quantities of tobacco goods, wine, spirits and perfume allowed to be imported free of import duties and taxes by non-residents shall be as follows :

- (a) 200 cigarettes or 50 cigars or 250 grams of tobacco, or an assortment of these products of a total weight not exceeding 250 grams;
- (b) 2 litres of wine and 1 litre of spirits;
- (c) 1/4 litre of toilet water and 50 grams of perfume.

The facilities provided for in respect of tobacco goods and alcoholic beverages may, however, be restricted to persons who have reached a certain age and may not be granted, or may be granted in reduced quantities only, to persons who cross the border frequently (e.g., persons living near the frontier, workers who live in one country but work in another, professional drivers and crew members in international transport).

Note

The facilities provided for in this Standard may be made subject to the condition that the products shall be for

personal consumption by the traveller or his family or are to be disposed of by the traveller as gifts in the country and that they be carried in his accompanied baggage, on his person or in his hand baggage.

23. *Standard*

Where it is necessary to lodge a temporary admission declaration for non-residents' personal effects the amount of any security to be provided shall not exceed the amount of import duties and taxes chargeable.

24. *Recommended Practice*

Where it is necessary to lodge a temporary admission declaration for non-residents' personal effects, Contracting Parties to the Customs Convention on the ATA carnet for the temporary admission of goods (Brussels, 6 December 1961) should accept ATA carnets in lieu of national Customs documents and as security for the payment of import duties and taxes.

25. *Standard*

Where it is necessary to lodge a temporary admission declaration for non-residents' personal effects, the time limit for temporary admission shall be fixed by reference to the length of the traveller's stay in the country, provided that any limit laid down in national legislation is not exceeded.

26. *Standard*

At the request of the traveller, and for reasons deemed valid by the Customs authorities, the latter shall extend the period of temporary admission initially fixed.

27. *Standard*

Provision shall be made for temporarily admitted goods to be re-exported through a Customs office other than that through which they were imported.

28. *Standard*

Non-residents shall be granted temporary admission in respect of their means of transport for private use.

Note

Temporary admission may also be granted in respect of animals and non-self-propelled vehicles used as a means of transport by non-residents.

29. *Standard*

Fuel carried in the normal tanks of the means of transport shall be admitted free of import duties and taxes.

30. *Standard*

The facilities granted in respect of means of transport for private use shall apply whether the means of transport are owned by non-residents or rented or borrowed by them and whether they arrive with, before or after the traveller.

31. *Recommended Practice*

The Customs authorities should require neither a Customs document nor security for the temporary admission of non-residents' means of transport for private use.

32. *Recommended Practice*

Where Customs documents or securities are required for the temporary admission of non-residents' means of transport for private use, the Customs authorities should accept standard international documents and securities as set out in, for example, the Customs Convention on the ATA carnet for the temporary admission of goods (Brussels, 6 December 1961), the New York Customs Convention on the temporary importation of private road vehicles (4 June 1954) and the Customs Convention on the temporary importation for private use of aircraft and pleasure boats (18 May 1956).

33. *Standard*

The general time limit for the temporary admission of non-residents' means of transport for private use shall be not less than six months.

34. *Standard*

At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter shall extend the period of temporary admission initially fixed.

35. *Standard*

Any replacement parts required for the repair of a means of transport for private use temporarily in the country shall be granted temporary admission.

36. *Recommended Practice*

Subject to compliance with the conditions laid down in national legislation, the Customs authorities should not require the re-exportation of non-residents' means of transport for private use or personal effects which have been seriously damaged or destroyed through accident or force majeure.

(b) Returning residents

37. *Standard*

Returning residents shall be permitted to reimport free of import duties and taxes any articles which they took with them at the time of their departure from the country and which were in free circulation in that country.

38. *Standard*

In addition to the consumable products allowed to be imported free of import duties and taxes within specified quantitative limits, returning residents shall be permitted to import, free of import duties and taxes, goods of a strictly non-commercial nature up to an aggregate value of US \$ 50. A lower amount may be fixed for persons less than 15 years of age or for persons who cross the frontier frequently.

Note

The facilities provided for in this Standard may be made subject to the

condition that the goods shall be for personal use or consumption by the traveller or his family or are to be disposed of by the traveller as gifts in the country and that they be carried in his accompanied baggage, on his person or in his hand baggage.

39. *Standard*

The quantities of tobacco goods, wine, spirits and perfume allowed to be imported free of import duties and taxes by returning residents shall be as follows :

- (a) 200 cigarettes or 50 cigars or 250 grams of tobacco, or an assortment of these products of a total weight not exceeding 250 grams;
- (b) 2 litres of wine and 1 litre of spirits;
- (c) 1/4 litre of toilet water and 50 grams of perfume.

The facilities provided for in respect of tobacco goods and alcoholic beverages may, however, be restricted to persons who have reached a certain age and may not be granted, or be granted in reduced quantities only, to persons who cross the border frequently (e.g., persons living near the frontier, workers who live in one country but work in another, professional drivers and crew members in international transport).

Note

The facilities provided for in this Standard may be made subject to the condition that the products shall be for personal consumption by the traveller or his family or are to be disposed of by the traveller as gifts in the country and that they be carried in his accompanied baggage, on his person or in his hand baggage.

Provisions concerning departure

40. *Standard*

The Customs formalities applicable to departing travellers shall be as simple as possible, and eliminated when this is feasible.

Note

Customs formalities may be necessary, for example, to obtain exemption from, or repayment of, **internal** duties and taxes.

41. *Standard*

Travellers shall be permitted to export goods for commercial purposes, subject to compliance with the necessary formalities and payment of any export duties and taxes chargeable.

42. *Standard*

At the request of residents leaving the country, the Customs authorities shall take the necessary identification measures in respect of certain articles where the free re-importation of those articles will be facilitated thereby.

Note

The usual measures taken in this respect consist of noting the particulars needed to ensure identification by recording a description of the articles or the marks, numbers or other indications permanently affixed to them, or by affixing Customs identification marks or seals.

43. *Standard*

The application of a temporary exportation procedure under cover of Customs documents in respect of the personal effects and private means of transport of residents leaving the country shall be required in exceptional cases only.

44. *Standard*

Any security furnished by non-residents in respect of goods admitted on a temporary basis shall be discharged at the time when the goods are re-exported, regardless of the Customs office through which re-exportation takes place.

45. *Recommended Practice*

If security has been given in the form of a cash deposit, provision should be made for it to be repaid at the office of re-

exportation, even if the goods were not imported through that office.

Transit passengers

46. *Standard*

Transit passengers who do not leave the transit area shall not be required to pass through any Customs control.

Note

This provision does not preclude the Customs from maintaining general surveillance of transit areas and from taking any action necessary when a Customs offence is suspected.

Information concerning the Customs facilities applicable to travellers

47. *Standard*

The Customs authorities shall ensure that all relevant information regarding the Customs facilities applicable to travellers is readily available to any person interested.

48. *Standard*

Information concerning the exemptions from duties and taxes allowed to travellers and the Customs formalities to be accomplished shall be made available to travellers, upon request, prior to their departure from their own country or, when practicable, during the journey.

Notes

1. Such information may be made available to travellers on ships, aircraft or international trains.

2. Such information may also be made available to travellers in pamphlet form and may be displayed as appropriate at points of arrival and departure.

49. *Recommended Practice*

Information concerning the Customs facilities applicable to travellers should be printed in the official language or languages of the country concerned and in any other language deemed to be useful.

APPENDIX I

Provisions concerning the dual-channel system
for the clearance of travellers
and their baggage arriving by air

The dual-channel or red/green system is a simplified Customs control which enables Customs authorities to improve the flow of passenger traffic at international airports and to deal efficiently with the increasing number of passengers without reducing the effectiveness of the control and without a corresponding increase in the number of Customs staff. It is not necessarily incompatible with the application of other controls, for example, exchange controls, unless the circumstances require full control of all passengers and their baggage.

The dual-channel system should be operated as outlined below :

1. The system shall allow the passengers to choose between two types of channel :
 - (a) one (green channel) for passengers having with them no goods or only goods which can be admitted free of import duties and taxes and which are not subject to import prohibitions or restrictions; and
 - (b) the other (red channel) for other passengers.
2. Each channel shall be clearly and distinctively marked so that the choice between them can easily be understood by passengers. The basic distinctive marking shall be :
 - (a) for the channel referred to under 1 (a), green, in the shape of a regular octagon, and the words "Nothing to declare" ("Rien à déclarer"),
 - (b) for the channel referred to under 1 (b), red, in the shape of a square,

and the words "Goods to declare"
("Marchandises à déclarer").

In addition, the channels should be identified by an inscription including the word "Customs" ("Douane").

3. The texts referred to in paragraph 2 shall be in English and/or French and in any other language or languages deemed useful for the airport concerned.
4. Passengers must be sufficiently well informed to choose between the channels. For this purpose it is important :
 - (a) that passengers be informed about the functioning of the system and about the descriptions and quantities of goods they may have with them when using the green channel. This may be done by means of posters or panels at the airport or by means of leaflets available to the public at the airport or distributed through tourist agencies, airlines and other interested bodies;
 - (b) that the route to the channels be clearly signposted.
5. The channels shall be located beyond the baggage delivery area so that passengers have all their baggage with them when choosing their channel. Moreover, the channels shall be so arranged that the passenger flow from that area to the exits from the airport is as direct as possible.
6. The distance between the baggage delivery area and the entrances to the channels shall be sufficient to allow passengers to decide which channel to choose and to move into that channel without causing congestion.
7. Passengers who have selected the green channel shall not be subject to any other

Customs formalities unless they are the subject of a spot check; in the red channel passengers shall accomplish the formalities required by the Customs.

APPENDIX II

Provisions concerning the dual-channel system
for the clearance of travellers,
their baggage and their vehicles arriving by sea

The dual-channel or red/green system is a simplified Customs control which can be used in connexion with the clearance of passengers, their baggage and their vehicles arriving by sea. The system is particularly applicable to the control of passengers making short sea voyages, such as those using regular ferry services. It can assist in improving the flow of passenger traffic at international seaports and in dealing efficiently with an increasing number of passengers without reducing the effectiveness of Customs control and without a corresponding increase in the number of Customs staff. It is not necessarily incompatible with the application of other controls, e.g., exchange control and control of international motor vehicle insurance certificates, unless the circumstances require full control of all passengers and their baggage or vehicles.

The dual-channel system should be operated as outlined below :

1. The system shall allow the passengers, whether or not travelling in their vehicle, to choose between two types of channel :
 - (a) one (green channel) for passengers having with them no goods or only goods which can be admitted free of import duties and taxes and which are not subject to import prohibitions or restrictions; and
 - (b) the other (red channel) for other passengers.
2. Each channel shall be clearly and distinctively marked so that the choice between them can easily be understood by passengers. The basic distinctive marking shall be :
 - (a) for the channel referred to under 1 (a), green, in the shape of a regular octagon, and the words "Nothing to declare" ("Rien à déclarer");
 - (b) for the channel referred to under 1 (b), red, in the shape of a square, and the words "Goods to declare" ("Marchandises à déclarer").

In addition, the channels should be identified by an inscription including the word "Customs" ("Douane").
3. The texts referred to in paragraph 2 shall be in English and/or French and in any other language or languages deemed necessary.
4. In the case of passengers travelling in their vehicle, and where the marshalling of vehicles into the proper lanes and the clearance procedure will be facilitated thereby, the driver of each motor vehicle may be provided with red and green stickers bearing the markings referred to in paragraph 2 (a) and (b), and instructed to attach to the windscreen of the vehicle :
 - (a) the green sticker where the motor vehicle itself and any goods it contains, including goods belonging to, or carried by, passengers in the vehicle, can be admitted without Customs formalities and are not subject to import prohibitions or restrictions; and
 - (b) the red sticker in other cases.
5. Passengers must be sufficiently well informed to choose between the channels and where appropriate between the red and green stickers. For this purpose it is important :
 - (a) that passengers be informed about the functioning of the system and about the description and quantities of goods they may have with them when using the green channel. This may be done by means of posters or panels at the seaport or by means

of leaflets available to the public at the port of embarkation, on board ship or distributed through tourist agencies, shipping companies and other interested bodies;

- (b) that, where the red and green stickers referred to in paragraph 4 are to be used, the driver of each vehicle should be provided with the stickers before arrival at the port of destination;
 - (c) that the route to the channels be clearly indicated.
6. The channels shall be located beyond any baggage delivery area so that passengers have all their baggage with them when choosing the appropriate channel. Moreover, the channels shall be situated in such a position that the passenger-flow to the exits from the seaport is as direct as possible.
 7. The distance between the ship, or the baggage delivery area, and the entrances to the channels shall be sufficient to allow passengers to decide which channel to choose and to move into the channel without causing congestion.
 8. Passengers who have selected the green channel shall not be subject to any other Customs formalities unless they are the subject of a spot check; in the red channel passengers shall accomplish all the formalities required by the Customs.
 9. A system which involves the use of only one lane, but under which vehicles displaying the red sticker, or those selected for spot checks, are directed to a designated parking area, may be regarded as meeting the requirements of the dual-channel system.

APPENDIX III

Provisions concerning the Customs treatment
of registered baggage carried by rail

The efficient and expeditious handling of registered baggage carried by rail can be facilitated by the application of the following provisions :

1. When having their baggage registered by the railway authorities passengers shall have the possibility of making a declaration in the appended form (or in an appropriately agreed to adaptation of this form) in order to expedite Customs formalities.
2. Customs authorities shall attach real advantages to the use of the written declaration thereby giving passengers an incentive to use a procedure which affords fuller safeguards to the Customs.
3. The declaration shall be presented by the railway authorities to the Customs authorities of the countries of departure and destination where so required.
4. The written declaration shall be regarded as being in substitution for, and shall have the same effect as, the declaration normally required from passengers.
5. The Customs authorities shall, as far as possible, waive the examination of the contents of baggage covered by a written declaration.
6. The Customs authorities shall endeavour to release, as soon as the frontier is crossed, the greatest possible proportion of registered baggage covered by written declarations and not required for examination or other checks, in order that it may immediately be made available to the railways for forwarding to destination.
7. Where baggage is selected by the Customs authorities for examination or other checks, it shall be possible for such examination or checks to be carried out at the Customs office nearest to the passenger's place of destination. For this purpose, as many Customs offices as possible shall be empowered to clear registered baggage.
8. Baggage shall be held up at the frontier only in very exceptional cases, for example, where an offence has been committed or there is serious suspicion of fraud.
9. The Customs authorities remain free to adopt any control measures they deem necessary in order to prevent abuses.
10. In order to facilitate retrieval of baggage by passengers, co-operation between the Customs authorities and the railways shall be strengthened, particularly as regards scheduling of the hours during which baggage can be cleared.
11. Consideration shall be given to making the railways responsible for checking the accuracy of the written declaration, particularly where the release of registered baggage is requested when the Customs office is closed or at a station not serviced by the Customs.

**Déclaration en douane pour bagages enregistrés
Zollerklärung für Reisegepäck
Dichiarazione doganale per bagagli registrati
Customs Declaration for Registered Baggage**

- a) Je déclare que les bagages désignés ci-dessous ne contiennent que des objets personnels de la nature de ceux que les voyageurs utilisent normalement au cours de leurs déplacements, tels que : vêtements, linge de maison, objets de toilette, livres, articles de sport, à l'exclusion des appareils de prise de vues cinématographiques ou photographiques et des récepteurs de radiodiffusion et de télévision.
- b) Je déclare que ces bagages ne contiennent :
- ni denrées alimentaires, tabac, boissons alcooliques, armes, munitions, stupéfiants ou devises ;
 - ni marchandises destinées à être cédées à titre onéreux ou gratuit ;
 - ni objets achetés ou reçus hors du pays de ma résidence habituelle et qui n'ont jamais été déclarés à la douane de ce pays (cette restriction ne s'applique que lors du retour dans le pays de résidence habituelle).
- c) Je donne procuration aux services du chemin de fer pour effectuer toutes les formalités douanières.
- d) Je reconnais que je m'expose à des poursuites en cas de déclaration inexacte.

- a) Ich erkläre, dass die unten bezeichneten Gepäckstücke nur Gegenstände des üblichen persönlichen Gebrauchs während der Reise enthalten, wie Kleidung, Haushaltswäsche, Toilettengegenstände, Bücher und Sportgeräte, ausgenommen Film- oder Photoapparate, Radio- und Fernsehempfangsgeräte.
- b) Ich erkläre, dass die Gepäckstücke nicht enthalten :
- Lebensmittel, Tabak oder Tabakwaren, alkoholische Getränke, Waffen, Munition, Rauschgifte oder Devisen ;
 - Waren, die zur entgeltlichen oder unentgeltlichen Abgabe bestimmt sind ;
 - Gegenstände, die ausserhalb des Landes meines gewöhnlichen Wohnsitzes gekauft oder sonstwie erworben und bei der Zollverwaltung dieses Landes noch nicht angemeldet worden sind (diese Beschränkung gilt nur bei der Rückkehr in das Land des gewöhnlichen Wohnsitzes).
- c) Ich bevollmächtige die Eisenbahn, alle Zöllförmlichkeiten zu erledigen.
- d) Ich weiss, dass ich mich durch unzutreffende Angaben strafbar mache.

- a) Dichiaro che i bagagli sottoindicati contengono esclusivamente oggetti personali del genere normalmente in uso durante i viaggi, come : abiti, biancheria da casa, articoli da toilette, libri, articoli per sport, tranne apparecchi da presa cinematografica o fotografica e apparecchi radio e televisione.
- b) Dichiaro che detti bagagli non contengono :
- né generi alimentari, tabacchi, bevande alcoliche, armi, munizioni, stupefacenti e valute ;
 - né merci destinate ad essere cedute sia a titolo oneroso che gratuito ;
 - né oggetti comprati o ricevuti fuori dal Paese di mia abituale residenza e che non siano mai stati dichiarati alla Dogana del Paese interessato (questa limitazione si applica solo nel caso di rientro nel Paese di residenza abituale).
- c) Delego i servizi ferroviari ad effettuare tutte le formalità doganali.
- d) So di espormi a sanzioni in caso di dichiarazione inesatta.

- a) I declare that the baggage specified hereunder contains only personal belongings of the kind normally used by passengers while away from home, such as clothing, household linen, toilet requisites, books and sports equipment, other than cameras (photographic or cinematographic), radio and television sets.
- b) I declare that this baggage does not contain :
- foodstuffs, tobacco goods, alcoholic beverages, arms, ammunition, narcotics or currency ;
 - goods to be disposed of to other persons, whether or not against payment ;
 - articles purchased or otherwise acquired outside my country of normal residence and not yet declared to the Customs of that country (this restriction applies only on return to country of normal residence).
- c) I authorise the railway authorities to carry out all Customs formalities.
- d) I am aware that a false declaration renders me liable to prosecution.

Español al dorso-Nederlands z.o.z.-Dansk på bagsiden-Svenska på baksidan-Jugoslavenski na poledjini

Pays de destination Bestimmungsland Paese di destinazione Country of destination	<input type="text"/>	Lieu de destination Bestimmungsort Località di destinazione Place of destination	<input type="text"/>
Nombre de bagages Zahl der Gepäckstücke Numero dei bagagli Number of items	<input type="text"/>	Nombre de personnes accompagnant le voyageur Zahl der Mitreisenden Numero di persone che accompagnano il viaggiatore Number of persons accompanying the passenger	<input type="text"/>

in lettres MAJUSCULES - in DRUCKBUCHSTABEN - in caratteri STAMPATELLO - in BLOCK-LETTERS

NOM NAME NOME SURNAME Prénom Vorname Cognome Christian name

Gewöhnlicher Wohnsitz: Rue Strasse No _____
 Résidence habituelle: Via Street
 Residenza abituale:
 Normal residence: Localité Pays
Stadt Land
Località Paese
Town Country

Timbre à date de le gare de départ Date-stamp of departure station VI 65		Timbre a data della Stazione di partenza	Bulletin d'expédition Gepäckschein Scontrino di bagaglio Consignment note No _____	Signature du voyageur: Unterschrift des Reisenden: Firma del viaggiatore: Signature of passenger:
---	--	---	--	--

Declaración de aduana para equipajes facturados

- a) Declaro que los bultos que figuran al dorso contienen exclusivamente objetos personales, de los que se suelen utilizar durante el viaje, tales como prendas de vestir, ropa blanca, objetos de aseo, libros, material deportivo, a excepción de cámaras cinematográficas y fotográficas y receptores de radiodifusión y televisión.
- b) Declaro que dichos bultos no contienen:
- comestibles, tabacos, bebidas alcohólicas, armas, municiones, estupefacientes ni divisas;
 - mercancías para vender o ceder gratuitamente;
 - objetos comprados o recibidos fuera del país de residencia habitual y que nunca han sido declarados a la aduana de dicho país (esta restricción es válida únicamente en caso de regreso al país de residencia habitual).
- c) Autorizo a los servicios ferroviarios a efectuar las formalidades de aduana en caso necesario.
- d) Reconozco que toda declaración falsa implica una sanción.

Douaneverklaring voor ingeschreven bagage

- a) Ik verklaar, dat de aan ommezijde omschreven bagage alleen voor persoonlijk gebruik tijdens de reis, zoals kleding, huishoudtinnen, toiletbenodigdheden, boeken en sportuitrusting, met uitzondering van film-, foto-camera's en radio- en televisie-ontvangsttoestellen.
- b) Ik verklaar, dat de bagage niet bevat:
- voedingsmiddelen, tabakfabrikaten, alcoholische dranken, vuurwapenen, munitie, verdovende middelen of deviezen;
 - goederen bestemd om al dan niet gratis te worden afgestaan;
 - voorwerpen die buiten het land van mijn normaal verblijf gekocht of verkregen zijn en nog niet in dat land ten invoer werden aangegeven (deze beperking is alleen van toepassing bij terugkeer in het land van normaal verblijf).
- c) Ik machtig de spoorwegautoriteiten tot het doen van alle douaneformaliteiten.
- d) Ik ben ervan op de hoogte, dat ik mij in geval van onjuiste aangifte, blootstel aan vervolging.

Tolderklering for indskrevet rejsegods

- a) Jeg erklærer, at der findes på bagsiden anførte bagagestykker kun indeholder personlige ejendele af den art, rejsende normalt anvender, såsom bekledningsgenstande, linned, toiletsager, bøger og sportredskaber, undtagen kameraer (kinematografiske og fotografiske) samt radio- og fjernsynsmottagere.
- b) Jeg erklærer, at den nævnte bagage ikke indeholder:
- levnedsmidler, tobaksvarer, alkoholiske drikke, våben, ammunition, narkotika eller valuta;
 - varer, som er bestemt til overdragelse til andre (mod eller uden betaling);
 - genstande, der er købt eller på anden måde erhvervet uden for mit normale opholdsland, og som endnu aldrig har været klareret i dette land (denne begrænsning gælder kun ved tilbagereisen til det sædvanlige opholdsland).
- c) Jeg bemyndiger jernbanemyndighederne til at udføre alle toldformaliteter.
- d) Jeg er indforstået med, at urigtige angivelser kan gøre mig hjemfalden til straf.

Tulldeklaration för polletterat resgods

- a) Jag försäkrar, att omtämda sida förtecknade resgodskollin endast innehåller personliga tillhörigheter av sådan slag som vanligen används av personer på resa, såsom klädesplagg, hushållslinna, toiletartiklar, böcker och sportutrustning, med undantag av film- och fotokameror, radio- och televisjonsmottagare.
- b) Jag försäkrar, att dessa resgodskollin inte innehåller:
- livsmedel, tobaksvaror, alkoholhaltiga drycker, vapen, ammunition, narkotika eller valutor;
 - varor avsedda att säljas eller bortskänkas;
 - föremål, som köpta eller på annat sätt förvärvat utanför det land där jag stadigvarande bor och som ännu inte tulldeklarerats i detta land (denna inskränkning gäller endast vid återresa till nysannämnda land);
- c) Jag befullmäktigar järnvägsmyndigheterna att fullgöra samtliga tullformaliteter.
- d) Jag är medveten om att en oriktig deklaration kan föranleda åtal mot mig.

Carinska deklaracija za otpravljeni prtljag

- a) Izjavljujem da prtljag koja se nalazi na poleđini sadrži samo predmete lične prirode koje putnici redovno upotrebljavaju za vreme svojih putovanja, kao: odeću, rubiće, toaletne predmete, knjige, sportske rekvizite, izuzev fotografske ili kinematografske kamere i radiodifuzne i televizijske prijemnike.
- b) Izjavljujem da ovaj prtljag ne sadrži:
- životne namirnice, duvan, alkoholna pića, oružje, municiju, opojne droge ili valutu;
 - robu namenjenu za otudivanje, uz naknadu ili besplatno;
 - predmete kupljene ili dobijene izvan zemlje mog stalnog boravka i koji već nisu bili prijavljeni carinarnici ove zemlje (ovo ograničenje primenjuje se samo prilikom povratka u zemlju stalnog boravka).
- c) Ovlašćujem železničku službu da izvrši sve carinske formalnosti.
- d) Poznato mi je da će se u slučaju netačne izjave povesti protiv mene kazneni postupak.

ANNEX F. 4.

Annex concerning Customs formalities
in respect of postal traffic

Introduction

The post has always been one of the most widely used methods of sending not only greetings and information but also gifts and other goods from one person to another.

The Customs are necessarily involved in international postal traffic since, just as in the case of goods imported and exported by other means, they have to ensure that the appropriate duties and taxes are collected, enforce import and export prohibitions and restrictions, and in general ensure compliance with the laws and regulations which they are responsible for enforcing.

Because of the special nature of postal traffic, however, the Customs formalities in respect of items carried by post are somewhat different from those applied to goods carried by other means. While individual postal items are restricted in size, their numbers are enormous and, to avoid creating unacceptable delays, special administrative arrangements are necessary to deal with them. These are made possible because in virtually all countries the postal services are furnished by public administrations or authorities, and the two public bodies involved in postal traffic, the post and the Customs, co-operate very closely with one another.

In addition to this close co-operation between Customs and postal authorities at the national level, there is close collaboration at the international level between the Universal Postal Union (the international organization whose rules and regulations govern postal traffic) and the Council. These two international organizations have, for example, established a Contact Committee at which Customs and postal experts meet to discuss

and find internationally acceptable solutions to problems which cannot be resolved nationally or bilaterally.

Definitions

For the purposes of this Annex :

- (a) the term "postal items" means letter-post items and postal parcels;
- (b) the term "letter-post items" means letters, postcards, printed papers, literature for the blind and small packets described as letter-post items in the Acts of the Universal Postal Union currently in force;

Note

According to the Acts of the Universal Postal Union certain letter-post items are required to be accompanied by a Customs declaration form C 1 and/or form C 2/CP 3, as appropriate;

- (c) the term "postal parcels" means items called postal parcels within the meaning of the Acts of the Universal Postal Union currently in force.

Note

According to the Acts of the Universal Postal Union postal parcels are required to be accompanied by a Customs declaration form C 2/CP 3;

- (d) the term "the Universal Postal Union" means the intergovernmental organization founded in 1874 by the Treaty of Berne as the General Postal Union which, in 1878, was renamed the Universal Postal Union (UPU) and which since 1948 has been a specialized agency of the United Nations (with headquarters in Berne);
- (e) 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;

- (f) the term " export duties and taxes " means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the exportation of goods but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (g) the term " Goods declaration " means a statement made in the form prescribed by the Customs by which the persons interested indicate the Customs procedure to be applied to the goods and furnish the particulars which the Customs require to be declared for the application of that procedure;
- (h) the term " clearance " means the accomplishment of the Customs formalities necessary to allow goods to be exported, to enter for home use or to be placed under another Customs procedure;
- (ij) the term " clearance for home use " means the Customs procedure which provides that imported goods may remain permanently in the Customs territory. This procedure implies the payment of any import duties and taxes chargeable and the accomplishment of all the necessary Customs formalities;
- (k) the term " examination of postal items " means the physical inspection of goods in postal items by the Customs to ascertain their nature, origin, condition, quantity and value;
- (l) the term " goods in free circulation " means goods which may be disposed of without Customs restriction;
- (m) the term " Customs control " means the measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;

(n) the term " release " means the action by the Customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned;

(o) the term " person " means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*

The Customs formalities in respect of postal items shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished for Customs purposes in respect of postal items.

3. *Standard*

The clearance of postal items shall be carried out as rapidly as possible and Customs control shall be restricted to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Relations between the Customs and postal authorities

4. *Standard*

National legislation shall specify the respective responsibilities and obligations of the Customs and of the postal authorities in connexion with the Customs treatment of postal items.

Notes

1. The postal authorities have certain obligations and responsibilities which derive directly from the Acts of the Universal Postal Union. Other responsibilities and obligations of the postal authorities and those of the Customs may be decided upon by mutual agreement between the two authorities.

2. The postal authorities are usually responsible for the conveyance, storage and production to the Customs authorities of

postal items and, at the request of the Customs authorities, may open them for the purposes of Customs control. However, in some countries the actual conveyance, storage and production to the Customs authorities of postal parcels is undertaken, by agreement, not by the postal authorities themselves but by railway authorities and other approved enterprises. Such practical arrangements would mean that in these countries certain of these obligations may become the responsibility of the approved enterprise.

3. Whilst not accepting responsibility for the accuracy of Customs declarations (e.g. form C 2/CP 3), postal authorities in the country of departure in principle check that Customs declarations on postal items are, where appropriate, present, and as far as possible take steps to ensure that they are correctly and fully completed. When a Customs declaration is obviously incomplete, postal authorities generally draw the attention of senders to the relevant Customs regulations and may refuse to accept the postal item in question.

When a consignment consists of a number of items, particularly in the case of commercial consignments, the postal authorities usually advise the sender of the need to attach separate documents (such as certificates of origin) to each item.

5. *Standard*

The Customs authorities, with any necessary agreement of the postal authorities, shall designate the Customs offices or other places at which postal items may be cleared.

Notes

1. Joint Customs/post offices may be set up, or Customs officers may be stationed permanently or for certain hours of the day at post offices; in these latter circumstances the postal authorities may provide the Customs with office accommodation.

2. Customs offices may be set up at exchange post offices, which are post offices

responsible for exchanging postal consignments with the appropriate foreign postal authorities.

Exportation of postal items

(a) *Customs status of goods*

6. *Standard*

The exportation of goods in postal items shall be allowed regardless of whether they are in free circulation or are under a Customs procedure such as Customs warehousing or temporary admission, provided that, when they are under a Customs procedure, all the formalities prescribed for that procedure are complied with.

Note

The exportation by post of certain goods, including narcotics, explosives, inflammable and other dangerous substances, is closely regulated and in many instances is prohibited by the Acts of the Universal Postal Union.

(b) *Production to the Customs*

7. *Standard*

The Customs authorities shall designate the postal items which shall be produced to them at exportation for the purposes of Customs control.

Note

Under the documentary clearance system used in some countries for postal parcels, only the documents and not the items themselves are submitted to the Customs in the first instance; the Customs then indicate to the postal authorities which items must be produced to them for Customs control.

8. *Recommended Practice*

The Customs should not as a general rule require postal items to be produced to them at exportation for the purposes of Customs control unless they contain goods

the exportation of which must be certified, goods which are subject to export prohibitions or restrictions or export duties and taxes, or goods having a value exceeding an amount specified in national legislation, or they are selected for Customs control on a selective or random basis.

Notes

1. There are various cases in which the exportation of goods may have to be certified, such as when goods are being exported temporarily or are being exported on drawback or after temporary admission.

2. Goods being exported by post may be cleared either before or after posting. In countries where the usual procedure is clearance before posting, the Customs may mark consignments with special stamps or labels, may seal them or may authorize exportation on an accompanying document such as the despatch note (CP 2). In countries where they are normally cleared after posting, clearance may be carried out at an exchange post office or at another post office provided with Customs services, where necessary the goods being transferred to such a post office for control purposes.

3. Goods which are subject to export duties and taxes are usually cleared by the Customs before posting, the export duties and taxes being paid before the goods are passed to the postal authorities for exportation. In some countries, however, the postal authorities may collect the export duties and taxes, the accounts being settled and payment made as at importation.

(c) Documents

9. *Recommended Practice*

A Goods declaration should not be required in respect of the exportation of postal items unless the item contains goods the exportation of which must be certified,

goods which are subject to export prohibitions or restrictions or subject to export duties and taxes, or goods having a value exceeding an amount specified in national legislation.

(d) Examination of postal items

10. *Standard*

The Customs authorities shall not as a matter of course examine all postal items at exportation but shall confine themselves to the carrying out of examinations on a selective or random basis.

11. *Recommended Practice*

Where the Customs authorities exercise their right to examine postal items at exportation, they should limit the extent of the examination to that deemed necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Postal items in transit

12. *Standard*

Postal items shall not be subject to Customs formalities whilst they are being conveyed in international traffic.

Importation of postal items

(a) Goods which may be admitted

13. *Standard*

The importation of goods in postal items shall be allowed irrespective of whether they are intended to be cleared for home use or for another Customs procedure.

(b) Production to the Customs authorities

14. *Standard*

The Customs authorities shall designate the imported postal items which they require to be produced for the purposes of Customs control.

Note

Under the documentary clearance system used in some countries for postal parcels, only the documents and not the items themselves are submitted to the Customs in the first instance; the Customs then indicate to the postal authorities which items must be produced to them for Customs control.

15. *Recommended Practice*

The Customs authorities should not, as a general rule, require the following categories of imported letter-post items to be produced to them :

- (i) postcards, and letters containing personal messages only;
- (ii) literature for the blind;
- (iii) printed papers not subject to import duties and taxes.

16. *Standard*

When imported postal items are produced to the Customs, the latter shall require only such documents as are necessary for clearance.

Notes

1. The documents involved may vary from case to case according to the nature of the item and its contents, value, etc. They will normally include Customs declaration form C 1 or C 2/CP 3, as appropriate, despatch note CP 2 in the case of postal parcels, and any necessary certificates of origin, invoices, and so forth.

2. Various methods may be used for transmitting Customs declaration form C 2/CP 3. The form may be attached to the despatch note, glued to the item or tied to it or may be enclosed in the item if the country of destination so requires. The form may also be despatched separately from the item under certain agreed arrangements.

17. *Standard*

Where a Customs declaration form C 2/CP 3 is provided in respect of imported

postal items, the Customs authorities shall require not more than one copy.

- (c) *Clearance against Customs declaration forms C 1 and C 2/CP 3 or against a Goods declaration*

18. *Recommended Practice*

When all the information required by the Customs authorities is available from the relevant Customs declaration form C 1 or C 2/CP 3 and supporting documents, postal items should be cleared against those documents and no separate Goods declaration should be required except in the case of commercial consignments having a value exceeding an amount specified in national legislation and in the case of goods intended to be cleared under a Customs procedure other than home use.

19. *Standard*

When goods contained in postal items are to be cleared under a Customs procedure other than home use, a Goods declaration shall be lodged on the form and in the number of copies prescribed for the Customs procedure in question and the other formalities required for that procedure shall be complied with.

Note

The Goods declaration may be a national document or it may be an international document such as an ATA carnet.

20. *Standard*

When a Goods declaration is required in respect of postal items to be cleared for home use, the form for the Goods declaration to be used shall conform to the official model laid down by the competent authorities and the other formalities required for that procedure shall be complied with.

Notes

1. The Goods declaration form for home use may be the same as that prescribed for

importations by other means or it may be a form specially designed for importations by post.

2. The Goods declaration may be completed by the postal authorities, by the addressee or by an authorized agent.

(d) *Examination of postal items*

21. *Standard*

The Customs authorities shall not as a matter of course examine all imported postal items but shall confine themselves to the carrying out of examinations on a selective or random basis.

22. *Recommended Practice*

Where the Customs authorities exercise their right to examine imported postal items they should limit the extent of their examination to that deemed necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

(e) *Assessment and collection of import duties and taxes*

23. *Recommended Practice*

A system of flat-rate assessment should be applied to goods imported for home use in postal items, provided that the importation is of a non-commercial nature and that the aggregate value of the goods does not exceed a figure which should not be less than US\$100. The flat-rate system:

— should lay down rates that cover all types of import duties and taxes;

— should not deprive the goods of the benefit of any duty-free admission facilities to which they are otherwise entitled;

— should provide that goods may, if the addressee is present at clearance and so requests, be charged at their own appropriate rates of import duties and taxes, in which case, however, the Customs authorities may require that all the dutiable and taxable goods shall be so charged; and

— should not rule out the possibility for Customs authorities to determine special rates for high-duty goods or even to exclude some goods from the benefit of the flat-rate system.

Note

An importation is usually considered to be of a non-commercial nature when it is occasional and consists only of goods for personal use or consumption by the addressee or his family and where there is no suggestion, by their nature or quantity, that they are imported for commercial purposes.

24. *Recommended Practice*

Admission free of import duties and taxes should be granted in respect of consignments containing only personal gifts (excluding alcohol, alcoholic beverages or tobacco goods) the aggregate value of which, determined on the basis of the retail prices in the country of despatch, does not exceed US\$25. Where several consignments are despatched at the same time by the same sender to the same addressee, the aggregate value should be taken to be the total value of all those consignments. The formalities for obtaining admission free of import duties and taxes should be as simple as possible. It should be possible to admit such gifts free of economic import prohibitions and restrictions.

Notes

1. A gift is usually considered to be personal if it:

- (a) is sent to a private person by or on behalf of another private person resident abroad;
- (b) is occasional; and
- (c) consists only of goods for personal use by the addressee or his family, and the nature and quantity of the goods imported are such that the consignment is obviously not of commercial nature.

2. To facilitate the speedy clearance of gift consignments at importation, the sender generally indicates on the Customs declaration form C 1 or C 2/CP 3 that the consignment is a gift, and states its contents and value.

25. *Recommended Practice*

When imported postal items are released by the Customs authorities to the postal authorities or an authorized enterprise for delivery to the addressee prior to the payment of any import duties and taxes chargeable, the Customs authorities should make the simplest possible arrangements for the collection of such duties and taxes.

Notes

1. The postal authorities normally collect the import duties and taxes from the addressee at the time of delivery and make periodic payment to the Customs, for example at the end of each quarter. However, the postal authorities may pay the import duties and taxes to the Customs on behalf of the addressee when an item is released to them for delivery.

2. Under certain optional provisions in the Acts of the Universal Postal Union the sender of a postal item may, in some cases, undertake to pay all the charges including import duties and taxes, to which the item is subject on delivery.

Repayment or remission of import duties and taxes

26. *Standard*

Where postal items are not delivered to or are refused by the addressee, repayment or remission of import duties and taxes shall

be granted upon request in respect of goods contained therein provided that the goods are :

- (a) re-exported; or
- (b) destroyed or abandoned without expense to the Revenue, as the Customs authorities may decide.

Information concerning Customs formalities in respect of postal traffic

27. *Standard*

The Customs authorities shall ensure that all relevant information regarding the Customs formalities in their country in respect of postal traffic is readily available to any person interested.

Note

Such information may be made available through the normal media used by the Customs and also by means of the information services of the postal authorities.

ANNEX F.5.

Annex
concerning urgent consignments

Introduction

Certain goods, either because of their nature or because of the special circumstances surrounding their shipment, need to be conveyed rapidly from one country to another and cleared through Customs with a minimum of delay. This applies, for example, to relief consignments sent in the event of disasters, replacement parts or equipment required in an emergency, perishable goods, newspapers and news films.

While, in principle, Customs controls and formalities apply equally to urgent consignments and to ordinary shipments of goods, many Customs administrations have provided greater facilities in connexion with the clearance of urgent consignments, subject to the necessary revenue safeguards and any prohibitions and restrictions.

The provisions of this Annex apply to the Customs formalities involved in the clearance of urgent consignments, at any stage of their transportation, be it at exportation, during transit or at importation. Generally, however, the Annex deals only with greater facilities provided for urgent consignments as compared with the provisions relating to the Customs treatment of other goods where no urgency is involved.

The Annex contains a number of special provisions concerning relief consignments forwarded as aid to those affected by natural disasters (e.g. earthquakes) and similar catastrophes (e.g. dam failures). However, these provisions do not apply to consignments forwarded in the event of catastrophes resulting from wars and similar conflicts.

The Annex also does not apply to goods sent by post.

Definitions

For the purposes of this Annex :

- (a) the term "urgent consignments" means goods which require rapid clearance as a matter of priority due to :
 - their nature;
 - their being relief consignments;
 - their meeting a fully justified urgent need;
- (b) the term "relief consignments" means goods, such as vehicles and other means of transport, foodstuffs, medicaments, clothing, blankets, tents, prefabricated houses or other goods of prime necessity, forwarded as aid to those affected by natural disaster and similar catastrophes;
- (c) the term "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 or exportation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;
- (d) the term "Goods declaration" means a statement made in the form prescribed by the Customs, by which 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;
- (e) the term "declarant" means the person who signs a Goods declaration or in whose name it is signed;
- (f) the term "examination of goods" means the physical inspection of goods by the

Customs to satisfy themselves that the nature, origin, condition, quantity and value of the goods are in accordance with the particulars furnished in the Goods declaration;

- (g) the term "security" means that which ensures to the satisfaction of 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;
- (h) the term "clearance" means the accomplishment of the Customs formalities necessary to allow goods to be exported, to enter home use or to be placed under another Customs procedure;
- (ij) the term "release" means the action by the Customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned;
- (k) the term "person" means both natural or legal persons, unless the context otherwise requires.

Principle

1. *Standard*
Clearance of urgent consignments shall be governed by the provisions of this Annex.

Field of application

2. *Standard*
National legislation shall specify the circumstances in respect of which the provisions of this Annex shall apply, and shall specify the conditions to be fulfilled and the Customs formalities to be accomplished for the clearance of urgent consignments.

Note

In addition to relief consignments the provisions of this Annex normally apply to goods such as the following :

- Goods requiring rapid clearance due to their nature
 - bodily organs, blood and blood plasma;
 - perishable medical research materials and etiologic agents;
 - radio-active materials;
 - live animals;
 - perishable goods such as meat, fish, milk and milk products, eggs, fruit, margarine, vegetables and other foodstuffs, live plants and cut flowers;
 - newspapers and periodicals;
 - news material such as tapes, videotapes, films and other recordings.

Goods requiring rapid clearance if they meet a fully justified urgent need

- medicaments and vaccines;
- replacement parts;
- scientific and medical equipment;
- firefighting and rescue equipment;
- equipment for use in searches, investigations and salvage in connexion with accidents;
- equipment for the press or for sound or television broadcasting;
- cinematographic and other professional equipment.

Standard

3. Clearance of urgent consignments shall be carried out rapidly as a matter of priority, and Customs control shall be restricted to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Standard

4. When clearing urgent consignments Customs authorities shall take into account such factors as the degree of urgency with

which a consignment is needed, the nature and value of the consignment and the particular circumstances relating to it. In any event absolute priority shall be granted to relief consignments.

5.

Standard

The provisions relating to the clearance of urgent consignments shall also be applicable where such consignments consist of goods ex Customs transit, ex Customs warehouse or from a free zone.

General provisions

(a) Time for lodgement of the Goods declaration

6.

Standard

At the request of the declarant, and for reasons deemed valid by the Customs authorities, the latter shall, insofar as their administrative organization permits, allow the Goods declaration to be lodged outside the business hours of Customs offices; any expenses which this entails may be charged to the declarant. In the case of relief consignments or consignments of a humanitarian nature the Customs authorities shall always endeavour to grant this facility.

(b) Lodgement of the Goods declaration before the arrival of urgent consignments

7.

Standard

The declarant shall be authorized to lodge the Goods declaration before the arrival of urgent consignment at the Customs office.

(c) Periodic lodgement of Good declaration

8.

Standard

Where urgent consignments are cleared frequently by the same person, the Customs authorities shall allow a single Goods

declaration to cover all such consignments cleared by that person in a given period.

Notes

1. The Customs authorities may make this facility subject to the condition that the declarant keeps proper records and that the necessary control measures can be taken.

2. If the Customs authorities grant this facility, they may require the declarant to produce, each time an urgent consignment is cleared, a commercial or official document (commercial invoice, waybill, despatch note, etc.) giving the main particulars of the urgent consignments concerned.

(d) Requirements concerning the Goods declaration

9.

Standard

Provision shall be made for a simplified Goods declaration procedure for the clearance of urgent consignments.

Notes

1. In certain cases where a simplified Goods declaration has been accepted the Customs authorities may nevertheless require the subsequent furnishing of more detailed information.

2. In cases where persons clear urgent consignments only occasionally, or where duties and taxes are of minor importance, national legislation may provide for an oral declaration.

(e) Clearance of urgent consignments outside the business hours of the Customs office

10.

Standard

At the request of the declarant, and for reasons deemed valid by the Customs authorities, the latter shall, insofar as their administrative organization permits, allow urgent consignments to be cleared outside the

business hours of Customs offices; any expenses which this entails may be charged to the declarant. In the case of relief consignments or consignments of a humanitarian nature the Customs authorities shall always endeavour to grant these facilities.

(f) Examination of urgent consignments

11. *Standard*

Where the Customs authorities exercise their right to examine urgent consignments, they shall limit the extent of the examination to that deemed necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Note

The Customs authorities may further reduce the frequency and extent of examination when they are familiar with the circumstances and with the goods involved (for example, in the case of regular clearance of newspapers, periodicals, news material, etc.).

(g) Release of urgent consignments

12. *Standard*

If the Customs authorities are satisfied that the declarant will subsequently accomplish all the formalities in respect of the clearance of urgent consignments they shall release such consignments prior to the lodgement of the Goods declaration, provided that the declarant produces a commercial or official document giving the main particulars of the consignment concerned and acceptable to the Customs.

Notes

1. The Customs authorities may make it a condition for release that the supporting documents deemed essential have been produced and that the controls provided for in national legislation (veterinary, health, phytopathological, etc., controls) have been carried out by the competent authorities.

2. The declarant may be required to furnish security to ensure compliance with his undertakings to the Customs.

(h) Examination and release of urgent consignments at a place other than the Customs office

13. *Standard*

At the request of the declarant, and for reasons deemed valid by the Customs authorities, the latter shall, insofar as their administrative organization permits, allow urgent consignments to be examined and released at a place other than the Customs office; any expenses which this entails may be charged to the declarant. In the case of relief consignments or consignments of a humanitarian nature the Customs authorities shall always endeavour to grant these facilities.

Notes

1. Urgent consignments may be examined and released, according to the circumstances, at the premises of the person concerned, on premises with appropriate equipment, at a Customs office other than that at which the urgent consignments are to be cleared, or at the place of destination.

2. The cases in which arrangements may be made for examination and release at a place other than the Customs office include the following : relief consignments, medicaments, sterile medical research materials, bulk consignments in containers, replacement parts and goods which cannot readily be examined and released until unloaded at destination.

(ij) Identification measures

14. *Standard*

When the Customs authorities consider it necessary to identify urgent consignments, e.g. in the case of Customs transit or temporary admission, they shall affix Customs marks (seals, stamps, perforations, etc.) only

where the urgent consignments cannot readily be identified by means of foreign seals, by marks, numbers or other indications permanently affixed to them, or by a description.

(k) Deferred payment of duties and taxes

15. *Standard*

Persons who clear urgent consignments shall be authorized to defer payment of duties and taxes without interest charges.

Notes

1. A person given the benefit of this facility may be required to furnish security in an amount determined by the Customs authorities.

2. Particularly in connexion with non-commercial operations an undertaking to pay the duties and taxes may be accepted in lieu of security.

16. *Standard*

The period for which payment of duties and taxes can be deferred shall be at least fourteen days following the date when payment of the amount of duties and taxes chargeable is otherwise due.

Notes

1. Different periods may be fixed for each type of duty or tax.

2. The Customs authorities may agree that the duties and taxes in respect of imports or exports during a given period shall be payable on a fixed date.

Special provisions concerning relief consignments

(a) Clearance

17. *Standard*

When clearing relief consignments regard shall not be had to the country of origin of

the goods, the country whence they arrived or their country of destination.

(b) Exportation

18. *Standard*

Where an export declaration is required for a relief consignment the Customs shall, as a general rule, accept that declaration as evidence of the contents and intended use of the consignment.

19. *Recommended Practice*

In the case of relief consignments any economic export prohibitions or restrictions and any export duties or taxes otherwise payable should be waived.

20. *Standard*

In order to avoid delays in the forwarding of relief consignments at later stages in their journey, the Customs authorities of the exporting country, shall, on application being made by the person concerned :

- (a) examine, where appropriate by random checks, the contents of relief consignments against a detailed list and certify the results of this examination on that list; and
- (b) where possible and appropriate, place such consignments under Customs seal.

(c) Transit

21. *Standard*

The Customs transit of relief consignments shall, as far as possible, be authorized without the requirement of security in respect of duties and taxes and take place under cover of minimum documentation.

22. *Standard*

Relief consignments under Customs transit shall not be examined by the Customs authorities except where there are exceptional

circumstances in which examination is deemed indispensable.

(d) Importation

23. *Standard*

Relief consignments shall be released prior to the lodgement of the Goods declaration where the Customs authorities are satisfied that the declarant will subsequently accomplish all the formalities in respect of the clearance of the goods.

24. *Standard*

The Customs authorities of the importing country shall, as a rule, accept as evidence of the contents of a relief consignment, a detailed list certified by the Customs authorities of the exporting country as provided for in Standard 20 above.

25. *Recommended Practice*

Relief consignments received as gifts by approved organizations for use by or under the control of such organizations or for distribution free of charge by them or under their control should be admitted free of import duties and taxes and free of economic import prohibitions or restrictions.

Notes

1. The competent authorities normally approve national organizations which would be responsible for the receipt and distribution of relief consignments. Information concerning these approved organizations and the procedure to be adopted in the event of the arrival of relief consignments would be brought to the attention of the competent Customs offices to ensure that the provisions of this Annex concerning relief consignments are implemented without delay.

2. The provisions of this Recommended Practice do not prevent the Customs authorities from collecting import duties and taxes in respect of any goods which are sold after use by the organizations concerned.

26. *Standard*

Relief consignments consisting of equipment loaned free of charge to approved organizations shall be granted temporary admission without the requirement of security and with minimum documentation.

Note

An undertaking to re-export such equipment may be required from the approved organization.

27. *Standard*

Any charges which would normally be made by the Customs authorities in respect of expenses entailed by clearance outside the business hours of the Customs office or examination and release at a place other than the Customs office shall, as far as possible, be waived in the case of relief consignments.

Information concerning urgent consignments

28. *Standard*

The Customs authorities shall ensure that all relevant information concerning facilities related to urgent consignments is readily available to any person interested.

ANNEX F.6.

Annex concerning
the repayment of import duties and taxes

Introduction

During the clearance of goods declared for home use, or after their release, it may be discovered, either by the importer himself or by the Customs authorities, that the basis upon which the Customs charges were calculated was incorrect owing, inter alia, to an error on the part of the Customs authorities, the declarant or some other person concerned (e.g., the consignor or shipper), and that for this reason the import duties and taxes charged or to be charged are greater than those which were actually chargeable. It may also happen that goods are damaged, destroyed or irrecoverably lost by accident or force majeure, in particular before release for home use; in this case also, for reasons of equity, the import duties and taxes already charged might be refunded in whole or in part.

It should be possible for the person concerned, after verification of the facts, to obtain a refund of import duties and taxes overpaid, or, if payment has not yet been made, the remission of import duties and taxes which are in excess of the amount actually chargeable.

It is important, particularly where the overcharge arose from errors on the part of the Customs authorities or has been occasioned by circumstances beyond the control of the importer or other person concerned, that repayment should be made without undue delay and with minimum formalities. In some cases, however, it may be necessary to make repayment subject to certain conditions or to special safeguards against fraud or abuse.

The provisions of this Annex do not apply to repayments made under the drawback procedure or to the refund of

deposits taken as security for the payment of import duties and taxes.

Definitions

For the purposes of this Annex :

- (a) the term " repayment of import duties and taxes " means the refund, in whole or in part, of import duties and taxes paid on goods declared for home use and the remission, in whole or in part, of such duties and taxes where payment has not been made;
- (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 " release " means action by which the Customs permit goods undergoing clearance to be placed at the disposal of the persons concerned;
- (d) the term " person " means both natural and legal persons, unless the context otherwise requires.

Principle

1. *Standard*
The repayment of import duties and taxes shall be governed by the provisions of this Annex.

Scope

2. *Standard*
National legislation shall prescribe the cases and conditions in which, where the amount of import duties and taxes paid or assessed to be payable exceeds the amount

legally due, repayment of import duties and taxes shall be granted.

Note

Repayment is not granted of import duties and taxes that have been, or will be, repaid under other provisions.

Cases in which repayment of import duties and taxes should be granted

Errors in assessment

3. *Standard*

Repayment of import duties and taxes shall be granted where it is established that they have been overcharged as a result of an error in their assessment.

Goods having a lower value than declared

4. *Standard*

Repayment of import duties and taxes shall be granted where it is found that import duties and taxes had been assessed on the basis of a value which is higher than the dutiable value, provided that the facts are established to the satisfaction of the Customs authorities.

Incorrect tariff classification

5. *Standard*

Repayment of import duties and taxes shall be granted if they are overcharged as a result of incorrect tariff classification of the declared goods provided that the facts are established to the satisfaction of the Customs authorities.

Goods damaged, destroyed or lost

6. *Standard*

Repayment of import duties and taxes shall be granted in respect of goods damaged, destroyed or irrecoverably lost by accident or force majeure before release for home use,

provided that the facts are duly established to the satisfaction of the Customs authorities.

7. *Standard*

Where goods which have been granted total or partial exemption from import duties and taxes by reason of a specific use are damaged, destroyed or irrecoverably lost by accident or force majeure after their release for home use, remission shall be granted of that amount of the import duties and taxes from which exemption has been granted provided that such damage, destruction or loss is duly established to the satisfaction of the Customs authorities.

Note

Remnants of goods covered by Standards 6 and 7 may be :

- (a) cleared for home use in their existing state as if they had been imported in that state; or
 - (b) re-exported; or
 - (c) abandoned free of all expenses to the Revenue; or
 - (d) rendered commercially valueless under Customs control, without expense to the Revenue;
- as the Customs authorities may require.

Goods not in accordance with agreed specifications

8. *Standard*

Repayment of import duties and taxes shall be granted in respect of imported goods which are found to have been defective or otherwise not in accordance with the agreed specifications at the time of importation, which have not been worked, repaired or used in the country of importation, and which are re-exported within a reasonable time either to the foreign supplier or to another person

designated by the supplier. The use of the goods shall however not hinder the repayment if such use was indispensable to discover the defects or other circumstances which caused the re-exportation of the goods. As an alternative to re-exportation the goods may be abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control, as the Customs authorities may decide. Such abandonment or destruction shall not entail any cost to the Revenue.

Note

Repayment of import duties and taxes on goods of the kind referred to in the first sentence of this Standard can also be considered under the provisions of Standards 4 and 5 if such goods are not re-exported.

Shortages

9. *Standard*

Repayment of import duties and taxes shall be granted in respect of goods declared to be in a consignment where it is established to the satisfaction of the Customs authorities that those goods were not in fact imported into the Customs territory.

Goods placed under another Customs procedure

10. *Recommended Practice*

Where permission is given by the Customs authorities for goods originally declared for home use to be placed under another Customs procedure, repayment should be made of any import duties and taxes consequently overcharged.

Repayment procedure

11. *Standard*

The procedure laid down for claiming repayment of import duties and taxes shall be as simple as possible.

Note

The repayment procedure may be initiated either at the request of the person concerned or on the initiative of the Customs.

12. *Standard*

Decisions on claims for repayment shall be reached, and notified in writing to the persons concerned, without undue delay, and repayment of amounts overpaid shall be made as soon as possible after the verification of claims.

13. *Standard*

Where it is established by the Customs that the overcharge is a result of an error on the part of the Customs authorities themselves in assessing the import duties and taxes, repayment shall be granted as a matter of priority.

Time limit

14. *Recommended Practice*

Where time limits are fixed beyond which claims for repayment of import duties and taxes will not be accepted, such limits should be of sufficient duration to take account of the differing circumstances pertaining to each type of case in which repayment of import duties and taxes may be granted.

Information concerning repayment

15. *Standard*

The Customs authorities shall ensure that all necessary information regarding the provisions relating to the repayment of import duties and taxes is readily available to any person interested.

ANNEX F. 7.

Annex
concerning the carriage
of goods coastwise

Introduction

It is frequently desirable for trade or transport reasons to carry goods in a vessel from one place in a Customs territory to another place in that territory. In some instances due, for example, to the geographical situation or to the nature of the goods concerned, transport by vessel in fact constitutes the only viable method of carrying the goods to their destination.

For a variety of reasons it is necessary for the Customs to maintain control over the carriage of goods coastwise even though the cargo being transported may consist entirely of goods in free circulation. In particular, control is necessary to ensure that unauthorized goods such as unentered foreign goods are not taken on board illegally during the voyage and are not subsequently unloaded in the Customs territory without the proper formalities for such goods being accomplished. Equally, it is necessary to ensure that goods in free circulation are not offloaded for export or landed abroad during the voyage coastwise since such goods, although they may be disposed of without Customs restrictions within the Customs territory, may nevertheless be liable to export duties and taxes should they be exported or may be the subject of export prohibitions or restrictions.

The Customs documentary and control requirements in connexion with the carriage coastwise of cargo consisting entirely of goods in free circulation are fairly simple. If unentered imported goods are being carried, however, or if the vessel is transporting goods other than coastwise cargo, additional or more stringent controls are often necessary.

This Annex deals with the carriage coastwise of goods in free circulation and the carriage coastwise of unentered imported goods being transported in a vessel other than the importing vessel in which they arrived in the Customs territory. It does not apply to the carriage coastwise of unentered imported goods still on board the vessel in which the goods arrived in the Customs territory as a continuation of the inward voyage, nor to the carriage coastwise of goods which have already been placed under another procedure such as Customs transit or outright exportation.

Definitions

For the purposes of this Annex :

- (a) the term "the carriage of goods coastwise procedure" means the Customs procedure under which certain goods are loaded on board a vessel at a place in the Customs territory and are transported to another place in the same Customs territory where they are then unloaded;
- (b) the term "Customs territory" means the territory in which the Customs law of a State applies in full;
- (c) the term "goods in free circulation" means goods which may be disposed of without Customs restrictions;
- (d) 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;
- (e) the term "export duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connexion with the

exportation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;

- (f) the term "security" means that which ensures to the satisfaction of 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;
- (g) the term "Customs control" means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;
- (h) the term "person" means both natural and legal persons unless the context otherwise requires.

Principles

1. *Standard*

The carriage of goods coastwise procedure shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished for the purposes of the carriage of goods coastwise procedure.

Notes

- 1. In some countries the national legislation relating to the carriage of goods coastwise procedure applies also to the carriage of goods by air subject to suitable modifications.
- 2. National legislation may specify that only vessels owned and registered in the country may transport goods under the carriage of goods coastwise procedure.
- 3. National legislation may provide that the carriage of goods coastwise procedure is applicable only to voyages made within cer-

tain prescribed geographical limits. It may also specify that the procedure need not be used in the case of goods being transported on certain inland waterways.

3. *Standard*

National legislation shall specify that goods in free circulation may be transported under the carriage of goods coastwise procedure.

4. *Standard*

National legislation shall specify that unentered imported goods may be transported under the carriage of goods coastwise procedure.

5. *Recommended Practice*

The Customs authorities should allow goods to be transported under the carriage of goods coastwise procedure on board a vessel carrying other goods at the same time.

6. *Recommended Practice*

At the request of the person concerned, and subject to such conditions as the Customs authorities deem necessary, the latter should allow goods to be transported under the carriage of goods coastwise procedure on board a vessel which is to call at a foreign port during its voyage coastwise.

7. *Recommended Practice*

When a vessel transporting goods under the carriage of goods coastwise procedure is forced to call at a place outside the Customs territory due to unforeseen circumstances, the Customs authorities should regard those goods as remaining under the carriage of goods coastwise procedure provided they are satisfied that the goods are those which were originally placed under the procedure.

Note

A vessel may call at a place outside the Customs territory due, for example, to force majeure.

authorities should, at the request of the person concerned and for reasons they deem valid, allow such goods to be unloaded under the procedure at a place other than that originally intended. Any expenses which this entails may be charged to the person concerned.

Loading and unloading

8. *Standard*
- National legislation shall specify the places which are approved for the loading and unloading of goods under the carriage of goods coastwise procedure and the times during which loading and unloading may be carried out.
9. *Recommended Practice*
- At the request of the person concerned, and provided the Customs authorities are satisfied that the laws and regulations which they are responsible for enforcing will be complied with, the latter should, in the case of a vessel conveying only goods in free circulation under the carriage of goods coastwise procedure, allow such goods to be loaded or unloaded at any place and at any time.
10. *Recommended Practice*
- At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should allow goods under the carriage of goods coastwise procedure to be loaded or unloaded at a place other than that normally approved for that purpose even if the vessel is also carrying unentered imported goods or goods placed under any other Customs procedure. Any expenses which this entails may be charged to the person concerned.
11. *Recommended Practice*
- When a vessel transporting goods under the carriage of goods coastwise procedure is diverted during the voyage, the Customs
12. *Standard*
- When the transport of goods under the carriage of goods coastwise procedure is interrupted by accident or force majeure, the master or other person concerned shall be required to take precautions to prevent the goods from entering into unauthorized circulation and to advise the Customs or other competent authorities of the nature of the accident or other circumstance which has interrupted the journey.
13. *Standard*
- When a vessel transporting goods under the carriage of goods coastwise procedure is conveying unentered imported goods or goods placed under any other Customs procedure, the Customs authorities shall allow goods under the carriage of goods coastwise procedure to be loaded or unloaded as soon as possible after the arrival of the vessel at the place of loading or unloading.
14. *Recommended Practice*
- At the request of the person concerned, and for reasons deemed valid by the Customs authorities, the latter should, so far as administrative circumstances permit, allow goods under the carriage of goods coastwise procedure to be loaded or unloaded outside the business hours of the Customs office even if the vessel is also carrying unentered imported goods or goods placed under any other Customs procedure. Any expenses which this entails may be charged to the person concerned.

Documentation

15. *Standard*

Before goods to be transported under the carriage of goods coastwise procedure are loaded on a vessel, the master or other person concerned shall present to the Customs authorities a single document giving details of the vessel, listing the goods to be carried under the carriage of goods coastwise procedure and stating the port or ports in the Customs territory at which they are to be unloaded. This document, once endorsed by the Customs authorities, shall constitute the authority for the conveyance of the goods under the carriage of goods coastwise procedure.

Note

Goods already placed under another Customs procedure are usually covered separately by the documents appropriate to the procedure in question.

16. *Recommended Practice*

A general authority to convey goods under the carriage of goods coastwise procedure should be granted to vessels which trade regularly between specified places.

17. *Recommended Practice*

When a vessel has been granted a general authority, only a list of the goods to be conveyed under the carriage of goods coastwise procedure should be required before the goods are loaded.

Note

In some countries the list may set out various categories of goods in separate sections or on separate pages.

18. *Recommended Practice*

Before goods are unloaded from a vessel covered by a specific authority, the master or other person concerned should be required

to present to the Customs authorities only a copy of the document authorizing the conveyance of goods under the carriage of goods coastwise procedure, on which should be listed the goods to be unloaded at that port. In the case of a vessel granted a general authority, only a list of the goods to be unloaded should be required.

Security

19. *Standard*

Only when the Customs authorities consider it indispensable shall security be required in respect of goods in free circulation being transported under the carriage of goods coastwise procedure.

Note

In certain circumstances the Customs may require security in respect of goods which would be liable to export duties and taxes if exported.

20. *Standard*

The form in which security, if any, is to be provided in respect of goods conveyed under the carriage of goods coastwise procedure shall be laid down in national legislation or determined by the Customs authorities in accordance with national legislation.

Note

Security is usually required when unentered imported goods are transported under the carriage of goods coastwise procedure.

21. *Recommended Practice*

The choice between the various acceptable forms of security should be left to the person concerned.

22. *Standard*

The Customs authorities shall determine the amount in which security is to be provided

in respect of goods conveyed under the carriage of goods coastwise procedure.

23. *Standard*

When security is to be provided to ensure that the obligations arising from several operations under the carriage of goods coastwise procedure will be fulfilled, the Customs authorities shall accept a general security.

24. *Recommended Practice*

The amount of any security should be set as low as possible having regard to the import duties and taxes or export duties and taxes potentially chargeable.

Customs control

25. *Standard*

Customs control of goods conveyed under the carriage of goods coastwise procedure shall be reduced to the minimum necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

26. *Recommended Practice*

The Customs authorities should require goods in free circulation being transported under the carriage of goods coastwise procedure to be segregated from other goods carried on board the vessel only when they consider it to be necessary for control purposes.

27. *Recommended Practice*

When a vessel which is to call at a place or places outside the Customs territory has been authorized to convey goods under the carriage of goods coastwise procedure, those goods should be sealed only at the request of the person concerned or when the Customs authorities consider sealing to be necessary to ensure that goods cannot be removed therefrom or other goods added thereto without this being readily apparent.

28. *Recommended Practice*

Where the Customs authorities exercise their right to examine and search vessels transporting goods under the carriage of goods coastwise procedure or to carry out documentary checks, they should limit the extent of the examination or checks to that deemed necessary to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Note

The master of a vessel which transports goods under the carriage of goods coastwise procedure may be required to keep a cargo book containing a record of the vessel, its movements and the cargo carried and to produce this to the Customs authorities for inspection at their request.

Information

concerning the carriage of goods coastwise procedure

29. *Standard*

The Customs authorities shall ensure that all relevant information concerning the carriage of goods coastwise procedure is readily available to any person interested.



ANNEX G.1.

Annex
concerning information
supplied by the Customs authorities

Introduction

It is important that interested persons should be able to obtain from the Customs authorities accurate and complete information concerning the tariff classification of goods, the valuation of goods for Customs purposes, the various Customs procedures and relevant Customs administrative arrangements and requirements.

Customs authorities provide a great deal of information of a general nature by means of publications such as the Customs tariff, official gazettes, bulletins and notices, and by arranging for such information to be given promptly upon request at all competent Customs offices.

In addition to this information of a general nature, however, persons often need to obtain from the Customs authorities more specific information concerning a particular operation which they intend to carry out. In certain instances the decision whether or not to proceed with the operation may depend upon the information supplied by the Customs.

When specific information is requested, it is the responsibility of the Customs to provide it completely and accurately and as soon as possible. The Customs are not normally legally committed by the information they supply. However, in the field of tariff classification some countries have introduced a procedure under which persons may obtain tariff classification information which legally binds the Customs authorities to admit the goods in question under the tariff classification given or, if this is not possible, to provide compensation, in certain defined circumstances, to the person concerned.

This Annex, which applies only to information supplied by the Customs authorities, relates to information of general application, information of a specific nature, and also to the particular procedure by means of which persons may obtain tariff classification information which is binding upon the Customs authorities.

Principles

1. *Standard*

The supply of information by the Customs authorities and the procedure for obtaining binding tariff classification information shall be governed by the provisions of this Annex.

Note

The Customs authorities usually provide, by the most appropriate means, accurate and complete information concerning the tariff classification of goods, the valuation of goods for Customs purposes, the various Customs procedures and relevant Customs administrative arrangements and requirements.

2. *Standard*

National legislation shall specify the conditions under which information, including binding tariff classification information, is supplied by the Customs authorities.

Information of general application

3. *Standard*

The Customs authorities shall ensure that all relevant information of general application pertaining to the laws and regulations which they are responsible for enforcing is readily available to any interested person.

Notes

1. The information is usually made available in publications such as the Customs

tariff, official gazettes, bulletins and notices and by arranging for such information to be given promptly on request at competent Customs offices.

2. In some countries special public enquiry offices for Customs purposes have been set up while in others enquiry desks are situated in the larger Customs offices.

4. *Recommended Practice*

When, due to changes in laws and regulations or in Customs procedures, administrative arrangements or requirements, published information of general application has to be amended, the Customs authorities should publish the revised information sufficiently in advance of the entry into force of the changes to enable interested persons to take account of them, unless advance notice is precluded by the relevant legislation.

Information of a specific nature

I. *General*

5. *Standard*

At the request of the interested person, the Customs authorities shall provide, as quickly and as accurately as possible, information relating to the specific matters raised by the interested person and pertaining to the laws and regulations which the Customs authorities are responsible for enforcing.

Notes

1. Requests for information may usually be made either orally or in writing. In certain instances, however, such as where precise details are needed before accurate information can be supplied, the Customs authorities may require the request for information to be made in writing.

2. In many cases information on these questions is given by all competent Customs offices, but in other instances enquiries and/or applications may have to be directed to the central administration or to another specified office.

6. *Recommended Practice*

The Customs authorities should supply not only the information specifically requested but also any other pertinent information which they consider the interested person should be made aware of.

7. *Standard*

When the Customs authorities supply information they shall ensure that they do not divulge details of a private or confidential nature affecting third parties.

8. *Recommended Practice*

Information should be supplied free of charge by the Customs authorities.

9. *Recommended Practice*

When the Customs authorities require payment for the supply of information, such payment should be limited to the approximate cost of the services rendered.

II. *Information concerning duties and taxes*

10. *Standard*

At the request of the interested person, the Customs authorities shall supply information concerning the tariff classification of goods and concerning the rates of duties and taxes applicable to them.

11. *Standard*

At the request of the interested person, the Customs authorities shall supply

information concerning rules of origin and any information necessary for the interpretation of these rules.

12. *Standard*

At the request of the interested person, the Customs authorities shall supply information concerning the eligibility of goods for exemption or relief from duties and taxes.

III. *Information concerning Customs valuation*

13. *Standard*

At the request of the interested person, the Customs authorities shall supply information explaining the general principles and practices for the calculation of value for Customs purposes so that the interested person may estimate with a reasonable degree of certainty the value of goods for Customs purposes.

Note

In some countries the Customs may also supply information on valuation matters which is legally binding in the same sense as binding tariff classification information as referred to in provisions 17-24.

14. *Standard*

At the request of the interested person, the Customs authorities shall supply information showing how the value for Customs purposes has been calculated for his goods.

Note

Such information may be requested particularly when the Customs authorities have not accepted the invoice price as the basis of the value for Customs purposes.

IV. *Information concerning Customs procedures*

15. *Standard*

At the request of the interested person, the Customs authorities shall supply

information concerning the eligibility of goods for treatment under specific Customs procedures.

Note

The interested person may need to know in advance whether or not the goods in question qualify for treatment under a given Customs procedure, particularly in respect of those procedures offering relief from duties and taxes such as processing, temporary admission, Customs warehousing or drawback, and in respect of repayment arrangements.

16. *Standard*

At the request of the interested person, the Customs authorities shall supply information concerning their procedural and administrative requirements and arrangements.

Note

The interested person may need specific information concerning Customs procedural and administrative arrangements such as Customs routes, hours at which Customs offices are open for business, details of acceptable methods of providing security and number of documents required.

V. *Tariff classification information binding on the Customs administration supplying it*

17. *Standard*

National legislation shall lay down the procedure under which binding tariff classification information is supplied and shall specify the particulars which a written application for such information must contain.

Notes

1. Binding tariff classification information is usually supplied in respect of goods

to be imported. In some countries, however, the arrangements may also apply to goods to be exported.

2. The application is usually required to give the following particulars :

- (a) name and address of the applicant;
- (b) full details of the goods, e.g. commercial description, nature, composition, quality, price, origin, end-use, packaging and, where applicable, manufacturing process;
- (c) particulars of any previous importations by the applicant of goods of the same kind and the tariff heading (or sub-heading) applied to them;
- (d) Customs offices through which the goods are to be cleared.

3. The Customs authorities usually require samples of the goods to be submitted with the application. Where it is impracticable to supply samples (e.g. because of the nature of the goods) the Customs authorities usually accept photographs, plans, drawings or a complete and exact description of the goods.

4. The Customs authorities may require the application to be made on a special form.

18. *Standard*

The Customs authorities shall notify the interested person in writing of the binding tariff classification information. The information shall specify the exact description of the goods in question by reference, where appropriate, to the samples, photographs, plans or drawings submitted with the application.

Notes

1. It is the normal practice to notify all Customs offices, or at least those offices at which the goods are to be declared, of binding tariff classification information.

2. The Customs authorities may publish tariff classification rulings made when supplying binding tariff classification information.

19. *Recommended Practice*

No time limit should be fixed for the validity of binding tariff classification information.

20. *Recommended Practice*

When a time limit is considered to be indispensable, the period of validity should be at least one year.

21. *Standard*

At the request of the interested person, the Customs authorities shall allow the goods in question to be classified at importation or at exportation in accordance with the binding tariff classification information provided that :

- (1) the binding tariff classification information is produced;
- (2) it is shown to the satisfaction of the Customs authorities that the goods are identical with the samples (or photographs, plans, drawings or description) on which the binding tariff classification information was based;
- (3) the particulars concerning the goods given in the application for binding tariff classification information were not incorrect or incomplete; and
- (4) the binding tariff classification information is still valid.

22. *Standard*

If an amendment is made to the Customs tariff in a manner affecting binding tariff

classification information, the latter shall cease to have effect as from the entry into force of the amendment and shall no longer be binding upon the Customs authorities.

23.

Standard

When binding tariff classification information is amended by the Customs authorities for reasons other than an amendment to the Customs tariff, they shall notify the interested person in writing of the amendment.

24.

Standard

When binding tariff classification information is amended by the Customs authorities for reasons other than an amendment to the Customs tariff, and this entails liability to a higher rate of duty, the prejudice caused to the interested person shall be made good provided that :

- (1) it is proved to the satisfaction of the Customs authorities that the interested person is irrevocably committed on the basis of the binding tariff classification information previously supplied; and
- (2) the goods in question are declared for home use within a reasonable period fixed by the Customs authorities. This period shall at least be sufficient to permit the importation of goods which are "en route" on the date of notification of the amendment.

Note

The prejudice caused to the interested person may be made good by admitting the goods in question at the lower rate of duty or by granting him compensation corresponding to the increase in duty.

ANNEX G.2.

Definitions

**Annex
concerning the relationship
between Customs authorities and third parties**

Introduction

In connexion with the fulfilment of Customs formalities required under the law for the importation, exportation, movement and storage of goods, the Customs authorities may deal either directly with the persons concerned or with third parties designated by them.

The types of control exercised by Customs authorities over third parties vary according to country and according to category of third party. In some countries certain types of third parties are subject to examination and licensing while in other countries no explicitly stated controls exist.

This Annex is generally concerned with third parties who are in direct contact with the Customs in connexion with the importation, exportation, movement and storage of goods for and on behalf of the person concerned. It relates primarily to those third parties who are responsible for arranging for the clearance of goods. The Annex specifically includes Customs clearing agents but also relates to other third parties who perform clearance functions for and on behalf of persons concerned even though that is not their major business (for example, a carrier or freight forwarder who clears goods through Customs as an incidental part of his main functions). On the other hand, this Annex also relates to third parties who are not involved in the clearance of goods but who otherwise intervene in the movement and storage of goods which are still under Customs control (for example, those operating carting or similar services for goods under Customs control).

This Annex does not apply to those third parties who are only responsible for the financial and insurance arrangements of a goods transaction.

For the purposes of this Annex :

- (a) the term " person " means both natural and legal persons, unless the context otherwise requires;
- (b) the term " third party " means any person who deals directly with the Customs, for and on behalf of another person, in connexion with the importation, exportation, movement or storage of goods;
- (c) the term " Customs clearing agent " means any third party who carries on the business of arranging for the Customs clearance of goods;
- (d) the term " clearance " means the accomplishment of the Customs formalities necessary to allow goods to be exported, to enter for home use or to be placed under another Customs procedure;
- (e) the term " security " means that which ensures to the satisfaction of 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.

Principles

1. *Standard*
The relationship between Customs authorities and third parties shall be governed by the provisions of this Annex.
2. *Standard*
National legislation shall set out the conditions under which a person may act for and on behalf of another person in the latter's dealings with the Customs.
3. *Standard*
Persons concerned shall have the choice of transacting business with the Customs

either directly or by designating any person to act as third party.

Note

The person acting as third party may be a person not normally engaged in dealing with the Customs on behalf of others or a person who normally deals with the Customs as his main business or as part of his main business.

4.

Standard

Customs transactions where the person concerned elects to do business on his own account shall not be treated less favourably or be subject to more stringent requirements than those Customs transactions which are handled for the person concerned by a third party.

Provisions relating to all third parties

Authorization, rights and liability of third parties

5.

Standard

Where Customs authorities deem it to be necessary, third parties shall be required to produce proof of their right to transact business with the Customs for and on behalf of another person.

Note

The proof to be produced normally consists of a document which gives authority to the third party to transact business with the Customs for and on behalf of another person. In some countries this proof may even be the possession of the goods or evidence thereof.

6.

Standard

A person designated as third party shall have the same rights as the person who designated him in those matters related to transacting business with the Customs.

7.

Standard

National legislation shall lay down the liability of third parties before the Customs for any duties and taxes, as well as for any irregularities and any consequent penalties or fines.

Note

In some countries, persons concerned and third parties may be held jointly and severally responsible before the Customs for duties and taxes. This joint and several responsibility may also apply to any irregularities and any consequent penalties or fines.

Retention of records and papers

8.

Recommended Practice

Customs authorities should require that third parties retain, for audit and inspection, only those records and papers which are necessary to ensure that third parties have carried out their functions in a legal and responsible manner.

9.

Recommended Practice

Customs authorities should not require third parties to retain records and papers required for audit and inspection for a period longer than persons concerned are themselves required to keep such records and papers.

Note

The required period of time is normally not longer than five years.

10.

Recommended Practice

With the exception of those documents bearing official stamps and signatures, Customs authorities should allow third parties to maintain their records and papers required

for audit and inspection on media other than paper documents.

Notes

1. Customs authorities may allow records to be kept on media such as microfilm, magnetic tape, etc.

2. Normally these records are required to be produced to the Customs upon request in written format for audit and inspection.

Security

11. *Recommended Practice*

Where Customs authorities require third parties to provide security in order to ensure the proper conduct of their business with the Customs, a general security should be accepted and the amount of such security should be fixed at the lowest possible level consistent with the obligations assumed by the third party in relation to the Customs.

Note

In some countries, third parties have formed associations which regulate the activities of member third parties and which, in addition, provide general security on behalf of their members.

12. *Recommended Practice*

Where Customs authorities require security to be provided, the choice between various acceptable forms of security should be left to the respective third party.

Note

Customs authorities generally specify the acceptable forms of security.

Refusal by the Customs to transact business with a third party

13. *Standard*

National legislation shall specify the circumstances where the Customs may refuse to transact business with a third party.

Note

Customs authorities may refuse to transact business with a third party if, for example, the third party has been convicted of a serious Customs offence within the past five years or he has acted in a reprehensible manner by consistently not fulfilling his responsibilities to the person who designated him or to the Customs authorities.

14. *Recommended Practice*

With the exception of cases where a third party has committed a reprehensible action of a very serious nature (e.g. Customs fraud), Customs authorities should issue written warnings to a third party for reprehensible actions taken by him in connexion with his dealings with the Customs before suspending or revoking any licence or authorization or refusing to transact business with him.

Note

A written warning would normally state the type or types of reprehensible actions as well as the measures which are open to the Customs to deal with future reprehensible actions.

15. *Recommended Practice*

Customs authorities should give written notification to the third party of a decision to suspend or revoke a licence or authorization or a refusal to transact business with him.

16. *Recommended Practice*

Where Customs authorities have suspended or revoked a licence or authorization, or where they have refused to do business with a third party, he should be reconsidered upon request for permission to deal with the Customs after a certain period of time.

Note

Generally, permission to do business with the Customs is reconsidered after not more than five years.

17. *Recommended Practice*

Written warnings, suspensions and revocations of licences or authorizations, or refusal by the Customs to transact business with third parties should be open to appeal through an appropriate administrative procedure.

Note

Appeal to the Customs is normally a first remedy for a third party and does not limit him from seeking redress through other channels including the courts.

Special provisions concerning Customs clearing agents

18. *Standard*

National legislation shall set out the requirements to be met and the formalities to be accomplished by persons establishing themselves as Customs clearing agents.

Notes

1. Where Customs clearing agents are legal persons, there may also be requirements and formalities in respect of their employees.

2. It is normally required that Customs clearing agents be legally established within the Customs territory where the transactions with Customs take place and be of legally responsible age.

19. *Standard*

Customs authorities shall take measures sufficient to ensure that Customs clearing agents are properly conducting their business with the Customs.

Notes

1. Where the licensing of Customs clearing agents is required, the Customs may conduct suitable examinations to ensure that the responsible person(s) possess an adequate knowledge of Customs laws, regulations and procedures.

2. In some countries Customs authorities monitor the activities of Customs clearing agents to determine their competence and manner of dealing with the Customs and with persons concerned, especially as concerns the handling of funds for the payment of required duties and taxes.

20. *Recommended Practice*

Customs authorities should not restrict the number of locations at which a Customs clearing agent may do business with the Customs.

Note

Customs clearing agents may be required to obtain separate authorization to transact business for each Customs office or region of desired operation.

21. *Recommended Practice*

Customs authorities should not restrict the number of persons who may establish themselves as Customs clearing agents.

Information concerning the relationship between Customs authorities and third parties

22. *Standard*

Customs authorities shall ensure that all relevant information concerning the regulations and procedures applicable to the relationship between Customs administrations and third parties is readily available to any person interested.

Note

In some countries, Customs authorities provide lists of Customs clearing agents.

ANNEX H.1.

Annex
concerning appeals in Customs matters

Introduction

The situation may arise in which a decision or omission of the Customs authorities is not acceptable to the person directly affected thereby. It is therefore desirable that provision be made for the person concerned to be given, upon request, an explanation of the reasons for the decision or omission and for there to be a right of appeal to a competent authority. The competent authority may be the Customs authorities themselves, an administrative authority, one or more arbitrators, a special tribunal and, at least in the final instance, a judicial authority.

The right of appeal ensures protection of the individual against decisions of Customs authorities which are not in compliance with the laws and regulations which they are responsible for enforcing and also ensures protection against omissions of those authorities. At the same time the review of challenged decisions or omissions by a competent authority and the verdicts thereon can be a suitable means of ensuring uniform application of the laws and regulations. Depending upon the country concerned, these verdicts may, or may not, constitute legal precedents or official interpretations in respect of like or similar disputes to be settled in the future.

This Annex covers appeals in all matters relating to the laws and regulations which the Customs authorities are responsible for enforcing, in particular matters of tariff classification, origin and Customs valuation. 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.

Definitions

For the purposes of this Annex :

- (a) the term " appeal " means the act by which a person who is directly affected by a decision or omission of the Customs authorities and who deems himself to be aggrieved thereby seeks redress before a competent authority;
- (b) the term " decision " means the individual act by which the Customs authorities decide upon a matter relating to the laws and regulations which the Customs are responsible for enforcing;
- (c) the term " omission " means the failure to give a decision required of the Customs authorities by the laws and regulations within a reasonable time on a matter duly submitted to them;
- (d) the term " security " means that which ensures to the satisfaction of the Customs that an obligation to the Customs will be fulfilled;
- (e) the term " person " means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*
Appeals in Customs matters and the procedure to be followed shall be governed by the provisions of this Annex.
2. *Standard*
National legislation shall specify the conditions to be fulfilled and the formalities to be accomplished in respect of appeals in Customs matters.

Reasons for decision or omission

3. *Standard*
The person directly affected by a decision or omission of the Customs authorities shall be given, as soon as possible after having made a request to those authorities, the reasons for such decision or omission.

Notes

1. The Customs authorities, after considering such request, may modify their decision or, in respect of an omission, take a decision.

2. The person directly affected may either accept the explanation given by the Customs authorities or challenge it by lodging an appeal against the decision or omission.

Scope

4. *Standard*

National legislation shall provide for a right of appeal in Customs matters.

5. *Standard*

Any person who is directly affected by a decision or omission of the Customs authorities shall have a right of appeal.

Competent authority for appeals in Customs matters

6. *Standard*

National legislation shall provide for the right of an initial appeal to the Customs authorities.

Notes

1. The appeal may be made to the Customs office responsible for the decision or omission or to a higher authority within the Customs administration.

2. In some countries the initial appeal may be made either to the Customs authorities or to an authority independent of the Customs administration, at the option of the person concerned.

7. *Standard*

Where an appeal to the Customs authorities is dismissed, the appellant shall have the right of a further appeal to an authority independent of the Customs administration.

Note

The constitution and field of jurisdiction of such an independent authority may vary

from one country to another. It may be, for example, a court of law or a special tribunal with power to settle Customs disputes, or it may be part of an established arbitration procedure.

8. *Standard*

In the final instance, the appellant shall have the right of appeal to a judicial authority.

Note

In some countries there are administrative tribunals which, although not strictly part of the judicial system, nevertheless have full judicial powers and therefore meet the requirements of this Standard.

Form and grounds of appeal

9. *Standard*

The appeal shall be lodged in writing and shall state the grounds on which it is being made.

10. *Recommended Practice*

Appeals to the Customs authorities should be accepted when lodged by telex or by telegram subject to confirmation and compliance with any requirements which are prescribed.

11. *Standard*

Where the appeal is to the Customs authorities they shall not, as a matter of course, require that any supporting evidence be lodged together with the appeal but shall, in appropriate circumstances, allow a reasonable time for the lodgement of such evidence.

Time limit for lodgement of appeal

12. *Standard*

Where a time limit is prescribed for the lodgement of an appeal against a decision of the Customs authorities it shall be such as to allow the appellant sufficient time to

study the contested decision and to prepare the appeal and shall be no less than 30 days from the date on which the decision was notified to the appellant.

13. *Recommended Practice*

In exceptional circumstances an appeal to the Customs authorities should be accepted even after the expiry of any prescribed time limit where the reasons for the late lodgement of such appeal are deemed valid by them.

Withdrawal of appeal

14. *Standard*

The appellant shall be permitted to withdraw the appeal at any stage of the procedure.

Consideration of appeal

15. *Standard*

The competent authority shall give, as soon as possible, its verdict upon the appeal, and written notice thereof to the appellant.

16. *Standard*

Where the competent authority allows the appeal the Customs authorities shall put the verdict into effect as soon as possible except in cases where they appeal against such verdict.

17. *Standard*

Where an appeal to the Customs authorities is dismissed they shall advise the appellant, in writing, of the reasons for the verdict and of his right to lodge any further appeal with an administrative or independent authority and of any time limit for the lodgement of such appeal.

Cost of appeal

18. *Standard*

The procedure for the lodgement and consideration of an appeal to the Customs

authorities shall cause as little cost to the appellant as possible.

Release of goods

19. *Standard*

Where an appeal is lodged as a result of a dispute arising during the clearance of goods the Customs authorities shall, upon request, release the goods provided that :

- (a) such release would not prejudice consideration of the appeal;
- (b) there is no suspicion of fraud;
- (c) the goods are neither considered to be prohibited nor subject to any import or export restrictions precluding their release; and
- (d) an amount adequate to cover the import or export duties and taxes assessed by the Customs authorities or security for that amount is lodged.

Information concerning appeals in Customs matters

20. *Standard*

The Customs authorities shall ensure that all relevant information concerning appeals in Customs matters is readily available to any person interested.

21. *Standard*

The Customs authorities shall ensure that information on matters of general interest arising from the hearing of appeals is publicized in an appropriate manner.

ANNEX H. 2.

Annex
concerning Customs offences

Introduction

One of the tasks of the Customs authorities is to investigate and establish any breach or attempted breach of the statutory or regulatory provisions which they are responsible for enforcing. In some countries, Customs offences may be dealt with by the Customs authorities, in accordance with procedures laid down in national legislation. In this case only Customs offences which are regarded as relatively serious are brought before the administrative tribunals or courts of law.

National legislation confers upon the Customs authorities a wide range of investigatory powers in connexion with Customs offences. For example, they can examine goods and means of transport, require the production of documents, and search persons and premises.

When a Customs offence has been established, the Customs authorities are empowered, in certain circumstances, to take the necessary precautionary measures and, in particular, to seize or detain the goods and means of transport.

The penalties applied in respect of Customs offences vary according to the seriousness or the importance of the offence. While certain Customs offences which are regarded as particularly serious may have severe consequences, in the case of offences which are regarded as of minor importance a small fine is generally the maximum imposed.

If certain conditions are fulfilled, in particular if no fraudulent intent is involved, there is normally no penalty where a Customs offence arises because of an inadvertent error, through force majeure or because of other circumstances beyond the control of the person concerned.

The provisions of this Annex deal with the conditions under which the Customs authorities investigate and establish Customs offences. The repression of Customs offences, by application of suitable penalties, is also dealt with, but only to the extent that it falls within the competence of the Customs authorities.

This Annex does not cover measures taken by the Customs authorities under bilateral or multilateral mutual administrative assistance agreements and in particular the measures provided for in the international Convention on mutual administrative assistance with a view to the prevention, investigation and repression of Customs offences of 9 June 1977 (Nairobi Convention).

This Annex concerns neither the procedure to be followed nor the various measures that can be taken by the Customs authorities for the purpose of collecting fines or executing judgements or sentences handed down by the courts or tribunals.

Other offences (e.g. theft, forgery, assaults upon Customs officers engaged in the performance of their duties) committed in connexion with a Customs offence are similarly outside the scope of this Annex.

Definitions

For the purposes of this Annex :

- (a) the term " Customs offence " means any breach, or attempted breach, of Customs law;
- (b) the term " Customs law " means all the statutory or regulatory provisions enforced or administered by the Customs administrations concerning the importation, exportation or transit of goods;
- (c) the term " import and export 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 or exportation of goods but not including fees and charges

which are limited in amount to the approximate cost of services rendered;

- (d) the term "release" means the action by the Customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned;
- (e) the term "administrative settlement of a Customs offence" means the procedure laid down by national legislation under which the Customs authorities are empowered to settle a Customs offence either by ruling thereon or by means of a compromise settlement;
- (f) the term "compromise settlement" means an agreement under which the Customs authorities, being so empowered, consent to waive proceedings in respect of a Customs offence subject to compliance with certain conditions by the person(s) implicated in that offence;
- (g) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principles

1. *Standard*

The investigation, establishment and administrative settlement of Customs offences shall be governed by the provisions of this Annex.

2. *Standard*

National legislation shall define Customs offences and specify the conditions under which they may be investigated, established and, where appropriate, dealt with by administrative settlement.

Notes

1. Obstruction or hindrance of the execution of control measures by the Customs and the presentation to Customs of false invoices or other false documents are normally regarded as Customs offences.

2. In some countries, any person who has prepared or caused to be prepared or who has procured documents which are falsified or intended to deceive the Customs authorities and are used in a foreign country is regarded as having committed a Customs offence in the country where the documents were prepared.

General provisions

(a) Liability of persons

3. *Standard*

National legislation shall specify which persons can be held responsible in connexion with the commission of a Customs offence.

Notes

1. Any person aiding or abetting the perpetrators of a Customs offence is normally held responsible.

2. Any person who finances a Customs offence or participates as insurer may also be held responsible.

3. In some countries, the offender and his accomplices are held liable for the payment of monetary penalties imposed upon them individually. In some other countries, however, each of these persons may be held jointly liable for the monetary penalties incurred by the others.

4. Where a Customs offence is committed by a natural person acting for or on behalf of a legal person, that legal person may be held liable for the monetary penalties incurred.

5. Where a Customs offence arises from untrue particulars furnished in a Goods declaration, the declarant's liability may be limited if he has simply reproduced information communicated to him by his principal and had no reasonable cause to question the validity of the information so provided.

- (b) Period of limitation for proceedings in connexion with Customs offences

4. *Standard*

National legislation shall specify a period beyond which proceedings in connexion with Customs offences may no longer be taken and shall fix the date from which that period shall run.

Notes

1. In most countries, the normal period beyond which proceedings in connexion with Customs offences may no longer be taken does not exceed five years.

2. For example, the period may run from the date on which the Customs offence was committed or, in the event of a continuing breach of Customs law, from the date on which that breach comes to an end.

Investigation and establishment of Customs offences

- (a) Investigation of Customs offences

5. *Standard*

National legislation shall specify the conditions under which the Customs authorities are empowered to examine goods and means of transport, require the production of such documents or correspondence as may establish or contribute towards establishing that a Customs offence has been committed, and search persons and premises.

Notes

1. Provision may be made for certain investigation measures to be decided upon or to be taken only by Customs officers of a particular grade.

2. Customs officers may be authorized to make copies of documents and correspondence produced, or to retain the originals.

3. Customs officers may be authorized to request the assistance of other national authorities in the investigation of Customs offences.

6. *Standard*

Personal searches for Customs purposes shall be carried out only when there are reasonable grounds to suspect smuggling or other Customs offences which are regarded as serious.

7. *Standard*

The Customs authorities shall not search premises unless they have reasonable grounds to suspect smuggling or another Customs offence which is regarded as serious.

Note

Searching premises under this provision is not to be confused with the normal inspections carried out by the Customs authorities for Revenue purposes, for example, to audit the books kept at a place of manufacture or to inspect Customs warehouses.

- (b) Procedure to be followed when a Customs offence is discovered

8. *Standard*

National legislation shall specify the procedure to be followed by the Customs authorities after it has been discovered that a Customs offence has occurred and the measures they may take.

Notes

1. Particulars of Customs offences are normally set out in offence reports or administrative records.

2. Depending on the seriousness of the Customs offence, the Customs authorities may be empowered to require security, to seize

or detain the goods and means of transport, or to detain the persons concerned and hand them over to other competent authorities.

9.

Standard

After discovering a Customs offence the Customs authorities shall, unless they decide to take no further action, inform the person concerned as soon as possible of the nature of the alleged offence, the legal provisions that may have been contravened and, as appropriate, the possible penalties.

(c) Seizure or detention of the goods

10.

Standard

Goods shall not be seized or detained unless they are liable to forfeiture or adequate security cannot be given or they may be required to be produced as evidence at some later stage in the procedure or are subject to prohibitions or restrictions.

11.

Recommended Practice

If a Customs offence arises from only part of a consignment, only that part should be seized or detained, provided that the remainder of the consignment did not serve, directly or indirectly, in the commission of the offence.

12.

Standard

When the Customs authorities seize or detain goods, they shall furnish the person concerned with a document showing the description and quantity of the goods seized or detained and specifying the nature of the offence.

Note

The particulars may be contained in the offence report or administrative record, a copy of which may be supplied to the person concerned.

13.

Standard

The Customs authorities shall release seized or detained goods against adequate security, provided that the goods are neither subject to any prohibition or restriction, nor liable to be needed as evidence at some later stage in the procedure nor liable to forfeiture.

14.

Recommended Practice

Unless they are likely to deteriorate quickly or it would, due to their nature, be impracticable for the Customs to store them, seized or detained goods should not be sold or otherwise disposed of by the Customs authorities before they have been definitively condemned as forfeited by the competent authority or have been abandoned to the Revenue, for example as part of a compromise settlement.

(d) Seizure or detention of means of transport used in the commission of a Customs offence

15.

Recommended Practice

The Customs authorities should not seize or detain means of transport that have been used in the commission of a Customs offence unless the means of transport is liable to forfeiture, adequate security cannot be given, or the means of transport may be required to be produced as evidence at some later stage in the procedure.

Notes

1. In particular, means of transport which have been specially constructed or

adapted for smuggling may be liable to forfeiture.

2. Means of transport are normally forfeited, seized or detained only where the owner, operator or other person in charge was at the time a consenting party or privy to the Customs offence.

16. *Recommended Practice*

The Customs authorities should release, against adequate security, seized or detained means of transport that have been used in the commission of a Customs offence provided that the means of transport is not liable to forfeiture or is not required to be produced as evidence at some later stage in the procedure.

(e) Detention of persons

17. *Standard*

National legislation shall specify the powers of the Customs in connexion with detention of persons and shall lay down the conditions therefor.

Administrative settlement of Customs offences

(a) Customs offences that can be dealt with by administrative settlement

18. *Standard*

National legislation shall specify, in general terms and/or in detail, the Customs offences that can be dealt with by administrative settlement.

19. *Recommended Practice*

Admission of guilt by the person concerned should not be a condition for the

administrative settlement of a Customs offence.

20. *Standard*

The Customs authorities shall take the necessary measures to ensure that the administrative settlement of a Customs offence is initiated as soon as possible after the offence is discovered. They shall inform the person concerned as soon as possible of the terms and conditions of the settlement, of any avenues of appeal which may be open to him and of any time limits for such appeals.

21. *Recommended Practice*

Where during clearance of the goods an offence has been discovered which is regarded as of minor importance, it should be possible for the offence to be settled by the Customs office which discovers it.

22. *Recommended Practice*

Where a traveller is regarded as having committed a Customs offence of minor importance, it should be possible for the offence to be settled directly by the Customs office which discovers it.

(b) Penalties applicable

23. *Standard*

National legislation shall lay down the penalties applicable to each category of Customs offence that can be dealt with by administrative settlement and shall designate the Customs authorities competent to apply them.

Notes

1. The penalties commonly applicable are fines, forfeiture of the goods and, where

appropriate, forfeiture of the means of transport.

2. As part of a compromise settlement, the Customs authorities may also require abandonment of the goods and/or means of transport to the Revenue.

3. Certain penalties may be applied by the local, by the regional or by the central Customs authorities, depending upon the seriousness of the Customs offence.

4. In some countries, severe penalties such as the forfeiture of the goods and/or means of transport cannot be applied by means of administrative settlement.

5. The rates of fines may be increased for repetition of the offence.

24. *Standard*

The severity or the amount of the penalties applied shall depend upon the seriousness or importance of the offence committed.

(c) Cases not resulting in penalties

25. *Recommended Practice*

Inadvertent errors (i.e. errors where there is no fraudulent intent) in the declaration of goods or in connexion with the accomplishment of other Customs formalities should not be subject to penalties if there is no question of gross negligence and if the amount of import or export duties and taxes or the amount of internal duties and taxes evaded or unduly repaid, as the case may be, does not exceed the limit laid down in national legislation.

Notes

1. Inadvertent errors in the declared value of goods may include the following :

- errors of transcription;
- arithmetical mistakes in declarations or supporting documents;

— inadvertent omissions of elements of the dutiable value, 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 laid down in the legal provisions relating to valuation for Customs purposes.

2. Provided that the nature and other physical characteristics of the goods have been properly declared, an incorrect declaration of the tariff heading may also be regarded as an inadvertent error.

3. A discrepancy between the quantity of goods shown in the freight declaration and the actual quantity may be treated as an inadvertent error where it is due, for example, to a clerical error.

4. The limit below which a Customs offence is not subject to penalties may be a fixed sum and/or a percentage of the duties and taxes chargeable.

5. The amount of duties and taxes evaded or unduly repaid, as the case may be, becomes chargeable.

6. Repetition of inadvertent errors may result in penalties.

26. *Recommended Practice*

Where a Customs offence occurs as a result of force majeure or other circumstances beyond the control of the person concerned and there is no question of negligence or fraudulent intent on his part no penalty should be applied provided that the facts are duly

established to the satisfaction of the Customs authorities.

(d) Customs offences punishable by a fine

27. *Recommended Practice*

In cases where penalties are applied, the following Customs offences should be punishable only by a small fine provided that there is no question of fraudulent intent :

- an offence arising from failure to present goods within a specified time limit;
- an offence arising from failure to follow an itinerary prescribed for the conveyance of goods under Customs control; and
- an offence arising from failure to produce documents or information within a specified time limit, where deferred production has been authorized by the Customs authorities.

28. *Standard*

When the Customs authorities apply penalties in respect of Customs offences arising from inadvertent errors in a Goods declaration or in connexion with the accomplishment of other Customs formalities, they shall apply only a small fine.

29. *Recommended Practice*

When the Customs authorities apply penalties in respect of a Customs offence arising from an untrue statement, in a Goods declaration or in connexion with the accomplishment of other Customs formalities, they should apply only a small fine, provided that the amount of the import or export duties and taxes or the amount of internal duties and taxes evaded or unduly repaid, as the case may be, is small and the Customs offence was not

committed with intent to evade any prohibition or restriction applicable to the goods.

Note

The fines are normally based on the amount of the duties and taxes evaded or unduly repaid and not on the value of the goods.

(e) Return of seized or detained goods and discharge of security

30. *Standard*

Provided that they have neither been condemned as forfeited nor abandoned to the Revenue as a condition of the settlement, goods that have been seized or detained, or the net proceeds from the sale of such goods, shall be turned over to the person concerned as soon as possible after the Customs offence has been definitively settled.

Note

The Customs authorities may require that goods subject to prohibitions or restrictions be re-exported.

31. *Standard*

The Customs authorities shall discharge, as soon as possible after the Customs offence has been definitively settled, any security furnished in connexion with the offence, provided that all the conditions of the settlement have been fulfilled.

Right of appeal

32. *Standard*

Any person implicated in a Customs offence that has been the subject of an administrative settlement shall have the right of appeal to an authority independent of the Customs administration unless he has been

given a choice between a compromise settlement and proceedings before a court or other authority independent of the Customs administration.

Note

Normally such persons have a prior right of appeal to a higher authority within the Customs administration.

Information
concerning the administrative settlement procedure

33.

Standard

The Customs authorities shall ensure that all relevant information concerning the administrative settlement procedure in respect of Customs offences is readily available to any person interested.

Annex
concerning Customs applications
of computers

Introduction

Computer techniques are being used increasingly by Customs administrations to support a wide range of Customs operations such as inventory control, accounting for goods, Goods declaration processing, accounting for revenue, warehousing, enforcement, etc.

The trading community, e.g. carriers, importers, exporters, port authorities, freight forwarders, banking and insurance companies, postal authorities, etc., utilize computer techniques in a variety of Customs-related areas such as the production of Customs declarations on paper documents or in computer-readable format in electronic data interchange systems.

Because of decreasing hardware costs and the opportunities afforded by the merging of data processing and telecommunications technologies, computer techniques will be used on an even wider scale in the future in international trade in order to facilitate the movement of goods.

The main objectives of this Annex are to facilitate international trade and to assist Customs administrations by encouraging the use of modern techniques to support Customs procedures; to promote the use of international standards in the interchange of data among Customs administrations and other participants in international trade and to assist and guide Customs administrations in the establishment of new Customs systems and the improvement of existing systems.

Definitions

For the purposes of this Annex :

- (a) the term "Customs applications of computers" means all Customs operations which are supported by the use of ADP (Automated Data Processing) techniques;
- (b) the term "code" means :
 1. a set of unambiguous rules specifying the manner in which data may be represented in a discrete form,
 2. the representation of an item of data established by a code or the representation of a character established by a coded character set;
 3. the complete set of coded representations defined by a code or by a coded character set;
- (c) the term "data element" means a concept and associated attribute for which the definition, representation, identification and meaning have been agreed. It consists of a generic part representing a defined concept and an attribute, the data item;
- (d) the term "Computerization File" means the File on the computerization of Customs operations. This contains the results of studies undertaken by the Council as well as recommendations and guidelines;
- (e) the term "document" means any medium designed to carry and actually carrying a record of data entries, it includes magnetic tapes and disks, microfilms, etc.;

(f) the term "interface protocol" means a set of rules which define how network components establish communications between computer systems, exchange data and terminate communications;

(g) the term "message syntax" means a set of rules which define the method of structuring user data for teletransmission purposes;

(h) the term "Customs control" means those measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing.

Principles

1. Standard

Customs applications of computers shall be governed by the provisions of this Annex.

2. Standard

The Customs authorities shall investigate the feasibility of using ADP techniques to support Customs operations and based on the findings of such reviews, shall introduce computerized systems where feasible, cost-effective and otherwise appropriate.

Notes

1. ADP techniques may be used to support Customs operations in a wide variety of areas such as :

- inventory control,
- accounting for goods,
- accounting for revenue,
- Goods declaration processing,
- production of statistics,
- enforcement.

2. Customs authorities may obtain a proportion of system development and operational costs from the trading community in recognition of the fact that the benefits of computerization accrue not only to Customs but also to other participants in trade.

3. Standard

In examining the feasibility of introducing ADP systems and in the design and implementation of systems, Customs authorities shall review the Guidelines contained in the Computerization File and, where appropriate, apply the measures recommended therein.

4. Recommended Practice

Customs authorities should make the greatest possible use of information sources and ADP techniques for Customs control purposes.

Review of national legislation prior to computerization

5. Recommended Practice

Prior to introducing the use of ADP techniques Contracting Parties should review existing national legislation. Whenever national legislation is being developed or revised, Contracting Parties should ensure that such legislation caters for computerized procedures as well as manual procedures.

6. Recommended Practice

The Contracting Parties should ensure that new or revised legislation provides for :

- other information transmission methods as an alternative to paper-based documentary requirements e.g. magnetic media and teletransmission;
- other authentication methods as an alternative to hand-written and other paper-based signatures;
- the definition of relevant terms by using internationally accepted definitions which take account of ADP media.

7. Recommended Practice

The Customs authorities should review and where appropriate modernize existing manual procedures, documentation and coding practices prior to introducing the use of ADP techniques.

8. Recommended Practice

Subject to conditions laid down in national legislation, the Contracting Parties should ensure that the Customs authorities have the right to retain information for their own use and, as appropriate, to exchange such information with other Customs administrations and all other interested parties by means of ADP techniques. Similarly, Customs authorities should have access to traders' computer systems for verification/audit purposes.

Use of international standards

Recommended Practice

Whenever practicable, computer applications implemented by Customs authorities should use internationally accepted standards, especially those adopted by the Council and referred to in the Computerization File.

Note

The adoption of international standards for the representation of data elements, codes and coding structures, interface protocols and message syntax greatly facilitates data exchange between Customs administrations and between Customs administrations and international trade participants whenever there is a need for such data interchange.

Technical co-operation and exchange of information

10. Recommended Practice

Customs authorities should consult with other agencies (both national and international), when systems are being considered developed or enhanced, with a view to avoiding duplication of effort wherever possible.

11. Recommended Practice

Where practicable the Customs authorities should, at the request of the Customs authorities of another country, co-operate on technical matters concerning computerized systems for Customs purposes, utilizing the channels of the Council so far as may be possible.

Note

Technical co-operation may take the form of :

- the provision of information,
- the provision of specialized Customs-related ADP training,
- the organization of seminars, courses or symposia intended for foreign participants in order to promote computerization,
- the provision of expert advice following on-site analysis of existing procedures.

12. Recommended Practice

For the purposes of Customs control, Customs authorities should use administrative assistance arrangements to facilitate the audit of commercial ADP systems located in other States.

Interfaces between automated systems

13. Recommended Practice

In automating procedures, Customs authorities should consider the possibility of interchanging data with trade users by direct link or on machine-readable media according to the technology available.

Note

Data interchange may be by means of, for example, Direct Trade Input (DTI), teletransmission or magnetic media.

14. Recommended Practice

To ensure compliance with Customs requirements the Customs authorities should evaluate commercial ADP systems where those systems have an impact on Customs operations.

Note

Such evaluations may take place during the design phase of the system in question, following implementation, at regular intervals following implementation and following major system enhancements.

15. Recommended Practice

Customs authorities should make available to users non-sensitive files for example those concerning exchange rates, tariff item/statistical code combinations, rates of duties and taxes, exemptions, quota categories, quota balances, prohibitions and restrictions.

Computer applications for Customs control

16. Recommended Practice

Continuous liaison and consultation should be established at the national level, between the services responsible for ADP and the services responsible for Customs control matters within each Customs administration with a view to identifying the needs of Customs control services and in order to make the best possible use of ADP techniques and facilities to assist in meeting such needs.

17. Recommended Practice

The Customs authorities should consider incorporating Customs selectivity criteria in Customs ADP systems, in particular, to facilitate the identification of Goods declarations for checking or of consignments for examination.

Information concerning Customs applications of computers

18. Standard

The Customs authorities shall ensure that all relevant information concerning the ways and means of the practical application of ADP techniques in the Customs field is readily available to any person interested.