THE TFA AND WAYS TO IMPROVE FACILITATION OF INTERNATIONAL MARITIME TRAFFIC

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22 February 2017: the WTO TFA entered into force
136 ratifications received from Members (82.9%)

Members’ trade costs will be reduced by 14.3%
Time to import goods will be reduced by over 1.5 days
Time to export goods will be reduced by almost 2 days
All in all: a reduction of 47% and 91%, respectively, of current average time
<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>60.4%</td>
<td>Rate of TFA commitments expected to be implemented TODAY</td>
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<tr>
<td>7.7%</td>
<td>Rate of TFA commitments expected to be implemented between June 2018 and February 2038 without capacity building support</td>
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<tr>
<td>11.1%</td>
<td>Rate of TFA commitments expected to be implemented between June 2018 and February 2032 upon receipt of capacity building support</td>
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<tr>
<td>20.8%</td>
<td>Rate of TFA commitments yet to be designated</td>
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Objective of the TFA

- In WTO terms TF can be understood as:

  ***Simplification, harmonization, automation of the procedures applied to international trade, particularly the requirements and formalities related to importation and exportation with a view to further expediting the movement, release and clearance of goods, including goods in transit.***

- **TFA Objective:** “... clarify and improve relevant aspects of Articles V, VIII and X of the GATT” in order to:
  - Expedite the movement, release and clearance of goods
  - Improve cooperation between customs agents and other authorities
  - Enhance technical assistance and capacity building for developing countries, especially LDCs
What needs to be addressed?

- Lack of information sharing between public and private entities
- Non-standardized complex processes
- Delays in shipment and transhipment operations
- Lack of traceability of documents
- Lack of reliable statistics
- Poor infrastructure, including lack of refrigerated areas
- Small facilities for processing cargo
- Increased volume of containers
HOW DOES THE TFA CUT RED TAPE AT THE BORDER FOR EASIER TRADE?

Article 1
Publication & Availability of Information

Article 2
Comment and Consultations

Article 3
Advance Rulings

Article 4
Procedures for Appeal or Review

Article 5
Measures to Enhance Impartiality, Non-Discrimination & Transparency

Article 6
Disciplines on Fees and Charges

Article 7
Release and Clearance of Goods

Article 8
Border Agency Cooperation

Article 9
Movement under Customs Control

Article 10
Import, Export & Transit Formalities

Article 11
Freedom of transit

Article 12
Customs Cooperation
HOW DOES THE TFA CUT RED TAPE AT THE BORDER FOR EASIER TRADE?

- EXTENDED AND ENHANCED TRANSPARENCY
- RELEASE AND CLEARANCE OF GOODS
- AUTOMATED PROCEDURES
- FEES, FORMALITIES AND PENALTIES
- BORDER AGENCY COOPERATION
EXTENDED AND ENHANCED TRANSPARENCY:

• Publish Information, Information available through Internet, and Enquiry Points

• Advance rulings on tariff classification and origin of the goods

• Inform the carrier / importer in case of detention of the goods for inspection
RELEASE AND CLEARANCE OF GOODS:

• Pre-arrival processing

• Release of goods prior to final determination of duties, fees and charges

• TF measures for AO

• Prompt release of perishable goods

• Acceptance of paper/electronic copies

• Risk management Systems

• Measure the Average Release Time
AUTOMATED PROCEDURES:

• Advance lodging of documents in e-forms

• e-payments

• e-request for advanced rulings

• Single Window (Border Agency Cooperation/Border management control / different SW operated by different agencies)

• Information through internet

• e-requests and e-responses between customs
FEES, FORMALITIES AND PENALTIES:

- Fees and charges limited to the cost of services rendered
- Penalties imposed only to responsible persons, commensurate with the breach and, written explanation.
BORDER AGENCY COOPERATION:

• Identification of ALL agencies operating at the border (coordinated border management / mapping all import, export and transit formalities)

• Alignment of Procedures and Formalities

• Alignment of days and working hours

• Sharing common facilities

• JOINT CONTROLS and INSPECTIONS

• One stop shop / one stop border post control
Facilitate TRANSIT Procedures

- Formalities should not constitute a disguised restriction on traffic in transit
- If possible make available physically separate infrastructure: lanes and berths)
- No more burdensome formalities, documentation requirements, and customs controls to identify goods and transit requirements
- No imposition of fees and charges except the ones for transportation
- No technical regulations and CAPs to goods in transit
- Allow advance filing and processing transit documentation prior to the arrival of goods at the port
- Accept guarantees limited to ensuring that requirements for transit have been fulfilled
- Appoint, if possible, a national transit coordinator for enquires
THE ROAD AHEAD:
Challenges and Next Steps

FOR MEMBERS

• Establish the National Committees on TF

• Developing and least-developed Countries:
  – Accelerate ratification processes
  – Implement and follow-up the provisions notified in Category A
  – Determine type of TA required, and prepare and submit Category B and C notifications

PRIVATE STAKEHOLDERS

• Create awareness of compliance obligations

• Establish/improve Risk Management Systems

• Encourage and coordinate NCTF participation

• Encourage and develop familiarity with the requirements to apply and benefit from TF measures for AO and expedited shipments

• Develop tools and infrastructure to adapt to any future adjustments
What else?

• **Political will**

• **AWARENESS** among border agencies and OTHERS (ports, airports, logistics and cargo enterprises, brokers, financial institutions, etc.)

• **CO-OPERATION** and **COORDINATION** between border agencies and other regulatory authorities (Art. 8) AND discussions within the NCTF  TF is not a turf-war

• **No clinical isolation!** Mapping/identification of the procedures, requirements, formalities, forms, documentation, charges, fees, controls and inspections, risk management issues, deadlines, information, deadlines, etc. related to imports, exports or transit of goods

• Use of international standards: HS nomenclature, country codes, incoterms, standard forms; WCO data models

• **Change of mentality and cultural habits both in the public and private sectors**

• Assessment of the TA and CB required, including human and financial resources

• **Use of ICT tools**

• **Flow of Information** between all agencies and stakeholders and private/public partnership

• Permanent update and simplification of forms, formalities, requirements, access, SW, etc.
Thank you!

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