THE WTO TRADE FACILITATION AGREEMENT

WTO OMC

WORLD TRADE ORGANIZATION
ORGANISATION MONDIALE DU COMMERCE
ORGANIZACIÓN MUNDIAL DEL COMERCIO

The International Organization that Governs the Rules of Trade Between Nations

WTO Trade Facilitation

- TF negotiations began in 2004

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

- Preparatory Committee

- Trade Facilitation Committee

Why TF at the WTO?

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

Why a Needs Assessment?

For developing countries:

- ✓ Implementation linked to capacity to implement
- ✓ Members decide when they can implement each trade facilitation measure
- ✓ Member decides technical assistance needs
- ✓ Must fulfill notification requirements to benefit
- ✓ Assessment will determine needs and prepare for notification and implementation of obligations

WTO Trade Facilitation Agreement

Objectives:

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

WTO OMC

Trade Facilitation Agreement

Section I:

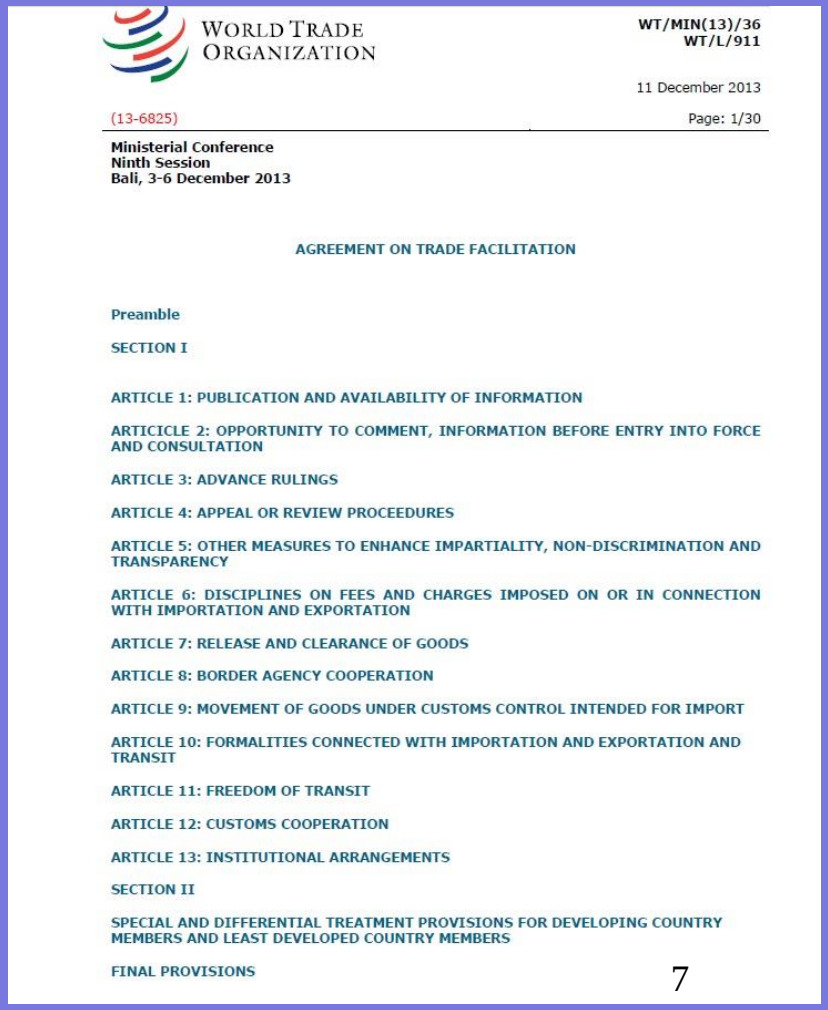
- 12 articles of technical measures

Section II:

- Special and Differential Treatment (SDT)

Provisions for developing countries

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



WORLD TRADE ORGANIZATION

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

11 December 2013

(13-6825)

Page: 1/30

Ministerial Conference
Ninth Session
Bali, 3-6 December 2013

AGREEMENT ON TRADE FACILITATION

Preamble

SECTION I

ARTICLE 1: PUBLICATION AND AVAILABILITY OF INFORMATION

ARTICICLE 2: OPPORTUNITY TO COMMENT, INFORMATION BEFORE ENTRY INTO FORCE AND CONSULTATION

ARTICLE 3: ADVANCE RULINGS

ARTICLE 4: APPEAL OR REVIEW PROCEEDURES

ARTICLE 5: OTHER MEASURES TO ENHANCE IMPARTIALITY, NON-DISCRIMINATION AND TRANSPARENCY

ARTICLE 6: DISCIPLINES ON FEES AND CHARGES IMPOSED ON OR IN CONNECTION WITH IMPORTATION AND EXPORTATION

ARTICLE 7: RELEASE AND CLEARANCE OF GOODS

ARTICLE 8: BORDER AGENCY COOPERATION

ARTICLE 9: MOVEMENT OF GOODS UNDER CUSTOMS CONTROL INTENDED FOR IMPORT

ARTICLE 10: FORMALITIES CONNECTED WITH IMPORTATION AND EXPORTATION AND TRANSIT

ARTICLE 11: FREEDOM OF TRANSIT

ARTICLE 12: CUSTOMS COOPERATION

ARTICLE 13: INSTITUTIONAL ARRANGEMENTS

SECTION II

SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS FOR DEVELOPING COUNTRY MEMBERS AND LEAST DEVELOPED COUNTRY MEMBERS

FINAL PROVISIONS

TF Measures

Transparency and Appeals

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

Transit

- **Restrictions on fees and charges**
- **Use of guarantee**

Import/Export/Transit Fees & Formalities

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

Article 13- Institutional Arrangements

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

(This article not considered in assessment)

Final Provisions

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

Example: "*Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other Members*."

Special and Differential Treatment (SDT)

Section II of Agreement

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

Gives flexibility in implementation of obligations

Each developing country decides when it can implement each provision

Special & Differential Treatment for developing and LDC countries

- Implementation of agreement linked with capacity
- Each county can say when it will implement each measure
- Donors have promised sufficient technical assistance

Categorization of each measure

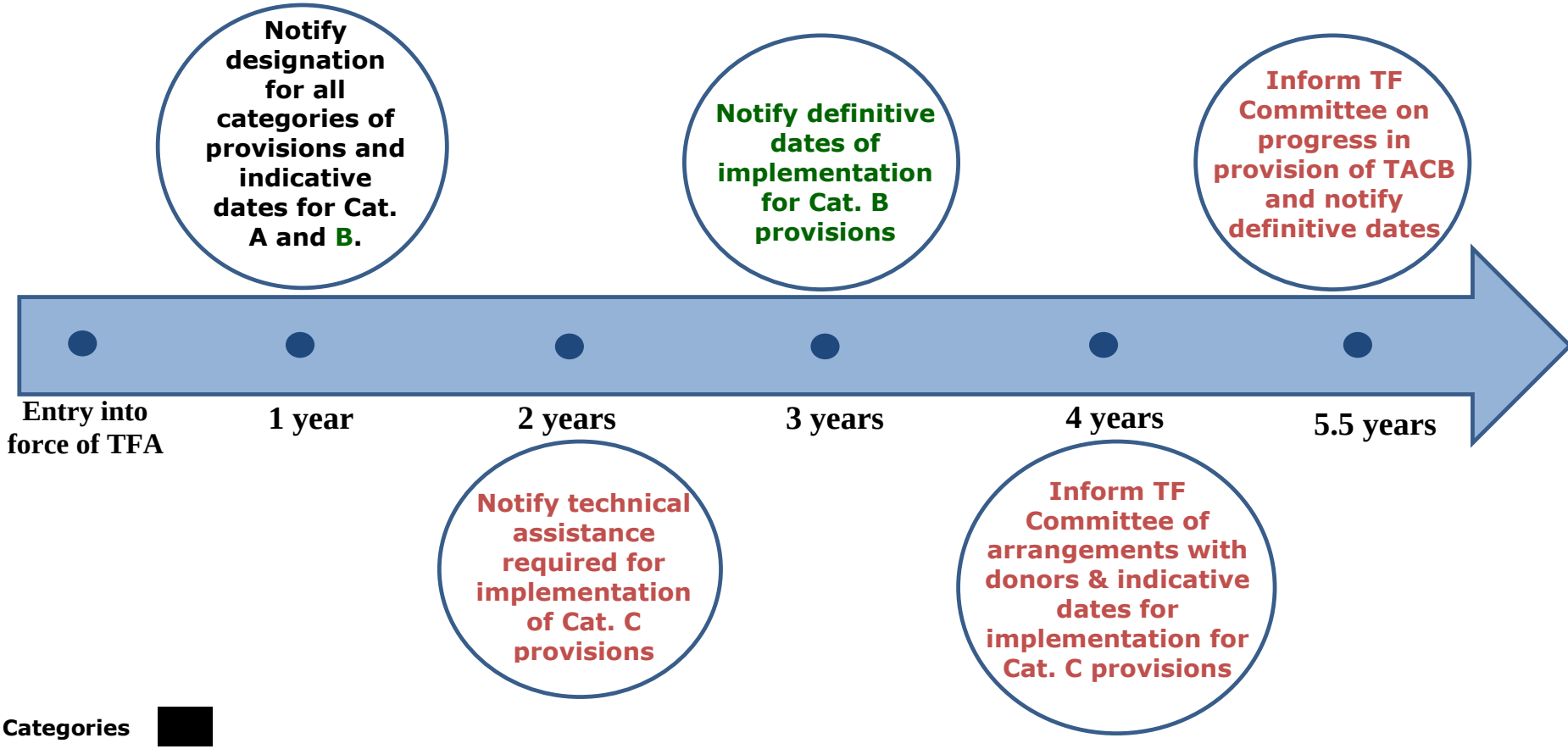
Each developing and LDC country Member will categorize each measure into one of three

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

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

- **Category C**: After TACB

LDCs Notification for all categories of provisions

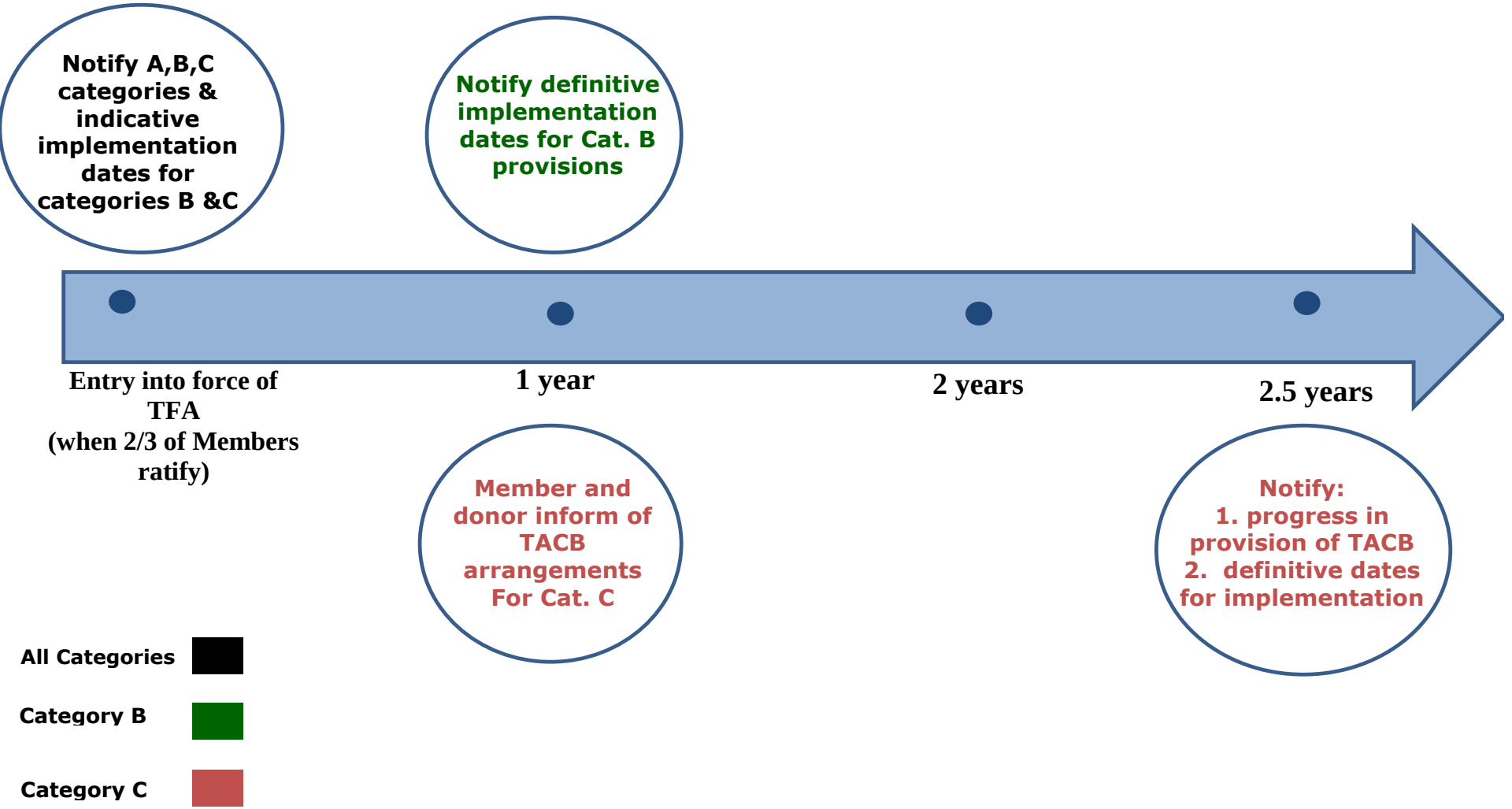


All Categories

Category B

Category C

Developing Countries: Notification for all categories of provisions



To take advantage of delayed implementation

Notify time period- implementation plan for B/C

Provision/Sub-part of Provision	Time Period	Assistance Required and Other Information

Article 4

Schedules of Commitments for Barua

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

Additional Flexibilities and Assistance

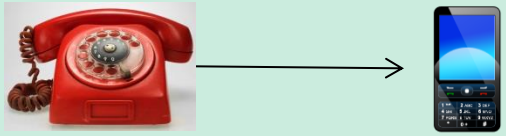
Section II

- **Article 5**: "early warning system" – extension requests for delays in Implementation Dates for Provisions in Categories B and C
- **Article 6**: If capacity is still lacking for implementation of Category C, Expert Group makes recommendations to Committee (last resort measure)
- **Article 7**: Shifting between Categories B and C
- **Articles 8**: Grace period – countries refrain from use of WTO dispute settlement. TF committee reviews progress in provision of TACB.

Trade Facilitation Agreement

Status and next steps

- Part of Bali Ministerial Declaration, the ‘Bali Package’
- Preparatory Committee, under General Council:
  - Select Chair
  - Legal scrubbing
  - Protocol of Amendment
  - Receive notifications
- Notifications of Category A annexed to Agreement can be accepted as of July 2014
- Protocol open for acceptance until 31 July 2015
- Entry into force – when 2/3 Members ratify

	Benefits for Your Exporters	Benefits for Government
Transparency + Fairness	•Predictability •Reduced time/costs	•Better compliance •Better quality decisions
Good Governance	•Reduced costs •Reduced delays •Reduced complexity	•Better compliance •More effective government •More efficient government
Modernization 	•Reduce clearance times and costs	•Align with modern business practice •More effective government •More efficient government

WTO Basic Principles

- Transparent
- Bottom up
- Member driven
- All Inclusive (open-ended meetings)

Issues of National Importance

www.wto.org

WTO OMC