

## **Notes for the WCO Informal Study Group on the WTO Trade Facilitation Negotiations**

(Subject : WTO TFNG meeting from 13 – 17 October 2008)

Note : The WCO Secretariat attended the final two days of the WTO Meeting. These notes are available on the WCO Web site, as requested by the Members participating in the WCO Informal Study Group, and were prepared for my personal use. Members who would like to use the contents of these notes must contact their own information source in Geneva/the Capital (e.g. Geneva delegation office, Ministry of Foreign Affairs, Ministry of Commerce, etc.) for verification.

27 October 2008  
R Struthers

### **Procedures for the October WTO TFNG**

1. The WTO TFNG week-long meeting proceeded as follows:

- the week began with a formal plenary session, followed by an informal plenary working sessions led by the Chairman. During the course of the week, the Chairman organized several informal plenary working sessions on WTO Members proposals regarding Articles VIII and V of the GATT. The group was able to conclude the current round of textual work on all elements of the mandate and did so in a forward looking business way. All remaining proposals on Articles VIII and V were addressed.

- there was a positive exchange of views concerning customs cooperation with contributions from Members aimed at improving the existing texts.

-the WTO Secretariat has drafted a compilation of the suggested changes and requests for clarification

- over the course of the week, a large number of officials from the capitals actively participated in the negotiations and were consequently able to support their negotiators in Geneva. This was particularly significant given the “stalling” of the Doha Round. It signifies that trade facilitation is still extremely important to governments.

- the last two days focused mainly on the S&D issue and concluded with a formal session on Friday 17 October which took stock of progress made during the week and which authorized the Annex D Organizations to participate in the next meeting;

### **Interesting points in the negotiations**

#### *Article VIII*

2. Several proposals were discussed which resulted in modifications or requests for clarification from the sponsors. The papers discussed were TN/TF/W/ 109 Rev2 (Authorized Traders), TN/TF/W/ 117 (Pre-arrival Processing), TN/TF/W/ 126 (Objective Criteria for Tariff Classification), TN/TF/W/ 128 Rev 1 (Border Agency Co-ordination), TN/TF/W/ 134 (Post Clearance Audit), TN/TF/W/ 136 Rev 1 (Separation of Release from Clearance), TN/TF/W/ 139 (Release Time of Goods), TN/TF/W/ 140

(Risk Management) TN/TF/W/ 144 Rev2 (Expedited Shipments) and TN/TF/W/148 (Introduction of Risk Management). In the instances where they haven't provided a complete answer during the meeting, the sponsors have undertaken to reply to the requests for clarification and modifications.

4. There was considerable discussion of document TN/TF/W/ 109 Rev2 (Authorized Traders) resulting in many clarifications being provided by the sponsor (the EC and Mongolia). The proposal will be modified to remove the reference to the use of securities or financial guarantees as a requirement. Additionally, the proposal will also make it clear that upon request, and if he meets the criteria, the trader will be given authorized trader status.

5. There was a lengthy discussion on the proposal concerning Expedited Shipments (TN/TF/W/144 Rev 2). The scope of the proposal is to be broadened to apply to all traders meeting certain criteria and to include the procedures of all agencies involved in importation. Additionally, the major modifications to be made are: any prescription of time to be taken is acceptable to all Members, a weight and value not be prescribed, the de minimis procedure apply equally to all traders, and the revision of the definition to make treatment applicable all traders meeting certain criteria.

6. Document TN/TF/W/ 140 (Risk Management) and TN/TF/W/148 (Introduction of Risk Management) are to be harmonized. The current language in the papers will be modified by stating "Risk assessment shall not be designed nor applied to create arbitrary or unjustifiable discrimination or a disguised restriction of international trade"

7. There were several additions, deletions and modifications suggested for document TN/TF/W/136 Rev1 (Separation of Release from Clearance).The sponsor (Switzerland) accepted the suggestions to include language making it clear that a Member does not have to require a guarantee to secure clearance. The sponsor will also narrow the proposal to only cover the financial aspects of release and clearance and therefore only cover duties and taxes which do not have to be determined and paid in order to secure release.

#### *Article V*

8 The remaining paper TN/TF/W/133 Rev 2 (Transit) was discussed and several modifications and clarifications were requested. The major point was that Members wished the proposal to cover different treatment for goods moved via fixed infrastructure – consequently the text would need further elaboration.

9. The progress made by the group on reviewing these papers on Articles VIII and V represented the culmination of reviewing all the 3<sup>rd</sup> generation proposals on these two Articles.

#### *Customs Co-Operation*

10. Documents TN/TF/W/123 Rev 2 (Co-operation Mechanism for Customs Compliance) and TF/TN/W/154 (Customs Co-operation) were reviewed. It was suggested that the two papers be merged into one. As with the other submissions, several modifications and clarifications were requested The discussions on Customs co-operation will continue in future meetings.

#### *Special and Differential Treatment*

11. There was a detailed discussion on the question of S&D based on a non paper previously submitted by Argentina (JOB (08)/44/Rev.1.and on an EC intervention. All

Delegations stressed the importance of this issue however no conclusions were drawn. There still remains the questions of time frames, notification of failing to meet time frames, human resource implications, infrastructure improvements capital investment and whether or not it would be appropriate to merge the three categories of provisions into two (ie combine b and c).. It was agreed that this subject is the most difficult and most important aspect of the negotiations. The questions discussed were the same ones as outlined in the report of the last meeting

12. The Chairman stated that he appreciated the exchange of ideas on S&D and urged Members to submit textual proposals.

### **Next WTO TFNG meeting**

The next TFNG meeting is provisionally planned for the for December 1 – 3, 2008.

### **Secretariat comments on the procedures for the WTO Trade Facilitation Negotiations**

In order to protect the interests of the WCO and Customs during the WTO negotiations, the Secretariat continues to encourage WCO Members to participate in the WTO negotiation process.

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