



Information Note: WCO instruments and GATT Articles V, VIII and X

I. Introduction

1. The mission of the World Customs Organization (WCO) is to enhance the effectiveness and efficiency of Customs administrations and to assist them in contributing to national development goals, particularly in the areas of trade facilitation, revenue collection, community protection and supply chain security, thereby contributing to the development of international trade and to the economic and social well-being of a country
2. In order to fulfil its mission, the WCO develops and maintains instruments and recommendations for the standardization and simplification of Customs systems and procedures governing the cross-border movement of goods. It also provides Members with a framework for discussions and training and technical assistance to implement trade and Customs instruments and best practices. Since its establishment in 1952, the WCO has worked on the trade facilitation agenda in the context of Customs in co-operation with its member administrations as well as other stakeholders. The WCO currently has a membership of 164 Customs administrations who process over 99% of all world trade.
3. The WCO supports the WTO work on trade facilitation. It sees benefits in the WTO process for both the trade and Customs community. With regard to Customs in particular, this can ensure political will and commitment which is essential in pursuing Customs reform and the simplification of procedures. It will also ensure predictability within the trade system and provide a basis for good governance. It will also encourage support and compliance from the trade community for efficient and effective Customs operations, as the modern Customs approach is based on the partnership with the trade community and other relevant sectors. Moreover, as Customs is only a part of the global trade chain, the WTO work will enable trade facilitation issues that are beyond Customs competence, such as co-operation with other border agencies, to be better addressed. Furthermore, it would be expected that the WTO work will result in appropriate resources being made available for capacity building that could promote Customs reform and modernization, which is desired by both trade and Customs.
4. Accordingly, the WCO has been actively contributing to the WTO Trade Facilitation work. It contributed to the WTO Trade Facilitation symposia both in 1998 and 2001. It has regularly contributed to the WTO organized regional seminars on trade facilitation. Furthermore, the WCO submitted several papers to the work on trade facilitation by the WTO Council for Trade in Goods in 2002 and 2003.
5. More recently, the WCO welcomed the WTO's decision to launch the negotiations on trade facilitation based on the modalities of negotiations described in Annex D of its July Package on 1 August 2004 (WT/L/579). One of its negotiation objectives is *"to clarify and improve relevant aspects of Articles V, VIII and X of the GATT 1994 with a view to further*

expediting the movement, release and clearance of goods, including goods in transit.” The WTO decision also calls for that “*due account shall be taken of the relevant work of the WCO and other relevant international organizations in this area.*”

6. The WCO has renewed its pledge to contribute to the enhancement of the multilateral trading system in this field with its technical expertise in Customs and is committed to co-operating with relevant stakeholders to work towards the common goal of safeguarding revenue, protecting society, ensuring security, and facilitating legitimate trade.

7. Bearing this pledge in mind, this information note endeavors to briefly illustrate how the requirements of Articles V, VIII and X of the GATT 1994 are, in the context of Customs, dealt with in the Revised Kyoto Convention and other WCO instruments. Most of the information is extracted from its previous contribution to the WTO Council of Trade in Goods in 2002 (G/C/W/392, 407 and 426) which may be referred if more detailed information is needed. The items are described in the following order taking account of their respective nature of generality: Article X, Article VIII and Article V.

8. The selection of the WCO instruments and provisions has been made by the WCO Secretariat. As the WCO instruments are for use by Customs administrations, the scope of this information note is therefore limited to Customs. This should not be regarded as an intention to prejudge the issues to be negotiated in the WTO or narrow the scope of the negotiations to only Customs procedures. The questions of what issues are to be negotiated, how they should be addressed and the question of the scope will be best dealt with by trade negotiators in the WTO.

II. General nature of the WCO instruments

9. As stated at the outset, the role of Customs is not limited to trade facilitation – other functions such as revenue collection and protection of society are also highly important social objectives demanded by the State although the emphasis may differ country-by-country and time-by-time. In this regard, effective border controls must be implemented while ensuring continued improvements in trade facilitation. Usually there are no additional resources allocated to Customs when implementing new controls.. These challenges drive Customs to become more efficient and effective. In other words, trade facilitation in the context of Customs means: to avoid unnecessary trade restrictiveness while improving the qualities of controls and in an internationally harmonized manner. This is the basic principle of WCO trade facilitation work.

10. The WCO sees its role as being complementary to the WTO in developing Customs instruments to support the WTO rules. Another important and also complementary role is delivering training and technical assistance to implement those instruments; the WCO is keen to intensify capacity building in all areas related to trade facilitation.

11. All the provisions and the principles in the WCO instruments are compatible with and complimentary to the Articles V, VIII and X of the GATT 1994 referred to in the context of trade facilitation in the Doha Development Agenda. It is considered that these GATT 1994 Articles set out the high principles for formalities and procedures for movement and clearance of goods, transit of goods and publication and administration of trade regulations. On the other hand, the instruments of the WCO centered in the revised Kyoto Convention (see Attachment to this note: Overview of the Revised Kyoto Convention)¹ through its provisions and

¹ The International Convention on the Simplification and Harmonization of Customs Procedures (as amended).

implementation guidelines, provide the basis and practical guidance and information for the implementation of these high principles in the context of Customs.

III. GATT Articles X and WCO instruments

12. Article X of GATT 1994 - *Publication and Administration of Trade Regulations* - provides for: transparency of trade related laws, regulations and decisions and predictability of the application and enforcement of these rules; and review and appeals.

a. Transparency and predictability

13. With respect to the issue of transparency, Chapter 9 of the General Annex to the Revised Kyoto Convention is the most relevant chapter. This chapter sets forth the provisions in three sub-sections in accordance with the nature of the information: *i.e.*, information of general application; information of a specific nature; and decisions and rulings.

14. Concerning information of general application of Customs laws, the Revised Kyoto Convention provides for making readily available such information to any interested persons. It also requires that if there are any changes in such information, the revised information be made available sufficiently in advance of the entry into force of the new requirements so that interested persons can take account of the changes, except in instances where advance notice is precluded. Guidelines to Chapter 9 enumerate possible means of dissemination and submission of information; for example, publications such as in official gazettes, mass media, Customs-trade consultative committees, exhibitions, and enquiry offices. The information should be made available in electronic format where possible².

15. With respect to information of a specific nature, *i.e.*, information specifically requested by the interested person, such as, that on tariff classification, duties and taxes, documentary requirements, etc., the Revised Kyoto Convention requires that the requested information be made available, as quickly and accurately as possible. It also provides for protection of details of a private or confidential nature affecting the Customs or the trade unless the Customs is required or authorized by national legislation to release this information. The Revised Kyoto Convention also requires that the Customs administration provide decisions in writing within a period specified in national legislation and, where the decision is adverse to the person concerned, reasons to be provided and right of appeal to be advised. Requests for decisions from the Customs must be made in writing by the person concerned.

16. The Revised Kyoto Convention also deals with the issuance of binding rulings on the request of the interested person; in other words, advance rulings (*e.g.*, tariff classification and rate of duties or origin on specific goods, valuation on specific trade operation, etc.), provided all information deemed necessary to make a decision is made available. Guidelines to Chapter 9 provides that rulings may be communicated to all Customs officers although publication of binding rulings does not place Customs under any obligation other than towards the person who obtained the ruling.

17. In addition to Chapter 9, there are provisions in the General Annex of the Revised Kyoto Convention enhancing the transparency of Customs laws and operations. Here are some examples: Chapter 1 requires Customs administrations to set up and maintain formal consultative relationship with the trade to increase co-operation including information sharing

² Transitional Standard 9.3

between them. Furthermore, Guidelines to this Chapter advocate that before Customs implement changes or introduce new procedures, Customs should consult with appropriate representatives of the trade so that both can gear their activities in consideration of each other's needs³. Chapter 6 also requires co-operation with the trade⁴. Chapter 3⁵ requires that the rights and conditions of declarants and the contents of Goods declaration be specified in the national legislation. , Chapter 8 sets out the provisions for the relationship between Customs and third parties, such as, Customs brokers.

b. Review and appeal

18. Chapter 10 of the General Annex to the Revised Kyoto Convention sets out the principles for appeals in Customs matters. The Chapter is composed of three sub-sections: right of appeal; form and grounds of appeal; and consideration of appeal.

19. This Chapter requires national legislation to provide for a right of appeal in Customs matters by any person who is directly affected by a decision or omission of the Customs. In addition, it sets forth that reasons for such a Customs (in)action to be provided in writing within a period specified in national legislation to the person concerned. It provides for different levels of appeal including an initial appeal to Customs, further appeal to an authority independent of the Customs administration and final right of appeal to a judicial authority.

20. Forms and grounds of appeal includes the fixing of a time limit for lodgment of an appeal that should be sufficient to study the contested decision, to prepare the appeal and, in appropriate circumstances, to prepare supporting evidence, by the appellant. Chapter 10 also requires Customs to give its ruling on appeals in writing and to advise the right to further appeal to an independent body. With respect to consideration of appeals, the Revised Kyoto Convention requires Customs to implement the decision or ruling of the independent or judicial authority as soon as possible unless the Customs appeal against such rulings.

IV. GATT Articles VIII and WCO instruments

21. Article VIII of GATT 1994 - *Fees and Formalities connected with Importation and Exportation* - provides for: fees and charges in connection with importation and exportation; procedures and formalities for importation and exportation; review of its operation of laws and regulations on request by WTO members; and penalties for minor breaches of Customs regulations and procedural requirements.

22. As stated earlier, this note addresses Customs procedures only. Nevertheless, GATT Article VIII has a wider scope than Customs. This is demonstrated and amplified in the requirements set out in Paragraph 4 of Article VIII which extends the provisions of Article VIII to the fees, charges, formalities and requirements imposed by governmental authorities other than Customs, including those listed at (a) to (h) of that Paragraph⁶.

a. Fees and charges

³ Standard 1.3

⁴ Standard 6.8

⁵ Standards 3.6 and 3.11

⁶ (a) consular transaction; (b) quantitative restrictions; (c) licensing; (d) exchange control; (e) statistical services; (f) documents, documentation and certification; (g) analysis and inspection; and (h) quarantine, sanitation and fumigation

23. A provision in Chapter 3 of General Annex to the Revised Kyoto Convention addresses fees and charges for additional services. It provides that any expenses for Customs procedures outside the designated business hours or away from a Customs office may be chargeable by Customs. The amount of such charges needs to be limited to the approximate cost of the services rendered⁷. The same provisions are found in Specific Annexes to the Revised Kyoto Convention which set forth principles for specific Customs procedures, such as, procedures before the lodgement of the Goods declaration⁸.

24. Furthermore, in providing information of a specific nature on request by the interested person, and when the Customs are unable to supply the information free of charge, Chapter 9 of General Annex requires any charge to be limited to the approximate cost of the service rendered⁹.

b. Procedures and formalities

25. As its official title “International Convention on the Simplification and Harmonization of Customs Procedures” shows, the revised Kyoto Convention contains a wide range of relevant provisions which enhance and supplement the requirements of Paragraph 1(c) of GATT Article VIII. The Box illustrates the some of the key procedures and principles explained below. The list is not exhaustive.

<p style="text-align: center;">Key procedures and principles</p> <ul style="list-style-type: none">• Standardized and minimum requests• Minimum intervention and the use of Risk management• Separation of release from clearance• Audit-based control• Specially simplified procedures for authorized traders• Maximum use of information and communication technology; automation• Co-operation with other agencies• Co-operation with foreign counterparts
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26. Standardized and minimum requests: Goods crossing the border have to be declared to Customs to ensure compliance with national laws. This is done by way of a Goods declaration. With respect to the formalities of Goods declaration, both by paper and in electronic format, Chapter 3 of general Annex to the revised Kyoto Convention requires them to be aligned with pertinent international standards¹⁰, for example, UN Layout key, ISO codes and UN/ECE recommendations. Furthermore, the WCO Data Model provides a maximum framework of standard and harmonized sets of data and standard electronic messages to be submitted by trade for Customs and other regulatory purposes to accomplish formalities for the arrival, departure, transit and clearance of goods in international cross-border trade. Chapter 3 of general Annex also requires Customs to limit the data required in the Goods declaration, the

⁷ Standard 3.2

⁸ Standard 19 in Chapter 1 of Specific Annex A

⁹ Standard 9.7

¹⁰ Standard 3.11

copies and the supporting documents to the declaration to only such particulars as are deemed necessary¹¹. “Guidelines for the immediate release of consignments by Customs” include information on the data elements to be required for clearing different categories of goods (small consignments) and the conditions for the granting of immediate release by Customs; each category specifies a minimum set of data to be provided to the Customs requesting immediate release. Customs retain the right to require more information if necessary for their risk management.

27. Minimum intervention and Risk management: The principle of Customs control is the proper application of Customs laws and compliance with other legal and regulatory requirements, with maximum facilitation of international trade and travel, by mobilizing its available inspecting resources from lower risk cargoes to higher risk cargoes where risk means risk of non-compliance with relevant laws assessed by a rational manner. Chapter 6 of the General Annex to the Revised Kyoto Convention contains legal provisions for application of Customs control principles. It provides for that Customs controls should be kept to the minimum necessary to ensure compliance with Customs law and also that Customs control should be carried out on a selective basis using risk management techniques to the greatest extent possible¹². Additional time for scrutinizing the information would produce the better results of risk management and expedite the clearance/release process. In this regard, Chapter 3 of General Annex to the Revised Kyoto Convention provides for the declaration prior to the goods arrival (pre-arrival declaration)¹³. Guidelines of the revised Kyoto Convention have explained that risk management does not necessarily require automation but it becomes more effective and efficient with the use of information technology.

28. Separation from release from clearance: “Release” refers to physical removal from the Customs custody while “clearance” means the completion of all official formalities. Separation of release from clearance allows the goods to be released as swiftly as possible even though all formalities may not have been completed. Provided Customs are satisfied as to the circumstances, such as provision of security, this can be achieved even though, for example, some data or documentation is not available or there is difficulty in agreeing on the classification or value of the goods. Provisions in Chapter 3 provides for such separation¹⁴. Chapter 5 of General Annex to the Revised Kyoto Convention details the manner in which the amount of security is determined, the forms in which it may be provided and the discharge of the security once the obligations are fulfilled.

29. Audit based control: Application of risk management and separation of release from clearance require Customs control systems to use audit-based controls, such as, post clearance audit and traders systems audit, as provided for in Chapter 6 of General Annex to the Revised Kyoto Convention¹⁵. This is the opposite concept of transaction-based control where goods remain at the border until all controls are entirely completed. The use of post clearance audit is of particular relevance since it provides a clear and comprehensive picture of the transaction relevant to Customs and enables Customs to offer trader facilitation in the form of simplified procedures. This in turn facilitates the expeditious movement of goods at the border since the controls can be carried out at a later stage.

¹¹ Standards 3.12, 3.15 and 3.16

¹² Standards 6.2 and 6.3

¹³ Standard 3.25

¹⁴ Standards 3.40-3.43

¹⁵ Standards 6.6 and 6.10

30. Specially simplified procedures for authorized traders: Use of risk management and audit-based control has made specially simplified procedures available for traders that are authorized by Customs at a certain satisfactory level of compliance with regulations. Chapter 3 of General Annex to the Revised Kyoto Convention set out such specially simplified procedures, *i.e.*, release on minimum information, clearance at the declarant's premises, and the possibility of introducing periodic Goods declaration (allowing single Goods declaration to cover multiple trade transactions by the same person within a given period); self-assessment of duties and taxes by using own commercial records; and lodgement by entry in the corporate records.

31. Maximum use of information and communication technology: The Revised Kyoto Convention, in particular, Chapter 7 of General Annex, recognizes the important role of the application of information and communication technology (ICT) for more efficient clearance procedures, effective implementation of risk management, uniform application of Customs law, efficient revenue collection, effective data analysis and efficient production of external trade statistics. The basic principle in this regard is that Customs shall apply information technology to support Customs operations, "*where it is cost-effective and efficient for the Customs and for the trade*"¹⁶.

32. Co-operation with other agencies: The inspection of goods when undertaken separately by different border agencies is very time consuming. Chapter 3 of General Annex to the Revised Kyoto Convention requires Customs to ensure that their inspection is coordinated with other competent authorities and is carried out simultaneously¹⁷. Additionally, benefits of such inter-agency coordination would be maximized by the introduction of the Single Window concept that would allow the trader to submit the required information once to a single designated authority, preferably Customs, for multiple administrative purposes.

33. Co-operation with foreign counterparts: Chapter 3 of General Annex to the revised Kyoto Convention provides for correlated business hours and the competence of the Customs offices located at a common border crossing (juxtaposed offices) and, where possible, joint operation of controls¹⁸. Knowing the difficulties in conducting joint operations, Guidelines thereof have advocated possible conclusion of bilateral agreements between adjoining states in this regard. Similarly, Chapter 6 of General Annex requires Customs administration to seek co-operation with other Customs administrations and to seek conclusion of mutual administrative assistance agreements for better controls¹⁹.

c. Review of its operation of laws and regulations

34. Article 6 of the Revised Kyoto Convention addresses a review mechanism of the Convention by establishing a Management Committee consisting of Contracting Parties to the Revised Kyoto Convention. The Management Committee is responsible for considering the implementation of the Convention and any measures necessary to secure uniformity in the interpretation and application and amendments to the Convention. Furthermore, Article 14 provides for dispute settlement on the interpretation and application of the Convention.

d. Penalties for minor breaches

¹⁶ Standard 7.1 also Standards 3.11, 3.18, 6.9 and 9.3

¹⁷ Standard 3.35

¹⁸ Standards 3.3 and 3.4

¹⁹ Standard 6.7

35. There is a provision in Chapter 3 of General Annex to the revised Kyoto Convention which sets forth penalties for minor breaches. It states that the Customs are not to impose substantial penalties for errors where they are satisfied that such errors are inadvertent and that there has been no fraudulent intent or gross negligence²⁰. When the Customs consider it necessary to discourage a repetition of such errors, the revised Kyoto Convention permits the imposition of a penalty, provided that it shall be no greater than necessary for this purpose.

V. GATT Articles V and WCO instruments

36. Article V of GATT 1994 – *Freedom of Transit* - provides for: freedom of transit; requirement for traffic in transit; charges and regulations; MFN and non-discrimination; and non-application to aircraft. The revised Kyoto Convention addresses the requirement for traffic in transit and deals with the issues of charges and regulations.

37. From the outset, the WCO recognizes that GATT Article V has a wider scope than the Customs transit issues that are covered by the WCO instruments. The conditions set out in the GATT Article, in particular, Paragraph 2, that regulate the conditions a Member may impose on goods transported through its territory by another party to a foreign destination and the obligations imposed by the Article, go beyond the purely Customs domain.

a. Requirement for traffic in transit

38. Provisions of General Annex to the revised Kyoto Convention pertinent to GATT Article VIII provides for universally applicable principles of simplification and standardization to all Customs procedures including those related to transit. In addition, Chapter 1 of Specific Annex E to the revised Kyoto Convention provides procedures and principles specifically pertinent to transit.

39. Specially simplified procedures for authorized consignors and consignees: The basic concepts are similar to those of authorized persons described in the Section IV above. Chapter 1 of Specific Annex E to the Revised Kyoto Convention provides simplified procedures for authorized consignors and consignees under the Customs transit procedure²¹. In this respect, the Customs designates traders with good compliance records as authorized consignors and consignees. They are permitted to carry out specified Customs operations on their premises and are not subjected to the same level of Customs control as are other consignors and consignees.

40. Use of commercial or transport document: Chapter 1 of Specific Annex E to the Revised Kyoto Convention recommends that, in order to minimize data requirements for the purposes of the goods declaration for transit, the commercial document should be accepted as the descriptive part of the declaration²². Similarly, given the legal nature of a transport contract (e.g. rail or road waybill) or a commercial invoice, it is recommended that these documents be accepted as a transit declaration provided they meet the Customs requirements²³.

41. Procedures for sealing and identification of consignments: Procedures for sealing and identification of consignments are very important in the present environment where attention is

²⁰ Standard 3.39

²¹ Recommended Practice 5 of Specific Annex E.1

²² Standard 6 of Specific Annex E.1

²³ Recommended Practice 7 of Specific Annex E.1

focused on security issues, particularly on consignments carried in containers. Secure seals and developments in technology for affixing special types of seals are very important for facilitating the through movement of goods in transit, particularly international transit. Seals which are intact and are accepted under national legislation allow consignments to be cleared without opening, and therefore minimize delays in the transit operations. Chapter 1 of Specific Annex E to the Revised Kyoto Convention provides for procedures in this regard and enumerates minimum requirements to be met by Customs seals and fastening²⁴.

b. Charges and regulations

42. Chapter 1 of Specific Annex E to the Revised Kyoto Convention states that Goods being carried under Customs transit shall not be subject to the payment of duties and taxes, provided that the conditions laid down by the Customs are complied with and that any security required has been furnished²⁵. Principles of the General Annex are also applicable to any expenditure related to additional Customs services (see Section IV related to GATT Article VIII).

VI. TECHNICAL ASSISTANCE

43. The WCO Technical Assistance Programs, including dedicated assistance to individual Members as well as regional seminars and other programs, are available for WCO Members, in co-operation with the stakeholders, in particular, donors and other international organizations. These are aimed at explaining the legal provisions, examining national legislation with a view to making changes to provide for compliance with the revised Kyoto principles, and reviewing national legislation that is being revised or in the process of being drafted.

VII. ADDITIONAL INFORMATION

44. This information note is designed to disseminate the brief information on WCO instruments pertinent to the GATT Articles V, VIII and X. Should more detailed information be needed, please review the texts of respective WCO instruments. With respect to the Revised Kyoto Convention, comprehensive implementation Guidelines have been developed for all Standards and Recommended Practices in the Annexes to the Convention. These are a set of explanations of the provisions of the General Annex, and the Specific Annexes and Chapters therein which indicate some of the possible courses of action to be followed in applying the Standards, Transitional Standards and Recommended Practices, and in particular describing best practices and recommending examples of greater facilities. These Guidelines ensure that the principles and simplified Customs procedures contained in the Convention are applied effectively by Customs administrations. The Guidelines are constantly updated to provide information on new and modern practices. It is envisaged that in the future, these will form the basis of legal texts in the Annexes to the Convention.

45. The text of the Revised Kyoto Convention is available on the WCO Web site at:

http://www.wcoomd.org/ie/En/Topics_Issues/FacilitationCustomsProcedures/kyoto/kyreport.html

²⁴ Standard 16 and Recommended Practice 17 and 18 of Specific Annex E.1 and its appendix

²⁵ Standard 3 of Specific Annex E.1

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Overview of the Revised Kyoto Convention

The key principles of the Revised Kyoto Convention are set out in three parts – the Preamble and Articles to the Convention, the General Annex containing the core principles and the Specific Annexes which deal with each separate operation that goods may be subject to.

- The Preamble of the revised Convention contains the key principles of modern Customs administrations and includes :
 - the application of Customs procedures and practices in a predictable, consistent and transparent manner;
 - provision of information on Customs laws, regulations, procedures and practices;
 - adoption of modern techniques such as risk management;
 - maximum practicable use of information technology;
 - co-operation where appropriate with other national authorities, other Customs administrations and the trade;
 - implementation of relevant international standards; and
 - provision of easily accessible administrative and judicial review to affected parties.
- The Articles of the Convention provide for clear rules for accession and administration of the Convention.
- The Convention contains a General Annex and ten Specific Annexes. The provisions of these Annexes reflect modern procedures and address the requirements of both the trade and Customs administrations. They also incorporate modern methodologies to ensure that Customs is able to carry out its responsibilities more efficiently and effectively, and facilitate the international movement of goods while ensuring full compliance with national laws.
- The General Annex contains the core procedures and practices which are the basis for all procedures for the movement and clearance of goods for import and export, including goods in transit. The General Annex contains Standards and Transitional Standards²⁶ which are obligatory for accession and implementation by Contracting Parties. Reservations cannot be entered against these Standards and Transitional Standards.
- The General Annex includes Standards for the clearance of goods, payment of duties and taxes, Customs and trade co-operation, information to be supplied by Customs and appeals in all Customs matters – areas that of concern both to Customs administrations and to the trade. It also includes Standards that set out the principles of modern Customs control, including risk management, audit-based controls and mutual administrative assistance between Customs administrations and with external organizations, and the use of information technology, thus ensuring both effective controls and trade facilitation.

²⁶ **“Standard”** means a provision the implementation of which is recognized as necessary for the achievement of harmonization and simplification of Customs procedures and practices;
“Transitional Standard” means a Standard in the General Annex for which a longer period for implementation is permitted;

- There are ten Specific Annexes containing Standards and Recommended Practices²⁷. The Specific Annexes deal with the specialized Customs procedures.
- Comprehensive implementation Guidelines have been developed for all Standards and Recommended Practices contained in the Convention. These are a set of explanations of the provisions of the General Annex, Specific Annexes and Chapters therein which indicate some of the possible courses of action to be followed in applying the Standards, Transitional Standards and Recommended Practices, and in particular describing best practices and recommending examples of greater facilities. These Guidelines ensure that the principles and simplified Customs procedures contained in the Convention are applied effectively by Customs administrations. The Guidelines are constantly updated to provide information on new and modern practices, which in the future will form the basis of legal texts in the Annexes to the Convention.

²⁷ **“Recommended Practice”** means a provision in a Specific Annex which is recognized as constituting progress towards the harmonization and the simplification of Customs procedures and practices, the widest possible application of which is considered to be desirable;

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