

COMMUNICATION BY SWITZERLAND

The following communication, dated 17 March 2010, is circulated at the request of the Delegation of Switzerland.

TEMPORARY ADMISSION OF GOODS / INWARD AND OUTWARD PROCESSING

I. INTRODUCTION

1. As economic, but also cultural, scientific and educational relations and interactions between countries intensify and complex supply chains span the globe, more and more of the goods that cross borders are not destined for permanent importation, but exit the territory again within a specified period without having undergone any significant change or after manufacturing, processing or repair. Trade can be greatly facilitated and important economic gains can be achieved by establishing customs procedures which allow for rapid clearance of such goods as well as conditional relief from import duties and taxes to such goods.
2. Temporary admission of goods can facilitate exchanges of educational, scientific or cultural material, and therefore promote education and scientific research as well as cultural development, activities fundamental to human advancement. Economic advantages accrue from allowing national enterprises to examine, test and even temporarily use foreign goods with facilitated access as well as either total or partial exemption from the import duties and taxes normally chargeable on them.
3. Inward and Outward Processing facilitates the trade of goods which enter a Customs territory only temporarily for manufacturing, processing or repair. It allows a country to increase its competitiveness, as payment of import duties and taxes every time goods are imported, on a temporary basis, into one country or another are partially or totally eliminated.
4. Switzerland has submitted a Room Paper on this issue for Member's consideration at the meeting of the Negotiating Group on Trade Facilitation on the 8th of March 2010.
5. On this background, Switzerland submits the following textual proposal for Members' further consideration and inclusion in the draft consolidated negotiating text, TN/TF/W/165, under Article 10 on "Formalities connected with importation and exportation".

II. TEXTUAL PROPOSAL

Temporary Admission of Goods

1. Each Member shall allow temporary admission of goods [in accordance with the international standards and practices].
2. For the purposes of this Article, the term "temporary admission" means the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved totally or partially 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 them.

Inward and Outward Processing

1. Each Member shall allow inward and outward processing of goods [in accordance with international standards and practices].
 2. For the purposes of this Article, the term "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, on the basis that such goods are intended for manufacturing, processing or repair and subsequent exportation.
 3. For the purposes of this Article, the term "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 re-imported with total or partial exemption from import duties and taxes.
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