

WORLD TRADE ORGANIZATION

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Negotiating Group on Trade Facilitation

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ELECTRONIC PAYMENT

Communication from Canada and Switzerland

The following communication, dated 5 December 2012, is being circulated at the request of the delegations of Canada and Switzerland for consideration by the Negotiating Group on Trade Facilitation.

The trade facilitation negotiations currently include several very practical provisions which aim to assure the timely release of imported goods, while maintaining appropriate controls. For example, advance rulings provide greater certainty and stability for both traders and Customs officers. Pre-arrival processing allows traders to submit required information in advance, thus providing a greater opportunity for Customs experts, often located far from the border itself, to examine this information to ensure all requirements are met prior to the goods arriving at the border. Separation of release ensures the timely release of goods where a determination has not been made, while protecting government revenue through the provision of a cash deposit or security.

In order to further facilitate the flow of goods in a systematic way, while ensuring that government requirements are met, many governments have also adopted centralized payment schemes. These range from bonding requirements, where traders provide a bond which would cover their liabilities over multiple shipments and pay following the release of goods on a monthly basis, to integrated and to some extent automated electronic payment options, linked to the advance processing of goods declarations, where payment is made prior to the release of the goods.

In both cases, there are significant benefits to both governments and traders. Governments are assured of prompt and regular payment by the traders, and traders can more efficiently discharge their obligations. Payments at the border crossings themselves can be avoided, thus saving time and reducing transaction costs. Advances in technology and the widespread use of electronic banking have already made implementation of electronic payment options a common facet of customs regimes and as such, Members may want to consider whether a provision promoting such a systemic trade facilitative element should be included in a trade facilitation agreement. Such a provision would be without prejudice to whether payment is made prior to or following the release of the goods.

Proposed text:

"Each Member shall adopt or maintain procedures allowing, to the extent practicable, the option of electronic payment for customs duties, taxes, fees and charges."
