

WORLD TRADE ORGANIZATION

TN/TF/W/140
21 July 2006

(06-3510)

Negotiating Group on Trade Facilitation

Original: English

COMMUNICATION FROM KOREA, THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU, AND SWITZERLAND

The following communication, dated 20 July 2006, from the Delegations of Korea, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, and Switzerland, is being circulated in advance of the Negotiating Group meeting of 24-26 July.

PROPOSAL ON RISK MANAGEMENT

1. In the joint communication (TN/TF/W/99), Japan, Korea, Switzerland, New Zealand, Mongolia, Singapore, and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, submitted a proposal on “risk management”, which comprised the summary of common elements of the prior proposals and the elements that needed further discussions.
2. The following draft text is submitted by Korea and Switzerland for consideration by the Negotiating Group, without prejudice to further discussions and submissions regarding this or any other proposal.
3. With regard to the proposal on S&D and TA&CB, horizontal provisions need to be set out; such provisions will include temporary exemptions, an extended implementation period, and technical assistance and capacity building for developing and least developed countries in accordance with the provisions on special and different treatment.

Textual proposal

- Members shall conduct documentary and physical examination based on risk management for the purpose of concentrating on the examination of higher risk goods and facilitating the movement of lower risk goods.
- In applying risk management techniques, Members shall examine imported goods based on appropriate selectivity criteria in order to provide compliant traders with greater facilitation and expedited customs procedures.
- The selectivity criteria may include specific commodity code, country of origin, country whence consigned, licensing indicator, value of goods, compliance level of traders, type of means of transport and the traders’ purpose of the stay in the Customs territory.
- Members shall, where practicable, refer to relevant international standards and practices including the revised Kyoto Convention and the WCO Risk Management Guideline as basis for its risk management procedures.

./.

- Risk management procedures shall not be used as or have the effect of creating disguised discrimination and obstacles to trade.
- Risk management procedures shall be applied, to the extent possible, to the relevant trade facilitation measures including pre – arrival processing, post – clearance audit, and authorized traders.

(Definition)

- **Risk** means the potential for non-compliance with customs and/or other relevant laws.
 - **Risk Management** means the systematic application of management procedures and practices providing customs and other relevant border agencies with the necessary information to address movements or consignments which present a risk.
-