

COMMUNICATION FROM THE PEOPLE'S REPUBLIC OF CHINA

The following communication, dated 18 July 2007, is being circulated at the request of the Delegation of the People's Republic of China.

DRAFT TEXT ON THE INTRODUCTION OF RISK MANAGEMENT

I. INTRODUCTION

1. Recognizing the acceleration of movement of goods can be achieved by providing qualified traders with more rapid and simpler customs clearance treatment, and in full awareness of the contributions submitted by Members so far, namely TN/TF/W/10, TN/TF/W/18, TN/TF/W/30, TN/TF/W/42, TN/TF/W/45, TN/TF/W/46, TN/TF/W/49, TN/TF/W/70, TN/TF/W/77, TN/TF/W/87, TN/TF/W/99, TN/TF/W/109, TN/TF/W/121 and TN/TF/W/140, China believes that, by adopting or maintaining risk management techniques in Members' customs administrations, unnecessary intervention to trade can be minimized to the utmost for expediting and facilitating the movement of goods.

2. The following text is therefore drafted and submitted for the consideration of the Negotiating Group.

II. TEXTUAL PROPOSAL

1. Members shall apply risk management techniques with the purpose to reduce, to the extent possible, physical inspections on goods.

2. Members shall concentrate their physical inspections on high risk goods while expediting release time of low risk goods, and providing facilitation to the compliant traders.

- The scope of application for risk management includes but not limited to the processes of customs supervision and control, post-clearance audit, tariff classification, valuation, as well as analysis of customs statistics.
- Appropriate criteria to select traders to be eligible for the different treatment shall be established accordingly.

3. Selectivity of goods for physical inspections shall be in a manner of non-discrimination to avoid constitution of trade obstacles.

4. Wherever practicable, the standards and instruments developed by relevant international organization such as WCO shall be applied.

III. S&D AND TACB

1. Developing and least-developed Members, including low-income economies in transition shall not be obligated to introduce the risk management techniques without acquisitions of such capability.
2. Necessary technical assistance and capacity building shall be fully granted to those Members in such needs.

IV. OTHER

Definition of risk management: 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.
