

# **THE ATA SYSTEM**

## ***AN INSTRUMENT FOR PROMOTING INTERNATIONAL TRADE***

### **The ATA system**

The ATA is a system allowing the free movement of goods across frontiers and their temporary admission into a Customs territory with relief from duties and taxes. The goods are covered by a single document known as the ATA carnet that is secured by an international guarantee system.

The term "ATA" is a combination of the initial letters of the French words "Admission temporaire" and the English words "Temporary Admission".

Thanks to this system, the international business community enjoys considerable simplification of Customs formalities. No import duties or taxes are collected for the temporary importation of goods covered by the system since internationally valid security has been established by the national associations issuing the ATA carnets. These national associations are approved by Customs and are affiliated to an international guaranteeing chain administered by the International Bureau of Chambers of Commerce (IBCC).

The ATA carnet is now the document most widely used by the business community for international operations involving temporary admission of goods.

### **Establishment of the ATA system**

The ATA carnet system was developed in response to the needs of various types of business to move their products to trade fairs or international exhibitions, as samples to potential buyers, or simply as their own professional equipment. These goods must be able to be easily and rapidly transported across frontiers.

As a result the Customs Co-operation Council (now the World Customs Organization) adopted the Customs Convention on the ATA carnet for the temporary admission of goods (ATA Convention) in 1961. In addition a number of other international Conventions for the specific types of goods were established.

### **Modernization of the ATA system (Istanbul Convention)**

Between 1950 and 1970, there was a proliferation in the number of international Conventions, Recommendations, Agreements and other instruments on temporary admission, creating confusion for the international business community and complicating the work of Customs. In the early 1990's the WCO decided to take draft a world-wide Convention on temporary admission to combine, into a single international instrument, 13 existing temporary admission agreements.

The Convention on Temporary Admission was adopted in Istanbul in 1990 and became known as the "Istanbul Convention". Its objectives and principles are :

- To devise a single instrument for the simplification and harmonization of temporary admission formalities, replacing all the existing Conventions or Recommendations dealing solely or principally with temporary admission. The subjects covered by the former Conventions are now covered by the Annexes to the Istanbul Convention.

- Each Annex authorizes the temporary admission of goods imported for a specific purpose, e.g. Annex B.1. covers goods for display or use at fairs or exhibitions.

- Goods imported duty-free cannot remain indefinitely in the country of temporary importation. The period fixed for re-exportation is laid down in each Annex.

- The goods must be re-exported in the same state. They must not undergo any change during their stay in the country of temporary importation, except normal depreciation due to the use made of them.

- Economic prohibitions or restrictions at importation are not applied since they generally relate to goods cleared for home use, thus serving as a national protection measure.

### **Practical benefits of the ATA system for the business community**

The ATA carnet system (ATA Convention and Istanbul Convention) is beneficial to all parties, traders and travellers as well as Customs.

- ✓ The ATA carnet replaces national Customs formalities for temporary admission or transit, thus saving costs in clearing goods at each frontier.

✓ Any duties and taxes that may come due are guaranteed merely by the presentation of the carnet and its acceptance by Customs offices. There is therefore no need to furnish a cash deposit or other forms of security.

✓ The ATA carnet covers the transport of goods in Customs transit while en route to or returning from a country of temporary importation and, where applicable, within that country.

✓ For the period of validity of the ATA carnet (normally one year), the goods can be temporarily imported under the same carnet in the Customs territories of as many Contracting Parties, and as often, as the carnet holder wishes.

✓ The seals affixed or the identification of the goods by a Customs office can be recognized by the Customs offices of other Contracting Parties where the goods subsequently pass. This facilitates Customs controls and saves the carnet holder time when the goods cross frontiers.

The practical advantages of this system are reflected in the increasing number of Contracting Parties. The ATA Convention is currently applied by 63 Contracting Parties and the Istanbul Convention by 39 Contracting Parties.