IMPLEMENTATION OF ARTICLE 7.3 OF THE WTO TFA – ZAMBIA’S EXPERIENCE
OUTLINE OF PRESENTATION

- BACKGROUND
- OUTLINE OF PROVISIONS IN ARTICLE 7.3
- APPLICATION OF THE PROVISIONS IN ZAMBIA
  - LEGAL FRAMEWORK
  - STANDARD OPERATING PROCEDURES
  - EXAMPLES
- CONCLUSION
Zambia ratified the WTO TFA in 2015 (16.12.2015)

Prior to this, Zambia like all other members that have ratified the agreement had to:

- Conduct a self assessment (of where we were)
- Validate the results of the self – assessment
- Do some gap analysis - Done in 2014 with the help of WBG (IFC)
- Come up with the final categorization
- Separation of release from final determination was in category B
Article 7.3 provides for

Separation of release from final determination of customs duties, taxes, fees and charges.

Conditions for release that members may adopt:

- Payment of duties, fees and charges and a guarantee for any amount not yet determined or
- Just a guarantee in the form of a surety, deposit or other appropriate instruments provided in a members laws or regulations
- The guarantee should not be greater than the duties, taxes, fees and charges.

Guarantees to cover penalties in cases where an offence requiring penalties is detected (Before release)
APPLYICATION OF THE PROVISIONS IN ZAMBIA

Provisions are applied in disputes regarding:
- Classification
- Valuation
- Origin, or
- Inadequate supporting documentation

Legal Framework:
- Regulation 14 of the Customs and Excise General Regulations:
  - Allows for an entry to be processed even where supporting documentation is inadequate.
  - Requires that a monetary deposit is collected to safeguard revenue.
1601.030 in the Compendium of policies and Procedures provides for circumstances where monetary deposits should be collected to facilitate release:

- Production of a commercial invoice or other commercial document.
- A decision regarding a dispute in tariff classification of a product or the value of that product.
- Other Disputes, etc.
**Samples of Deposits paid**

<table>
<thead>
<tr>
<th>Year</th>
<th>Period</th>
<th>Tax Type</th>
<th>Description</th>
<th>Kwacha</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>11</td>
<td>Deposit</td>
<td>Deposit on Entry No. C32802 of 12-11-2019 pending Tariff Classification.</td>
<td>33673</td>
</tr>
</tbody>
</table>

**Total: 33673**

Deposit paid on C32802 pending Tariff classification.
## Samples of Deposits paid

<table>
<thead>
<tr>
<th>Year</th>
<th>Period</th>
<th>Tax Type</th>
<th>Description</th>
<th>Kwacha</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>11</td>
<td>Deposit</td>
<td>Pending Response to Appeal on Case No. KKIA 2019 C31806 and C31896 for Haraie Limited</td>
<td>29,119</td>
</tr>
</tbody>
</table>

**Deposit paid on C31806 pending appeal**
Sample of Deposit Lodgement form

Customs and Excise

[SUBSIDIARY]

Lodgement of Monetary Deposit
(Regulation 137)

I, the undersigned, desiring of—

*(a) taking delivery of the goods described in Bill of Entry No. of year without the production of the following documents, namely, required by the customs in substantiation of the particulars declared on the said Bill of Entry:

*(b) removing in bond from to the goods described in Bill of Entry No. of

*(c)

I hereby make application to be permitted to do and to lodge with the Commissioner of Customs and Excise a deposit of K as security pending:

*(a) production within days to the said Commissioner of Customs and Excise of the said documents:

*(b) delivery of the said goods to the said place and production to the said Commissioner of Customs and Excise within days of the date of the said entry of:

(i) Declaration of Entry of the said goods at the said Port of Entry in the Republic signed by an officer of customs at the said Port of Entry;

(e) Declaration of receipt of the said place outside the Republic signed by the consignee and by an officer of customs or other Government official at the said place;
Article 7.3 is a trade facilitation provision that member states should endeavor to implement.
Thank You

Zambia Revenue Authority, Customs Services Division