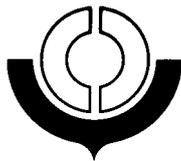


KYOTO CONVENTION

GUIDELINES TO SPECIFIC ANNEX G

Chapter 1

TEMPORARY ADMISSION



WORLD CUSTOMS ORGANIZATION

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1. Introduction

There are many reasons, based on economic, social or cultural considerations, for which governments may favour the temporary importation of goods.

When goods are to stay only temporarily in a Customs territory, the payment of the import duties and taxes applicable to them is not warranted in light of the administrative burden for Customs in collecting these duties and taxes and refunding them after the goods are exported. Furthermore, from an international trader's perspective, this would cause the same goods to be liable for payment of import duties and taxes each time they were temporarily imported into a Customs territory. In addition, goods temporarily imported free of duties and taxes are not in competition with domestic goods since their use is limited and they must be re-exported within the approved time limit. For these reasons, the national legislation of most administrations allows conditional relief from import duties and taxes for certain categories of temporarily imported goods.

The Customs procedure that provides for relief from import duties and taxes on goods imported for a specific purpose and on the condition that they are to be re-exported in the same state is the temporary admission procedure.

As a rule, temporary admission allows the total conditional relief from import duties and taxes. In certain particular cases, however, the relief may only be partial.

There are definite economic benefits in allowing enterprises to examine foreign goods, to try them out or even to use them temporarily without having to pay import duties and taxes or with paying only a fraction of the duties and taxes normally applicable. The facilities which this offers to traders are a significant stimulus to international trade.

In particular, by facilitating the exchange of articles of an educational, scientific or cultural nature, this procedure benefits not only cultural development but also education and scientific research, which are vital for the progress of mankind.

One of the most important internationally accepted systems for the movement of goods under temporary admission through multiple Customs territories is that of the ATA carnet system. It relies on an international chain of guaranteeing associations that provide the security for any duties and taxes which may become liable on the temporarily admitted goods. (See the Appendix to these Guidelines).

There are a number of international conventions which address the ATA carnet with its system of international guarantees and which address the temporary admission of specific types of goods. The most recent is the WCO's Customs Convention on Temporary Admission, known as the "Istanbul Convention", of 26 June 1990. It has entered into force in many countries, most of which are Contracting Parties to the Kyoto Convention. The Istanbul Convention was designed to combine into a single instrument all the existing provisions on temporary admission which are found in a multitude of conventions and agreements, and also to harmonize procedures in pursuit of economic, humanitarian, cultural or touristic objectives.

The Kyoto Convention contains the basic provisions of all Customs procedures and includes the broad fundamental principles concerning temporary admission. The Istanbul Convention on the other hand furnishes details of the procedures covered by the many conventions concerning specific goods that it replaces, as well as details about Customs

documents and guaranteeing associations. The Istanbul Convention also describes the ways in which temporary admission is applied. In addition, it is liberal in that it provides for the non-application of prohibitions and restrictions of economic character in relation to temporary admission of goods.

Contracting Parties to the Kyoto Convention are not obligated to accede to the Istanbul Convention. It is nevertheless worth pointing out that both the Kyoto Convention and the Istanbul Convention are instruments of the same Council, and that the WCO equally recommends accession to the Istanbul Convention. The latter intentionally brings together all cases of temporary importation included in other international conventions. Accordingly, even countries which for one reason or another do not wish to accede to the Istanbul Convention will find in it information of practical use for introducing or modifying a temporary importation procedure.

In certain administrations the facilities provided by temporary admission are granted under another Customs procedure, that of drawback. The drawback procedure is dealt with in Chapter 3 of Specific Annex F.

The particular procedures for articles temporarily imported by travellers and intended for their own use and for means of transport for private use are covered in Specific Annex J, Chapter 1. The procedures for commercial means of transport are in Specific Annex J, Chapter 3. These procedures are also covered by the Annexes to the Istanbul Convention and other relevant Conventions that those Annexes are intended to replace. However, national legislation may require that this Chapter or the other Conventions apply to certain goods, such as means of transport for private use or traveller's personal effects.

2. Definition

E1/F1 ***“temporary admission”** means the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved totally or partially from payment of import duties and taxes; such goods must be imported for a specific purpose and must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of them.*

All the definitions of terms necessary for the interpretation of more than one Annex to the Convention are placed in the General Annex. The definitions of terms applicable to only a particular procedure or practice are contained in that Specific Annex or Chapter.

3. Principle

The fundamental principle of temporary admission with re-exportation in the same state is to allow, under certain conditions, the importation of goods into the Customs territory of the country of destination for a specified period without collecting the duties and taxes applicable to those goods.

3.1. Provisions governing temporary admission

Standard 1

Temporary admission shall be governed by the provisions of this Chapter and, insofar as applicable, by the provisions of the General Annex.

The revised Kyoto Convention has a set of obligatory core provisions that are contained in the General Annex. The General Annex reflects the main principles considered necessary to harmonize and simplify all the relevant Customs procedures and practices which Customs apply in their daily activities.

As the core provisions of the General Annex are applicable to all Specific Annexes and Chapters, they should be applied in full for Temporary admission. Where a specific applicability is not relevant, the general facilitation principles of the General Annex should always be borne in mind when implementing the provisions of this Chapter. In particular, Chapter 1 of the General Annex on General principles, Chapter 3 on Clearance and other Customs formalities and Chapter 5 on Security should be read in conjunction with this Chapter on Temporary admission.

Contracting Parties should particularly note Standard 1.2 of the General Annex and ensure that their national legislation specifies the conditions to be fulfilled and the formalities to be accomplished for Temporary admission.

In line with Article 2 of the Convention, Contracting Parties are encouraged to grant greater facilities than those provided for in this Chapter.

3.2. Conditions related to temporary admission

Standard 1.2 of the General Annex requires national legislation to stipulate the conditions that will apply to the temporary admission procedure. In addition, the following conditions will generally apply.

Re-exportation : The fact of temporarily importing goods implies an intention to re-export them later. Temporary admission with conditional relief from duties and taxes is granted on condition that there is a clear intention to re-export the goods, even if that intention may change later. (See the definition of "temporary admission" in this Chapter.)

Identification of the goods : To qualify for temporary admission, the goods must be identifiable so that Customs is able to ensure that the goods presented at re-exportation are the same as those which were presented at temporary importation. That is why Customs generally takes special measures for identification at the time of importation. There are many different possibilities for identification, and these are described in these Guidelines.

Security for duties and taxes : No duties and taxes (see definition in Chapter 2 of the General Annex) are collected while the goods are covered by the temporary admission procedure. Conditional relief from duties and taxes means, however, that Customs requires security to cover these duties and taxes if the conditions applicable to the temporary admission are not complied with (for example, the goods are not re-exported). The security may be furnished by an international guaranteeing chain, by an operator or by another person. Chapter 5 of the General Annex on security is applicable, where appropriate.

Time-limit for re-exportation : Since re-exportation is a primary condition for temporary importation, Customs will specify a time limit in each case. The time-limit for re-exportation may be set in terms of the intended use and, where appropriate, its economic repercussions.

Use of the goods : Unlike certain other Customs procedures, such as transit and Customs warehousing which may restrict access to and use of the goods by application of a Customs seal or placing the goods under Customs control, in a Customs warehouse, or on the premises of an approved consignee, the temporary importation procedure is more liberal in the sense that the goods can, in principle, circulate and be used quite freely. Thus, for example,

after declaring a collection of samples to Customs, a travelling salesman can take them by car, unload them at home and take them to different customers without having to make any detailed report to Customs. Such use is, however, limited to the purpose of the temporary admission. For example, a machine temporarily imported for an exhibition can normally be operated by way of demonstration, but it could not be used for production.

3.3. Special conditions

In addition to the actual intended use, the goods may in some cases be subject to special conditions laid down in national legislation. These conditions could concern :

- the ownership of the goods (for example, the goods must be owned by a person established or resident outside the territory of temporary admission);
- the range of users (for example, a person established or resident outside the territory of temporary admission or to be used under that person's direction);
- restrictions as to location (for example, use on the premises of an exhibition, or with a prohibition on internal traffic);
- quantity (for example, that the number be reasonable in terms of the intended use);
or
- other criteria (for example, not to constitute a profit-making activity; and, for means of transport, registration in a country other than that of temporary admission).

This list of conditions are examples and it will be necessary to consult the other Standards, Recommended Practices and Guidelines of this Chapter, and any relevant national legislation. The legislation may include conditions that must be fulfilled to qualify for this procedure in general terms. These conditions would primarily include the time-limits for temporary admission and the obligations of persons importing goods under this procedure.

For the applications covered by the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990, see the Annexes to that Convention.

4. Field of application

4.1. Goods for which temporary admission may be granted

Standard 2

National legislation shall enumerate the cases in which temporary admission may be granted.

National legislation must specify the situations when temporary admission may be granted. This does not mean that it is essential to prepare a list of goods to which temporary admission can apply. It may be enough to specify the intended uses or purposes to which the goods can be put.

Section 9 of these Guidelines describes some of the cases in which the temporary admission procedure applies.

4.2. Prohibitions and restrictions

All countries have prohibitions and restrictions applicable to certain goods under national laws and regulations.

Some countries apply the same restrictions and prohibitions for temporary admission that would be applicable to goods that were cleared for home use. This practice, expressly authorized by Article 3 of the Convention, is based on considerations of morality or public order; public safety; public health; veterinary or plant health considerations; the protection of endangered species of wild fauna and flora (see the Washington Convention on international trade in endangered species of wild fauna and flora, 1973); the protection of copyright or intellectual property; or the protection of the environment.

However, when economic restrictions or prohibitions would apply, Contracting Parties are encouraged to have a less restrictive practice. To ensure that the obligation to re-export the goods which may be subject to an economic prohibition or restriction will be fulfilled, Customs may require sufficient security and may also take additional measures if there is a higher risk involved. (See Chapter 5 on Security of the General Annex.)

Examples :

- An import quota for clothing has been completely used so that importation for home use cannot be applied. Yet an exhibitor may nevertheless be allowed to show his goods, so as to take orders for the following season.
- A firm wants to sell a highly efficient packing machine for butter. But the potential buyer insists on having a trial on the premises of the machine's manufacturer using butter from his own production before signing the important contract. The butter, subject to strict quotas in certain countries because of national overproduction, could nevertheless be temporarily admitted for carrying out the trials.

As regards prohibitions and restrictions that relate neither to health nor to the economy, many administrations nevertheless grant temporary admission provided that subsequent re-exportation can be ensured. The decision to grant these facilities may often be taken by other

authorities. Customs should therefore not object to temporary importation if the authority competent for the question of prohibition or restrictions (e.g. the Ministry of Defence) is able to approve it. Examples would be for an arms exhibition or an air show involving fighter aircraft.

When allowing the temporary admission where certain prohibitions or restrictions on the goods are suspended, it would be beneficial to annotate this on the relevant document as proof to be presented to Customs when the procedure is terminated.

Termination of temporary admission by clearance for home use for goods to which prohibitions or restrictions apply implies that the conditions laid down by Customs in regard to the prohibitions or restrictions have been fulfilled. However, if clearance for home use cannot be applied by virtue of the prohibition or restriction, Customs would require a commitment on the part of the declarant to re-export, or would annotate the temporary admission document to specify that clearance for home use is ruled out by reason of those prohibitions or restrictions. This would enable the importer to determine the nature of the restrictions and to take appropriate measures.

It should be noted that not requiring a commitment to re-export, or not including an annotation drawing the importer's attention to prohibitions or restrictions which rule out clearance for home use, does not allow the person concerned to claim the right to clearance for home use when prohibitions or restrictions apply to the goods under temporary admission.

4.3. Total conditional relief and partial conditional relief

Standard 3

Goods temporarily admitted shall be afforded total conditional relief from import duties and taxes, except for those cases where national legislation specifies that relief may be only partial.

Temporarily admitted goods qualify for total conditional relief from payment of import duties and taxes, except in cases where national legislation expressly stipulates that the conditional relief can only be partial.

- Total conditional relief refers to not collecting the import duties and taxes that would be due if the goods were cleared for home use. Nevertheless a security for such duties and taxes is usually required. The temporary admission procedure generally refers to total conditional relief.
- Partial conditional relief refers to relief from part of the import duties and taxes that would have been collected if the goods had been brought into home use on the date when they were placed under the temporary admission procedure. Nevertheless, some level of security is generally required. Under the temporary admission procedure, partial conditional relief is rather exceptional and is limited to specific cases provided for in national legislation.
 - Partial conditional relief may be applied in different manners. Some countries apply it by granting relief on part of the total duties and taxes payable, while others grant relief from certain types of duties or taxes only. Some countries use the term "partial collection".
 - The term "partial conditional relief" does not apply to any tariff reductions that may be granted, for example, on presentation of proof of origin or under a free trade agreement.

- A number of countries do not offer partial conditional relief, either because they grant total conditional relief in all cases or they do not allow commercial utilization of temporarily imported goods.
- Taxes that exist in many administrations in one form or another are covered by the concept of "duties and taxes" as defined in the General Annex.

Total conditional relief is the basis of the temporary admission procedure. Care should therefore be taken to apply this fundamental principle wherever possible. However, there are cases where national legislation allows only partial conditional relief. Such cases should be exceptional, but they are still preferable to refusing to grant temporary importation. Standards and Recommended Practices 1 to 2 and 4 to 21 of this Chapter make no distinction as to the nature of the conditional relief granted to goods in temporary admission. These provisions must be applied not only for total conditional relief but also for partial relief. For the Recommended Practices listed above, Contracting Parties should not enter a reservation when they grant only partial conditional relief. However, to facilitate the operations of traders, Customs should adequately inform all parties concerned as required by Chapter 9 of the General Annex.

Recommended Practice 22, on the other hand, expressly recommends total conditional relief for the cases listed. Hence, Contracting Parties which are not able to grant temporary admission for any of the cases listed in Recommended Practice 22, or which grant only partial conditional relief, should enter a reservation (see Section 9.1 of these Guidelines).

4.4. Temporary admission following another procedure

Standard 4

Temporary admission shall not be limited to goods imported directly from abroad, but shall also be granted for goods already placed under another Customs procedure.

Standard 4 requires Customs to grant temporary admission for goods already placed under another Customs procedure. Thus it is not necessary that the goods should have come directly from abroad. In particular, temporary admission can be granted :

- on termination of a transit procedure

This can apply after goods that come from abroad under cover of an international transit document have moved from the frontier to another Customs office or to an approved consignee.

- on termination of a warehousing procedure

This applies if the goods were warehoused for any reason pending a subsequent Customs treatment. This also applies to goods removed from a private Customs warehouse within the meaning of Specific Annex D. However, it does not require those administrations that allow temporary removal from the warehouse without terminating the warehousing procedure to modify this practice.

- for goods leaving free ports or free zones

Goods brought out of free ports and free zones must be treated the same as goods imported directly from abroad, including eligibility for temporary admission. For example, goods may be removed from a free port to be shown in a public exhibition.

4.5. Country of origin of the goods

Recommended Practice 5

Temporary admission should be granted without regard to the country of origin of the goods, the country from which they arrived or their country of destination.

Under Article 3 of the Body of the Convention Contracting Parties are authorized to apply all the prohibitions and restrictions which stem from their national legislation. However, they should not apply prohibitions or restrictions that are based on the origin of the goods, the country they arrived from or their country of destination. Likewise, Contracting Parties should not require reciprocity when granting temporary admission, that is, on the condition that temporary admission be provided for in the national legislation of the country from which the goods arrived or of their country of origin.

Accordingly, Contracting Parties which do require reciprocity must enter a reservation to Recommended Practice 5. Those which accept it without entering any reservation should not invoke Article 3 of the Convention in order to apply such prohibitions.

4.6. Re-exportation in the same state

Standard 6

Temporarily admitted goods shall be allowed to undergo operations necessary for their preservation during their stay in the Customs territory.

Goods are regarded as re-exported in the same state, that is in the same state as when imported, even if :

- there has been normal depreciation due to the use made of them while under temporary admission; or
- depreciation as a loss in value was caused by economic factors (goods less in demand), obsolescence (new technology, change in style), or by the use of the goods in the manner agreed for the temporary admission.

Examples :

- Articles on display for a year (deterioration); equipment needed for drilling as part of geophysical prospecting (wear and tear); printer used for demonstrations at an exhibition open to the public (wear of certain parts, soiling, etc.)
- The goods have undergone operations intended to keep them in good condition, such as addition of anti-freeze or grease to a machine, or the dry cleaning of a clothing collection.

Thus temporarily admitted machines and apparatus can undergo normal maintenance. Maintenance is intended to prevent excessive wear or breakdown and often involves replacing certain parts (e.g. gaskets). For machines, maintenance work can even cover fairly complex operations. If these operations seem reasonable to Customs, they should be authorized. It should nevertheless be understood that operations needed to keep temporarily admitted articles in good condition are not mandatory.

In cases where fairly substantial repairs are needed, Customs may require that the goods temporarily admitted "with re-exportation in the same state" be first placed under a procedure of temporary admission "for inward processing". Within the meaning of the Kyoto

Convention, inward processing also includes goods brought in for repair, whereas the national legislation of certain countries may make a distinction between these two operations (see Guidelines to Recommended Practice 19). Contracting Parties are entirely free to accept repairs under either of the temporary admission procedures.

5. Bringing goods under the temporary admission procedure

5.1. Formalities prior to the granting of temporary admission

5.1.1. Prior authorization

Standard 7

National legislation shall enumerate the cases in which prior authorization is required for temporary admission and specify the authorities empowered to grant such authorization. Such cases shall be as few as possible.

Certain economic requirements may lead countries to exercise control over goods in temporary admission. To facilitate such control, Contracting Parties may require that authorization be obtained from a particular authority before the goods can be placed under temporary admission. Such prior authorization may be obtained before the goods are introduced into the Customs territory; it may also be requested when the goods are already in temporary store or in a Customs warehouse. The competent authority for granting prior authorization may be a Customs authority, such as the central administration, a regional department or an inter-regional department. A non-Customs authority may also be empowered to grant such authorizations, for example the authority responsible for economic affairs, foreign trade, environmental protection or security.

Prior authorization need not be sought for each individual consignment of goods. Thus it may be made valid for operations of the same type carried out by the same person over a specified period or for a particular company.

To make requests for prior authorization mandatory is an obstacle to the speedy completion of the formalities for clearance of the goods. In order to avoid the disadvantages of requiring prior authorization, Customs should endeavour to make the Customs office of entry competent to grant temporary admission to the goods at the time of arrival and to limit as far as possible the cases in which prior authorization is required.

Non-Customs bodies are also required to act promptly on every application for prior authorization. Customs should promote prompt approval of authorizations to these other bodies by proposing to co-ordinate the procedure for establishing authorizations, by improving communication with such bodies and by using electronic data transmission.

The fact that national legislation requires a large number of authorizations does not necessarily prevent an administration from accepting Standard 7, because there may be valid economic reasons why they are unable to reduce the number of such authorizations. Administrations should nevertheless ensure that obtaining an authorization does not become a pure administrative formality whose purpose is never questioned or examined.

5.1.2. Production of the goods at a particular Customs office

Recommended Practice 8

The Customs should require that the goods be produced at a particular Customs office only where this will facilitate the temporary admission.

In the temporary admission procedure, the question of identifying the goods takes on particular importance. Customs wants to be able to be sure that the goods presented at the time of re-exportation or at any other time are indeed the same goods that were presented at importation. That is why they usually take special measures at the time of importation. Some of the possible ways of making goods identifiable are listed in Section 5.4 of these Guidelines. Depending on the means of identification, the goods may need to be produced to Customs for examination.

In accordance with Recommended Practice 8, however, Customs should not require the goods to be produced at a particular Customs office unless this will facilitate the temporary admission. This is in order not to hinder trade. There are, however, cases where identification may prove especially difficult or may require the services of specialists who are not available at every Customs office. In addition, certain Customs offices may have broader powers by reason of their geographical location or other factors. Rather than refuse temporary admission, Customs should propose to the persons concerned that the goods be presented at a specified Customs office that has the capabilities to grant or terminate temporary admission. To the extent possible, the choice of Customs office should be made in consultation with the traders.

Examples :

- The authority which grants prior authorization gives special instructions to a particular Customs office.
- Specialists in the identification of precious stones or the control of precious metals are assigned to a particular Customs office where they have the necessary equipment.
- Customs office of entry keeps samples for comparison and makes these available to the office of exit.
- A Customs office located within a public exhibition allows the stand and display material to be available immediately on arrival, so that identification of the goods can be carried out while the stand is being installed.

In the modern environment many administrations accept and process Goods declarations electronically and grant release of the goods automatically. Often the goods are at the premises of an approved consignee, and hence they are not physically present at a Customs office. This method is the general operation for many Customs administrations. In addition, Transitional Standard 32 of Chapter 3 of the General Annex provides for clearance of the goods at a place other than that where the declaration was lodged. Therefore, in the context of these Guidelines, the term "Customs office" is not limited strictly to the premises and installations of a Customs office. For example, when a transit operation following the discharge of temporary admission begins "at the Customs office", this may be the premises of an approved consignor. (See also the definition in Chapter 2 of the General Annex.)

5.2. Declaration for temporary admission

5.2.1. The Goods declaration

Recommended Practice 9

The Customs should grant temporary admission without a written Goods declaration when there is no doubt about the subsequent re-exportation of the goods.

The Goods declaration is defined in the General Annex. In this case, it is the declaration for temporary admission. Many Customs administrations accept and process Goods declarations electronically and use the techniques of risk management to release the goods automatically. There are also international documents such as the ATA carnet which can take the place of national temporary admission documents for Contracting Parties to the relevant Conventions (Istanbul Convention or ATA Convention). Since these temporary admission papers are covered by an international guaranteeing chain their use may make it unnecessary to provide another form of security when the goods are placed under the temporary admission procedure.

5.2.2. Waiver of the requirement of a Goods declaration

Customs should grant temporary admission without a written Goods declaration when there is no doubt about the subsequent re-exportation of the goods, regardless of their value.

Examples :

- Exchangeable containers and pallets, used for cross-border traffic and intended for re-exportation; equipment for televised reporting.
- Low-value goods.
- Used hand tools, used furniture, everyday articles used by a student while staying in the country of temporary admission.

Temporary admission without a written declaration does not require prior authorization. If deemed necessary, Customs can ask for an inventory and a written undertaking to re-export.

It is worth recalling that temporarily admitted goods may in certain cases be subject to special conditions laid down in national legislation, such as being the property of a person established or resident outside the territory of temporary admission (see Section 3.3).

Customs generally does not require security when it allows temporary admission without a written declaration but may ask for a written undertaking to re-export (see Section 5.2.4).

Examples of such cases are given in Section 9.1.1 of these Guidelines.

5.2.3. Temporary admission papers valid for repeated crossings of the frontier

In cases of temporary admission in which :

- admission without a declaration cannot be granted and
- the national frontier (or the external frontier of Customs territory) is crossed many times during a relatively short period of time and
- there is virtually no risk of substitution of the goods,

Contracting Parties should allow the use of temporary admission documents valid for an unlimited number of frontier crossings during a specified period of time.

Example : A travelling salesman is transporting a consignment of 20 high-value bicycles. He crosses the frontier each week with the same consignment of goods for the purpose of obtaining orders. At the first importation, the goods are declared in accordance with the general rules, with security for any duties and taxes due. At the declarant's request, the temporary admission document is made out for one year with the annotation "temporary admission paper valid for repeated frontier crossings until expiry". To ensure reliable identification, the bicycles are marked with an identification by Customs. Subsequent frontier crossings can be thereby greatly facilitated for the declarant and Customs alike (exit from the country without termination; production of the temporary admission documents on request; subsequent temporary importations without any special formalities; random checks). It is up to the declarant to ask for termination of the temporary admission procedure at the time of the last exportation made during the period of validity of the temporary admission paper. At that time Customs may, if necessary, check the identification of the goods and verify their final exit from the territory.

5.2.4. Security

Security is covered in Chapter 5 of the General Annex and explained in the Guidelines to that Chapter. For temporary admission, security is required to ensure the re-exportation of the goods and that the Customs regulations are respected.

The amount of security to be paid can be calculated as a flat rate if the goods fall under a large number of tariff headings. Calculating the amount of security as a flat rate is a facility both for Customs and for trade circles. This flat rate can be equal to the average rate of the import duties and taxes applicable to the goods being temporarily admitted.

The security can also consist of an undertaking when, for example, the temporary admission concerns non-commercial operations, operations carried out by public establishments for governmental or local authorities, or no written Goods declaration is deemed necessary Customs (See Section 5.2.2).

5.2.5. International instruments relating to temporary admission

Recommended Practice 10

Contracting Parties should give careful consideration to the possibility of acceding to international instruments relating to temporary admission that will enable them to accept documents and guarantees issued by international organizations in lieu of national Customs documents and security.

The Convention on Temporary Admission (Istanbul Convention) of 26 June 1990 combines in a single instrument all the provisions concerning temporary admission that are contained in a large number of existing conventions and agreements. It endeavours to simplify and harmonize procedures in pursuit of economic, humanitarian, cultural, social or touristic objectives.

Under the terms of the Istanbul Convention, the temporary admission Conventions mentioned below are still valid for Contracting Parties which have ratified them and are not Contracting Parties to the Istanbul Convention. For the Contracting Parties to the Istanbul Convention, the relevant Annexes to that Convention, if accepted, replace totally (e.g. European Convention on Customs treatment of pallets of 9 December 1960) or partially (e.g. Customs Convention on Containers of 2 December 1972) the previous Customs Conventions applicable to the goods concerned.

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Guidelines on Temporary admission

<u>Annex of the Istanbul Convention</u>	<u>Corresponding previous temporary admission Convention</u>
Annex A	Customs Convention on the ATA carnet for the temporary admission of goods, Brussels 6 December 1961 (ATA Convention)
Annex B.1.	Customs Convention concerning facilities for the importation of goods for display or use at exhibitions, fairs, meetings or similar events, Brussels, 8 June 1961.
Annex B.2.	Customs Convention on the temporary importation of professional equipment, Brussels, 8 June 1961.
Annex B.3.	<ul style="list-style-type: none"> • Customs Convention on Containers, Geneva, 2 December 1972. • European Convention on Customs treatment of pallets used in international transport, Geneva, 9 December 1960. • Customs Convention on the temporary importation of packings, Brussels, 6 October 1960. • International Convention to facilitate the importation of commercial samples and advertising material, Geneva, 7 November 1952
Annex B.4. : Goods imported in connection with a manufacturing operation	--
Annex B.5.	<ul style="list-style-type: none"> • Customs Convention on the temporary importation of pedagogic material, Brussels, 8 June 1970. • Customs Convention on the temporary importation of scientific equipment, Brussels, 11 June 1968. • Customs Convention on welfare materials for seafarers, Brussels, 1 December 1964.
Annex B.6.	Convention concerning Customs facilities for touring, New York, 4 June 1954.
Annex B.7.	Additional Protocol to the Convention concerning Customs facilities for touring,

	relating to the importation of tourist publicity documents and material, New York, 4 June 1954.
Annex B.8. : Goods imported as frontier traffic	--
Annex B.9. : Goods imported for humanitarian purposes	--
Annex C	<ul style="list-style-type: none"> • Customs Convention on the temporary importation of private road vehicles, New York, 4 June 1954. • Customs Convention on the temporary importation of commercial road vehicles, Geneva, 18 May 1956. • Customs Convention on the temporary importation for private use of aircraft and pleasure boats, Geneva, 18 May 1956.
Annex D : Animals	--
Annex E : Goods imported with partial relief from import duties and taxes	--

Annex A to the Istanbul Convention requires each Contracting Party to accept the ATA carnet in lieu of its national Customs documents and as security for payment of the duties and taxes. In many cases, it provides for temporary admission without a Customs document and without security.

5.3. Identification of the goods

Standard 11

Temporary admission of goods shall be subject to the condition that the Customs are satisfied that they will be able to identify the goods when the temporary admission is terminated.

For temporary admission, the goods must be identifiable at importation so that Customs is able to check at re-exportation that the goods are the same as those that were imported. This principle does not mean, however, that the goods must be physically examined more than is required under other procedures. The principle of risk management as enumerated in Chapter 6 of the General Annex is equally applicable in the temporary admission procedure.

5.4. Identification measures

Recommended Practice 12

For the purpose of identifying goods temporarily admitted, the Customs should take their own identification measures only where commercial means of identification are not sufficient.

The choice of identification measures for temporarily admitted goods does not depend solely on the nature of the goods.

It also takes account of the definite risk of substitution, the amount of import duties and taxes and the concern not to damage the goods. Customs can choose any of several means to identify the goods. Recommended Practice 12 stresses that in the great majority of cases it will not be necessary to take special measures, since existing commercial means of identification will suffice. Very often, the necessary data are already available in commercial documents such as the delivery note, bill of lading, invoice or descriptive list. The indications in these papers are generally sufficient to enable the goods to be identified. In addition, Customs will note the marks, numbers or other indications permanently affixed to the goods. Where appropriate, it can examine the marks and seals affixed by foreign Customs authorities. If identification by these means is not possible or is deemed unsatisfactory, Customs may identify the goods by description, by photographs or by sampling, or by affixing its own marks (see examples below). Though the most reliable means of identification is the affixing of Customs marks, it should be the exception because it considerably slows down clearance formalities.

Modern accounting methods, accounting files and other computerized means can also be highly useful for facilitating identification without delaying Customs clearance operations.

The declarant may propose to Customs an appropriate method of identification by indicating in the Goods declaration the necessary identification elements, for example by mentioning a machine's make, type, number, etc. or by attaching documents that can assist in identification.

Customs can affix marks such as the following :

- Customs seals (for example, lead seals; these should be available in several sizes, appropriate to the goods to be identified)
- Identification band
- Stamp punches (on a malleable metal part or on sealing wax)
- Rubber-stamp marks (on sprayed paint) or corrosive stamps on stainless steel objects.

6. Time-limit for re-exportation

6.1. Principle

Standard 13

The Customs shall fix the time-limit for temporary admission in each case.

Temporary admission implies that the goods will be re-exported within a set time-limit. Standard 13 requires Customs to fix the time-limit for temporary admission in each case and must inform the persons concerned so that they can arrange the necessary measures to comply with this time-limit.

The time-limit can be based on the time needed for the temporary admission of the goods and in accordance with the relevant international conventions and national legislation. The time-limit set should be for an appropriate duration and should not be a constraint for the person concerned. It should be ample for the purpose of the temporary admission, not encourage abuse, and be easy to monitor. Setting a different time-limit for each different type of goods is not recommended since the same goods may be granted temporary admission for different purposes, thereby justifying different time-limits. The duration should depend on the use or purpose of the temporarily admitted goods. In addition, having many different time-limits unnecessarily complicates the application of the procedure both for Customs and for the trader. For that reason, Customs should use only a few set time-limits, such as a general time-limit of one year for most cases and perhaps six months for special cases.

The declarant must be informed of the time-limit, usually by an appropriate annotation on the Goods declaration, manually or electronically, or by any other means. The declarant is responsible for keeping within the time-limit. Thus Customs is not required to issue a reminder when the time-limit is close to expiry.

If Customs does not require a written declaration, it assumes that there is no doubt as to re-exportation of the goods within the time-limit. This may apply, for example, in the case of used hand tools used by a fitter.

The temporary admission documents issued by international chains such as the ATA carnet have a validity period during which the guaranteeing association undertakes to pay the duties and taxes. Customs may nevertheless set a shorter period for re-exportation if so requested by the person granted temporary admission. For example, if the temporary admission document is valid for one year Customs may set a time-limit for exportation that corresponds to the period of use. On the other hand, if Customs were to grant a re-exportation time-limit longer than the one specified by the guaranteeing association in the temporary admission document, the goods would then be in the country of temporary admission without being covered by a valid guarantee. The guaranteeing association's liability for payment of import duties and taxes remains in effect only for temporary admission operations carried out during the validity period laid down for the temporary admission papers.

6.2. Extension of the period

Recommended Practice 14

At the request of the person concerned, and for reasons deemed valid by the Customs, the latter should extend the period initially fixed.

Customs must take into account the needs of traders. Thus when requested by a person concerned and they agree the reasons to be appropriate, Customs should extend a time limit, particularly if the conditions for temporary admission are still being fulfilled.

The following elements can assist Customs in arriving at a decision on a request to extend the time-limit :

- Location of the goods
- Transfer of the temporary admission
- Any change in use of the goods since importation
- Any change in ownership since importation without request for transfer of the benefit of the temporary admission (see Section 7 of these Guidelines)
- Likely duration of use
- Economic considerations which argue against extension.

These elements may serve to detect an unauthorized use of the goods, such as the sale of an article in an exhibition without clearance for home use, or use of a machine for production when it was imported for demonstration purposes.

Requests for extension of the time-limit should normally be made in writing by the person concerned before the expiry of the temporary admission. The person concerned may be the declarant and need not necessarily be the importer or the person who has the goods. Customs may require the declarant requesting an extension of the time-limit to provide additional information, such as the present location of the goods.

If Customs refuses the request shortly before expiry of the temporary admission document, it should allow a reasonable period beyond the validity of the temporary admission to enable the goods to be re-exported or, where allowed, placed in a free port, a free zone, or a Customs warehouse or placed under another Customs procedure.

In general, requests for extension after the expiry of the time-limit for temporary admission are not accepted by Customs. However there may be special circumstances surrounding the request which allow Customs to consider it. Should Customs accept such a request, it is important that national legislation specify the conditions under which an extension may be granted.

If a temporary admission document issued by an international guaranteeing chain (such as an ATA carnet) expires when the goods are still in the territory of temporary admission, and the issuing association does not renew the document and hence the guarantee, the declaration could be replaced by a national declaration of temporary admission provided that the conditions for extension are fulfilled and valid security can be furnished. In this case, Customs must certify on the temporary admission document issued by an international guaranteeing chain that it has

been replaced by a national temporary admission declaration. With the temporary admission document certified in this way, the person concerned should regularize the temporary exportation with Customs of the country that the goods were shipped from and request discharge of the carnet from the issuing association.

6.3. Seizure

Recommended Practice 15

When the goods granted temporary admission cannot be re-exported as a result of a seizure other than a seizure made at the suit of private persons, the requirement of re-exportation should be suspended for the duration of the seizure.

To avoid the difficulties that will be entailed in exporting goods granted temporary admission in the event of seizure, the requirement to re-export them should be suspended for the duration of a seizure. This does not apply to a seizure made at the suit of private persons. The person concerned should inform Customs of the seizure as soon as possible and provide any appropriate documents as proof.

If a security expires during the period of seizure and the goods are subsequently released, the person concerned should provide Customs with a new security.

7. Transfer of temporary admission

Recommended Practice 16

On request, the Customs should authorize the transfer of the benefit of the temporary admission to any other person, provided that such other person :

- (a) satisfies the conditions laid down; and*
- (b) accepts the obligations of the first beneficiary of the temporary admission.*

There are many reasons why a trader may request that Customs allow the transfer of his obligations under the temporary admission procedure to another party. Customs should normally authorize this transfer provided that the other person satisfies the necessary conditions (e.g. the person's domicile or the security) and accepts the obligations of the first beneficiary of the temporary admission (e.g. to comply with the declared purpose of the temporary use, to re-export the goods within the specified time-limit, and to submit to Customs controls).

The request for transfer of temporary admission is made to Customs by the present beneficiary and the potential future beneficiary. Once approved, the first beneficiary is discharged of his obligations under the temporary admission procedure.

The transfer of temporary admission does not require any special physical controls by Customs. Thus the goods need not be produced to Customs.

By accepting the transfer, the new beneficiary accepts the first beneficiary's obligations to Customs and cannot claim that a mistake was made previously by the first beneficiary, for example, that the consignment was incomplete at the time of temporary admission or that a partial re-exportation not notified to Customs took place before the transfer.

If Customs feels that there are valid reasons for doing so, transfer of the temporary admission should also be granted even if the official request was made after the transfer was

made. This concession would not, however, influence any penalties applicable if, in making the transfer without referring the matter to Customs, the person concerned failed to comply with obligations to Customs.

8. Termination of temporary admission

8.1. Principle

Declarations made to terminate temporary admission should include a reference to the initial temporary admission document and contain all the particulars needed to effect the termination.

8.2. Termination by re-exportation of the goods

8.2.1. Customs office of re-exportation

Standard 17

Provision shall be made to permit temporarily admitted goods to be re-exported through a Customs office other than that through which they were imported.

Although Recommended Practice 8 allows Customs to require the goods to be produced at a particular Customs office where this will facilitate temporary admission, Standard 17 allows re-exportation through a Customs office other than that of importation.

The possibility of re-exporting temporarily admitted goods through a Customs office other than that of importation is a measure designed to facilitate operators' logistics. This facility permits the declarant to choose the most direct and most economical route available should he, for example, wish to declare the goods (including means of transport) for temporary admission in the neighbouring country.

However, re-exportation through a particular Customs office may also bring certain advantages for the trader such as :

- Where a simplified declaration (a list or manifest, etc.) is used both for temporary admission and for termination in connection with a particular event.
- When certain administrations have the temporary admission declaration terminated by Customs within a fair or exhibition while the stand is being dismantled, and make random checks on the spot. Thus no control is carried out in the transport unit, and release is given as soon as the consignment is loaded.

8.2.2. Partial re-exportations

Standard 18

Provision shall be made to permit temporarily admitted goods to be re-exported in one or more consignments.

Re-exportation of the goods is the normal end-result of temporary admission. Temporarily admitted goods may also be re-exported in two or more consignments. Each partial re-exportation should be covered by a declaration to terminate the temporary admission for those goods re-exported and to account for the final re-exportation of all the goods. If the balance of the goods is not to be re-exported later (see Section 8.3 "Other possible cases of termination"), the person concerned should inform Customs as soon as possible. This will allow the temporary admission declaration to be terminated, provided that re-exportation of the goods is not expressly prescribed.

If the temporary admission document has expired before all the goods have been re-exported, duties and taxes will not be collected on those goods which were re-exported within the time-limit, provided that the conditions and formalities applicable to them have been respected. If they were exported without closure of the temporary admission and the person concerned can prove the re-exportation, Customs should accept it.

8.3. Termination by placing under another Customs procedure

Recommended Practice 19

Provision should be made for suspending or terminating temporary admission by placing the imported goods under another Customs procedure, subject to compliance with the conditions and formalities applicable in each case.

Recommended Practice 19 provides for the possibility of suspending or terminating temporary admission by placing the imported goods under another Customs procedure. When temporary admission is terminated by placing the goods under another procedure Customs would normally take the measures as if the goods had been re-exported directly, for example, by discharging the temporary admission document and reimbursing any security that may have been required. The new procedure will be governed by the applicable provisions in the General Annex (e.g., security). In the great majority of cases, if another Customs procedure replaces temporary admission, there will be termination. Suspension can constitute a provisional break in the temporary admission procedure or a complement to it.

For example, in principle, upon placement of the goods into free ports, free zones or Customs warehouses, the temporary admission procedure should be terminated immediately. In some countries, however, the temporary admission procedure is not terminated but merely suspended pending the physical exportation of the goods or their being placed under another Customs procedure, for example, clearance for home use. Thus the temporary admission procedure is provisionally interrupted and will be terminated upon the entry of the goods into the subsequent procedure.

Other Customs procedures would include :

- **Transit**

Placing the goods under a Customs transit procedure prior to re-exportation can occur when the re-exportation formalities are completed at an inland Customs office or at the premise of an approved consignor, but the goods must still be moved to the frontier for export.

International transit enables temporary admission to be terminated without reservation as soon as the goods are placed under this procedure. When the transit operation to another country as destination has been carried out, the goods have been exported. However, if the transit operation was not terminated, this would be an irregularity which would be treated as a delivery of goods in transit that have not first been cleared for home use.

National transit, i.e. to another Customs office in the same country, is also possible. If the temporary admission is terminated when the goods are placed under the national transit procedure, the office of destination will regard the goods as "foreign". If the temporary admission is only suspended, the office of destination will receive the goods under their former status of "temporarily admitted goods".

- **Introduction into free zones, free ports or Customs warehouses**

Commercial operators may wish to place the goods into free zones, free ports, public Customs warehouses, or approved private warehouses. An example would be to avoid difficulties when the re-exportation time-limit is close to expiry but the person concerned is not able to re-export the goods and Customs is not willing to extend this time-limit.

Free zones and free ports are regarded as being outside Customs territory and the act of placing goods in them is equivalent to exporting those goods. Public Customs warehouses and private warehouses within the meaning of Chapter 1 of Specific Annex D are not generally ex-territorial from Customs standpoint. However, the fact of placing goods in these warehouses can be regarded as equivalent to exporting because when the goods leave the warehouse, they must be placed under Customs transit or be cleared at importation like any other goods intended for home use. Many countries allow free choice of the procedure to be used on removal from a warehouse (transit, home use, temporary admission, inward processing, etc.), regardless of the procedure prior to warehousing. However, the foregoing provisions do not prevent Customs from requiring the goods to be re-exported when they leave the warehouse.

- **Clearance for home use**

Although importing goods temporarily implies an intention to re-export them later, the situation may alter while the goods are in the country of temporary admission.

To the extent that national legislation does not provide for any prohibition or restriction within the meaning of Section 4.2 of these Guidelines, termination of the temporary admission should be allowed by clearing the goods for home use if all the conditions are met.

Customs, in allowing clearance for home use, should not require the importer to prove that re-exportation of the goods is economically unjustifiable or cannot take place because of force majeure.

In determining the value, quantity and the point in time to be taken for the imposition of duties and taxes applicable when temporarily admitted goods are cleared for home use, Chapter 4 of the General Annex should be consulted.

- **Inward processing**

Certain administrations allow temporarily imported goods for which re-exportation in the same state was declared to benefit from the inward processing procedure. The administrations concerned will decide whether this procedure can be granted after termination or with suspension of the first temporary admission procedure or even as a supplement to it. Termination followed by placing the goods under the inward processing procedure is often the easiest solution, but the approach will also depend on circumstances.

Examples :

- Some professional equipment under the temporary admission procedure was damaged during unloading and now has to be repaired in a specialized workshop (generally regarded as equivalent to inward processing). Repair of the goods is not one of the purposes of temporary admission with re-exportation in the same state. In such instances, Customs may allow suspension of the temporary admission while the equipment is repaired under the inward processing procedure.
- A machine shown at an international fair catches the eye of another manufacturer. The latter proposes to make exhibitor's machine even more efficient by installing some more sophisticated components. This processing operation cannot be carried out under cover of temporary admission "for exhibition" with re-exportation in the same state.

It should be noted that termination of temporary admission with re-exportation in the same state is not possible for certain procedures. This is particularly the case for outright exportation and temporary exportation for outward processing which may only be applied to goods in free circulation. These are goods for which there is free disposal without Customs restriction, and this is obviously not the case of temporarily admitted goods if they are not first cleared for home use. Drawback is another procedure that cannot be applied to terminate temporary admission.

8.4. Rescinding of prohibitions and restrictions

Recommended Practice 20

If prohibitions or restrictions in force at the time of temporary admission are rescinded during the period of validity of the temporary admission document, the Customs should accept a request for termination by clearance for home use.

While prohibitions and restrictions may be waived for temporary admission of goods, they are nevertheless applicable if the goods are cleared for home use. On the other hand, under Recommended Practice 20, if the prohibitions or restrictions are rescinded during the period of the temporary admission, Customs should allow termination of the temporary admission by clearance for home use. This would be the case if, for example, a new quota has been opened and is still available at the time of clearance for home use, whereas at the time of temporary importation the previous quota was fully used up.

Acceptance of the request for termination by clearance for home use does not call into question the objective of the prohibitions and restrictions. In effect, when placed under the temporary admission procedure the goods have not entered economic channels (for example : they are for demonstration or exhibition, but not sale and use in the domestic market of the

territory) and hence have not affected the economy. At the time of clearance for home use, if the market is open to outright importation of these goods from abroad, clearance for home use following temporary admission is fully appropriate.

Recommended Practice 20 applies when prohibitions or restrictions are rescinded between the time of placing the goods under the temporary admission procedure and the termination of that procedure and need not necessarily apply to any reductions in the rates of duty which may occur during that period. Provisions of Chapter 4 of the General Annex should be used for determining the point of time in the application of the rates of duties and taxes in such cases.

8.5. Repayment of security

Recommended Practice 21

If security has been given in the form of a cash deposit, provision should be made for it to be repaid at the office of re-exportation, even if the goods were not imported through that office.

Chapter 5 of the General Annex provides that discharge of any security furnished must be granted as soon as possible after total termination of the procedure. Repayment of security given in the form of a cash deposit should as far as possible be made by any exit office competent for termination of temporary admission, even if the goods were not imported through that office.

Admittedly this provision can lead to difficulties of application, particularly in a Customs territory consisting of a large number of countries having their own currencies or because of local lack of cash. However, the introduction of a single currency for the entirety of certain Customs territories, the development of electronic transmission for modern modes of payment and other measures in this direction should facilitate the application of this Recommended Practice.

9. Field of application

9.1. Temporary admission with total conditional relief from import duties and taxes

Recommended Practice 22

Temporary admission with total conditional relief from duties and taxes should be granted to the goods referred to in the following Annexes to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990 :

- (1) *“Goods for display or use at exhibitions, fairs, meetings or similar events” referred to in Annex B.1.*
- (2) *“Professional equipment” referred to in Annex B.2.*
- (3) *“Containers, pallets, packings, samples and other goods imported in connection with a commercial operation” referred to in Annex B.3.*
- (4) *“Goods imported for educational, scientific or cultural purposes” referred to in Annex B.5.*
- (5) *“Travellers’ personal effects and goods imported for sports purposes” referred to in Annex B.6.*

- (6) *"Tourist publicity material" referred to in Annex B.7.*
- (7) *"Goods imported as frontier traffic" referred to in Annex B.8.*
- (8) *"Goods imported for humanitarian purposes" referred to in Annex B.9.*
- (9) *"Means of transport" referred to in Annex C.*
- (10) *"Animals" referred to in Annex D.*

Recommended Practice 22 provides that temporary admission with total conditional relief from import duties and taxes should be granted to the goods listed under paragraphs (1) to (10) (see also Section 4.4). This Recommended Practice refers to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990. It does not require Contracting Parties to the Kyoto Convention to accede to it. However, for the Kyoto Convention Contracting Parties, the Istanbul Convention contains much useful information for application of this Recommended Practice. There are definitions, conditions and other provisions that can assist in ensuring that all Customs administrations, whether Contracting Parties to the Istanbul Convention or not, agree on the meaning and scope of the relevant terms.

The cases listed in Recommended Practice 22 are also intended to make Contracting Parties aware of the specific cases for which they should grant temporary admission. Through the information communicated to the depositary of both Conventions by Contracting Parties, the trade community will be informed of the situation prevailing in the different Customs territories. Contracting Parties unable to grant temporary admission in certain of the cases listed in Recommended Practice 22 or which grant it only with partial conditional relief can limit the reservations they must make under the Convention to those cases alone.

Below are the cases listed in Recommended Practice 22, supplemented by an illustrative list.

(1) "Goods for display or use at exhibitions, fairs, meetings or similar events" referred to in Annex B.1 to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

This is an extremely wide range of goods, which have in common that they are for display or use at events of a commercial or cultural nature.

To qualify for temporary admission, the quantity of each article imported must be reasonable having regard to the purpose of importation. Furthermore, the goods must not be loaned or used in any way for hire or compensation or be removed from the place of the event.

Illustrative list (for full text refer to Article 2, Annex B.1 to the Istanbul Convention):

- Goods intended for display or demonstration;
- Goods necessary for the purpose of demonstrating foreign machinery or apparatus to be displayed;
- Construction and decoration material for stands;
- Advertising and demonstration material which is clearly publicity material for the foreign goods displayed, for example, sound and image recordings, films and lantern slides;

- Equipment, including interpretation equipment, sound and image recording apparatus and films of an educational, scientific or cultural character, intended for use at international conferences.

(2) "Professional equipment" referred to in Annex B.2 to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

Any equipment necessary for the exercise of the calling, trade or profession of a person visiting the territory of another country to perform a specified task can be categorized as professional equipment. The range of such equipment is very broad, but does not include equipment to be used for the industrial manufacture or packaging of goods, equipment (except hand tools) for the exploitation of natural resources, or equipment for the construction, repair or maintenance of buildings or for earthmoving and similar projects. In addition to professional equipment, component parts imported for repair of professional equipment are also covered here.

The owner, importer and user must be one or more persons established or resident outside the territory of temporary admission.

Illustrative list of equipment for the press or for sound or television broadcasting (for full text refer to Appendix I, Annex B. 2 to the Istanbul Convention) :

- Equipment for the press - personal computers and software; fax equipment; typewriters; cameras of all kinds; sound or image transmitting, recording or reproducing apparatus; sound or image recording media, blank or recorded; testing and measuring instruments and apparatus; lighting equipment; operational accessories for these types of equipment;
- Sound broadcasting equipment - telecommunication equipment such as broadcast transmitter-receivers or transmitters, terminals connectable to network or cable, satellite links; audio frequency production equipment; testing and measuring instruments and apparatus; operational accessories; sound recording media, blank or recorded;
- Television broadcasting equipment - television cameras; telecinema; testing and measuring instruments and apparatus; transmission and retransmission apparatus; communication apparatus; sound or image recording or reproducing apparatus; lighting equipment; editing equipment; operational accessories; sound or image recording media, blank or recorded; "film rushes"; musical instruments, costumes, scenery and other stage properties, pedestals, make-up material, hair dryers;
- Vehicles designed or specially adapted for the purposes specified above - television transmitting vehicles; vehicles for television accessories; video tape recording vehicles; sound recording and reproducing vehicles; slow motion vehicles; light vehicles.

Illustrative list of cinematographic equipment (for full text refer to Appendix II, Annex B. 2 to the Istanbul Convention) :

- Cameras of all kinds; testing and measuring instruments and apparatus; camera "dollies" and booms; lighting equipment; editing equipment; sound or image recording or reproducing apparatus; sound or image recording media, blank or recorded; "film rushes"; operational accessories; musical instruments, costumes, scenery and other stage properties, pedestals, make-up material, hair dryers);

- Vehicles designed or specially adapted for the purposes specified above.

Illustrative list of other equipment necessary for the exercise of the calling, trade or profession of a person visiting the territory of another country to perform a specified task (for full text refer to Appendix III, Annex B. 2 to the Istanbul Convention) :

- Equipment for erection, dismantling, testing, commissioning, checking, control, maintenance or repair of machinery, plant and means of transport (tools; measuring, checking or testing equipment and instruments, including electrical instruments and jigs; apparatus and equipment for taking photographs of machines and plant during or after erection; apparatus for survey of ships);
- Equipment necessary for businessmen such as personal computers; typewriters; sound or image transmitting, recording or reproducing apparatus; calculating instruments and apparatus;
- Equipment necessary for experts undertaking topographical surveys or geophysical prospecting work such as measuring instruments and apparatus; drilling equipment; transmission and communication equipment;
- Equipment necessary for experts combating pollution;
- Instruments and apparatus necessary for doctors, surgeons, veterinary surgeons, midwives and members of similar professions;
- Equipment necessary for archaeologists, palaeontologists, geographers, zoologists and other scientists;
- Equipment necessary for entertainers, theatre companies and orchestras (all articles used for public or private performances, musical instruments and their accessories, such as amplifiers, loud speakers, mixing tables, audio-visual equipment, scenery and costumes);
- Equipment necessary for lecturers to illustrate their presentations;
- Equipment necessary for photography (cameras of all kinds, cassettes, exposure meters, lenses, tripods, accumulators, battery belts, battery chargers, monitors, lighting equipment, fashion goods and accessories for models, etc.);
- Vehicles designed or specially adapted for the purposes specified above, such as mobile inspection units, travelling workshops and travelling laboratories.

(3) "Containers, pallets, packings, samples and other goods imported in connection with a commercial operation" referred to in Annex B.3 to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

These are goods which are imported temporarily in connection with a commercial operation but whose importation does not in itself constitute a commercial operation. This means that the goods are not themselves the subject of a sale or a purchase.

Scope :

- (a) Packings for repeated use which are imported filled for re-exportation empty or filled, or are imported empty for re-exportation filled;

- (b) Containers, whether or not filled with goods, and accessories and equipment for temporarily admitted containers, which are either imported with a container to be re-exported separately or with another container, or are imported separately to be re-exported with a container (de-mountable bodies are regarded as containers);
- (c) Component parts intended for the repair of containers granted temporary admission under Paragraph (b) above;
- (d) Pallets;
- (e) Samples (articles which are representative of a particular category of goods already produced or are examples of goods the production of which is contemplated);
- (f) Advertising films (consisting essentially of images showing the nature or operation of products or equipment put up for sale or hire by a person established or resident outside the territory of temporary admission, provided that the films are of a kind suitable for exhibition to prospective customers);
- (g) Any other goods imported in connection with a commercial operation but whose importation does not in itself constitute a commercial operation, i.e. :
 - Goods for testing, checking, experiments or demonstrations;
 - Goods for use in testing, checking, experiments or demonstrations;
 - Printed and developed cinematographic film, positives and other recorded image-bearing media intended for viewing prior to their commercial use;
 - Films, magnetic tapes, magnetized films and other sound or image-bearing media intended for sound tracking, dubbing or reproduction;
 - Data-carrying media, sent free of charge, for use in automatic data processing;
 - Articles (including vehicles) which, by their nature, are unsuitable for any purpose other than advertising of specific articles or publicity for a specific purpose.

The above provisions do not cover goods imported for demonstration at exhibitions, fairs or similar events (covered under Section 9.1 (1) above) or packings that are not suitable for repeated use. Filling materials such as wool, scraps of paper, wood, and plastic shavings, paper, plastic sheets and the like are not regarded as packing materials and are generally cleared for home use.

(4) "Goods imported for educational, scientific or cultural purposes" referred to in Annex B.5 to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

The temporary importation of these goods is intended to promote scientific research and educational or vocational training. The goods covered are imported exclusively for educational, scientific or cultural purposes; also included are spare parts for scientific equipment and pedagogic material which has been granted temporary admission, and tools specially designed for the maintenance, checking, gauging or repair of such equipment.

To qualify for temporary admission, goods imported for educational, scientific or cultural purposes must be owned by a person established outside the territory of temporary admission and must be imported by approved (e.g. public or public utility) institutions in reasonable quantities having regard to the purpose of the importation. They must not be used for commercial purposes.

Illustrative list of scientific equipment and pedagogic material (for full text refer to Appendix I, Annex B. 5 to the Istanbul Convention) :

- (a) Sound or image recorders or reproducers (slide and filmstrip projectors; cinematographic projectors; back-projectors and episcope; magnetophones, magnetoscopes and video equipment; closed-circuit television equipment);
- (b) Sound and image media (slides, filmstrips and microfilms; cinematographic films; sound recordings; videotapes);
- (c) Specialized material (bibliographic equipment and audio-visual material for libraries; mobile libraries; language laboratories; simultaneous interpretation equipment; programmed teaching machines, mechanical or electronic; material specially designed for the educational or vocational training of handicapped persons);
- (d) Other material (wall charts, models, graphs, maps, plans, photographs and drawings; instruments, apparatus and models designed for demonstrational purposes; collections of items with visual or audio pedagogic information, prepared for the teaching of a subject; instruments, apparatus, tools and machine-tools for learning a trade or craft; equipment, including specially adapted or designed vehicles for use in relief operations, which is imported for the training of persons involved in relief operations).

Illustrative list of welfare material for seafarers (for full text refer to Appendix II, Annex B. 5 to the Istanbul Convention) :

- (a) Reading material (books; correspondence courses; newspapers, journals and periodicals; pamphlets on welfare facilities in ports);
- (b) Audio-visual material (sound and image reproducing instruments; tape-recorders; radio sets, television sets; cinematographic and other projectors; recordings on tapes or discs; films, exposed and developed; film slides; videotapes);
- (c) Sports gear (sportswear; balls; rackets and nets; deck games; athletic equipment; gymnastic equipment);
- (d) Hobby material (indoor games; musical instruments; material for amateur dramatics; materials for painting, sculpture, woodwork and metalwork, carpet making, etc.);
- (e) Equipment for religious activities;
- (f) Parts and accessories for welfare material.

Illustrative list of other goods imported in connection with educational, scientific or cultural activities (for full text refer to Appendix III, Annex B. 5 to the Istanbul Convention) :

- (a) Costumes and scenery items sent on loan free of charge to dramatic societies or theatres;

(b) Music scores sent on loan free of charge to music theatres or orchestras.

(5) "Goods imported for sports purposes" referred to in Annex B.6 to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

Goods imported for sports purposes are sports requisites and other articles for use by tourists, athletes, business travellers, delegates to meetings of international organizations, students, etc. in sports contests or demonstrations or for training in the territory of temporary admission. Specific Annex J, Chapter 1 provides for temporary admission of articles imported by travellers and can be read in conjunction with this Chapter. However, these goods are included here since they may be temporarily imported by separate means of transport (a lorry with canoes and kayaks to be used for training purposes by a club that is domiciled outside the country; the canoes and kayaks belong to the members of the sports club).

To qualify for temporary admission, goods imported for sports purposes must be owned by a person established or resident outside the territory of temporary admission, and must be imported in reasonable quantities in the light of their intended use.

Illustrative list (for full text refer to Appendix II, Annex B. 6 to the Istanbul Convention):

- Track and field equipment (hurdles; javelins, discuses, poles, shots, hammers);
- Ball game equipment (balls of any kind; rackets, mallets, clubs, sticks and the like; nets of any kind; goalposts);
- Winter sports equipment (skis and sticks; snowboards; skates; bobsleighs; curling equipment, ice hockey equipment, etc.);
- Sportswear, shoes, gloves, headgear, etc., of any kind;
- Water sports equipment (canoes and kayaks; sail and row boats, sails, oars and paddles; surfboards and sails);
- Motor vehicles and craft, (cars; motor cycles; motor boats);
- Equipment for miscellaneous events (sports arms and ammunition; non-motorized bicycles; archer's bows and arrows; fencing equipment; gymnastics equipment; compasses; wrestling mats and tatamis; weight-lifting equipment; riding equipment, sulkies; hang-gliders, delta wing, windsurfers; climbing equipment; music cassettes to accompany the performance);
- Auxiliary equipment (measuring and score display equipment; blood and urine test apparatus).

(6) "Tourist publicity material" referred to in Annex B.7 to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

The temporary importation of these goods is intended to promote international tourism by facilitating the circulation of tourist publicity documents and other material aimed at encouraging the public to visit a foreign country.

To qualify for temporary admission, tourist publicity material must be owned by a person established outside the territory of temporary admission, and must be imported in reasonable quantities in the light of its intended use.

Illustrative list (for full text refer to Appendix, Annex B. 7 to the Istanbul Convention) :

- Material intended for display in the offices of the accredited representatives or correspondents appointed by the official national tourist agencies or in other places approved by Customs of the territory of temporary admission : pictures and drawings, framed photographs and photographic enlargements, art books, paintings, engravings or lithographs, sculptures and tapestries and other similar works of art;
- Display material (show-cases, stands and similar articles), including electrical and mechanical equipment required for operating such display;
- Documentary films, records, tape recordings and other sound recordings intended for use in performances at which no charge is made, but excluding those whose subject lend themselves to commercial advertising and those which are on general sale in the territory of temporary admission;
- A reasonable number of flags;
- Dioramas, scale models, lantern-slides, printing blocks, photographic negatives;
- Specimens, in reasonable numbers, of articles of national handicrafts, local costumes and similar articles of folklore.

(7) "Goods imported as frontier traffic" referred to in Annex B.8 to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

To qualify for temporary admission, goods imported as frontier traffic must be owned by a frontier zone inhabitant of the frontier zone adjacent to that of temporary admission, and are used by that person.

Definition of goods imported as frontier traffic :

- Goods carried by frontier zone inhabitants for the performance of their profession or trade (doctors, craftsmen, etc.);
- Personal or household effects of frontier zone inhabitants imported by them for repair, manufacture or processing;
- Equipment intended for working on land located within the frontier zone of the territory of temporary admission (for agricultural and forestry work, such as the unloading or transport of timber, or for fish farming);
- Equipment owned by an official body, imported in connection with a relief operation (fire, floods, etc.).

(8) "Goods imported for humanitarian purposes" referred to in Annex B.9 to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

The efforts made in the interest of humanity can be effectively assisted by facilitating the importation of urgently needed medical, surgical and laboratory equipment and of relief consignments forwarded as aid to those affected by natural disasters and similar catastrophes. Relief consignments cover all goods, such as vehicles and other means of transport, blankets, tents, prefabricated houses or other goods of prime necessity. The temporary importation of

vehicles and other means of transport transporting relief consignments into the affected country are specifically covered by Specific Annex J, Chapter 5 of the Kyoto Convention.

To qualify for temporary admission, goods imported for humanitarian purposes must be owned by a person established outside the territory of temporary importation and must be loaned free of charge.

Definition of goods imported for humanitarian purposes :

- Medical, surgical and laboratory equipment and relief consignments.

Relief consignments : All goods, such as vehicles and other means of transport, blankets, tents, prefabricated houses or other goods of prime necessity, forwarded as aid to those affected by natural disaster and similar catastrophes.

(9) "Means of transport" referred to in Annex C to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

The international movement of goods and persons must be facilitated by simplifying the temporary admission facilities for the means of transport used for their carriage.

Means of transport for commercial use are specifically covered in Specific Annex J, Chapter 3 and means of transport for private use are covered by Specific Annex J, Chapter 1.

(10) "Animals" referred to in Annex D to the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990.

Animals are called upon to perform many and diversified functions in the modern society. Live animals of any species owned by a person established or resident outside the territory of temporary admission and imported for the purposes listed below are regarded as "animals" for the purposes of this item.

To qualify for temporary admission, animals must be owned by a person established or resident outside the territory of temporary admission.

Purposes of temporary importation :

- Dressage
- Training
- Breeding
- Shoeing or weighing
- Veterinary treatment
- Testing (for example, with a view to purchase)
- Participation in shows, exhibitions, contests, competitions or demonstrations
- Entertainment (circus animals, etc.)
- Touring (including pet animals of travellers)
- Exercise of function (police dogs or horses; detector dogs, dogs for the blind, etc.)

- Rescue operations
- Transhumance or grazing
- Performance of work or transport
- Medical purposes (delivery of snake poison, etc.)

9.1.1. Waiver of the requirement of a written declaration

[Recommended Practice 22; illustrative list relating to Recommended Practice 9]

The following list sets out cases of temporary admission with total conditional relief from duty and taxes where Customs should waive the requirement for a written Goods declaration when there is no doubt about the subsequent re-exportation of the goods. A simple inventory, supplemented, if necessary, by an undertaking (see Sections 5.2.2 and 5.2.4 in these Guidelines) can usefully be substituted for the Goods declaration. In certain cases, production of the inventory is even waived.

The following is merely an illustrative list to encourage Contracting Parties to adopt a facilitative approach. There is, moreover, nothing to prevent them from extending these facilities to other temporarily admitted goods.

The conditions for granting temporary admission for cases also dealt with by the Convention on Temporary Admission (Istanbul Convention) of 26 June 1990 are set out in the Specific Annexes to that Convention.

Temporarily admitted equipment or material

Customs treatment

Sound or television production and broadcasting equipment and vehicles specially adapted for sound or television broadcasting, purposes and accessories therefor.

Temporary admission without a Customs document or security being required. Customs may require the production of a detailed list or inventory of the equipment, accompanied by a written undertaking to re-export.

Containers, pallets, and packings

Temporary admission without a Customs document or security being required. Customs may require a written undertaking to re-export, possibly also in the form of an overall undertaking.

Scientific equipment and pedagogic material; welfare material for seafarers

Temporary admission without a Customs document or security being required. Customs may require an inventory and a written undertaking to re-export in the case of scientific equipment and pedagogic material.

Goods imported for sports purposes (including sports vehicles)

Temporary admission without a Customs document or security being required. Customs may require an inventory and a written undertaking to re-export.

Goods imported as frontier traffic

Temporary admission without a Customs

	document or security being required. Customs may require an inventory and a written undertaking to re-export.
Medical, surgical and laboratory equipment; relief consignments	Temporary admission without a Customs document or security being required. Customs may require an inventory and a written undertaking to re-export.
Means of transport	Temporary admission without a Customs document or security being required (see also Specific Annexes G and J to the Kyoto Convention).

9.2. Temporary admission with partial conditional relief from import duties and taxes

Recommended Practice 23

Goods which are not included in Recommended Practice 22 and goods in Recommended Practice 22 which do not meet all the conditions for total conditional relief should be granted temporary admission with at least partial conditional relief from import duties and taxes.

With a view to promoting trade, total conditional relief should be the rule and partial conditional relief should be the exception which makes it possible still to authorize temporary admission.

Partial conditional relief is therefore preferable to a refusal to grant temporary admission.

Temporary admission should be granted with total conditional relief from import duties and taxes except, as stipulated in Standard 3, where national legislation explicitly specifies that relief may be only partial.

Partial conditional relief applied to the temporary admission of goods subject to re-exportation in the same state is not offered by all countries. It is provided for, inter alia, where total conditional relief would favour imported goods over those produced in the country concerned, e.g. for carrying out certain tasks or for production operations. It is not a protectionist measure but is intended to ensure equal treatment for taxation purposes. States applying partial conditional relief are often those which allow temporary importation in specific cases where other countries generally do not allow temporary admission.

9.3. Other cases of temporary admission

In the case of goods temporarily admitted for commercial use, for carrying out certain tasks or production operations, many countries grant temporary admission with partial conditional relief, levying part of Customs duties which would be payable in the case of importation. For the purposes of calculating the amount of any duties and taxes payable upon such goods, national legislation may provide for the consideration of the duration of their stay in the Customs territory, of the depreciation consequent upon the use made of them or of the hire charges paid for them.

Countries are increasingly allowing commercial utilization during the temporary importation procedure, though Specific Annex G, Chapter 1 does not contain any Recommended Practice in this respect. This applies particularly to machines imported temporarily to perform specific tasks (e.g. construction machinery, production machinery,

production trials). This possibility is justified by the fact that the home use procedure for high technology machines with high rates of duties and taxes would seem to be a disproportionate measure if the machines are used only for a short time (e.g. special work on a site for a few weeks only).

Goods imported as part of a production operation should also be admitted under the temporary admission procedure, at least with partial conditional relief.

These goods should, in principle, be owned by a person domiciled or resident outside the territory of temporary admission.

Such use, however, must not affect the sales of goods produced in the Customs territory or imported for home use. Hence national legislation can provide for taxation (e.g., value-added tax at the local rate) on the basis of the value of the services rendered. This can be either on the rental price paid by the person concerned or a lump sum estimated by Customs on the basis of the value of the machine and the period of use in the territory of temporary admission.

Methods of charging tax differ greatly from one country to another. In some places this tax is collected by Customs at re-exportation or at a later stage or by a non-Customs administration at some point in time. Collecting part of the amount of duties and taxes in this way is regarded as partial conditional relief. Certain Goods declarations issued by international guaranteeing chains (such as the ATA carnet) do not lend themselves to temporary importation for commercial use with a charge on the services rendered. The administrations concerned therefore use national documents.

Illustrative list of instruments, apparatus, machinery and goods imported temporarily :

- Material for stands at exhibitions or similar events, hired by a person domiciled in the country of temporary importation;
- Material for stands, advertising material for display cabinets and the like belonging to a person domiciled outside the territory of temporary admission, for private exhibitions (at private premises, e.g. shops, garages, commercial art galleries) with a view to the sale of goods;
- Machinery for working or manufacturing goods;
- Data-processing machines used in a production operation;
- Instruments and machines hired to bridge the gap until new machinery is received (problem of delivery dates) or to overcome the temporary breakdown of existing machines (repair);
- Machinery and apparatus intended to undergo testing or for development, with production of goods during the evaluation stage;
- Any other goods imported as part of a production operation which may not meet the conditions for temporary importation with total conditional relief of duties and taxes.

Goods, machinery, apparatus and accessories imported on the basis of a multi-year rental contract or a leasing contract are not regarded as being temporarily admitted and are therefore cleared for home use. In fact, very few countries provide for repayment of the duties and taxes, even partial repayment, unless the goods could not be used in accordance with the

contract (e.g. delivery not in accordance with the order, defective apparatus taken back by the supplier, etc.).

In many countries, the actual means of transport carrying out the internal transport of goods (cabotage) is subject to special treatment for transport-policy and economic reasons. That means of transport is not covered by the above provisions on "commercial use", but by Specific Annex J, Chapter 3 and/or Specific Annex E, Chapter 3 of the Kyoto Convention.

The cases referred to in the illustrative list below are not covered by Recommended Practice 22. Some of the goods are the same as those referred to in the Istanbul Convention. However, they may not meet all the conditions for the application of total conditional relief under the Istanbul Convention. This illustrative list is intended solely to suggest that Contracting Parties grant temporary admission to the following goods, unless they are admitted with outright exemption under national legislation. This list is not exhaustive and Contracting Parties are urged also to grant temporary admission in cases not provided for in Specific Annex G, Chapter 1 and in these Guidelines.

Illustrative list :

The following cases are not referred to in other international instruments :

- Used removable articles belonging to a person taking up temporary residence in the country of importation;
- Articles, (including vehicles) which, by their nature, are unsuitable for any purpose other than advertising of specific articles or publicity for a specific purpose;
- Data carrying media for use in the automatic data processing;
- Drawings, plans and models to be used in the manufacture of goods;
- Matrices, blocks and similar reproduction equipment, sent on loan or on hire, for printing illustrations in periodicals or books;
- Matrices, blocks, moulds and the like, sent on loan or on hire and to be used in the manufacture of articles to be delivered abroad.
- Instruments, apparatus and machinery for testing or checking;
- Costumes and scenery items sent on loan or on hire to dramatic societies or theatres;
- Goods which have to undergo a change in packing prior to their delivery abroad;
- Works of art, collectors' pieces and antiques for display in exhibitions, including those organized by the artists themselves;
- Books sent on loan to persons resident in the country of importation;
- Photographs, slides, films, videos, digital discs, etc. intended for an exhibition or competition for photographers or film-makers;
- Specialized equipment arriving by ship and used on shore at ports of call for the loading, unloading or handling of cargo;
- Machinery and apparatus for testing or development;

- Goods to be photographed; goods for appraisal or certification;
- Materials for testing machines;

Explanation : Companies which intend to purchase a machine often wish to be sure that it meets their requirements. They therefore provide the machine's manufacturers with a specific material which they ask them to machine then send back for checking.

- Parts of machinery, instruments and apparatus intended to be adapted or adjusted.

Explanation : These are parts intended to be adjusted or adapted to machinery, installations or parts thereof produced in the country of temporary importation. The parts have to be re-exported in the same state. This must not involve processing (see Specific Annex F, Chapter 1). Mounting on the machine, etc. in the country of temporary importation is therefore excluded.

This section also covers computer hardware that the owner temporarily makes available to the manufacturer of software to test a software package manufactured in the country of temporary importation.

9.4. Goods for which sale is uncertain :

There is nothing to prevent goods on consignment (which remain the property of a person established or resident outside the territory of temporary admission for as long as they remain unsold) being granted temporary admission as goods whose sale is uncertain. However, this principle should be applied with caution. Unlike goods which are intended for presentation at a fair or exhibition and are not intended to be sold or to be moved outside the location of the event, the goods covered here are primarily intended to be sold in the country concerned, it being understood that it will not be possible to sell all of the goods or it is not certain that the envisaged transaction will be successfully concluded. For practical reasons, if all goods on consignment were granted temporary admission, the disadvantages would outweigh the advantages. Nevertheless, Contracting Parties which allow goods whose sale is uncertain to be covered by the temporary importation procedure have not noted any significant abuses or difficulties in the practical application.

Some countries grant this temporary admission as a greater facility, while others would not and require the goods to be imported under bond.

Examples:

- As part of a sales exhibition, a fashion house domiciled outside the territory of temporary importation imports 300 coats and re-exports 180 which remain unsold at the end of the event;
- To enable retailers immediately to present new articles, a travelling salesman transports a certain stock of goods. During his stay in the country of temporary admission, he sells 250 items;
- Someone wishes to purchase a very expensive oriental carpet. That person has selected three and, before making the final choice, wishes to have them presented at his/her home. Two of the three carpets will be re-exported in the short-term.

Explanation : In these three examples, the declarant knows that some of the goods will be sold and the rest re-exported. Many countries require that all the goods are

cleared for home use and, if appropriate, they make a partial repayment at re-exportation. The temporary admission procedure for goods whose sale is uncertain could have advantages for the declarant, particularly because this procedure does not necessarily require immediate outlay of funds (e.g. furnishing of general security).

- Paintings or works of art, jewellery and other objects imported for sale by auction;

Explanation : Unlike ordinary goods, the selling price at auction is not known at the time the goods are imported. Customs may require security covering the highest amount that the goods may make at sale. When the procedure is terminated by clearance for home use, the amount obtained for the items sold has to be proved on the basis of supporting documents (invoices). In the case of unsold goods, re-exportation by termination of the temporary admission procedure is simpler than a procedure for repaying the duties and taxes paid at entry for clearance for home use.

Benefit for Customs : In the case of sold items, duties are levied on the basis of a proven value not yet known at the time of importation.

Benefit for the declarant : The security furnished may be general; there is therefore no compulsory outlay of funds as required for clearance for home use at the time of importation; moreover, the security would be too high if the anticipated sale value were not achieved.

Appendix 1

The ATA System, an Instrument for Promoting International Trade

One of the first initiatives to demonstrate close co-operation between Customs and the Trade is the international system of temporary admission of goods based on internationally accepted guarantees. Thanks to a joint initiative between the Customs Co-operation Council (now known as the World Customs Organization) and the International Bureau of Chambers of Commerce (IBCC) operating within the framework of the International Chamber of Commerce (ICC), on 6 December 1961 the Customs Co-operation Council adopted the Customs Convention on the ATA carnet for the temporary admission of goods. The goal of this Convention and the ATA carnet system is to facilitate the free movement of goods under cover of a single document and with conditional relief from duties and taxes.

Since the inception of the ATA system, the World Customs Organization and the IBCC have continued to expand their co-operation to ensure the system's functioning and application at the international level. As a result of this close collaboration, the ATA system now plays a major role in 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.
