



Advance Rulings

The WTO Agreement on Trade Facilitation includes in its Article 3 provisions on advance rulings.

With the aim of providing advance and predictable information to stakeholders in order to facilitate compliance with Customs requirements, a number of Customs administrations have already established a binding ruling programme, in accordance with the provisions of Standard 9.9 of the revised Kyoto Convention and the WCO recommendations and guidelines¹.

The expression “binding ruling” (or “advance ruling”) generally designates the option for Customs to issue a decision, at the request of an economic operator planning a foreign trade operation, relating to the regulations in force. The main benefit for the holder is the legal guarantee that the decision will be applied at the moment of the importation or exportation.

Although tariff classification is the most common area for binding rulings, origin and valuation rulings are also common. With regard to tariff classification, for example, this system helps operators obtain the correct tariff classification for the goods they plan to import or export. This is clearly an important factor, given that the tariff heading of the goods determines the rate of the Customs duties as well as the application of the different legal provisions (import/export licenses, rules of origin, anti-dumping duties, security standards, etc.).

The use of such a ruling will also help importers and exporters in facilitating the clearance formalities for their goods and will consequently expedite the goods' release.

The basic elements of this procedure can be summarized as follows:

- The request must supply the administration with all the information required (detailed description of the goods, information enabling the determination of the origin or the customs value of the goods, possible inclusion of samples, plans, various documents, etc.). Should the request contain inaccurate or incomplete information, the ruling based on such information could be revoked;

¹ Recommendation (1996) on the introduction of programmes for binding pre-entry classification information; Recommendation (1998) on the improvement of Tariff Classification work and related infrastructure (Appendix, Part II); Technical Guidelines on Binding Origin Information; Practical Guidelines for Valuation Controls

- The ruling must be issued by the competent authority in writing within a specified period;
- The ruling is binding on the administration following its issue and is valid for a specified period. However, in some cases (issuing of a new regulation, amendment of the interpretation of the nomenclature at international level, etc.), this decision ceases to be valid. The ruling may also be made binding on the applicant;
- Only the holder of the binding ruling can call upon its application, provided that he/she demonstrates that the goods presented and the goods described in the decision correspond in every respect;
- These decisions are generally made public (except from confidential information) to ensure transparency and equality of treatment of operators as well as the uniform application of the regulations.

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