

KYOTO 2000

The International Convention on the Simplification and Harmonization of Customs procedures (Revised)

Pathway to Efficiency and Effectiveness in the Customs Environment

CUSTOMS ROLE TO FACILITATE INTERNATIONAL TRADE

Customs Administrations play a vital role in the growth of international trade and the development of the global marketplace. The efficiency and effectiveness of Customs procedures can significantly influence the economic competitiveness of nations.

In a highly competitive world environment, international trade and investment will flow toward efficient, supportive and facilitative locations. At the same time it will rapidly ebb away from locations which are perceived by business as bureaucratic and synonymous with high costs.

Customs systems and processes must not be allowed to serve or be perceived as a barrier to international trade and growth.

Modern production and delivery systems, linked with the dramatic potential of new forms of electronic commerce, make swift and predictable Customs clearance an important prerequisite for national prosperity.

THE KYOTO CONVENTION

The International Convention on the Simplification and Harmonization of Customs procedures (Kyoto Convention) entered into force in 1974.

Since then the growth in international cargo, the incredible developments in information technology and a highly competitive international business environment, based on quality service and customer satisfaction, are influences that have created conflict with traditional Customs methods and procedures.

The World Customs Organization has therefore revised and updated the Kyoto Convention to ensure that it meets the current demands of international trade.

The WCO Council adopted the revised Kyoto Convention in June 1999 as the blueprint for modern and efficient Customs procedures in the 21st century.

The revised Kyoto Convention is the tool to assist the development of global Customs procedures. Once implemented widely, it will provide international commerce with the predictability and efficiency that modern trade requires.

THE CORE PRINCIPLES

The revision process has incorporated important modern concepts. These include the application of new technology, the implementation of new philosophies on Customs control, and the willingness of private sector partners to engage with Customs in mutually beneficial alliances.

Chief among the new governing principles of the Kyoto Convention is the commitment by Customs administrations to provide transparency and predictability for all those involved in aspects of international trade.

In addition Customs commit to adopt the use of risk management techniques, to co-operate with other relevant authorities and trade communities, and to implement appropriate international standards.

The revised Convention also contains new and obligatory rules for its application which all Contracting Parties must accept without reservation. A Management Committee will be established to ensure that the provisions are kept relevant and up-to-date.

THE KEY PROVISIONS

The revised Kyoto Convention will promote trade facilitation through the legal provisions within the General Annex and the Specific Annexes and Chapters. These detail the application of simple yet efficient procedures to give the maximum level of facilitation for goods and passengers.

The General Annex to the revised Convention recommends the following principles that a modern Customs Administration should implement :

- Standard, simplified procedures
- Continuous development and improvement of Customs control techniques
- Maximum use of information technology
- A partnership approach between Customs and Trade

The key elements within the revised Kyoto Convention to be applied by modern Customs administrations are:

- *the maximum use of automated systems*
- *risk management techniques (including risk assessment and selectivity of controls)*
- *the use of pre-arrival information to drive programmes of selectivity*
- *the use of electronic funds transfer*
- *co-ordinated interventions with other agencies*
- *making information on Customs requirements, laws, rules and regulations easily available to anyone*
- *providing a system of appeals in Customs matters*
- *formal consultative relationships with the trade*

GUIDELINES TO THE ANNEXES OF THE REVISED CONVENTION

The revised Kyoto Convention provides implementation Guidelines to ensure that the principles of simplification and modernization contained in the Convention are applied effectively by Customs administrations. Guidelines on simplification through the use of effective control techniques and automation, which also include examples of best practices, are being developed for each procedure and practice of the General Annex and the Specific Annexes.