



# **Geneva Trade & Development Symposium “Convergence of Free Trade Agreements”**

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# WCO in Brief

- **Sole independent international intergovernmental organization specialized in Customs matters**
  - Established as the Customs Co-operation Council in 1952;
  - 176 Customs administrations as Members;
  - Members' coverage: over 98% of global trade.
  
- **Mission**
  - Enhance the efficiency and effectiveness of Member Customs administrations;
  - Facilitate cross-border trade;
  - Secure the international supply chain.



# Customs and Rules of Origin

- **Customs plays a central role in management and application of Rules of Origin (ROOs)**
- **Trade facilitation**
  - Origin Certification - A key for e-Customs
- **Origin of goods for risk management**
  - Revenue protection, consumer protection, IPR protection, security protection, etc.
- **Customs and Business Partnerships**
  - Theme for the International Customs Day in 2010



**ROOs are key area of WCO activity**



# WCO and Rules of Origin

- **Specific Annex K (Origin) of the WCO revised Kyoto Convention (RKC) includes :**
  - Common definitions on ROOs;
  - General rules applicable to non-preferential & preferential ROOs;
  - Documentary evidence of ROOs applicable to GSP & FTAs (e.g. Model form for certificate of origin).
- **Technical Committee on Rules of Origin**
  - Harmonization of non-preferential ROOs (1995-99)
- **Action Plan for Preferential ROOs (2007 onwards)**
  - Origin Database; Comparative Study; Training & Seminars; etc.



# Origin Database

Address <http://www.wcoomd.org/OriginDB/AgreementsList.aspx?type=name&letter=C>



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## All Agreements

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by Name  by Countries

AGREEMENT NAME	COUNTRIES INVOLVED	ENTERED INTO FORCE	
<a href="#">Canada - Chile</a>	<a href="#">Canada, Chile</a>	<a href="#">July 5, 1997</a>	
<a href="#">Canada - Costa Rica</a>	<a href="#">Canada, Costa Rica</a>	<a href="#">November 1, 2002</a>	
<a href="#">Canada - Israel</a>	<a href="#">Canada, Israel</a>	<a href="#">January 1, 1997</a>	
<a href="#">Caribbean Community and Common Market (CARICOM)</a>	<a href="#">Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago</a>	<a href="#">August 1, 1973</a>	
<a href="#">CARICOM - Cost Rica</a>	<a href="#">Antigua and Barbuda, Bahamas, Belize, Costa Rica, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago</a>	<a href="#">November 15, 2005</a>	
<a href="#">CARICOM - Dominican Republic</a>	<a href="#">Antigua and Barbuda, Bahamas, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago</a>	<a href="#">December 1, 2001</a>	



# Comparative Study and Training

## ■ Comparative Study

- As a tool for better understanding;
- Key differences & commonalities on specific topics, including: Accumulation/Cumulation; Drawback; De Minimis/Tolerances; Roll-up/Absorption principle; Procedural requirements; Administrative co-operation/Mutual assistance frameworks; Verification of proofs of origin; and Dispute settlement.

## ■ Training & Seminars

- Training for Customs administrations (national and regional seminars);
- E-learning module;
- Customs-Business Forum (Brussels, June 2008);
- Training for the private sector



# Challenges to Customs and Traders

## ■ **New responsibilities**

- To check origin of goods for preferential tariff application (esp. ACP countries - EPAs with EU);
- To manage verification of proof of origin;
- To issue proof of origin (e.g. certificates of origin, self-declarations).

## ■ **Barriers to trade facilitation & administrative cost**

- More than one tariff rate under different ROOs, applicable to the same goods;
- Different HS versions in different FTAs;
- Different proof of origin in different FTAs.

## ■ **Revenue loss by origin fraud**



# Customs Implementation

- **Trade Facilitation - Waive proof of origin**
  - Goods with low value;
  - Release of goods with bank guarantees, if appropriate.
- **Information dissemination in a user-friendly way**
  - FTA tariff rates and ROOs in the latest HS version (e.g. Customs Web site);
  - Customs enquiry point for interested persons.
- **Training for frontline Customs officials & traders**
- **Customs-to-Customs cooperation**
- **Customs-to-Business cooperation**





# Trade Facilitation and Proof of Origin

## ■ Certificates of Origin

- Standardized format;
- Minimum requirements in issuing and checking certificates;
- Periodical validity of certificates.

## ■ Electronic Certificates of Origin

- A key for e-Customs;
- Customs-to-Customs cooperation.

## ■ Self-certification of Origin

- Verification & post-audit operations against origin fraud;
- Accreditation procedures & criteria for authorized exporters;
- Customs-to-Business cooperation.



# WCO Future Work

- **Improved Customs-to-Customs & Customs-to-Business cooperation**
- **Identification & publication of standards**
  - Best practices on Customs control & verification of proof of origin at borders & post-clearance operations;
  - Electronic certificates & self-certification;
  - Common interpretations regarding specific ROOs.
- **Greater use of risk analysis & increased enforcement**
- **Capacity Building, esp. ACP countries**

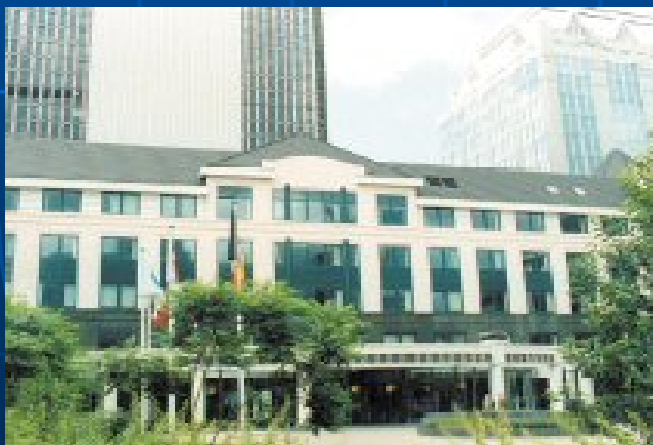
**Synergy with work of other international organizations**

inc. WTO, IADB, and APEC Model Measures



**Thank you for your enhanced  
co-operation with WCO!**

**For more information, please visit  
the WCO Web site: [www.wcoomd.org](http://www.wcoomd.org)**



WCO, Brussels