

**COMMUNICATION FROM THE EUROPEAN COMMUNITIES, AND THE SEPARATE
CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN
AND MATSU**

The following communication, dated 4 April 2006, from the Delegations of the European Communities, and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, is being circulated in advance of the Negotiating Group meeting of 5-7 April.

PROPOSALS ON PRE-SHIPMENT INSPECTIONS

I. INTRODUCTION

1. The following proposals on pre-shipment inspections have been prepared for consideration by Members. The proposals are based on discussions in the Trade Facilitation Negotiating Group and the previous proposals as compiled in document TN/TF/W/43/Rev.5.

A. SPECIAL AND DIFFERENTIAL TREATMENT, TECHNICAL ASSISTANCE AND CAPACITY BUILDING

2. The elimination of pre-shipment inspections is often undertaken as part of a broader programme of customs reforms. This is because their elimination can be seen to require the existence of a functioning customs service. Ensuring such good functioning may take time. Therefore, there would be a need for transition periods to enable some Members still using PSI to undertake the requisite reforms. Extensions to any transition period would be needed when Members continue to lack the requisite functioning customs service. Technical assistance aimed at strengthening the functioning of customs authorities will in some cases help to enable pre-shipment inspections to be eliminated.

B. SPECIFIC PROPOSALS

- Developed-country Members shall eliminate any requirements for the mandatory use of pre-shipment inspections from the entry into force of this commitment.
- Developing-country Members shall eliminate any requirements for the mandatory use of pre-shipment inspections not later than [X] years from the entry into force of this commitment.
- Least-developed countries shall eliminate any requirements for the mandatory use of pre-shipment inspections not later than [Y] years from the entry into force of this commitment.

- During the above transition periods, no new pre-shipment inspection arrangements shall be introduced or applied.
 - During the above transition periods, Members shall ensure that pre-shipment inspection companies, acting on their behalf or employed by them, comply, where relevant, with the commitments in the field of Trade Facilitation.
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