WCO Roles and International Legal Framework on Transit

Toshihiko Osawa
World Customs Organization
What is the WCO?
Complexity of Transit

Customs of departure
• Lodgement of Customs transit declaration
• Examination of goods

Customs of entry
• Lodgement of Customs transit declaration
• Furnishing guarantee
• Examination of goods
• Affixing Customs seals
• Notification to the Customs office of exit

Customs of exit
• Examination of goods
• Discharge of guarantee

Customs of destination
• Lodgement of Customs declaration
• Examination of goods
• Collection of import duties, taxes and charges

LLDC → Transit country → Destination country → market
International Agreements on Transit

- GATT Article V
- WTO Trade Facilitation Agreement
- Revised Kyoto Convention
  International Convention for Customs Procedures
The RKC provides a comprehensive set of uniform principles for simple, effective and predictable Customs procedures with effective Customs control.

Chapter 1 of RKC Specific Annex E focuses on Customs Transit. This Chapter provides for a transit system which is intended to achieve maximum facilitation for the movement of goods under Customs control in international transport, as well as providing transit countries with the requisite security and Customs guarantees.
Further Cooperation for transit

Article 11 of the TFA
16. Members shall endeavour to cooperate and coordinate with one another with a view to enhancing freedom of transit. Such cooperation and coordination may include, but is not limited to, an understanding on:
(a) charges;
(b) formalities and legal requirements; and
(c) the practical operation of transit regimes.

Recommended Practice 26 (RKC Specific Annex E, Chapter 1)
Contracting Parties should give careful consideration to the possibility of acceding to international instruments relating to Customs transit. When they are not in a position to accede to such international instruments they should, when drawing up bilateral or multilateral agreements with a view to setting up an international Customs transit procedure, take account therein of Standards and Recommended Practices in the present Chapter.
Regional/Bilateral Agreement
Coordination with neighboring countries on data exchange and guarantees etc.

National law and regulation
Customs formalities, control at borders, coordinated border management at national level etc.

GATT, WTO TFA, WCO RKC
Freedom of Transit, Principles for effective transit operations
What are main elements of regional/bilateral agreement?

- Data Exchange
- Regional Guarantees
- Fees and charges
- One Stop Border post
- Customs seals
Why bilateral/regional legal framework? example - data exchange

May I provide the information of cargos to a third country? Privacy law?

May I use this information for other purposes such as criminal investigation?

Bilateral and regional agreements/arrangements should consider provisions for effective information exchange, including information protection issues, limitations on the use of the information, provide for harmonization of information requirements in line with international standards, Regional Agreements.
Without regional or bilateral agreements or arrangements, facilitation measures can be another trade barrier.
Recommendation
to establish bilateral/regional legal framework

Check exiting agreements

Use international standards
WCO Transit Guidelines etc.

Capacity building
Mercator Programme
the implementation of the TFA

- Tailor-made technical assistance and capacity building
- Harmonized implementation based on WCO’s global standards
- Effective coordination among all stakeholders

Beneficial for developing and least developed countries, all government agencies, donor institutions and private sector
Implementation Guidance
The World Customs Organization (WCO), an intergovernmental organization specially mentioned in the Bali Ministerial Declaration, is highlighting its role in the implementation and administration of the WTO Agreement on Trade Facilitation (ATF). The WCO, the centre of excellence on Customs matters world-wide, is committed to the efficient implementation of the ATF.
Select an article below to view more information.

Article 1
Publication and availability of information

Article 2
Opportunity to comment, information before entry into force and consultation

Article 3
Advance rulings

Article 4
Appeal or review procedures

Article 5
Other measures to enhance impartiality, non-discrimination and transparency

Article 6
Disciplines on fees and charges imposed on or in connection with importation and exportation

Article 7
Release and clearance of goods

Article 8
Border agency cooperation

Article 9
Movement of goods under customs control intended for import

Article 10
Formalities connected with importation and exportation and transit

Article 11
Freedom of transit

Article 12
Customs cooperation

WCO’s expertise for Capacity Building

The WCO has delivered around **210 technical assistance missions to more than 70 countries** in the past 2 years to support the TFA implementation.

The WCO is ready to allocate WCO staff or national Customs experts who are best suited to meet the needs!!
For Further Information
Toshihiko.Osawa@wcoomd.org