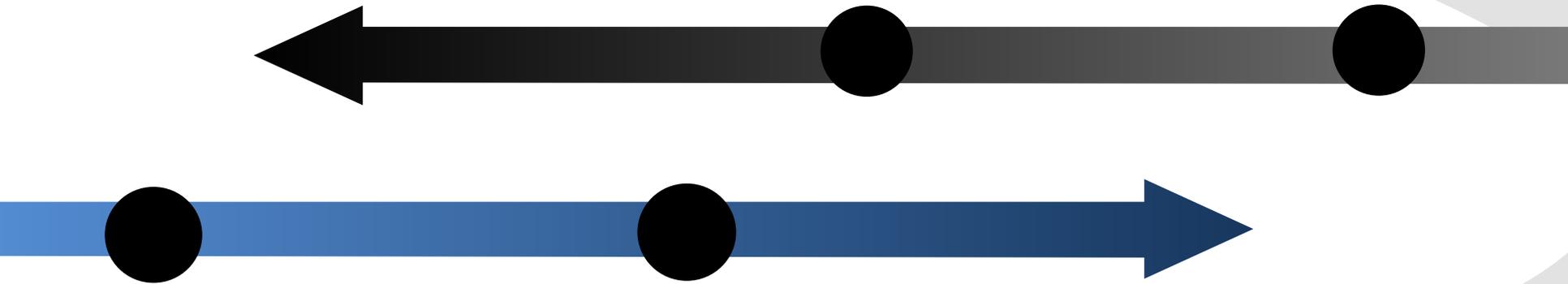


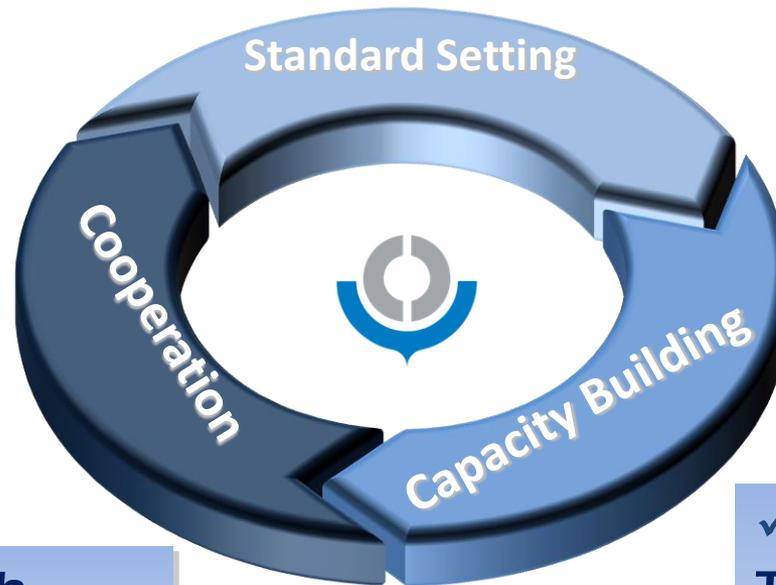
Transit and Transshipment – WCO instruments and tools



**WCO Knowledge Academy for
Customs and Trade
Brussels, 5 July 2019**

Key functions of the WCO

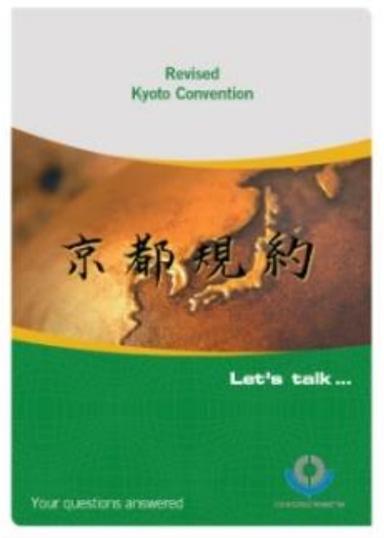
✓ Capability and responsibility for global standard setting for Customs



✓ Cooperation with other international organizations and other agencies

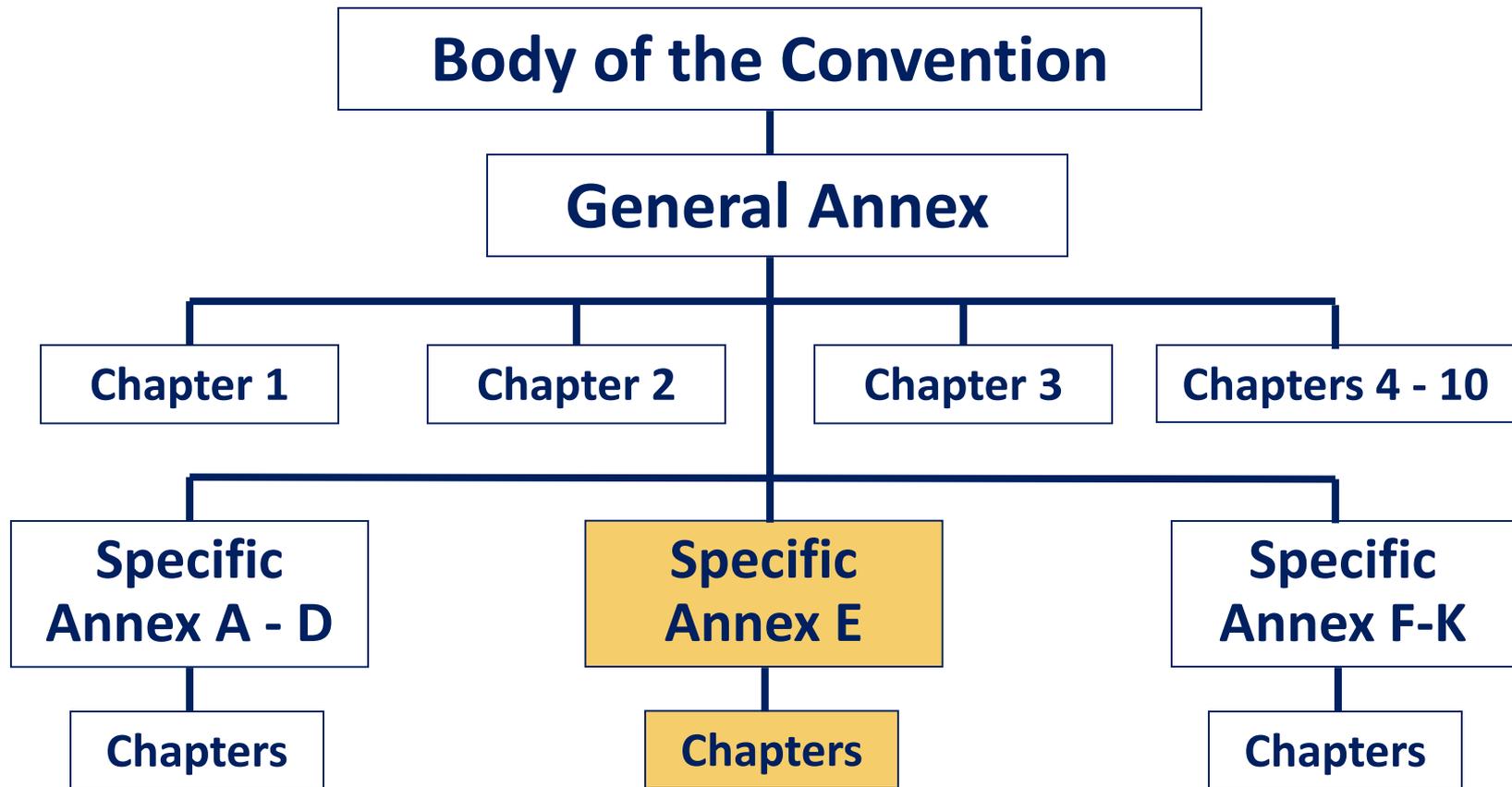
✓ Capacity Building / Technical Assistance delivery
✓ Network of accredited experts from Customs Administrations
✓ Donor engagement

Revised Kyoto Convention



- **International Convention on the Simplification and Harmonization of Customs Procedures (as amended)**
- **Adopted by the WCO Council in June 1999 as the blueprint for modern and efficient Customs procedures in the 21st century**
- **Currently 119 Contracting Parties**
- **Was the basis for the TFA negotiations**

Revised Kyoto Convention



Each Annex accompanied by non-binding Guidelines

Specific Annex E to the RKC

Chapter 1 *Customs transit*

- **accepted by 30 CPs, 7 of those with reservations**
- **contains definitions, 15 standards, 11 recommended practices and an Appendix**

Specific Annex E to the RKC

Chapter 1 *Customs transit*

Definition:

“Customs transit” means the Customs procedure under which goods are transported under Customs control from one office to another.

Specific Annex E to the RKC

Chapter 1 *Customs transit* covers

- **Field of application**
- **Formalities at the office of departure**
 - **Goods declaration for Customs transit**
 - **Sealing and identification of consignments**
- **Customs seals**
- **Formalities en route**
- **Termination of Customs transit**
- **International agreements relating to Customs transit**
- **Appendix on Customs seals and fastenings**

Specific Annex E to the RKC

Chapter 2 *Transshipment*

- **accepted by 30 CPs, 4 of those with reservations**
- **contains a definition, 6 standards and 5 recommended practices**

Specific Annex E to the RKC

Chapter 2 *Transshipment*

Definition:

“transshipment” means the Customs procedure under which goods are transferred under Customs control from the importing means of transport to the exporting means of transport within the area of one Customs office which is the office of both importation and exportation.

Specific Annex E to the RKC

Chapter 2 *Transshipment* covers

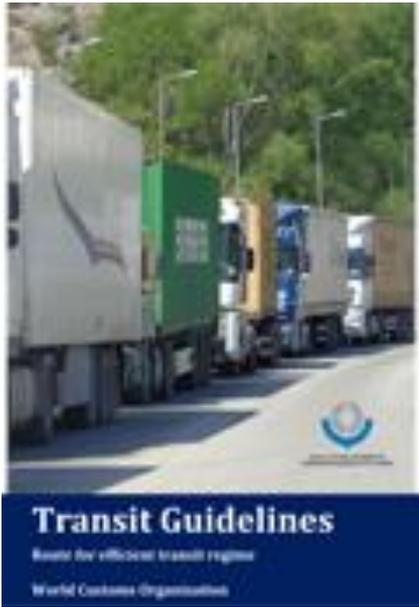
- **Principles**
- **Admission to transshipment**
 - **Declaration**
 - **Examination and identification of goods**
 - **Additional control measures**
 - **Authorized operations**

Specific Annex E to the RKC

Chapter 3 *Carriage of goods coastwise*

- **accepted by 26 CPs, 5 of those with reservations**
- **contains a definition, 7 standards and 10 recommended practices**

WCO Transit Guidelines



- Launched at the Global Transit Conference, 10-11 July 2017, WCO Headquarters in Brussels
 - Conference attended by over 200 delegates from more than 80 countries
 - Supplement the Transit Handbook released by the WCO in 2014
 - The Transit Guidelines contain 150 guiding principles
 - Organized in 13 sections
- Available in four languages - English, French, Spanish and Russian at <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/transit-guidelines.aspx>

WCO Transit Guidelines

Through a number of regional workshops, more than 100 transit experts from Customs administrations and international and regional organisations (WTO, UNECE, IRU, UNCTAD, UN-OHRRLLS, WB, JICA, ADB, AfDB) contributed to the development of the Guidelines



**27 June to 1 July 2016,
Abidjan, Cote d'Ivoire**



**31 October to 4 November 2016,
Lusaka, Zambia**



**23 to 27 January 2017,
La Paz, Bolivia**



**24 to 27 April 2017,
Tbilisi, Georgia**

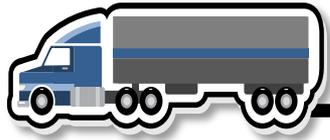
Structure of the Transit Guidelines

- I. Introduction - including definitions**
- II. Transit Guidelines - in 13 sections**
- III. The List of Guidelines**
- IV. International Legal Framework - GATT Article V, TFA, RKC (Chapter 5 of the GA and SA E1), TIR Convention (Body), Harmonisation Convention (Body), Container Convention (Body), Vienna Programme of Action for LLDCs**

Scope of the Transit Guidelines

- 1. Legal framework**
- 2. ICT and efficient information management**
- 3. Guarantee system**
- 4. Fees and charges**
- 5. Simplification of formalities**
- 6. Risk management**
- 7. Authorized Economic Operators**
- 8. Customs seals and other security measures**
- 9. Coordinated Border Management**
- 10. Hard infrastructure and equipment**
- 11. Transparency and anti-corruption**
- 12. Partnership with Business**
- 13. Performance measurement**

ICT and efficient information management



Efficient information management

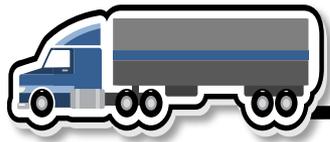
Type of the information exchanged

14. An anticipated arrival record should be shared with the office of destination and other relevant Customs offices immediately after the office of departure accepts the transit declaration.

16. When a Customs office inspects transit goods, **the results of the inspection** and any other useful information should be shared immediately with all other relevant Customs offices of transit.

21. If irregularities are detected at an office en route, the information should be shared with all relevant Customs offices involved in the transit operation.

24. All relevant Customs offices, starting with the office of departure, and then offices en route and at the final destination, should be informed about **all details of the transit operation.**



Guarantee system

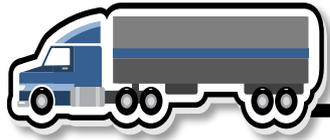
Guarantee system

- 36.** The guarantee amount for transit should be **as low as possible** and not exceed the sum of the highest import duties and charges that would be imposed on goods imported into the transit Customs territory.
- 38.** Customs administrations are encouraged to set the guarantee amount according to **the risk level of transit operators.**
- 44.** Customs administrations should accept **any form of guarantee.** The possible types of guarantee may include, but not be limited to:
- a) cash deposits (national or foreign currency);
 - b) temporary placement of funds on the Customs administration's bank account;
 - c) tradable securities;
 - d) movable property (e.g. means of transport) pledge agreement;
 - e) non-movable property (e.g. office or production premises) pledge agreement;
 - f) bank guarantee;
 - g) insurance policy;
 - h) surety contract;
 - i) international guarantees;
 - j) regional guarantees.

Guarantee system

- 50.** Customs administrations are encouraged to **reduce the amount of the comprehensive guarantee** (e.g. by 25%, 50%, or 100% (guarantee waiver)), taking into account sound finances, sufficient experience and/or other relevant factors relating to the transit operators.
- 56.** The guarantee should be **discharged immediately** once the corresponding transit operation is terminated.
- 58.** Customs administrations **should not apply Customs convoys or Customs escorts** for revenue purposes when their revenue concerns are sufficiently covered by the guarantee.
- 61.** Governments are encouraged to establish conditions for **mutual recognition of guarantees**.
- 64.** Governments are encouraged to approve **entities other than banks** and insurance companies as guarantors, in line with national legislation or regional/international agreements.

Customs seals and other security measures



Customs seals – general principles

- 93.** Once the office of departure affixes Customs seals or applies other security measures to transit goods, **other offices en route should not impose any additional restrictions** on the goods.
- 95.** Seals affixed by consignors, shippers, transporters can be recognised as Customs seals in case these **seals are approved by Customs administrations.**
- 96.** The office of departure, in principle, should use Customs seals **to ensure the integrity of the transit goods.** Other security measures should be used only in cases in which Customs seals are not sufficient to ensure the integrity of the transit goods.



Electronic seals

105. Customs administrations are encouraged to develop **regional electronic Customs seals** to be used for transit operations in the region, as replacing the electronic Customs seal with another seal at the border could give rise to delays.



Customs escort and convoys

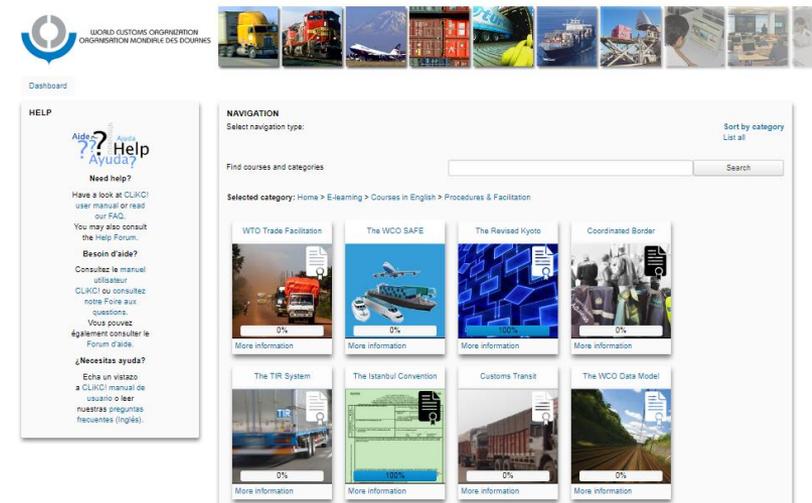
116. Customs administrations may use a Customs escort or convoy **only in cases where:**

- the loss of transit goods en route would create an imminent risk for the safety and security of the Customs territory;
- other security measures are not applicable because of the type of transit goods or transport unit;
- the transit operator requests a Customs escort or convoy.



Capacity Building portfolio

- Transit Handbook and Transit Guidelines
- Pool of accredited experts from Member Customs administrations – Technical and Operational Advisors on Transit
- E-learning courses



Path to implementation

- **Regional workshops to promote the implementation of the Transit Guidelines**



**ESA - November 2017,
Johannesburg
70+ participants from
Customs, private sector,
RECs**



**WCA - April 2018,
Cotonou
80+ participants from
Customs, private sector,
RECs**



**AMS - May 2018,
Asuncion
30+ participants from
Customs, IOs**

Path to implementation

- Regional workshops to promote the implementation of the Transit Guidelines



**EUR+AP -
November 2018,
Baku
30 participants
from Customs, IOs**



**AP - January 2019
Faridabad
20 participants
from Customs, IOs**



**MENA - April 2019
Amman
30 participants
from Customs, IOs**

- Publication of best practices

Thank you for your kind attention!

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