



RKC Outlines and Major Provisions of General Annex

**12 June 2014
Thimpu, Bhutan**

**WCO Asia Pacific Regional Office for Capacity Building
(ROCB A/P)**

Revised Kyoto Convention *(RKC)*

- International Convention on the Simplification and Harmonization of Customs Procedures
- Blueprint for the modern customs procedures in the 21st Century
- Currently **92 CPs** (as of 1 June 2014)



RKC Principles

Prescribe standard and simplified procedures and practices

Use Risk Management

Promote Partnership with the Trade

Maximum use of Information Technology

Apply Minimum Controls necessary to ensure compliance

Have System of appeals

Make available Accurate, up-to-date, easily available information

WCO Strategic Plan

Vision

Customs in the 21st Century

Trade
Facilitation
&
Security

Fair
&
Efficient
Revenue
Collection

Protection
of
Society

Institutional
&
Human
Resource
Development

ECP

Economic Competitiveness Package

RP

Revenue Package

CEP

Compliance & Enforcement Package

ODP

Organizational Development Package

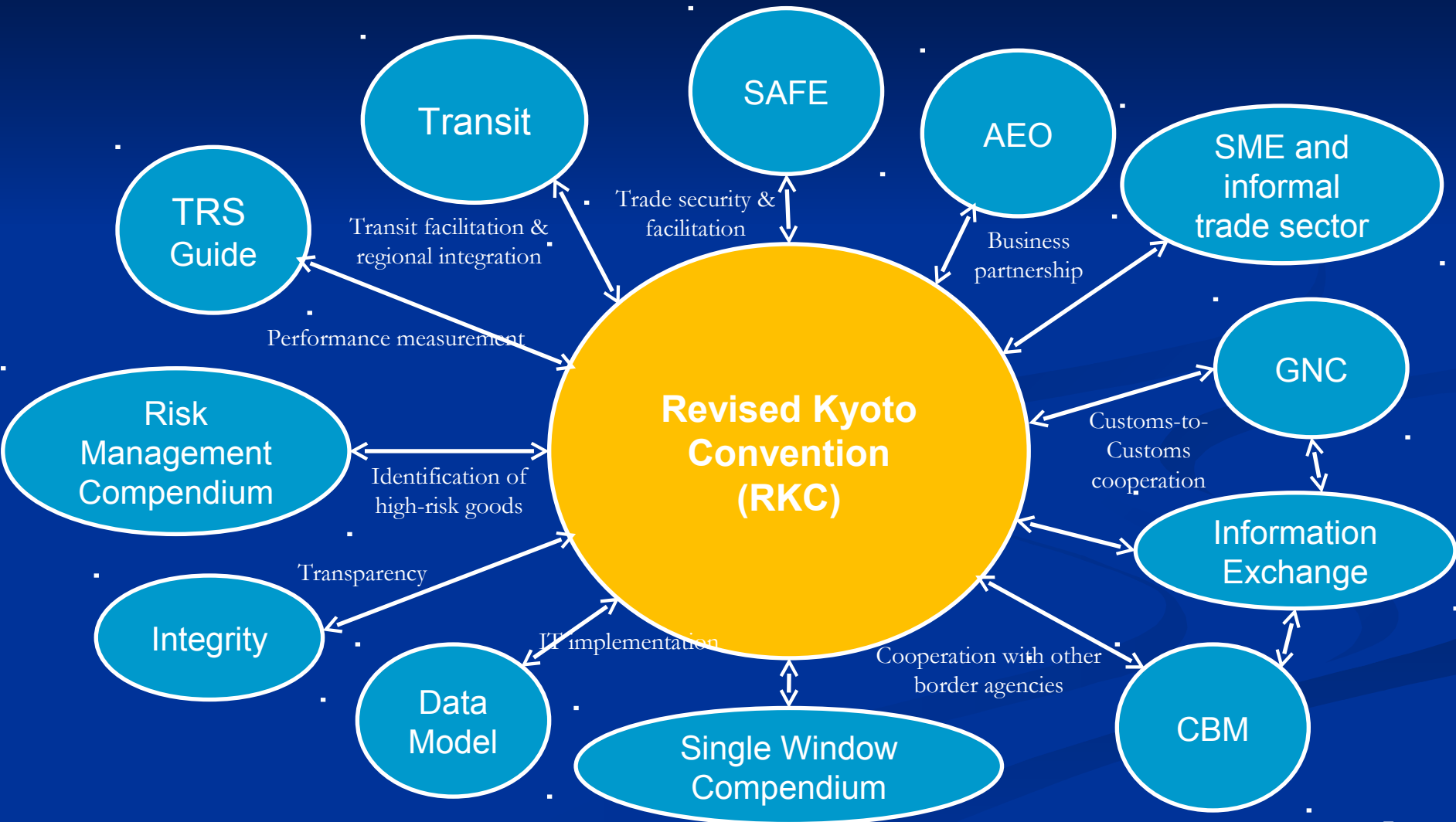
International Cooperation

Raising Profile, Capacity Building Delivery

Research

Values & Mission

ECP: RKC and supporting Tools



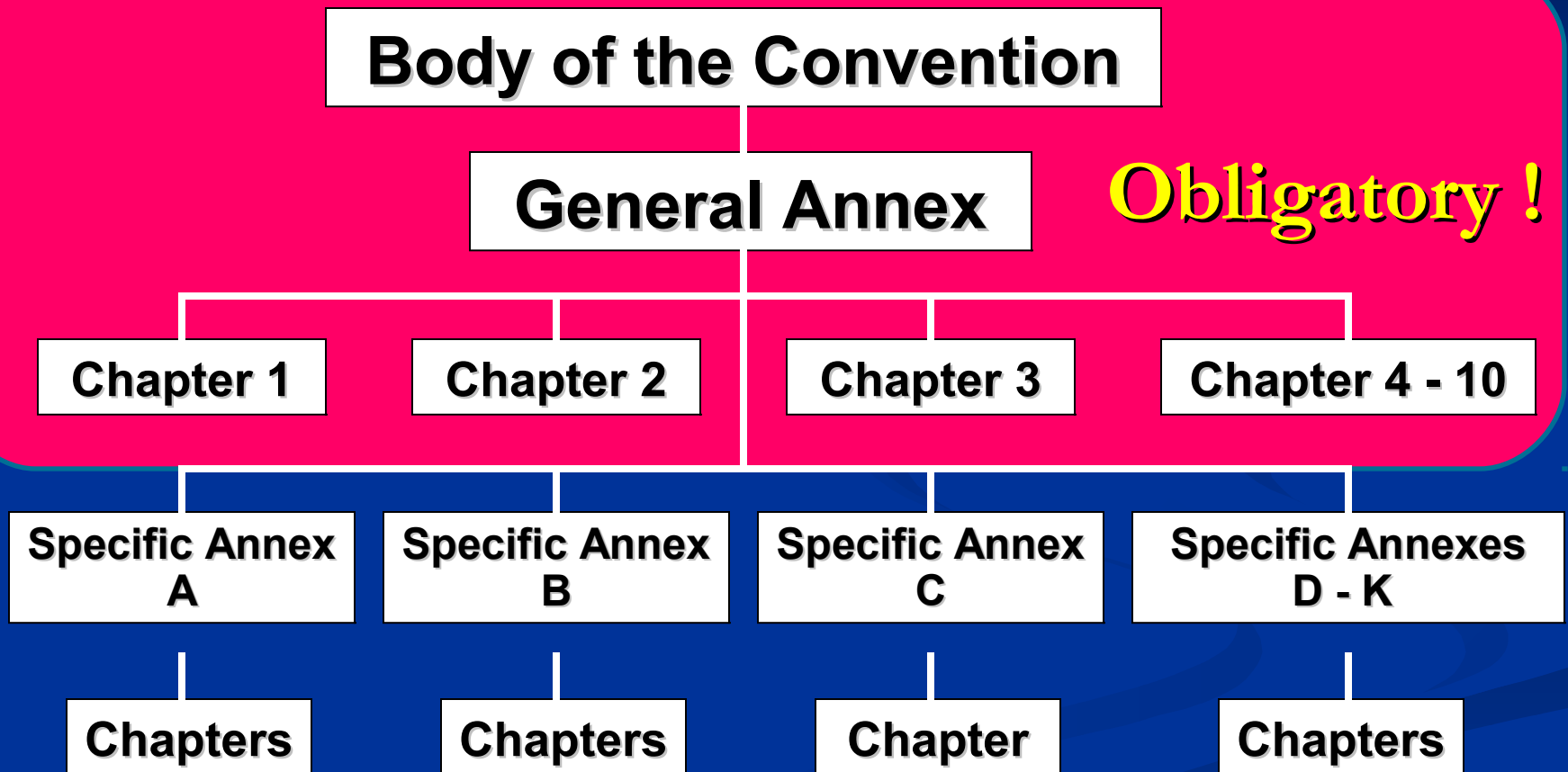
RKC Contracting Parties

92 CPs (as of May 2014)

Latest RKC Accession:

No.	Name of CP	No.	Name of CP
82	Iran (July 2011)	88	Cote D'Ivoire (27 June 2013)
83	Bangladesh (Sep. 2012)	89	Yemen (27 June 2013)
84	Swaziland (Oct. 2012)	90	Armenia (19 July 2013)
85	Gabon (15 Nov. 2012)	91	Malawi (6 Sep. 2013)
86	Albania (4 June 2013)	92	Papua New Guinea (31 Jan. 2014)
87	Cape Verde (27 June 2013)	93	??? (June 2014)

STRUCTURE OF REVISED CONVENTION



Benefits of RKC

Accession

&

Implementation

RKC Accession

- ❖ **Certification of international standards**
- ❖ **Participation to future standard setting**
- ❖ **Preparedness for the future implementation of ATF**
- ❖ **Advantage in CB activities**

RKC Implementation

- ❖ **Faster release and lower trade costs**
- ❖ **Increased revenue**
- ❖ **More FDI and economic competitiveness**
- ❖ **Enhanced security**
- ❖ **Establishment of sound base for other international instruments**

Major provision of General Annex

Contents of GA

- **Chap 1 General Principle**
- **Chap 2 Definition**
- **Chap 3 Clearance & Customs Formalities**
- **Chap 4 Duties & Taxes**
- **Chap 5 Security**
- **Chap 6 Customs Control**
- **Chap 7 Application of Information Technology**
- **Chap 8 Relationship between Customs & Third Parties**
- **Chap 9 Information, Decisions & Rulings supplied by Customs**
- **Chap 10 Appeals in Customs Matters_**

Chapter 1 & 2

Chapter 1: General Principle

■ S1.1

The definition, standards and transitional standards in GA shall apply to Customs procedures and practices specified in GA, and insofar as applicable, Customs procedures and practices in the SA.

■ S1.2

The conditions to be fulfilled and Customs formalities to be accomplished for Customs procedures and practices in GA and SA shall be specified in national legislation.

■ S1.3

The Customs shall institute and maintain formal consultative relationships with trade.

Chapter 2: Definitions

Appeal	Customs law	Goods declaration
Assessment of duties & taxes	Customs office	Import duties & taxes
Audit based control	Customs territory	Mutual Administrative Assistance
Checking the goods declaration	Decision	Omission
Clearance	Declarant	Person
Customs	Due date	Release of goods
Customs control	Duties & taxes	Repayment
Customs duties	Export duties & taxes	Security
Customs formalities	Examination of goods	Third party

Chapter 3

Chapter 3: Clearance & Other Customs Formalities

- **1. Establishment of Customs Offices**
- **2. Rights and responsibility of the declarant**
- **3. The Goods Declaration (format/contents and supporting document)**
- **4. Lodgement, registration and checking of the declaration**
- **5. Amendment or withdrawal of the Goods declaration**
- **6. Checking the Goods declaration**
- **7. Special procedures for authorised persons**
- **8. Examination and sampling of the Goods**
- **9. Errors**
- **10. Release of Goods**
- **11. Abandonment or destruction of goods**

Chapter 3: Clearance & Other Customs Formalities

1. Establishment of Customs Offices

- **Establishment and designation of a Customs offices (3.1)**
 - **Customs shall designate Customs offices at which goods may be produced or cleared**
 - **In determining the competence and location of those offices, and their hours of business, requirement of trade to be taken into account**

- **Hours of Business and places of clearance (3.2)**
 - **At the request of the person concerned and for reasons deemed valid by the Customs, the Customs shall perform the functions outside the designated hours of business or away from Customs offices subject to availability.**
 - **Any expenses chargeable by the Customs shall be limited to the approximate cost of services rendered.**

Chapter 3: Clearance & Other Customs Formalities

3. Goods Declaration

- **Minimum data requirements (3.12)**
 - **Customs shall limit the data required in the goods declaration to only such particulars as are deemed necessary for assessment of duties, compilation of statistics & application of Customs law.**

- **Minimum number of Copies of the Goods declaration (3.15)**
 - **shall be required**

- **Required Supporting documents (3.16)**
 - **necessary to ensure all requirements have been complied with**

- **Lodgement of supporting documents by electronic means (3.18)**
 - **shall be permit**

- **Translation of supporting documents (3.19)**
 - **Customs shall not require a translation of the particulars of supporting documents except when necessary**

Chapter 3: Clearance & Other Customs Formalities

4. Lodgement and Registration of the Goods Declaration

- Electronic Goods declaration (3.21)

---- shall be allowed to be lodged

- Prior lodgement and registration (3.25)

---- National legislation shall make provision for the lodging and registering or checking of the declaration and supporting documents prior to the arrival of the goods

-

Chapter 3: Clearance & Other Customs Formalities

7. Special procedures for authorised person (3.32)

- **For authorised person who meet criteria specified by the Customs, Customs shall provide for;**
 - **release of goods on the provision of the minimum information necessary to identify the goods and permit the subsequent completion of the final Goods declaration**
 - **clearance of he goods at the declarant's premises or another place authorised by the Customs**

[to the extend possible]

- **allowing a single Goods declaration in a given period**
- **use of the authorised person's commercial records to self-assess their duty and tax liability and to ensure compliance**
- **allowing the goods declaration by means of an entry in the records of authorised person to be supported subsequently by a supplementary Goods declaration**

Chapter 3: Clearance & Other Customs Formalities

8. Examination and sampling of the goods

- **Examination of urgent consignments (3.34)**
 - **Urgently required goods (incl. live animals, perishable goods)**

- **Coordinated Inspection with other competent authorities (3.35)**
 - **Customs shall ensure the inspections are coordinated**
 - **if possible Customs carries out inspection at the same time**

- **Sampling by Customs**
 - **taken if necessary as small as possible**

Chapter 4 & 5

Chapter 4: Duties & taxies

Assessment of Duties & Taxies (4.2, 4.3, 4.4, 4.5)

- **The time period within which the applicable duties are assessed shall be stipulated in national legislation (4.2)**
- **The factors for assessment of duties and their conditions shall be specified in national legislation (4.3)**
(ex) tariff classification, value, quantities, origin.....
- **The rate of duties shall be set out in official publication (4.4)**
- **National legislation shall specify the point in time to be taken in to consideration for the purpose of determining the rates of duties (4.5)**
(ex) arrival, lodgement, registration or release.....

Chapter 4: Duties & taxies

3. Payment of Duties & Taxies

- **National legislation shall specify the methods that may be used to pay the duties & taxies (4.6)**
 - cash, money order, checks or credit cards.....
- **National legislation shall determine the due date and the place where payment is to be made (4.8)**

4. Collection of Duties & Taxies (4.10, 4.11, 4.13, 4.14)

- **National legislation shall specify a minimum value and/or a minimum duties below which no duties will be collected (4.13)**

-

Chapter 5: Security

1. Cases & Forms of Security (5.1)

- National legislation shall enumerate the cases in which security is required and specify the forms of security

4. Waiver of Security (5.4)

- Customs shall not require security when they are satisfied that an obligation to the Customs will be fulfilled, where national legislation provides

5. General Security (5.5)

- The Customs shall accept a general security
 - in particular, from declarants who regularly declare goods at different offices

Chapter 6

Chapter 6: Customs Control

1. Scope of Customs Control

- All goods, including means of transport, which enter or leave the Customs territory, shall be subject to Customs Control (6.1)
- Customs Control shall be limited to that necessary to ensure compliance with the Customs law (6.2)

2. Risk Management

- Customs shall use Risk Management (RM) in the application of Customs control (6.3)
- Customs shall use Risk Analysis to determine which goods or persons should be examined and the extend of examination (6.4)

Chapter 6: Customs Control

3. Audit Based Control

- Customs control systems shall include audit based control (6.6)

4. Customs – Business cooperation

- Customs shall seek to cooperate with other Customs and to conclude mutual administrative assistance agreement (6.7)

5. Customs – Customs cooperation

- Customs shall seek to cooperate with the trade and to conclude MOU (6.8)

6. Use of Information technology

- Customs shall use IT and electronic commerce to the greatest possible extent (6.9)
- Customs shall evaluate traders' commercial systems where those systems have an impact on Customs operations to ensure compliance with Customs requirement (6.10)

Chapter 7 & 8

Chapter 7: Application of Information Technology

1. In general (7.1)

- Customs shall apply IT to support Customs operations where it is cost-effective and efficient for the Customs and to the trade. Customs shall specify the conditions for its application_

2. Internationally accepted standards (7.2)

- When introducing computer application, the Customs shall use relevant internationally accepted standards

3. Consultation with relevant party (7.3)

- The introduction of IT shall be carried out in consultation with all relevant parties directly affected, to the greatest extent possible

Chapter 8: Relationship between the Customs & Third Party

1. In general (8.1)

- **Person concerned shall have the choice of transacting business with the Customs either directly or by designating a third party to act on their behalf**
 - (Third party) Agent, Broker, carrier, delivery service.....
 - (Person concerned) importer/exporter, owner of the goods, consignor/consignee, seller/buyer.....

2. Customs transactions where the person concerned elects to do business on his own account shall not be treated less favourably or be subject to more stringent requirements than those Customs transactions which are handled for the person concerned by a third party

3. Trade Consultation (8.5)

- **Customs shall provide for third parties to participate in their formal consultations with the trade**
 - (ex) proposed legal/procedural changes.....

Chapter 9

Chapter 9: Information, Decision and Rulings supplied by Customs

1. Information of general application

- Availability of Information (9.1)

---- Customs shall ensure all relevant information of general application pertaining to Customs law is readily available to any interested person

(ex) Publication, at Customs offices, ships, aircraft, embassies.....

- Update of Information (9.2)

---- When available information must be amended due to changes in Customs law, administrative arrangements, Customs shall make the revised information readily available sufficiently in advance of the entry into force of the changes

- Use of Information Technology (9.3)

---- Customs shall use IT to enhance the provision of information

Chapter 9: Information, Decision and Rulings supplied by Customs

2. Specific information, decision and binding rule

- Information relating to specific matters (9.4)
 - Upon request, Customs shall provide information relating to the specific matters raised by interested person
 - (ex) classification, rate of duties, origin, valuation, procedures.....
- Supplementary Information (9.5)
 - Customs shall also supply information relevant to the specific request
- Binding rulings (9.9)
 - Customs shall issue binding rulings upon request, provided that the Customs have all the information they deem necessary

Chapter 10

Chapter 10: Appeals in Customs Matters

1. Right of Appeal

- Appeal to Customs (10.4)

--- NL shall provide right of an initial appeal to Customs

- Appeal to independent body (10.5)

--- Where appeal to the Customs is dismissed, the appellant shall have the right of a further appeal to an authority independent of the Customs administration

(ex) Administrative court, Customs court, arbitration.....

- Appeal to judicial authority (10.6)

--- In the final instance, the appellant shall have the right of appeal to a judicial authority

(Note) Many administration allow this appeal at any stage in the overall process.



Thank you for your kind attention.

**For more information, please visit
the WCO Web site: www.wcoomd.org**

**« Copyright © 2010 World Customs
Organization. All rights reserved.
Requests and inquiries concerning
translation, reproduction and
adaptation rights should be
addressed to
copyright@wcoomd.org ».**



WCO, Brussels