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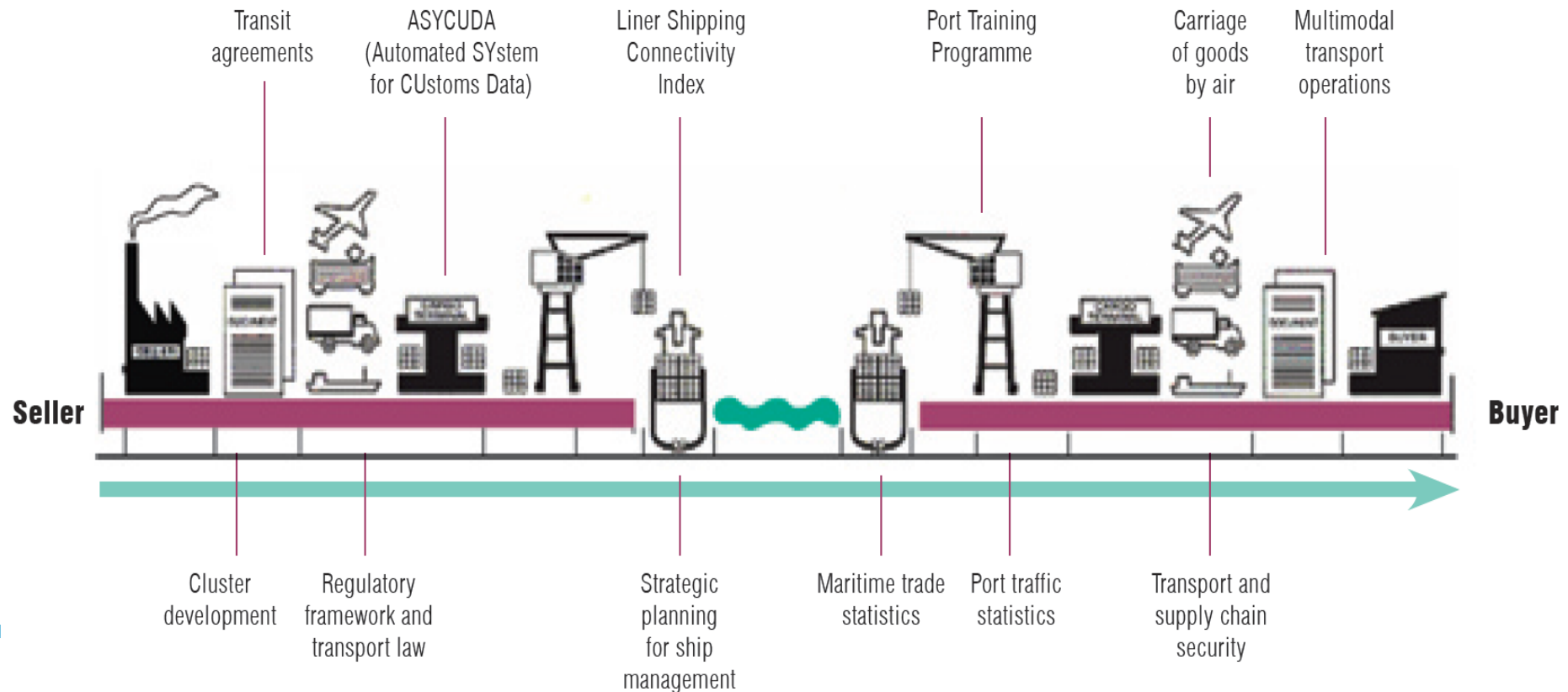
WTO Trade Facilitation Agreement

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UNESCWA-UNCTAD

Seminar E-Customs at the heart of Trade Facilitation  
Amman, 25+26 May 2022

# Trade Facilitation



# International trade transaction process

## Commercial Procedures



- Establish Contract
- Order Goods
- Advise On Delivery
- Request Payment

## Transport Procedures



- Establish Transport Contract
- Collect, Transport and Deliver Goods
- Provide Waybills, Goods Receipts Status reports

## Regulatory Procedures

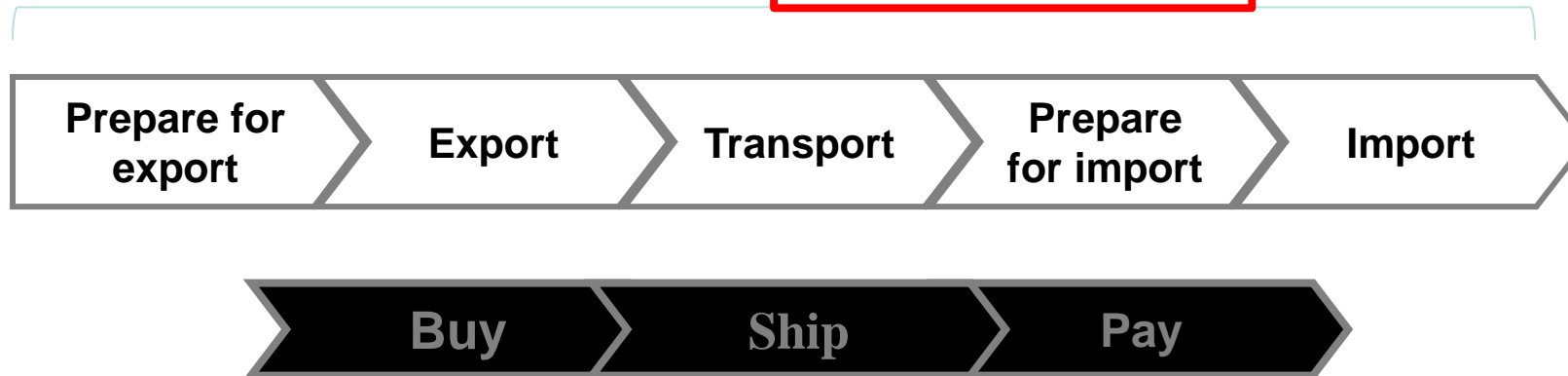


- Obtain Licences etc.
- Provide Customs and Cargo Declarations
- Apply Trade Security Procedures
- Clear Goods for Export/Import

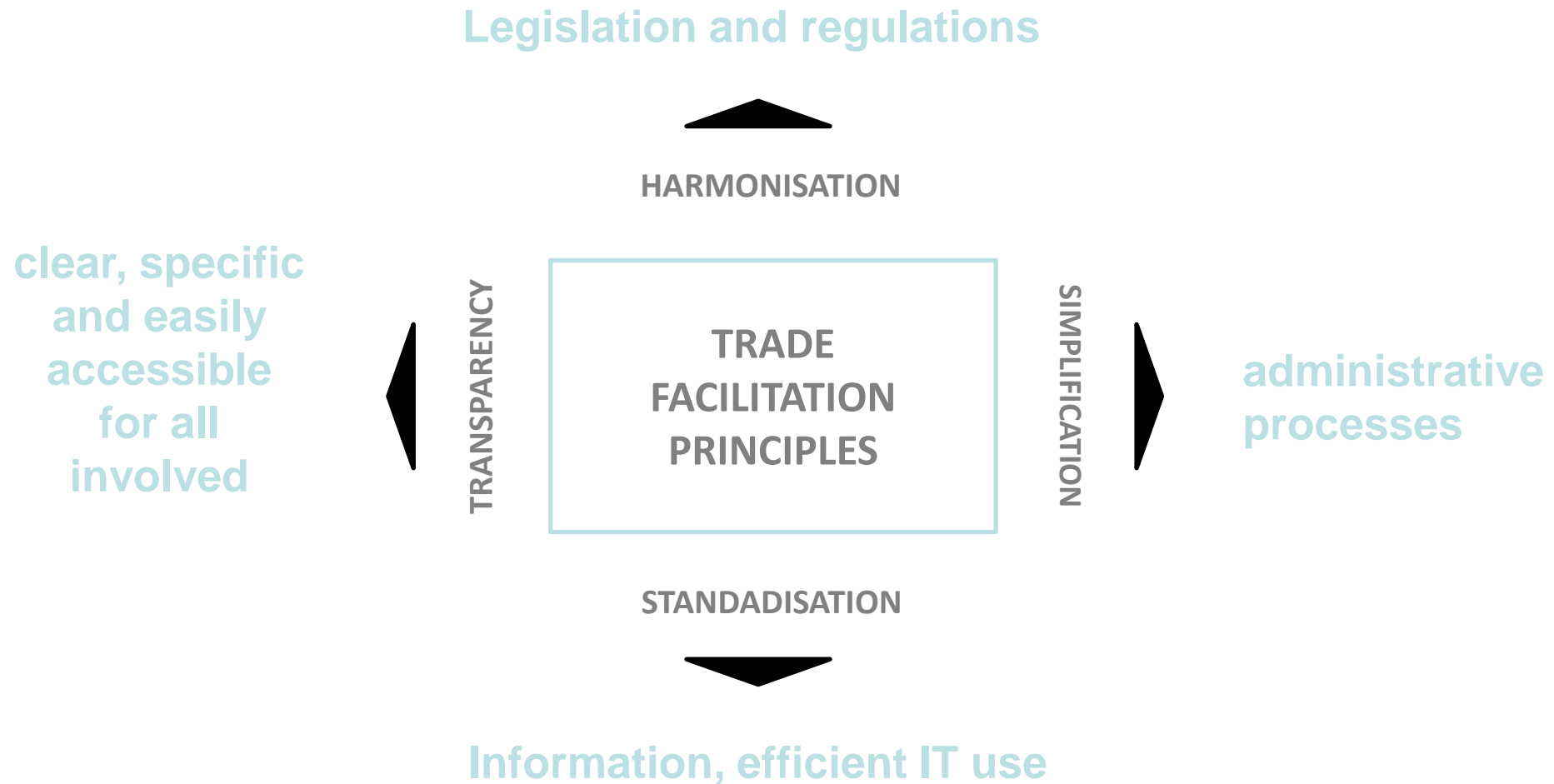
## Financial Procedures



- Provide Credit Rating
- Provide Insurance
- Provide Credit
- Execute Payment
- Issue Statements

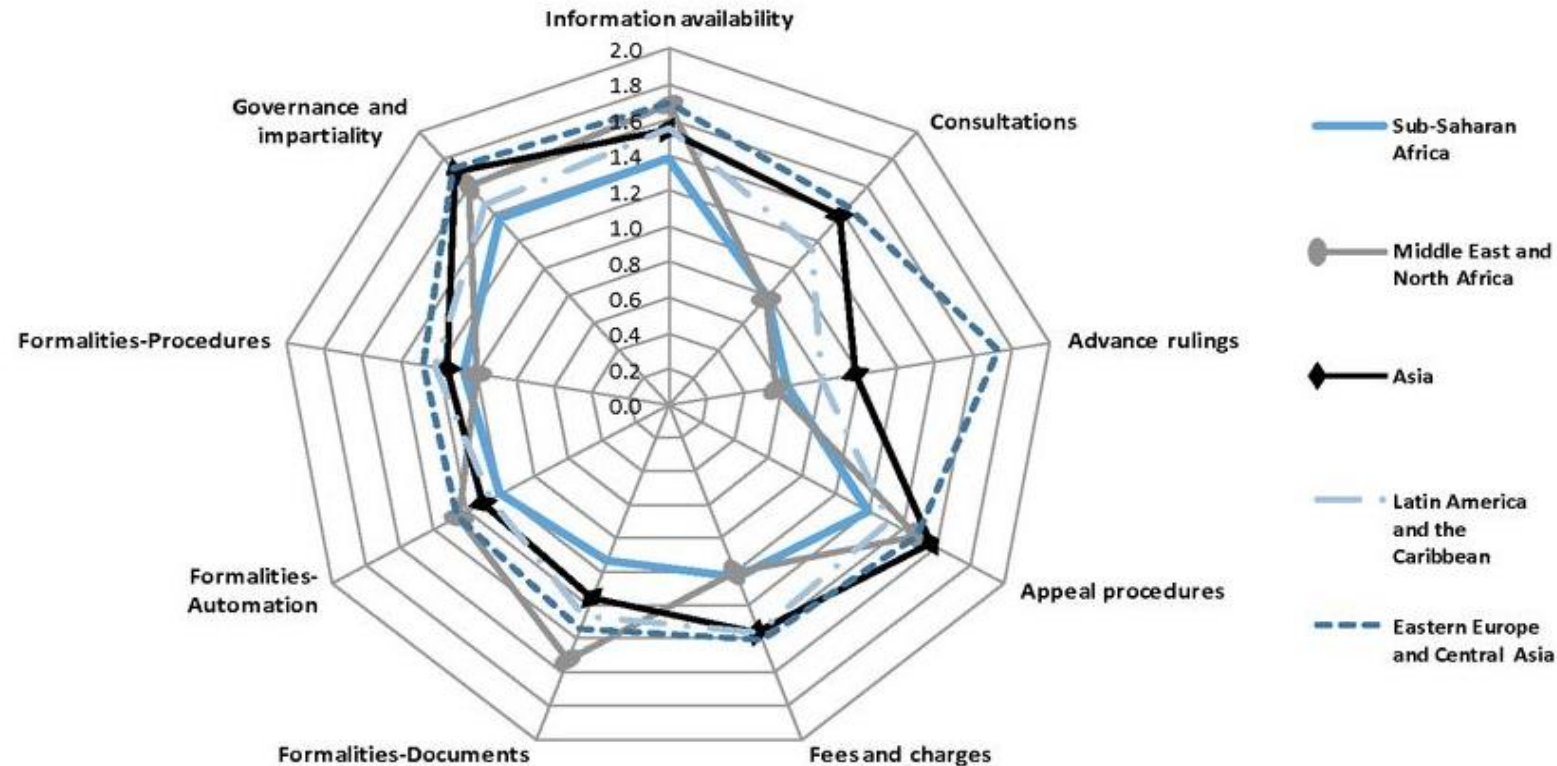


# Trade Facilitation Principles



# Trade facilitation implementation in world regions

Figure 4. TFIs and geographic country groups



Note: The TFIs values range between 0 and 2, where 2 corresponds to the best performance. The values indicate the average TFI performance by country group.

# Why is Trade Facilitation important

## The 5 key types of trade costs

### Tariffs

Duties and taxes collected on import and export transactions

### Standards

Compliance costs with SPS and TBT standards (i.e. conformity assessments)

### Documentation

Costs involved in the collection, preparation and submission of trade information to border regulatory agencies

### Border costs

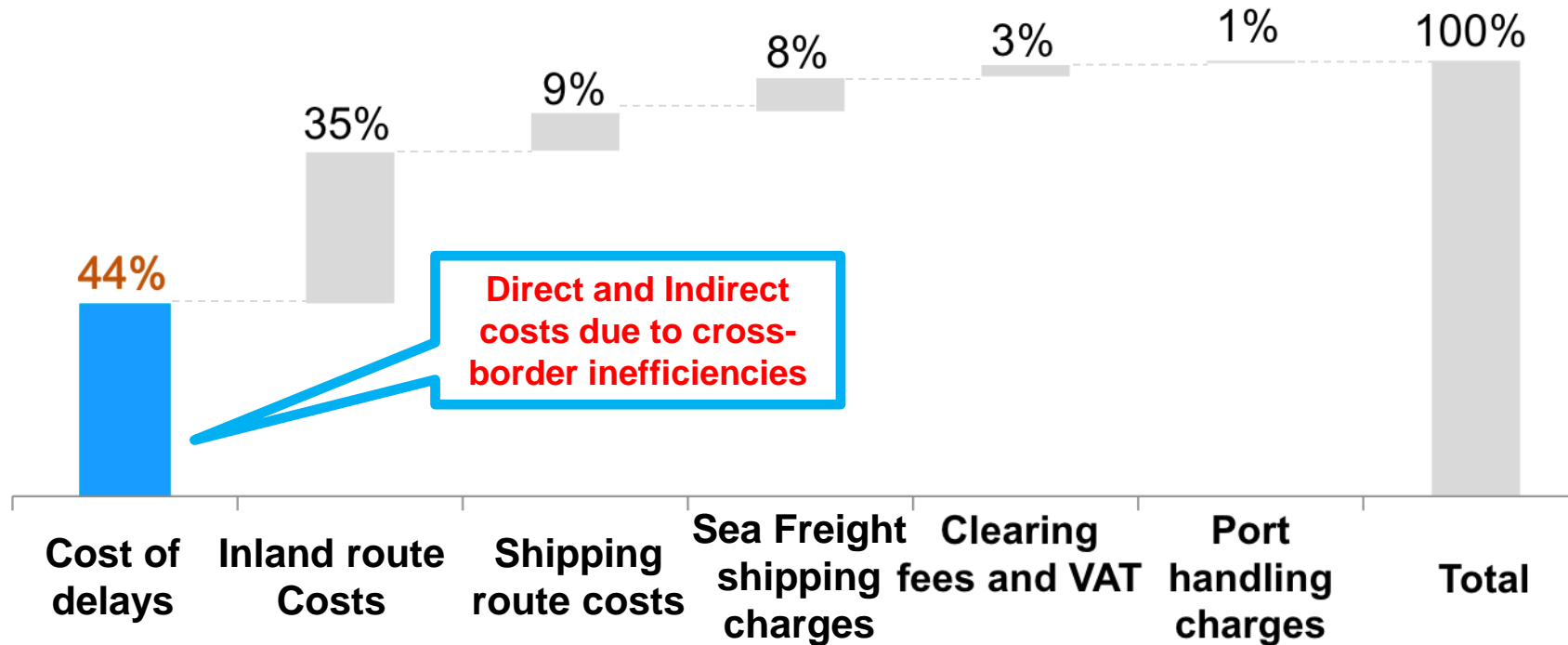
Fees and charges invoiced by border agencies for the service rendered

### Logistics costs

Costs involved in the planning and execution of handling, domestic and international transportation and warehousing

# Inefficiencies account for a large % of all trade costs

Transport costs breakdown on the northern corridor (Mombasa-Kigali )



Source: Analytical Comparative Transport Cost Study Along the Northern Corridor Region, CPCS, June 2010

# Cross-border inefficiencies impact business performance

## Direct costs

### Time and resources invested in managing export administrative activities

- Collect, produce, transmit and process required information and documents

## Indirect costs

### Increased operational costs

- Delays translate into extra transport, insurance or warehouse costs

### Increased working capital requirements

- Inventories immobilized are carried out by the exporter (except for EXW sales)

### Product deterioration

- Delays can lead to the degradation of products and render them unfit for sale

### Lost business opportunities

- Direct: joining a punctual regional trade
- Indirect: immobilized stock could have been sold to a local client





# WTO TFA Entry into Force February 22, 2017



Rwanda, Chad, DG Azevêdo , Jordan, Oman

# Structure of the WTO Trade Facilitation Agreement

## Preamble

## Section I - Substantive Provisions to be categorized

TFA Articles	Scope	GATT articles
Articles 1 to 5	Transparency	Article X
Articles 6 to 10	Fees and Formalities	Article VIII
Article 11	Transit	Article V
Article 12	Other issues	na

## Section II - Special and Differential Treatment

## Section III – Institutional arrangements and final provisions

# Section I: TFA articles 1 to 12

## Transparency Articles (1-5)

- 1 - Publication and availability of information
- 2 - Prior publication and consultation
- 3 - Advance Rulings
- 4 - Appeal or Review Procedures
- 5 - Other measures to enhance impartiality, non-discrimination and transparency

## Fees & Formalities (6-10)

- 6 - Disciplines on fees and charges imposed on or in connection with importation and exportation
- 7 - Release and clearance of goods
- 8 - Border agency co-operation
- 9 – Movement of goods under customs control intended for export
- 10 - Formalities connected with importation and exportation and transit

## Transit and Customs cooperation (11 and 12)

- 11 – Freedom of transit
- 12 – Cooperation between Customs authorities

# TFA Art. 7 in detail

## Release and clearance of Goods

### Fees & Formalities

**7.1 Pre-arrival Processing**

**7.2 Electronic Payment**

**7.3 Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges**

**7.4 Risk Management**

**7.5 Post-clearance Audit**

**7.6 Establishment and Publication of Average Release Times**

**7.7 Trade Facilitation Measures for Authorized Operators**

**7.8 Expedited Shipments**

**7.9 Perishable Goods**

# TFA Art. 10 in detail

## Formalities connected with Importation, Exportation and transit

### Fees & Formalities

10.1 Formalities and Documentation Requirements

10.2 Acceptance of Copies

10.3 Use of International Standards

10.4 Single Window

10.5 Preshipment Inspection

10.6 Use of Customs Brokers

10.7 Common Border Procedures and Uniform Documentation Requirements

10.8 Rejected Goods

10.9 Temporary Admission of Goods and Inward and Outward Processing



## **Section II Special and Differential Treatment**

- **Special implementation conditions for developing and least developed countries**



## **Section III: Institutional Arrangements & final provision**

- Article 23.1: Trade Facilitation Committee
- **Article 23.2: National TF Committee**

## Section II: Special and Differential Treatment for developing and least developed countries in TFA

Developing and LDCs having favourable treatment as compared to Developed Countries has been an **'integral part'** of WTO

### S&DT in WTO Agreements

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#### Lesser tariff reduction

- Rate of duty
- Product coverage

#### Longer implementation period

#### Delayed or deferred implementation

#### Lesser Obligations

#### Special Provisions

### S&DT in TFA

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- Self designation of provisions into category A, B & C
- Timing of each category to be decided by individual country
- Category C commitments implementation linked with acquisition of implementation capacity meaning assistance either technical and/or financial

## Section II: Special and Differential Treatment for developing and least developed countries in TFA

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- Category A:  Provisions that WTO Members have already put in place by the time the Agreement entered into force
- Category B:  Provision for which WTO Members will require a transition period for their implementation
- Category C:  WTO Members require a transition period for implementation, but also technical assistance and capacity building to implement these Provisions



## Section III: Art. 23.2

# National Trade Facilitation Committees

*Each Member **shall** establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both **domestic coordination and implementation of provisions** of this Agreement.*

**OBS!**  
**Regional Trade Facilitation Committee an option**

# The Trade Facilitation Agreement meet businesses requirements

## What traders want ?

## What does the TFA provide ?

Transparent, accessible and predictable rules and procedures



Art. 1 – Easily accessible trade related information  
Art. 3 – Issuance of advanced rulings

Standardized forms



Art. 10 – Use of international standards in an effort to promote uniform documentation and data requirements.

A single access point for all public services et agencies



Art. 8 – Border agency coordination  
Art. 10.2 – Acceptance of copies  
Art. 10.4 – Establishment of a “single window”

Simple, efficient and uniform formalities



Art. 10.7 – Common border procedure and documentation  
Art. 10.1 – Periodic review and simplification of formalities  
Art. 7.4 – Risk management  
Art. 7.6 – Publication of release times

Just and rewarding system



Art. 4 – Procedures for appeal or review  
Art. 7.7 – Authorized operators  
Art. 6 – Disciplines and fees and charges

Be part of the policy making process



Art. 2 – Opportunity to comment regulations before entry into force and regular public-private consultation  
Art. 13 – Set-up of NTFC

# What are the greatest challenges for developing countries in implementing the TFA?

## Top 10 most implemented measures

1. Temp Admission (Measure 35)
2. Inward Outward Proc (Measure 36)
3. Prohib Cons Trans (Measure 23)
4. Uniform Forms Doc (Measure 33)
5. Decl on Trans Goods (Measure 25)
6. Elim Pre-PostShip Exp (Measure 30)
7. Com Border Proc (Measure 32)
8. Opt Return Goods (Measure 34)
9. Expedited Shipments (Measure 22)
10. Sep/Release/Payment (Measure 17)

## Top 10 least implemented measures

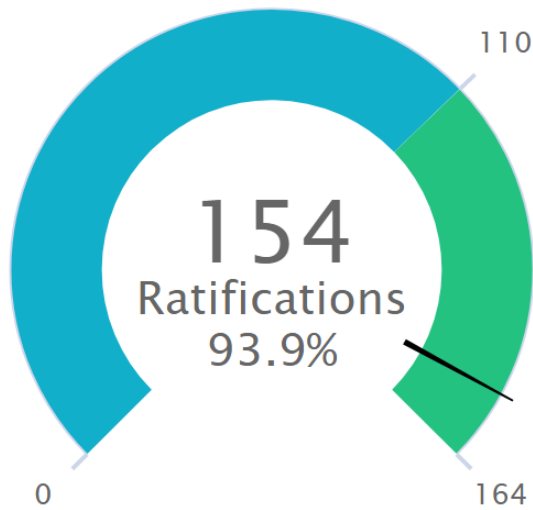
1. Information on Internet (Measure 2)
2. Single Window (Measure 29)
3. Enquiry Points (Measure 3)
4. Advance Ruling (Measure 8)
5. Test Procedures (Measure 13)
6. Disciplines on Fees/Charges (Measure 14)
7. Av. Release Times (Measure 20)
8. Authorized Operators (Measure 21)
9. Border Agency Coop (Measure 24)
10. Publication (Measure 1)



## Ratifications



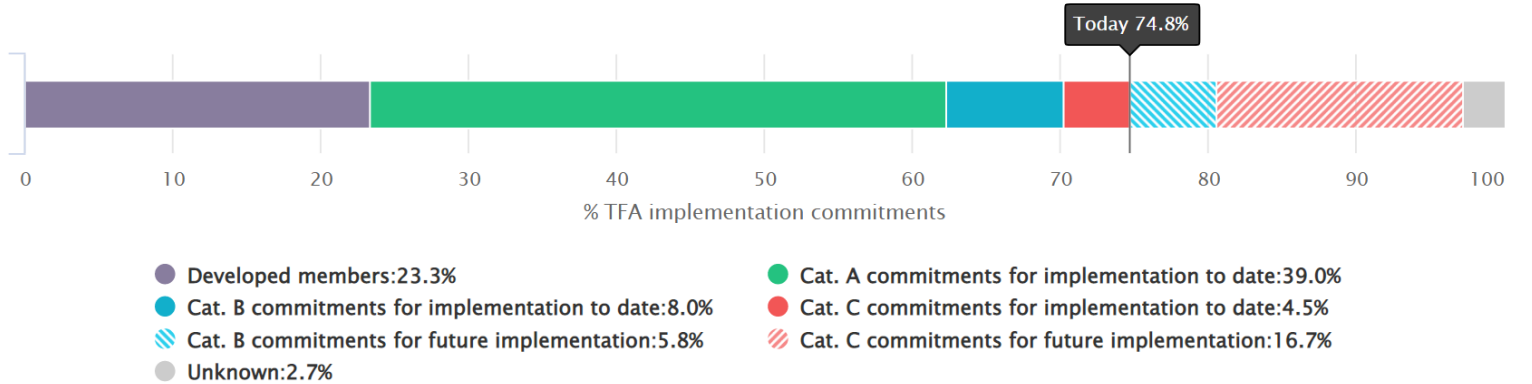
The Trade Facilitation Agreement (TFA) entered into force on 22 February 2017 when the WTO obtained the two-thirds acceptance from its 164 Members.



## Global implementation commitments



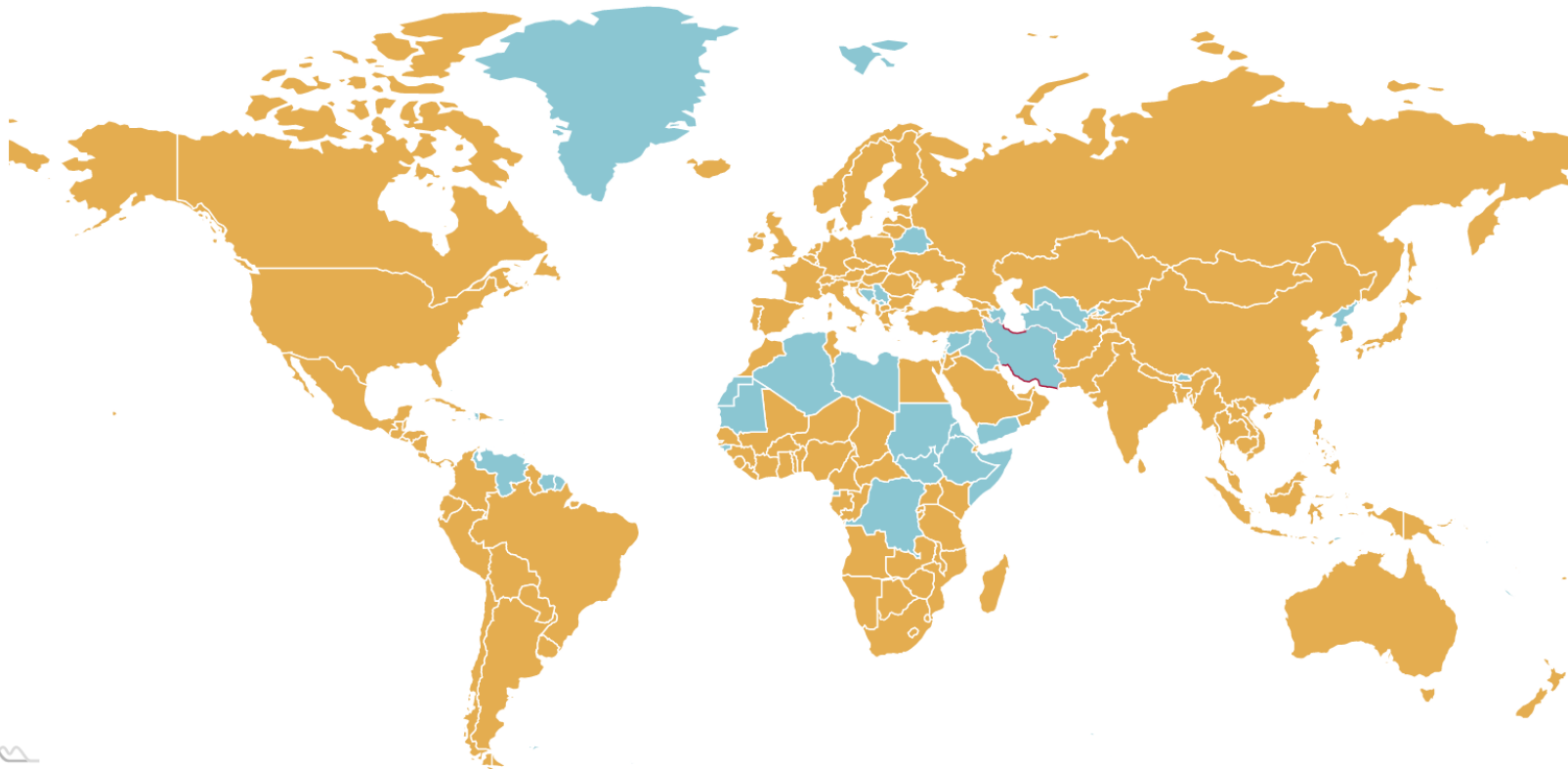
Implementation commitments according to notification data



## Mapping progress



■ 154 ratifications received - the TFA has entered into force!



# All 164 WTO Members must ratify

- obligations commence from date of deposit of instrument of acceptance
- and deadlines started ticking from the entry into force



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**THANK YOU!**  
QUESTIONS & ANSWERS



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