

TRADE AND AGRICULTURE DIRECTORATE  
TRADE COMMITTEE

Working Party of the Trade Committee

TRADE FACILITATION AND THE GLOBAL ECONOMY: STATE OF PLAY IN 2017

*This paper presents the state of play of trade facilitation endeavours around the world at the moment of entry into force of the WTO Trade Facilitation Agreement, based on 2017 TFI data. It identifies strong and weak points of those endeavours and highlights advances achieved since the last iteration of the TFIs.*

*The document was declassified at the March 2017 meeting of the Working Party of the Trade Committee.*

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JT03419346

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## TRADE FACILITATION AND THE GLOBAL ECONOMY: STATE OF PLAY IN 2017

### Key policy messages

- Implementation of the WTO Trade Facilitation Agreement (TFA), which entered into force on 22 February 2017, is expected to generate trade cost reductions of between 14% and 18%, boosting global growth.
- At the moment of entry into force of the TFA, the OECD Trade Facilitation Indicators (TFIs) offer a snapshot of trade facilitation endeavours around the world, highlight the main advances and challenges that countries will have to address on their path to implementing measures in the areas covered by the Agreement, and provide a baseline for monitoring future progress on trade facilitation.
- The 2017 series of the TFIs show that, in early 2017, implementation of measures in areas covered by the TFA provisions is well under way. The biggest challenges lie in the areas of domestic and cross-border agency co-operation, while notable improvements have been achieved in other areas such as involvement of trade community, automation or streamlining of procedures.
- A number of policy areas, such as advance rulings or automation appear to be closely associated with income, suggesting that investments in extensive capacity building in these areas are likely to yield significant benefits. But high and low performers can be found in all income groups and performance within groups is far from homogeneous in most policy areas.
- Observations based on the 2017 TFIs appear to be very much in line with the categorization notifications submitted up to now by WTO Members under the TFA. Many of the measures notified under Category A correspond to areas where good progress has already been made, according to the TFI data.
- The progress demonstrated in the 2017 TFIs over the 2015 data indicates continued positive momentum on trade facilitation worldwide. It is expected that, as countries see benefits from reforms undertaken to date, along with the recent entry into force of the TFA, will spur even greater efforts towards full and timely implementation of the TFA, with the boost to global growth it promises to bring.

## EXECUTIVE SUMMARY

The potential of trade facilitation measures to reduce the time, cost and uncertainty involved in importing and exporting, improve the operation of international value chains, and promote a more efficient production and allocation of resources is well known. Implementation of the WTO Trade Facilitation Agreement (TFA), which entered into force on 22 February 2017, is expected to generate trade cost reductions of between 14% and 18%, boosting global growth and leading to significant welfare gains.

At the moment of entry into force of the TFA, the OECD Trade Facilitation Indicators (TFIs) offer a snapshot of the state of play on trade facilitation around the world, highlight the main advances and challenges that countries will have to address on their path to implementing measures in areas covered by the Agreement, and provide a baseline for monitoring future progress on trade facilitation. The OECD TFIs are the most precisely targeted tool for monitoring and benchmarking country performance on trade facilitation and their extensive coverage of the full spectrum of measures related to the TFA's substantive provisions for more than 160 countries positions them to potentially play an important role in supporting TFA implementation and accompanying technical assistance and capacity building efforts. While the TFIs seek to measure effective trade facilitation endeavours, based on worldwide best practice in the areas covered by the WTO TFA, they are not designed to assess the compliance of countries with specific TFA provisions.

The 2017 iteration of the TFIs shows that in early 2017, implementation of measures falling under significant portions of the TFA is well under way. The evolution from the worldwide trade facilitation performance observed in 2015 to the performance in 2017 confirms the positive momentum generated by the negotiation and adoption of the TFA.

The most challenging areas across the board remain those related to internal and external border agency co-operation, which remain work in progress around the world. Deepening the TFIs in these areas enabled the identification of more specific implementation challenges, such as sharing results of inspections and controls among agencies involved in the management of cross-border trade, control delegation, or coordinated and shared infrastructure and equipment use at the domestic level. Significant progress has been achieved on cross-border cooperation since 2015 in the alignment of working days and hours and the alignment of procedures and formalities, but other areas remain difficult for most countries around the world.

Progress on a number of policy areas, such as advance rulings or automation, appear to be closely related to income, with less advanced economies faring less well than more advanced ones, suggesting that investments in extensive capacity building in these areas are likely to yield considerable benefits. On the other hand, worldwide performance is relatively even in areas such as disciplines on fees and charges and the streamlining of border procedures. Regional averages confirm the picture from income group averages. Beyond internal and external border agency co-operation, formalities (documents, automation and procedures) and information availability also present challenges in all regions.

High and low performers can be found in all income groups, and performance within groups is far from homogeneous. Policy areas displaying a wider variation, including the involvement of the trade community, advance rulings, appeal procedures, automation, and border agency co-operation, may suggest greater challenges as regards implementation.

Observations based on the 2017 TFIs appear to be very much in line with the categorisation notifications submitted up to now by WTO Members. Of the approximately 36 notifiable TFA measures, almost 80% received immediate implementation pledges by over 50% of eligible Members. Many of the measures notified under Category A correspond to areas where the TFIs indicate that good progress has already been made.

## Introduction

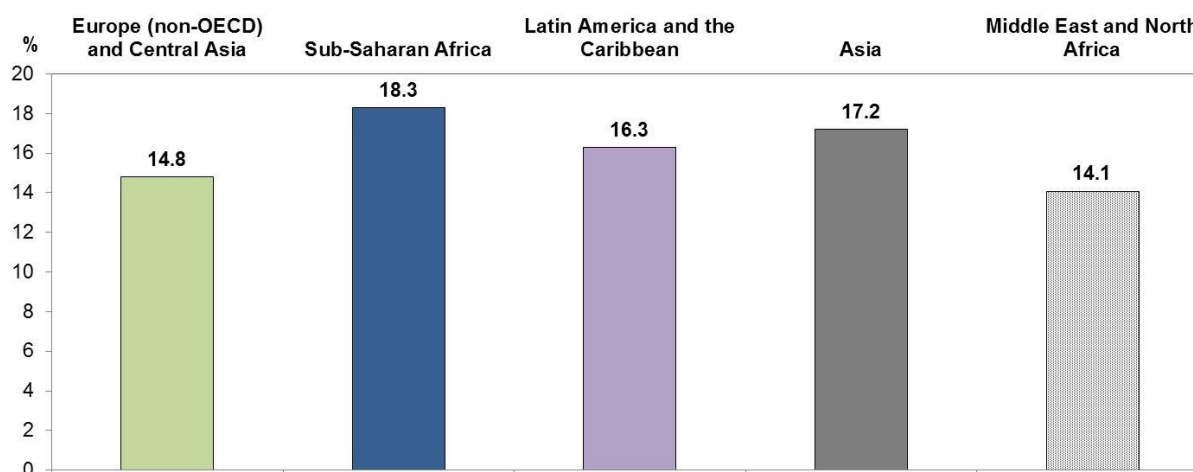
1. Trade facilitation is firmly on the global trade agenda, following the conclusion of the Trade Facilitation Agreement (TFA) at the World Trade Organization's (WTO) 9th Ministerial Conference (Bali, December 2013). The potential of trade facilitation measures to reduce the time, cost and uncertainty involved in importing and exporting, improve the operation of international value chains, and promote a more efficient production and allocation of resources has led countries to negotiate and adopt the TFA, which entered into force on 22 February, 2017. The Agreement is expected to generate significant economic benefits according to calculations based on the OECD Trade Facilitation Indicators (TFIs) (see Box 1).

### Box 1. Trade facilitation impact on trade, production and welfare

Both developed and developing countries stand to reap significant benefits from a full TFA implementation. The potential gains from trade facilitation are considerable, as demonstrated using 2015 OECD TFI data and cost estimates from the 2015 ESCAP-World Bank Trade Costs Dataset. These estimates showed that trade facilitation measures can benefit all countries, whether they are exporting or importing goods, by allowing better access to inputs for production and greater participation in GVCs. Trade facilitation improvements are critical for trade in intermediate goods and time-sensitive goods, such as perishable agricultural products or high-tech manufacturing, which suffer from uncertain delivery or lengthy export times.

The potential trade costs reduction from a "full" implementation scenario, i.e. implementation of all measures contained in Articles 1-12 of the TFA, is up to 16.5% of total costs for low income countries, 17.4% for lower middle income countries, 14.6% for upper middle income countries, and 11.8% for OECD countries. By geographic region, the potential trade transaction costs reductions range between 14% and 18% (Figure 1). Benefits of the Agreement may be substantially larger depending on the scope and pace of implementation.

Figure 1. Potential trade costs reductions by regions (%)



The most significant policy areas for reducing trade transaction costs relate to the **harmonisation and simplification of trade documents and procedures**, the **availability of trade-related information**, the **automation** of the border process and the use of **advance rulings**.

There are also important economy-wide gains from trade facilitation across regions and sectors. Implementing the TFA could potentially increase welfare to between 0.05% and 0.63% of countries' final demand, depending on the level of development. The distribution of benefits largely favors developing countries, particularly in an ambitious implementation scenario. The transparency, predictability and simplification of trade procedures have not only the potential to reduce trade costs and promote economic efficiency but also to remove corruption incentives and opportunities by reducing information asymmetries and enhancing the enforceability and accountability of regulations.

Initial tests using the 2017 TFI data confirm the findings of the 2015 estimates on the potential reductions of trade transaction costs. New estimates using the 2017 TFIs will be undertaken later in the year, once updated data on trade costs estimates and time to trade become available.

*Source:* OECD (forthcoming), OECD (2015).

1. At the moment of entry into force of the TFA<sup>1</sup>, it is timely to take a look at the state of play on trade facilitation around the world, highlight the main advances and challenges that countries will have to address on their path to implementing the Agreement, and provide a baseline for monitoring future progress on trade facilitation. The TFIs, developed by the OECD in 2012 in response to a request from governments to provide them with a tool to help improve their border procedures, reduce trade costs and reap greater benefits from international trade, are the most current and the most precisely targeted tool for monitoring and benchmarking country performance on trade facilitation. Their extensive coverage of measures covered by the full spectrum of the TFA's substantive provisions<sup>2</sup> (highlighted in Table 1) for more than 160 countries across income levels, geographical regions and development stages positions them to potentially play an important role in supporting TFA implementation and accompanying technical assistance and capacity building efforts. While the TFIs seek to measure effective trade facilitation endeavours, based on worldwide best practice, in the areas covered by the WTO TFA, they are not designed to assess the compliance of countries with specific TFA provisions.

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<sup>1</sup> WTO Members had decided at the 2013 Bali Ministerial Conference that the TFA should enter into force once two-thirds of them completed their domestic ratification process. This threshold was reached on 22 February 2017.

<sup>2</sup> Plus an indicator that does not correspond to any TFA provision: the indicator (k) Governance and Impartiality goes beyond provisions covered by the TFA and measures good practice in Customs structure, functions, ethics and accountability.



Table 1. Overall structure of the OECD Trade Facilitation Indicators

| Indicator   | Description  |
|---|--|
| <b>(a) Information Availability</b>                           | Enquiry points; publication of trade information, including on Internet  |
| <b>(b) Involvement of the Trade Community (Consultations)</b> | Structures for consultations; established guidelines for consultations; publications of drafts; existence of notice-and-comment frameworks   |
| <b>(c) Advance Rulings</b>                                    | Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements |
| <b>(d) Appeal Procedures</b>                                  | The possibility and modalities to appeal administrative decisions by border agencies   |
| <b>(e) Fees and Charges</b>                                   | Disciplines on the fees and charges imposed on imports and exports; disciplines on penalties   |
| <b>(f) Formalities – Documents</b>                            | Acceptance of copies, simplification of trade documents; harmonisation in accordance with international standards  |
| <b>(g) Formalities – Automation</b>                           | Electronic exchange of data; use of automated risk management; automated border procedures; electronic payments  |
| <b>(h) Formalities – Procedures</b>                           | Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorised operators   |
| <b>(i) Internal Co-operation</b>                              | Control delegation to Customs authorities; co-operation between various border agencies of the country   |
| <b>(j) External Co-operation</b>                              | Co-operation with neighbouring and third countries   |
| <b>(k) Governance and Impartiality</b>                        | Customs structures and functions; accountability; ethics policy  |

Note: The area of governance and impartiality (indicator (k)) is outside the remit of the WTO TFA.

2. This second update of the TFIs database to reflect where countries stand in 2017<sup>3</sup>, provides a comprehensive overview of strong and weak points in national border-process mechanisms, highlights developments over time and identifies future challenges that domestic reform, as well as areas where investment in technical assistance and capacity building efforts are likely to yield significant benefits.

### The big picture: current state of play of trade facilitation endeavours

3. At the point of entry into force of the WTO TFA, implementation of measures falling under significant portions of the Agreement is well under way. Although differences still exist between the selected groups of countries, both as regards income groups<sup>4</sup> and geographical groups<sup>5</sup>, worldwide performance is relatively even in a number of trade facilitation policy areas, in particular the disciplines on

<sup>3</sup> The TFIs were first updated in 2015.

<sup>4</sup> The following income groups are considered: low income countries (LICs), lower middle income countries (LMICs), upper middle income countries (UMICs), high income non-OECD economies (HICs non-OECD), and OECD countries (the full list of countries is provided in Annex Table 2.1).

<sup>5</sup> The following geographical groups are considered: Asia-Pacific (AP), Europe and Central Asia (ECA), Latin America and the Caribbean (LAC), Middle East and North Africa (MENA), and Sub-Saharan Africa (SSA) (the full list of countries is provided in Annex Table 2.1).

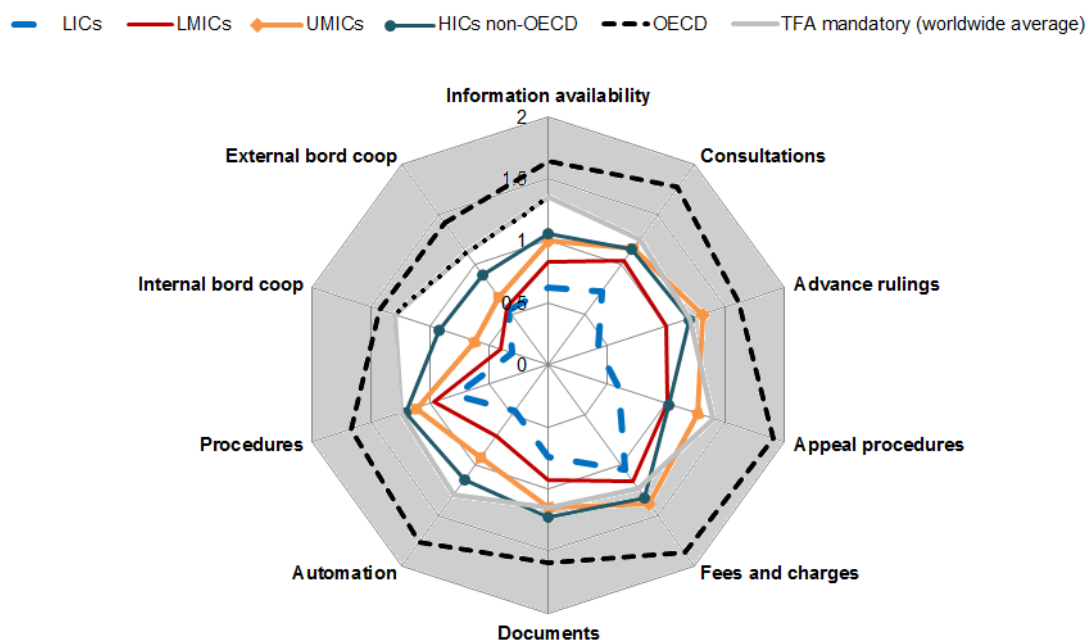
fees and charges and streamlining of border procedures. In general, more advanced economies perform better than less developed countries (Figure 2); for most policy areas, there is a significant difference between the performance of OECD countries and the rest of the groups, but the biggest differences are found in areas outside the mandatory provisions of the TFA.

4. The most challenging areas across the board remain those related to internal and external border agency co-operation. Both domestic and cross-border cooperation remain work in progress around the world, but encouraging steps have been taken in the right direction in countries at all levels of development.

5. Progress on automation appears to be closely associated with income, with less advanced economies faring less well than more advanced ones. This suggests that extensive capacity building in this area may yield significant benefits. Indeed, measures such as risk management or single windows feature heavily among the WTO Category C notifications (although this should be put in perspective against the low number of Category B and Category C notifications to date). On the other hand, income-related disparities are more limited for the streamlining of border procedures, possibly thanks to the extensive capacity building work already undertaken on Customs matters over the last several years.

6. Low income countries appear to face particular challenges in terms of consultations, advance rulings and appeal procedures, where their performance gap is quite significant compared to a relatively homogeneous average performance in other income groups. This is also the case in the area of governance and impartiality; however, this is beyond the scope of the TFA. The distance of LIC performance from implementation of the full set of mandatory provisions in the TFA related to advance rulings is also reflected in the low number of Category A notifications received in this area to date. This is much less the case for appeal procedures.

**Figure 2. TFIs 2017: full sample snapshot, income groupings**



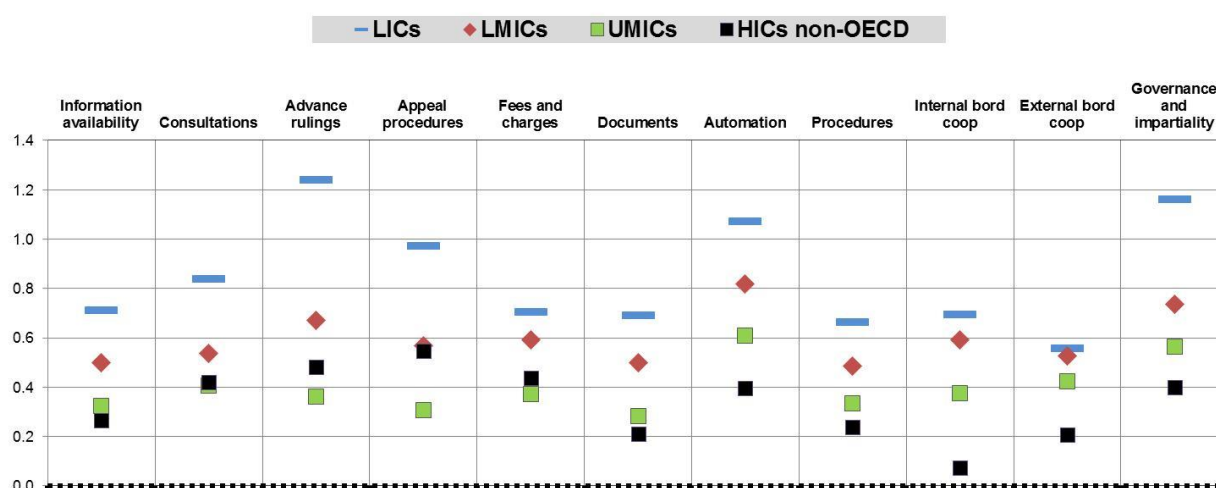
Note: The shaded area depicts measures that go beyond the mandatory provisions of the TFA. The dotted portion of the grey line highlights the fact that all TFA provisions for external border agency co-operation are “best endeavours”.

Source: OECD Trade Facilitation Indicators 2017 (February 2017).

7. The relationship between performance and income is confirmed when considering the distance of developing and emerging economies to the top 25% performers in the world (Figure 3). However, this perspective again also reveals several areas where the gap is relatively limited, such as for fees and charges, procedures or external border agency cooperation.

8. Beyond the overview of aggregate performance by income group, performance within those groups is generally far from homogeneous. Every group includes both high and low performers. The policy areas displaying a wider variation may arguably be those that are more challenging as regards implementation (Annex Figure 3.1). Among LICs, there are more pronounced disparities in implementation in the areas of automation, advance rulings, appeal procedures, and involvement of the trade community<sup>6</sup>. In LMICs and UMICs, there are also wide variations in terms of fees and charges and the simplification and harmonisation of documents. High income countries outside the OECD area display the widest disparities across all areas – this is directly linked to the fact that it is a very heterogeneous group of countries, ranging from very high performers in Asia to economies performing less well in the MENA region. The performance of OECD countries is more homogeneous, with the exception of that for documents and border agency co-operation.

Figure 3. Distance to top 25% performers in the sample (by TFI area)



Note: The figure shows the average gap between a group average's performance for a selected area and the performance level of the top 25% countries for each area covered. OECD members' performances are in the top quartile (best) performance for the overall sample, which is denoted by the dotted line at the bottom of the figure.

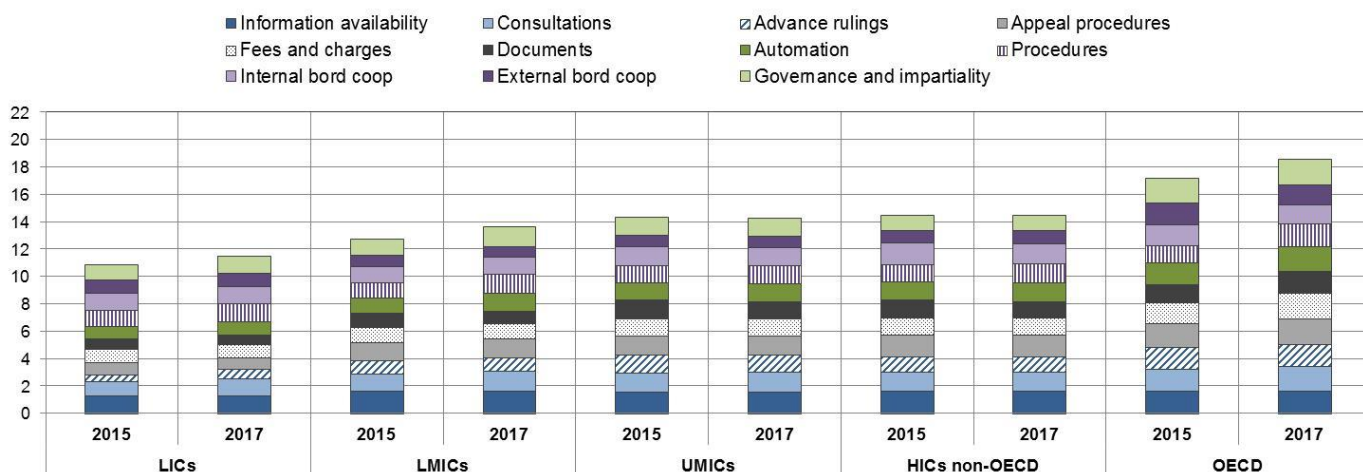
Source: OECD Trade Facilitation Indicators 2017 (February 2017).

9. The evolution from the worldwide trade facilitation performance observed in 2015 to the performance in 2017 confirms the positive momentum generated by the negotiation and adoption of the TFA (Figure 4). The comparison below is based on the same components covered both by the 2015 and the 2017 TFI series, excluding the additional variables which were inserted in the current set (see Annex 1 on the 2017 TFI data collection). Several important trends can be highlighted: while there are improvements in the overall performance of the LICs, LMICs and OECD groupings, the average performance of UMICs and high-income non-OECD economies in 2015-17 saw only marginal improvements in selected areas, such as the involvement of the trade community, automation, and streamlining of procedures. The LICs

<sup>6</sup> With some of the high performers in these areas in the top revenue quartile of their grouping.

and LMICs groupings also experienced improvements in information availability, advance rulings and governance and impartiality.

**Figure 4. Income groups TFIs, 2015 and 2017**



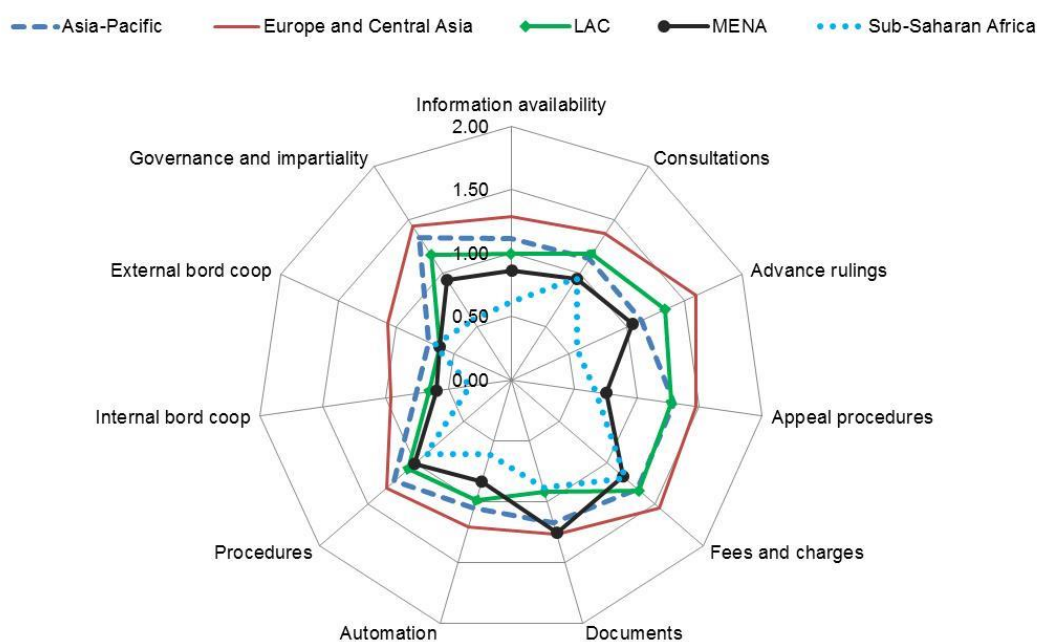
Source: OECD Trade Facilitation Indicators 2017 (February 2017).

### **Regional snapshots**

10. Regional averages confirm the picture from income group averages. Once again, the most demanding topics relate to internal and external border agency co-operation, while formalities (documents, automation and procedures) and information availability also present challenges in all regions (Figure 5). Performance on the streamlining of procedures and consultations is relatively homogeneous across regions; this is much less the case for information availability, automation and harmonisation of documents. The widest disparities across regions are found in the areas of advance rulings, appeal procedures and governance and impartiality. The better performance of the Europe and Central Asia region is largely driven by European Union members, while that of the Asia-Pacific region is driven by East Asian high performers. The Sub-Saharan Africa region is the weakest performer across the board, but this is mainly driven by the areas of information availability, advance rulings and automation<sup>7</sup>, where SSA presents gaps compared to all the other regions.

<sup>7</sup> As well as the area of governance and impartiality, which is however outside the remit of the TFA.

Figure 5. TFIs 2017: full sample snapshot, regional groupings



Note: The geographical groupings include OECD members (the detailed list is provided in Annex Table 2.1).

Source: OECD Trade Facilitation Indicators 2017 (February 2017).

11. Performance variations are also notable within regions, to a much larger extent than within income groups, particularly with regard to consultations, advance rulings, appeal procedures, simplification and harmonisation of documents, automation, and inter-agency co-operation. Within-group disparities are most significant for the Asia-Pacific and Europe and Central Asia. In the Asia-Pacific, disparities are wider regarding consultations, advance rulings, and automation; in Europe and Central Asia, the widest disparities concern automation, advance rulings, and appeal procedures (Annex Figure 4.1).

### A closer look at key challenges in relation to the TFA

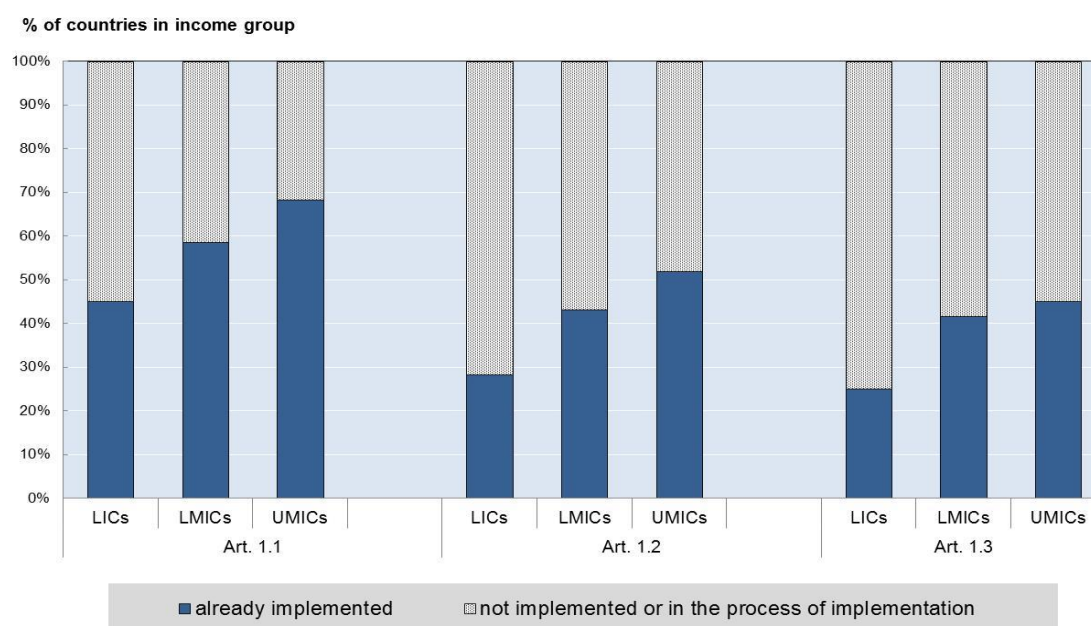
#### *Transparency and predictability*

12. Articles 1 to 6 of the TFA include provisions meant to enhance the transparency and predictability of the import, export and transit processes. Measures covered by these articles are the first step in ensuring higher certainty and reliability in the transaction chain. They are reflected by variables in the first five TFIs, namely (a) Information availability, (b) Involvement of the trading community, (c) Advance rulings, (d) Appeal procedures, and (e) Fees and charges.

13. Information availability measures in TFA Article 1 (*Publication and availability of information*) refer both to web-based and to other forms of publication about Customs and border-related rules and procedures, as well as to transparency mechanisms such as enquiry points. Information from the TFIs database shows that the kinds of requirements falling under Article 1.1 concerning publication are already quite widely implemented among the sample countries (Figure 6). Among the types of information listed in Art.1.1, countries across all income groups publish relatively widely the basic steps of importation, exportation and transit procedures (1.1.a) and applied rates of duties and taxes (1.1.b). Lower and upper middle income countries also make information available regarding classification and valuation rules

(1.1.d), appeal procedures (1.1.h) and agreements with third countries (1.1.i). Such information is generally made available through paper publications, while publication through Internet (1.2) is still work in progress across the country groupings. An increasing number of countries provide specific web-pages for advance rulings; however, the large majority of these do not have an interactive interface to allow advance rulings requests to be filed online.

**Figure 6. Article 1: Publication and Availability of Information**



Source: OECD Trade Facilitation Indicators 2017 (February 2017).

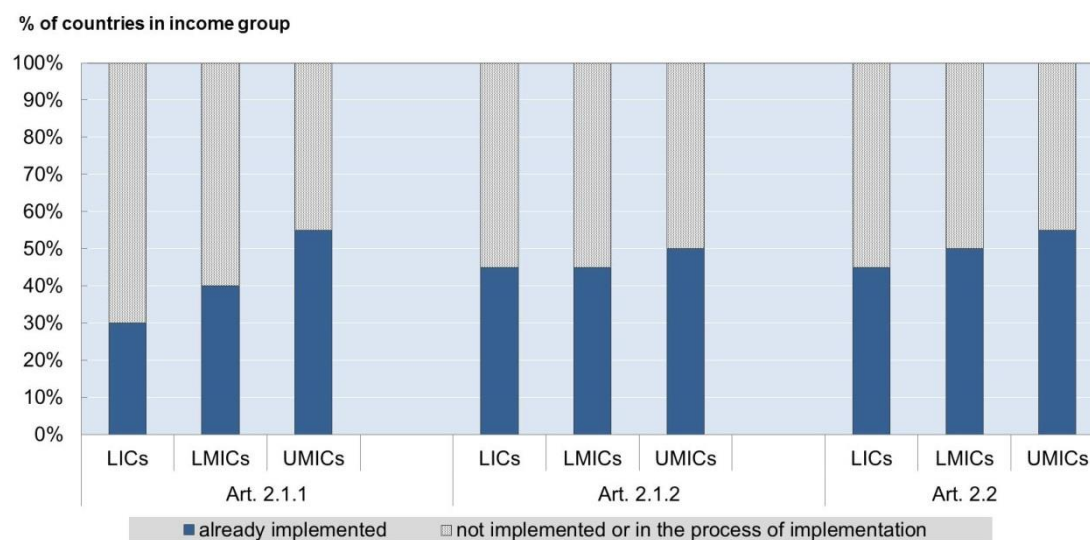
14. There has not been much progress in providing documents and forms directly for download on the Customs website, especially among LICs and LMICs. Moreover, new web functionalities - such as the existence of a specific page for professional users or the publication of user manuals – are currently in place only in some UMICs, high-income non-OECD economies, and OECD countries.

15. As shown by the progress measured by the TFIs since 2012, the efficiency-enhancing potential of enquiry points (1.3) is well understood around the world: the majority of the LMICs and UMICs and 60% of surveyed LICs maintain one or more enquiry points and offer the possibility to ask questions on Customs-related issues, either by telephone or by means of an online form. However, the most challenging aspects of Article 1 appear to concern the timeliness of response from enquiry points. In less than 30% of developing countries are their operating hours fully adjusted to commercial needs or does their service charter indicate the standard response time for the various types of enquiry.

16. TFA Article 2 (*Opportunity to comment, information before entry into force and consultations*) aims to ensure the involvement of the trade community in the design and everyday operation of border-related policies and procedures; the Article also refers to the scope, contents and outcomes of such consultations between traders and governments. In 2015, 40% of the countries in the sample – the large majority of which were middle income and high income countries – held regular consultations between traders and the respective administration. 2017 data indicates that this share has increased to 50%, with many developing countries also appearing to have well-established guidelines and procedures in place governing the public consultation process (Figure 7). The scope of consultations has also been widened, with new types of audiences having access to consultations: currently, governments in about 55% of

developing and emerging economies seek to involve four or more stakeholder groups. Although information on the frequency of consultations is more difficult to find, based on the available data, there appear to be large differences between countries at different levels of development on this point.

**Figure 7. Article 2: Opportunity to Comment, Information before Entry into Force and Consultation**



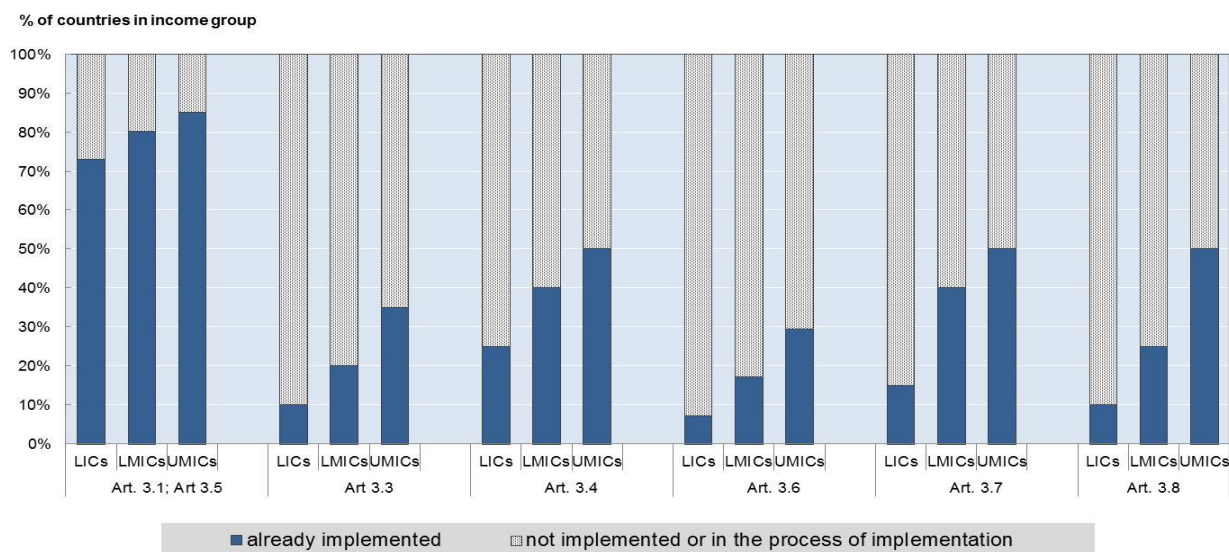
Source: OECD Trade Facilitation Indicators 2017 (February 2017).

17. The content and outcomes of consultations are still a challenge for many countries. Less than half of the countries in the sample consistently provide opportunities to comment (2.1.1), or allow an interval between the publication and entry into force of all new or amended trade related laws and regulations (2.1.2). Drafts are available before the entry into force of a rule and stakeholder comments are possible for 29% of LICs and 57% of UMICs, but only 14% of the developing countries in the sample involve the trading community at the stage of drafting new trade related legislation.

18. General notice-and-comment procedures appear to be in place across the sample, but outside the OECD grouping these are not always used for trade and border issues. Moreover, while public comments formulated during the consultations appear to be taken into account across 53% of economies, administrations rarely provide explanations on how such comments have been dealt with, such as through online information, including on how any comments may have been reflected in the final draft legislation.

19. TFA Article 3 (*Advance rulings*) consists of critical mechanisms for providing traders with greater certainty about Customs requirements and any duty liabilities. Customs receive advance information of anticipated transactions that can be fed into its risk management machinery. While more than 80% of countries across all income groups issue binding advance rulings (3.1 and 3.5), the implementation of measures related to provisions about the validity (3.3), refusal to issue or revocation (3.4), timely issuance (3.6), reviews (3.7) and publication of advance rulings of general interest (3.8) varies considerably between the groupings (Figure 8), a situation similar to the pattern shown by the TFIs in 2012-15. Upgrading the scope and characteristics of the advance rulings system continues to be work in progress for most of the countries in the sample.

Figure 8. Article 3: Advance Rulings



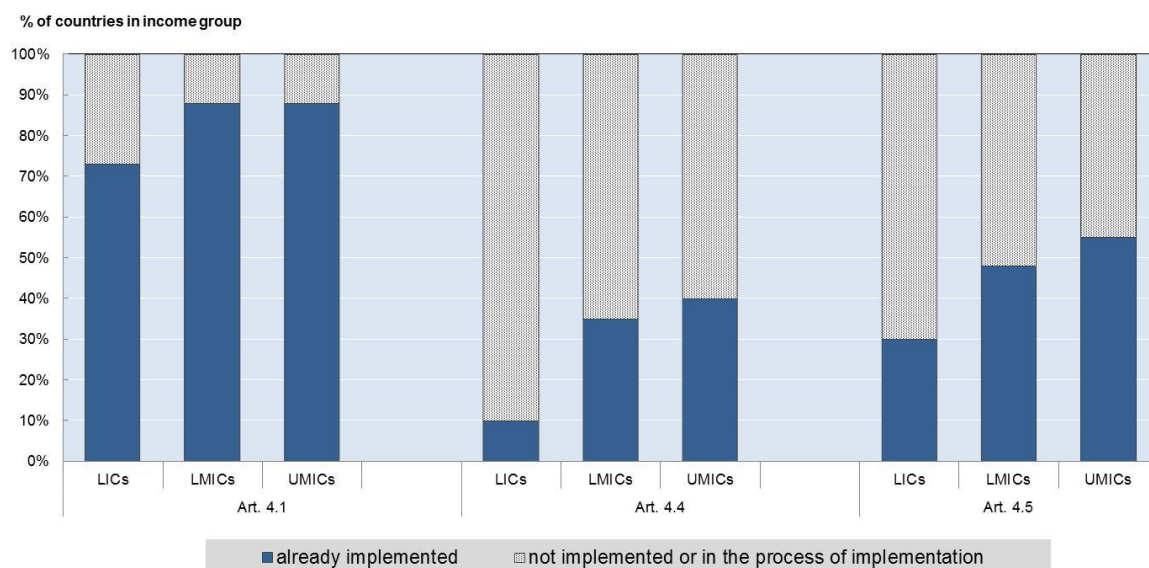
Source: OECD Trade Facilitation Indicators 2017 (February 2017).

20. Information on the number of advance rulings issued remains scarce, with the exception of several UMICs, HICs non-OECD, and OECD countries. The available information shows nevertheless that use of advance ruling mechanisms differs significantly across countries.

21. TFA Article 4 (*Procedures for appeal or review*) is reflected in the indicator on appeal procedures, which refers to a number of basic characteristics of the appeal system, such as the transparency, fairness, accessibility, timeliness and effectiveness of the applicable rules and of the outcomes. A well-functioning appeals mechanism ensures a transparent and accountable application and enforcement of legislation by the Customs administration and related agencies. Although the right to appeal (4.1) now appears to be more widely available than in 2012-15, measures related to provisions concerning the timeliness (4.4) and motivation of administrative decisions (4.5) still appear to be implemented only in half of the sample countries around the world (Figure 9). The timeliness of the appeals mechanism, more specifically granting sufficient time for lodging an appeal (i.e., the time limit for contesting a decision of border agencies, as well as the time permitted for studying the contested decision and for preparing the appeal), and avoiding undue delays (i.e., the periods specified in the laws and regulations for providing a decision on appeal or review) is particularly challenging for LICs and LMICs.



Figure 9. Article 4: Appeal or Review Procedures

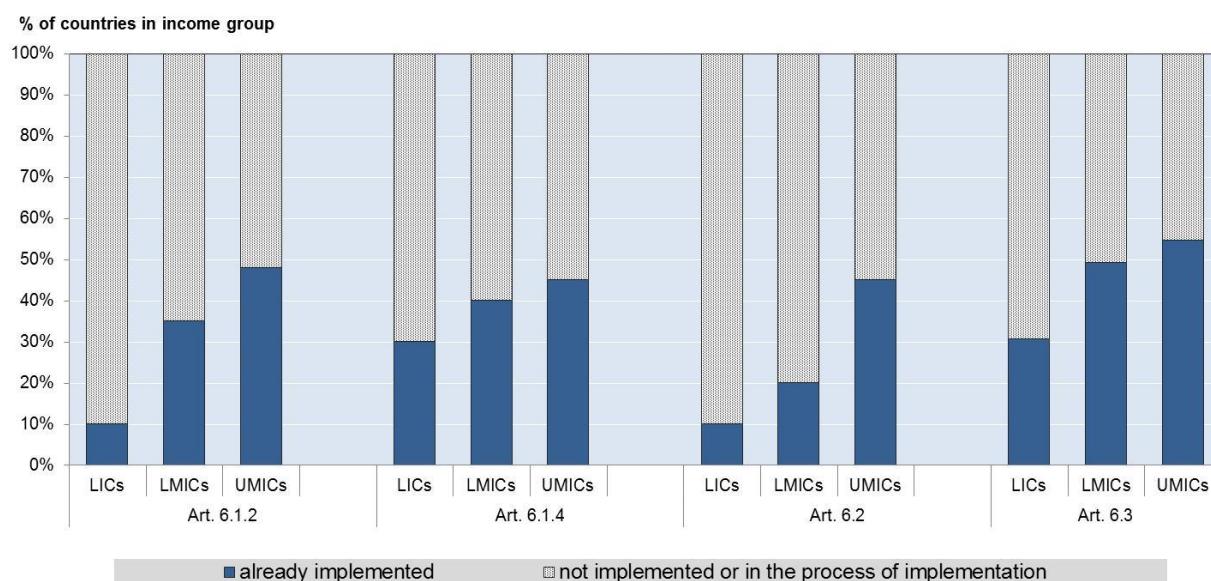


Source: OECD Trade Facilitation Indicators 2017 (February 2017).

22. TFA Article 6 promotes transparency and predictability as regards *fees, charges and penalties*. Provisions relating to penalties (6.3) are covered for the first time in the 2017 update of the TFI (e)<sup>8</sup>. This area appears as particularly challenging for developing and emerging economies. Periodic reviews of fees and charges (6.1.4), as well as the information published on fees and charges (6.1.2) and on the limitation of fees and charges to the approximate cost of services rendered (6.2) all display significant variations according to the income group (Figure 10).

<sup>8</sup> The provisions on penalties were not included in previous iterations of the OECD TFIs because of the scarcity of related data.

**Figure 10. Article 6: Disciplines on Fees and Charges imposed on or in connection with importation and exportation and Penalties**



Source: OECD Trade Facilitation Indicators 2017 (February 2017).

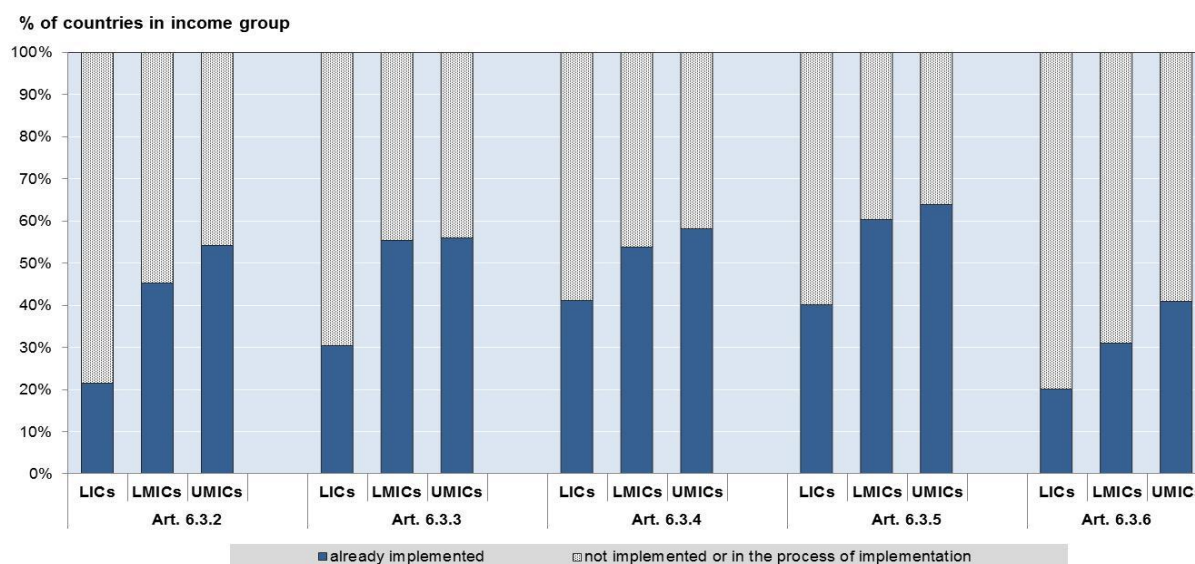
23. A significant challenge in assessing progress on measures related to the provisions on fees and charges regards the scarcity or poor visibility and accessibility of publicly available data. This situation has not seen much progress since 2015. Apart from OECD countries and several high-income non-OECD economies, only a few developing countries have a dedicated fees and charges webpage on the Customs website, and they are largely UMICs. This also makes information on the calculation of fees and charges and their respective levels and types rather difficult to access for a wide range of countries.

24. In many of the surveyed developing countries, Customs administrations apply fees for services during normal working hours. Where countries charge fees for answering enquiries, these are generally (in about 65% of the sample) limited to the approximate cost of the services rendered. Additional challenges lie in the absence of periodic reviews of fees and charges so as to ensure their relevance, as well as in the insufficient time periods granted between the publication of new or amended fees and charges and their entry into force, with only about 35% of the sample outside the OECD grouping providing an adequate notice time.

25. Article 6.3 of the TFA requires that administrative penalties imposed by Customs take into consideration the facts and circumstances of the case and be commensurate with the degree and severity of the breach. This section also addresses voluntary disclosure practices, time limits, the avoidance of conflicts of interest, and provisions for written explanation of the reasons for the penalty and the applicable legal authority. Reasonable and appropriate penalty disciplines are critical to the successful transition to a compliance management environment. The level of implementation of penalty disciplines for the breach of customs law or regulations; procedural requirements in terms of transparency and proportionality, as well as procedural guarantees of penalties (i.e. providing an explanation in writing to the person upon whom the penalty is imposed, specifying the nature of the breach and the applicable regulation) appears to be relatively homogeneous among LMICs and UMICs. LICs are still facing challenges, with these measures implemented at this stage in about a third of the grouping. Challenges mostly relate to conflicts of interest in the assessment and collection of penalties and duties: in only approximately half of the developing countries in the sample is remuneration of customs officials independent of any penalties or duties that

they assess or collect - and to the voluntary disclosure of breaches of customs regulation by the persons responsible – which is considered a mitigating factor when establishing penalties only in 28% of developing countries (Figure 11).

**Figure 11. Article 6.3 snapshot: Disciplines on penalties**



Source: OECD Trade Facilitation Indicators 2017 (February 2017).

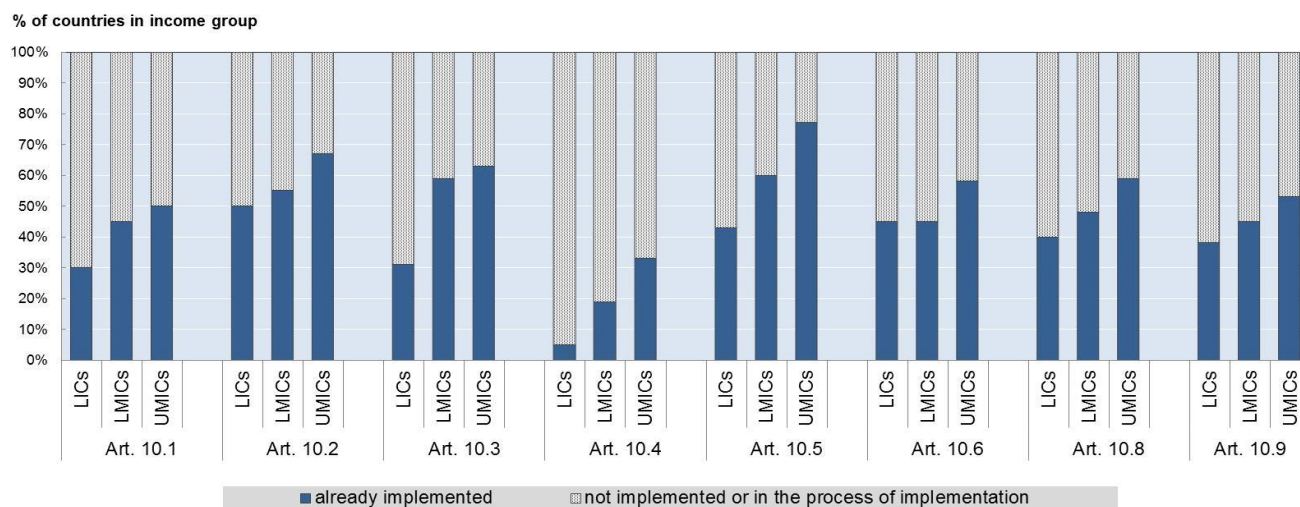
### *Simplification and streamlining of formalities*

26. Articles 7 and 10 of the TFA include essential provisions addressing procedural simplification, with the aim of minimizing the incidence and complexity of import, export and transit formalities. Elements of Article 10 specifically address formalities and documentation requirements related to importation, exportation, and transit, while Article 7 addresses the release and clearance of goods, including processes and requirements relating to perishable goods. These articles are covered by the set of three TFIs on Formalities [(f) Documents, (g) Automation, and (h) Procedures].

27. Measures relating to document requirements refer both to the extent of harmonisation of trade documents, through reliance on international standards, and to the simplification of documentary requirements, through the use of copies and reduction in the number and complexity of required documentation. Compliance with international standards<sup>9</sup> (10.3) has improved among the surveyed countries since 2012: as of 2017, about two-thirds of developing countries had ratified<sup>10</sup> at least two of the International Conventions under consideration (Figure 12).

<sup>9</sup> This variable covers the ratification of the following International Conventions: Facilitation of International Maritime Traffic (2005); International Civil Aviation (2006); Temporary Admission of Goods (Istanbul Convention, 1990); Harmonized Commodity Description and Coding System (International HS Convention, 1986); and Simplification and Harmonisation of Customs procedures (Revised Kyoto Convention, 1999, General Annex).

<sup>10</sup> Nonetheless, the scoring for the “international standards compliance” variable needs to be interpreted with caution; ratification of a treaty does not automatically mean its full and immediate implementation, while

**Figure 12. Article 10: Formalities connected with Importation and Exportation**

Source: OECD Trade Facilitation Indicators 2017 (February 2017).

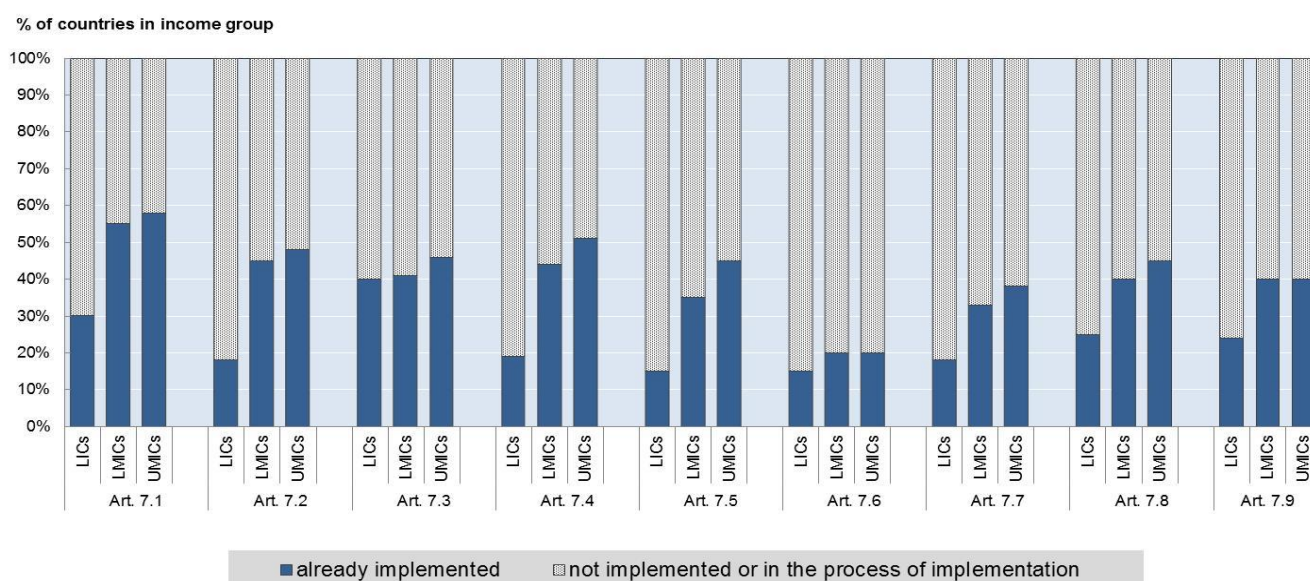
28. The review and simplification of formalities and documentation requirements (10.1) remain work in progress across all income groups. Low income countries lag significantly behind middle income countries in terms of the number of documents necessary for exporting and importing, as well as the time required on average for the preparation of such documents. Moreover, periodic reviews of documentary requirements and discontinuation of requirements that are no longer required are implemented only scantily. Only 10% of LICs ensure that, following such a review, unnecessary requirements are discontinued, while this share goes up to 40% across UMICs.

29. The acceptance of copies (10.2) is another area displaying noticeable improvement, with agencies in about 60% of developing and emerging countries accepting copies when another government agency holds the original. However, copies are primarily accepted with exceptions (related to the type of good, the circumstances or the agency); only 8% of low and middle income countries accept copies without exceptions (although the original may need to be presented upon request). Harnessing the power of information technology (IT), an increasing number of countries in the middle income group, as well as HICs non-OECD appear to be clearing import and export procedures electronically. That said, very little recent information is available on the actual percentage of import and export procedures that allow for electronic processing in LICs, LMICs and UMICs. The percentage in OECD economies currently averages 99.2%.

30. Other provisions in Article 10 that appear quite widely implemented relate to pre-shipment inspection (10.5) and the use of customs brokers (10.6), with challenges nevertheless remaining for several LICs and LMICs (Figure 13). Countries still applying pre-shipment inspection are principally LICs, although similar arrangements were found for some middle income countries. Moreover, in some cases, pre-shipment inspections appear to have been eliminated relatively recently. Half of the countries in Sub-Saharan Africa for which data are available were applying pre-shipment inspections in 2015, but this share now seems to have fallen to 43%.

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some countries in the sample may have not yet ratified such conventions but already apply some of the provisions in practice.

**Figure 13. Article 7: Release and Clearance of Goods**

Source: OECD Trade Facilitation Indicators 2017 (February 2017).

31. The TFIs series now also includes, as of 2017, variables accounting for rejected goods (10.8) and temporary admission of goods for inward and outward processing (10.9), both of which appear to benefit from already significant worldwide implementation.

32. The most challenging area covered under Article 10, as already highlighted by the 2012 and 2015 TFIs, remains the set up and operation of Single Windows (10.4). This is where countries in the overall sample, in particular LICs, have made the least progress. Based on the information collected, around a third of HICs, UMICs and LMICs and only 10% of LICs appear to have put in place a fully operational mechanism<sup>11</sup>. This share appears to be higher for OECD economies (60%). Information on the progress achieved on IT and Electronic Data Interchange (EDI) systems, as well as wide-ranging challenges in the area of border agency cooperation, suggest that the missing link lies with the quality of co-operation and information exchange among different government agencies, Customs departments, and border control posts. The fact that the majority of surveyed countries state that a Single Window is planned or in the process of implementation highlights the importance of the efforts being undertaken in this area, as the implementation of a Single Window can only be achieved within a medium to long-term timeframe and with the involvement of a wide range of stakeholders.

33. For the majority of the surveyed countries, IT systems capable of electronic data exchange are in the process of implementation or already functional. Most LMICs' and UMICs' IT systems are now ready for EDI, while most LICs state that such a system is in the process of implementation. These systems are also essential in enabling simplification of documentary requirements and reduced complexity of document submission. Data concerning the availability of full-time automated processing for Customs agencies corroborates this broader picture: 60% of developing countries report the existence of full-time automation,

<sup>11</sup> The scope and ambitions of these mechanisms can vary widely (see also [TAD/TC/WP\(2016\)14/REV1](#) on Single Windows and Interagency Cooperation). The variable on Single Windows does not investigate the scope and characteristics of the surveyed mechanisms.

an increase from the 45% in 2015. The large majority of countries implementing full-time automated processing are UMICs, high income non-OECD economies, and OECD countries.

34. Other challenges in the set up and functioning of automated tools in administrative procedures at the border include pre-arrival processing (7.1) and its application in an automated environment, the existence of a system for the electronic payment of duties, taxes, fees and charges (7.2) and its integration with the automated declaration/cargo processing system, as well as the application of digital certificates and signatures. While such features appear to be implemented by around half of middle income countries, implementation is much lower in LICs (Figure 13).

35. Risk management (7.4) seems to be successfully implemented and currently operating in an automated environment in 35% of the countries in the sample - essentially UMICs, high income non-OECD economies and OECD countries. This is a notable improvement compared to 2012 and 2015, when this was the case for only a quarter of the sample. The rest of the sample (largely LMICs and LICs) either do not have such a system or are in the process of implementing one. For the large majority of HIC non-OECD, UMICs, LMICs and LICs, border controls other than Customs are not yet supported by a risk management system or are only in the process of implementation. The deployment of risk management beyond Customs controls could be a useful target area for future capacity building. On the whole, risk management efforts seem to have plateaued at the basic, single-agency (Customs) stage and have yet to achieve their full potential. Raising risk management to a more comprehensive undertaking that integrates trusted trader programs, post-clearance controls, all border agency input, and mutual recognition could bolster efficiency at the border and further sustain interagency cooperation.

36. Remaining challenges for measures falling under the provisions of Article 7 lie at a more operational level. For instance, only 20% of the countries in the sample appear to calculate and publish average release times (Article 7.6), mostly in the UMICs and HICs groupings. The separation of release from clearance (7.3) appears unrelated to income levels, with similar proportions of LICs, LMICs and UMICs providing such a possibility.

37. The adoption of supportive measures for perishable goods (7.9), whether relating to physical inspections, storage conditions or the separation of release from clearance, are still work in progress across all income groupings. More than half of the countries stating that they treat perishable goods differently from non-perishable goods across the clearance process are UMICs. In general, border agencies in the countries surveyed, essentially in LMICs and UMICs, give appropriate priority to perishable goods when scheduling required examinations, but often do not allow for the possibility of clearing such goods outside normal business hours.

38. TFA Article 7.5 calls for the adoption or maintenance of post-clearance audits (PCAs) to ensure compliance with Customs and other related laws and regulations. Post-clearance auditing is one of the most effective trade facilitation strategies available to border agencies because it enables the immediate release of imported cargo through the subsequent use of audit-based regulatory controls. However, while most countries seem to be conducting PCAs, the rate at which they are applied in practice remains low and there are no well-established and standard policies and procedures to ensure that the conduct of PCAs is done in a transparent and risk-based manner. These observations point to specific challenges in terms of improving how PCAs are conducted: when implemented as part of an overall regulatory compliance framework, PCAs can deliver improved rates of compliance and facilitate cross-border transactions.

39. TFA Article 7.7 refers to the provision of additional trade facilitation measures related to import, export, and transit formalities and procedures for qualifying Authorized Operators (AOs). The 2017 TFI information confirms that many such initiatives are currently underway at both the national and regional levels. However, there are wide disparities concerning the transparency of the criteria for qualifying as an

AO and of the procedures for submission and review of applications for AO status; the timeliness with which such a certification is granted; and the number and types of benefits granted to AOs. Across the programmes surveyed in HIC non-OECD, UMICs, LMICs and LICs, benefits granted to AOs mostly cover the deferred payment of duties, taxes, fees and charges, as well as rapid release times. In the more mature AO programmes in OECD countries, these also cover reduced documentary and data requirements, use of reduced guarantees and clearance of goods at the premises of AOs. The benefit least granted across the sample concerns the single Customs declaration for a given period.

40. Information on the coverage of AO programmes (expressed through the share of AOs in the number of total traders and the volumes of trade handled by AOs), as well as on the participation of SMEs in such programmes, is very difficult to track at this stage. Where information is available, this mostly concerns OECD countries and highlights considerable progress achieved since 2015.

41. Information on expedited shipments and associated release procedures (7.8) has also been incorporated for the first time in the TFIs in 2017. The collected information shows that, in general for the surveyed countries (about 65% of the full sample), goods may benefit from expedited release to persons meeting specific qualifying criteria, but that, this is limited to certain types of goods only (either goods entering through air cargo facilities only or low value goods only). In very few countries, mostly OECD economies, does this apply to goods of any type, weight or value.

42. The development and implementation of PCAs, AO programmes and expedited release procedures are intrinsically linked. While PCAs can help detect potential high-risk traders whose future transactions may require intensive scrutiny, they can also serve to identify low-risk traders eligible for the “fast-track” permissions and simplified procedures available under AO and other compliance recognition-based programs that benefit both the government and business sectors in terms of time and cost savings.

### ***Border agency co-operation: institutional and operational challenges***

43. Coordination among domestic border agencies aims to increase operational efficiency and facilitate legitimate trade by removing redundant or sequential controls and duplicative documentation requirements. TFA Article 8 calls for agencies to “cooperate with one another and coordinate their activities in order to facilitate trade” (8.1), and provides five illustrative cross-border cooperation activities (under 8.2). The 2017 TFI series includes additional variables elaborated with a view to providing some insights into how agencies can best undertake these tasks<sup>12</sup>.

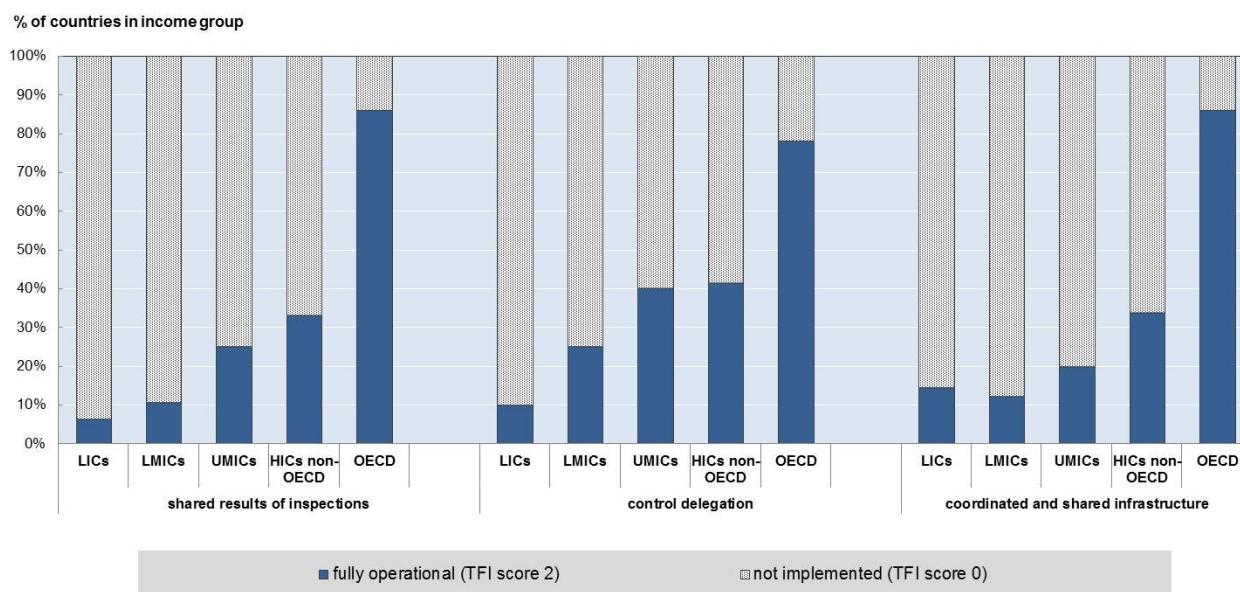
44. In 2015, co-operation among various border agencies within the same country (8.1) seemed to be relatively well established for around half the countries in the sample, across all income levels. The 2017 data highlights much more specific implementation challenges in the area of domestic border co-operation, covering the institutional framework; the legal and regulatory framework; the procedures for co-operation; communication and information exchange; and infrastructure and equipment. In a significant number of countries across the sample, there is a general co-operation framework for coordination, exchange of information and mutual assistance which involves substantially all domestic agencies involved in the management of cross-border trade. However, an explicit coordination strategy is mainly encountered in

<sup>12</sup> The 2012 and 2015 TFI indicators (i) and (j) mirrored the coverage of WTO TFA Article 8, which does not specify the most appropriate way of ensuring border agency cooperation. The variables added in 2017 reflect the main factors highlighted as critical for the efficiency of border agency cooperation in existing international agreements or recommendations and the literature, complemented by case studies of country experience with border agency cooperation. In so doing, they seek to measure effective interagency co-operation, based on worldwide best practice, not to assess what might be needed for country compliance with TFA provisions (Moisé and Sorescu, forthcoming).

more than half of OECD economies and non-OECD HICs and only 13% of UMICs. A significant number of countries appear to have also established an inter-agency coordination body to facilitate domestic coordination, but data remains scarce at this stage and the exact characteristics of such coordination platforms are quite difficult to identify from publicly available sources alone.

45. Day-to-day implementation challenges can be addressed by ensuring systems' connectivity and maintaining open communication between concerned agencies. A clear delineation of authority and responsibilities, and sound frameworks for sharing data, infrastructure and equipment can help significantly. In OECD countries, domestic inter-agency coordination mechanisms meet regularly to develop strategy and oversee implementation of border agency co-operation; they also promote the sharing of inspection and documentary control results among agencies involved in the management of cross border trade, the sharing of infrastructure and the delegation of controls from other border agencies to Customs. These good practices are quite widespread in OECD countries and have started gaining ground in the rest of the countries in the sample, especially in UMICs and non-OECD HICs, even if there is further room for improvement (Figure 14).

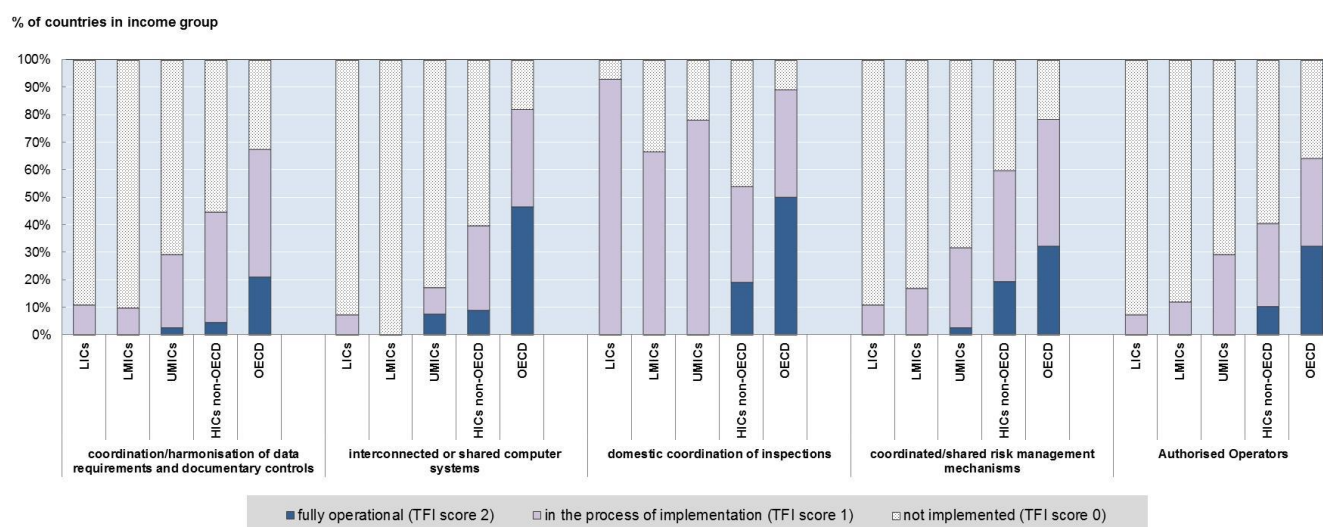
**Figure 14. Domestic border agency co-operation: key strengths**



Source: OECD Trade Facilitation Indicators 2017 (February 2017).

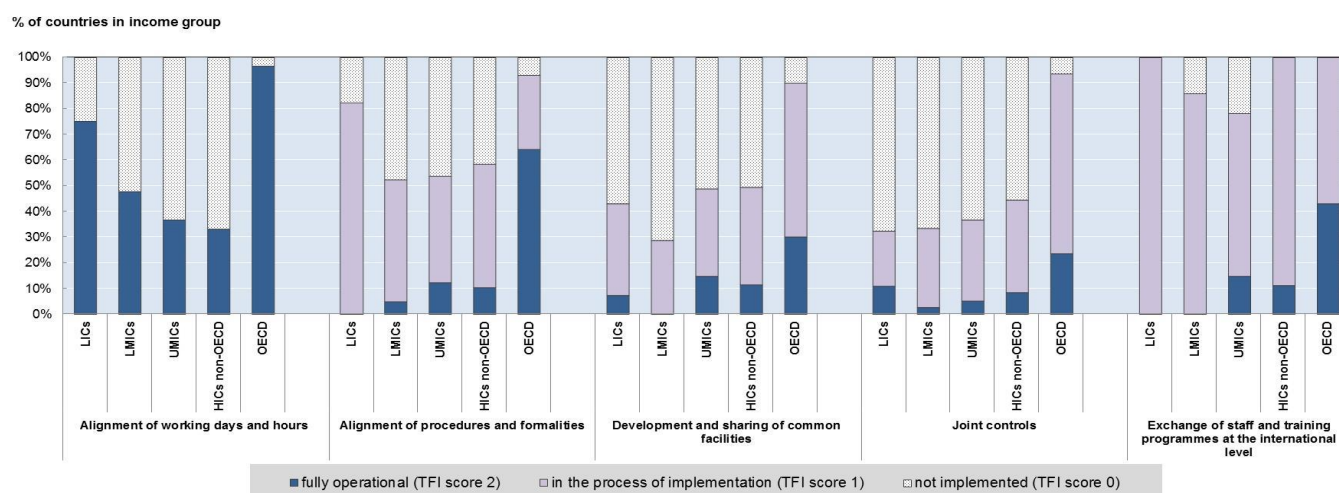
46. However, if border agencies are progressively sharing inspection and control results, they are, around the world, still far from coordinating either those inspections and controls or the underlying requirements for them. Yet, the importance of domestic coordination of inspections, coordination/harmonisation of data requirements and documentary controls, and of coordinated or shared risk management mechanisms among agencies involved in the management of cross border trade seem to be well understood, being already in the process of implementation by an increasing numbers of countries (approximately 40% of the full sample). That said, development of interconnected or shared computer systems and real time availability of pertinent data, and the collaboration among certain agencies on the certification of AOs remain work in progress for all groups, including OECD countries (Figure 15).



**Figure 15. Domestic border agency co-operation: key challenges**

Source: OECD Trade Facilitation Indicators 2017 (February 2017).

47. 2015 TFI data already showed that co-operation with border agencies in neighbouring and third countries was much less advanced. The best-efforts language of TFA Article 8.2 reflects pragmatism. 2017 TFI data show that most progress has been achieved regarding the alignment of working days and hours – where, with the exception of the OECD countries, it is the less advanced economies that display the better performance – and the alignment of procedures and formalities – which is not yet fully operational in countries outside the OECD area, but well in the process of implementation for the majority of countries in the sample (Figure 16). The alignment of working days and hours may call for some adjustment of internal operating arrangements, although where the business hours of border agencies are already organised so as to reduce the time and cost of compliance, and therefore adapted to the needs of trade, this adjustment would be limited. The alignment of procedures and formalities between cross-border partner countries may call for a reengineering of the border process, but, there again, countries at all income levels seem to be taking very encouraging steps.

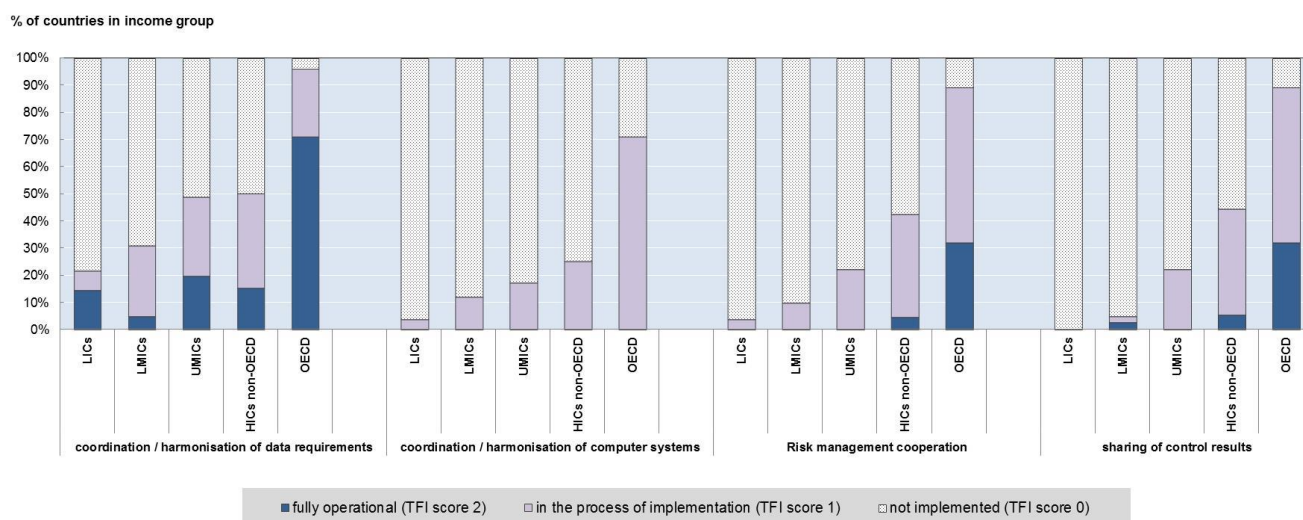
**Figure 16. Cross-border agency co-operation: streamlining of procedures**

Source: OECD Trade Facilitation Indicators 2017 (February 2017).

48. On the other hand, the development and sharing of common facilities is currently fully operational only in 30% of OECD economies. One-stop border posts (OSBPs) are currently operational only across several developed economies and in various stages of progress at several borders in Africa (Figure 16). This type of endeavour requires significant infrastructure investments, as well as increasing levels of co-operation and trust, in particular in view of the need to exchange information to sustain joint actions (Moïsé and Sorescu, forthcoming).

49. Increasing the level of cross-border co-operation through automation also remains very much work in progress. The 2017 TFIs show that the coordination/harmonisation of data requirements and documentary controls are the most advanced area and mostly so in OECD countries. In other areas – including coordination/harmonisation of the different computer systems, risk management co-operation and systematic sharing of control results among neighbouring countries at border crossings with a view to improving risk analysis, as well as the efficiency of border controls and facilitating licit trade – OECD economies are once again leading in the overall performance, while such initiatives appear to be at a much more early phase in the other country groupings.

**Figure 17. Cross-border agency co-operation: automation tools**



Source: OECD Trade Facilitation Indicators 2017 (February 2017).

### ***Governance and impartiality***

50. This last indicator goes beyond the realm of the TFA provisions and refers to an array of additional good governance practices, including clearly established and transparent structures and functions, the existence of a Code of Conduct and an ethics policy, internal audits and transparent provisions for financing and for internal sanctions in the Customs administration. Around 60% of countries in the sample outside the OECD grouping generally provide a description of the structures and functions of the Customs administration on their respective websites. The same does not seem to apply to the provisions on the financing of the Customs Administration, as information has been identified for only one fourth of countries in the sample.

51. Notable progress has taken place on the set-up of a functional internal audit system and of a communications strategy for making Codes of Conduct available to all employees. On the other hand, less progress appears to have been achieved over 2015-17 in establishing a help desk or a special body in order

to guide staff on ethical issues. Moreover, information on the implementation and transparency of sanctions against misconduct remains scarce. Some information can be found in Customs Codes, but this is usually not very detailed.

52. Information on the publication of annual Customs reports is available for half of the countries in the sample. A third of the developing and emerging economies in the sample (mainly UMICs and HICs non-OECD) publish annual customs reports and make them publicly available. Meanwhile, the large majority of countries in the sample only provide partial information on Customs activities, not including sufficient information on budget, duties collected, complaints or efficiency indicators. For OECD countries, significant improvements are noted with respect to an efficient internal communication about policies and procedures, the transparency and proportionality of disciplinary provisions, the existence of clear provisions for the financing of the Customs administration, and the inclusion of sufficient information in annual reports on Customs activities. The variable for which there still exists a significant variation across the OECD sample is the transparency and proportionality of non-compliance penalties for border agency staff.

### **Way forward: paving the way for full implementation of the TFA**

53. Observations based on the 2017 TFIs appear to be very much in line with the categorization notifications<sup>13</sup> submitted up to now by WTO Members (Box 2). The categorization notifications indicate which parts of the TFA a Member is committed to applying and when – they do not point to how the actual implementation is proceeding. Many of the measures notified by WTO Members under Category A correspond to areas where, according to the TFI data, good progress has been made on implementing relevant measures.

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<sup>13</sup> TFA special and differential treatment (SDT) provisions allow developing and least-developed countries to determine when they will implement individual provisions of the Agreement and to identify provisions that they will only be able to implement upon the receipt of technical assistance and support for capacity building. To benefit from SDT, a member must categorize each provision of the Agreement and notify other WTO members of these categorizations in accordance with specific timelines outlined in the Agreement. Category A provisions will be implemented by the time the Agreement enters into force (or in the case of a least-developed country within one year after entry into force); Category B provisions will be implemented after a transitional period following the entry into force of the Agreement; and Category C provisions will be implemented on a date after a transitional period following the entry into force of the Agreement and requiring the acquisition of assistance and support for capacity building. For provisions designated as categories B and C, the member must provide dates for implementation of the provisions.

### Box 2. TFA provisions through the lens of notifications

Based on a content analysis of the notifications received so far, Neufeld (2016) highlights fairly high rates of promised early compliance. Of the approximately 36 notifiable measures (many of the 12 relevant TFA articles have sub-segments that can be notified separately), almost 80% received immediate implementation pledges by over 50% of eligible Members. More than 70% of members designated a quarter of all measures as belonging to category A. Almost 95% of the Agreement's TF reforms received category A designations by over 40% of Members.

An analysis of the most frequently notified TFA measures highlights a series of rather specific provisions most frequently notified in Category A (93 notifications were received as of February 2017). Pre-shipment inspection (Article 10.5) takes first place, followed by Article 10.6 on the mandatory use of customs brokers. Article 9 has just as many Category A designations. It requires WTO Members to allow for the movement of goods intended for import under customs control, and has a fairly narrowly defined scope of application. Articles 5.2 (detention) and 10.9 (temporary admission of goods and inward and outward processing), which also have a very specific content, share the fourth rank. Going further, the scope of the measures becomes somewhat broader. Article 10.7 (6th position) calls on each WTO Member to apply common customs procedures and uniform documentation requirements for the release and clearance of goods throughout its territory. It is followed by articles 10.8 (re-consignment/return of rejected goods) and 11, setting out a series of measures to improve the free transit of goods. Articles 4 (procedures for appeal or review), 6.3 (penalty disciplines) and 10.3 (use of international standards) fill the final ranks of this top list. Measures falling under Article 1 on making information available are also increasingly being notified under Category A.

At the opposite end, Article 10.4 (Single Window) appears to be the least frequently notified category A measure. This measure was attributed an A listing in less than 30% of all notifications. It is followed by the Agreement's call to provide additional trade facilitation measures for authorized operators (Article 7.7). The third least frequently notified A measure is article 7.6 on the measurement and publication of average release time of goods. Articles 5.3 (test procedures) and 3 (advance rulings) round up the bottom five list. At the same time, these measures also cover significant commitments made by several countries having submitted their notifications.

Europe has the largest share of category A commitments with average designation rates of over 80%. They are followed by the Middle East region (share of full category A classifications of 78%). Latin America and the Caribbean take the third place when including partial A designations. Limited to full category designations, they share that rank with Asia and the Pacific which both show average designation rates of 57%. Classifications from Central Asia countries show commitment shares of 50%, followed by Africa with 36%. There are 10 WTO Members which committed to fully applying over 90% of the Agreement from the moment it enters into force; if partial category A designations are included as well, this number raises to 22% of all notifying Members. There are only four WTO Members – two of which are LDCs – which committed to fully applying less than 10% of the Agreement from the moment it enters into force.

An examination of Members' B and C notifications is currently of more limited value due to the low number of inputs so far (8 and 7, respectively). The longest timeframe solicited amounts to five years from the moment the Agreement enters into force. It was only set by one Member and for a total of two provisions alone (risk management and trade facilitation measures for AOs). The most frequently stipulated timeframe is of 2-3 years.

Source: Neufeld (2016), Trade Facilitation Facility Notifications Database (2017) <https://www.tfadatabase.org/>.

54. The 2017 iteration of the TFIs shows that in early 2017, implementation of measures falling under significant portions of the TFA is well under way. The evolution of the worldwide trade facilitation performance from that observed in 2015 to the performance in 2017 confirms the positive momentum generated by negotiation and adoption of the TFA. It is hoped that the entry into force of the Agreement on 22 February 2017 will now further reinforce the momentum, ultimately bringing about a full and timely implementation of the TFA and the significant economic benefits that it can entail.

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## ANNEX 1. THE 2017 TFI DATA COLLECTION

The OECD TFIs data collection process is based on a set of variables, expressed in the form of factual questions<sup>1</sup>. These variables measure the actual extent to which countries have introduced and implemented trade facilitation measures in absolute terms, but also their performance relative to others, using a series of quantitative measures on key areas of the border process. The 2017 version of the questionnaire sought to better reflect implementation challenges and worldwide best practices, and to provide depth to the analysis of various components of WTO TFA by clarifying certain variables, including further annotations to ensure consistent interpretation from answering entities and inserting additional variables, principally in the areas of internal and external border agency co-operation and on the penalty disciplines contained in WTO TFA Article 6.3.

The 2015 coverage of 163 countries was also used as the basis of the 2017 update. It includes economies at all income levels - 28 low income countries (LICs), 42 lower middle income countries (LMICs), 40 upper middle income countries (UMICs), 18 high-income non-OECD economies (HICs non-OECD) and 28 OECD economies<sup>2</sup> – as well as all geographic regions (namely, Asia-Pacific, Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa and Sub-Saharan Africa) (the full list is provided in Table Annex 2.1).

The background data for OECD countries has been collected based on their direct replies to the TFIs Questionnaire. The Secretariat also conducted, to the extent possible, a verification of the information received through the questionnaire against publicly available information and other existing reports. For countries outside the OECD area, data to calculate the eleven import/export TFIs were collected by the OECD Secretariat from publicly available sources, as for the 2012 and 2015 series. Such sources include: countries' Customs websites, official publications such as Customs Codes, annual reports, public databases<sup>3</sup>, etc. The update has also harnessed continued collaboration with the private sector - particularly with express industry associations<sup>4</sup> and worldwide operating express companies - which has become a powerful information source feeding the current data collection process.

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<sup>1</sup> The terms used in the TFIs Questionnaire should be understood in the same way as in the corresponding WTO TFA articles.

<sup>2</sup> Data available up to February 2017.

<sup>3</sup> These include other international databases such as: United Nations Regional Economic Commissions (UNRCs) released results of the latest Global Survey on Trade Facilitation and Paperless Trade; the World Bank Logistics Performance Index; the World Bank Doing Business Trading Across Borders data; World Economic Forum (WEF) Global Competitiveness Report (GCR).

<sup>4</sup> The Global Express Association (GEA) has developed questionnaires in an attempt to compile reports on market access and customs barriers in a large set of developed and developing countries. The objectives of the survey, among others, are to identify national laws and policies that make it difficult for express delivery companies and other transport companies to serve a particular country in an efficient manner as well as to identify capacity building needs in the country's customs administration. The GEA survey questions (within the Customs Capabilities Report) cover three key areas: transparency, customs efficiency and post-release processes.

Since 2012 the completed country datasheets are sent for validation to respective capitals via the countries' WTO Permanent Delegations in Geneva<sup>5</sup>. The 2017 validation stage also benefitted from an enhanced co-operation with the World Customs Organisation (WCO) and the ASEAN Secretariat. Other key initiatives across the OECD also provided access to necessary contacts in relevant government authorities. For instance, as regards countries in the South East Europe region, collaboration has been established with the South East Europe Division of the Global Relations Secretariat<sup>6</sup>.

## Q ID INFORMATION AVAILABILITY

### Q1. Is there a clearly identified Customs' website on the Internet?\*

- (0) There is no clearly identified Customs' website on the Internet.
- (1) Yes, there is an official website.
- (2) The website makes available a minimal set of information related to import or export procedures\*\* in one of the official WTO languages\*\*\*.

\* A national Customs website can be part of a wider website like the Ministry of Trade and Finance website.

\*\* An official Customs website should at least cover the description of import, export and transit procedures, and electronic links to the forms and documents required. (Art.2.1)

\*\*\* Whenever practicable, the description ... shall also be made available in one of the official languages of the WTO (Art.2.2). The official WTO languages are English (EN), Spanish (ES) and French (FR).

### Q2. Is there the possibility to provide online feedback to Customs?

- (0) There is no possibility to provide feedback\*.
- (1) There is a possibility by telephone or human contact only.
- (2) There are online means (email, forms) to provide feedback.

\* This refers to the possibility for users to provide feedback on the organization of the website: user-friendliness of the website, availability of information, explanation on new systems.

### Q3. Is the applicable rate of duties published\*?

- (0) It is not possible to find the applicable rate of duties on the Customs website.
- (1) There is information (or an electronic link) on the applicable rate of duties.
- (2) Information is kept up to date.

\* Art.1.1.b.

### Q4. Are there Enquiry Points to answer reasonable enquiries\*?

- (0) There are no Enquiry points to answer reasonable enquiries\*\*.
- (2) There are one or more enquiry points to answer reasonable enquiries.

\* Art. 1.3.

<sup>5</sup> WTO Delegations are asked to distribute the datasheet to the relevant authorities in their respective capitals, so as to fact-check the information collected and fill in any remaining gaps, to the extent possible.

<sup>6</sup> This is in the context of the SEE Competitiveness Outlook 2017 publication, which will include a dedicated section on trade facilitation policies and challenges.

\*\* Enquiries of traders may refer to issues such as: importation, exportation and transit procedures, applicable rate of duties, rules for classification or valuation, fees and taxes, laws, regulations and rulings on origin, restrictions or prohibitions, penalty provisions, appeal procedures, agreements with third countries and tariff quotas related provisions.

**Q5. Adjustment of enquiry points' operating hours to commercial needs**

(0) Enquiry points' operating hours are not adapted to commercial needs (telephone centres operating less than the normal working hours / no possibility to submit enquiries online).

(2) Enquiry points offer a full time hotline (7/24). Enquiries may be submitted 7/24 and an answer will be provided within 24 hours on working days.

**Art.1.3**

*The enquiry points shall answer enquiries and provide the forms and documents within a reasonable time period set by each Member, which may vary depending on the nature or complexity of the request.*

**Q6. Timeliness of enquiry points**

(0) The administration's service charter does not indicate a standard time of response for the various means of enquiry (telephone, email or written correspondence), taking into account the nature or complexity of the enquiry.

(2) The administration's service charter indicates a standard time of response for the various means of enquiry (telephone, email or written correspondence), taking into account the nature or complexity of the enquiry.

**Q7. Is information on import and export procedures published\*?**

(0) Import and export procedures are not described and the required forms and documents are not made available in a way as to allow undertaking the basic steps of the procedures.

(1) Import and export procedures are described and the required forms and documents are made available in a way as to allow undertaking the basic steps of the procedures.

(2) There are summary guides and/or specific highlights on these topics.

\* **Art.1.1.a.** This question does not specify a standardized minimum level of information, because this varies across the regulations of each country which are more or less burdensome and the friendliness of each customs website.

**Q8. Is the required documentation easily accessible for downloading?**

(0) No documents and forms required for the procedures of border agencies are available online.

(1) Some but not all documents and forms required for those procedures are available online.

(2) All required forms and documents required for the procedures of border agencies are available online.

**Q9a. Is information about procedures published in advance of entry into force\*?**

(0) There is no interval between the publication of new or amended trade related laws and regulations, and their entry into force.

(1) There is only an interval for selected new or amended trade related laws and regulations.

(2) There is an interval between the publication of new or amended trade related laws and regulations, and their entry into force.\*\*

*\* Each Member shall ... ensure that new or amended laws and regulations ... are published, or information on them made otherwise publicly available, as early as possible before their entry into force, in order to enable traders and other interested parties to become acquainted with them (Art.2.1.2).*

*\*\* Without prejudice to minor changes or to exceptions for measures that have a relieving effect, measures whose effectiveness would be undermined by the pre-publication, and measures applied in urgent circumstances.*

**Q9b.** If the answer to **Q8.a** is (2), please specify the average time\*\*\* between publication and entry into force:

\*\*\* The average time is the interval generally applied in the country, whether on the basis of applicable rules, such as an Information Act, or on the basis of practice.

**Q10. Are agreements with third countries relating to the above issues published\*?**

(0) There is no information on the official Customs website about international agreements relating to importation, exportation or transit.

(1) Such agreements are available on the official Customs website\*\*.

(2) Agreements are available together with topic-specific annotations\*\*\*.



**\* Art.1.1.i.**

\*\* At least an electronic link exists.

\*\*\* The most relevant parts of the agreements (related to export, import or transit matters) are explained and highlighted.

**Q11. Is there information on appeal procedures available through the Internet\*?**

- (0) No information on appeal procedures is provided online.
- (1) Information on appeal procedures is displayed online.
- (2) Information is displayed and guidance on how to undertake these procedures is included or information is always given on an individual basis.

*\* Each Member shall make available ... through the Internet a description of its ... procedures, including appeal procedures, that informs governments, traders and other interested parties of the practical steps needed ... (Art.1.2.a).*

**Q12. Are decisions and examples of Customs classification published?**

- (0) Decisions and examples of Customs classification are not published.
- (1) Decisions and examples of Customs classification are publicly available.
- (2) Decisions and examples of Customs classification are displayed on the Customs website.

**Q13. Is information on advance rulings\* published?**

- (0) Information is not published or it is only available in the relevant legislation (Customs Code).
- (1) There is a specific page on the Customs website dealing with Advance Ruling procedures.
- (2) There is a specific page and an online request procedures is available (e.g. forms sent by email).

*\* An advance ruling is a written decision provided by a Member to an applicant prior to the importation of a good covered by the application that sets forth the treatment that the Member shall provide to the good at the time of importation with regard to the good's tariff classification, and the origin of the good. (Art.3.9) In addition it could cover valuation methods and their application, duty drawback, or quotas. Following this definition, Binding Tariff Information (BTI) is regarded as an advance ruling mechanism. **Information** in the sense of this variable includes at a minimum a) the requirements for the application for an advance ruling, including the information to be provided and the format; b) the time period by which it will issue an advance ruling; and c) the length of time for which the advance ruling is valid. (Art.3.6)*

**Q14. Are penalty provisions for breaches of import and export formalities published\*?**

- (0) There is no information on penalty procedures and the amount of penalties\*\*.
- (1) There is no information available on the Customs website, but it is available in the relevant legislation (Customs Code).
- (2) Information is displayed on a dedicated page in the Customs website.

**\* Art.1.1.g.**

\*\* Including in the relevant legislation.

**Q15. Is applicable legislation published on Internet?**

- (0) There is no information on the Customs website (no electronic links).
- (1) Traders can find the relevant legislation on the Customs website\*.
- (2) There are quick references among the different pages of the website or user friendly guidance on key issues.

\* Through electronic links or a specific webpage.

**Q16. Are judicial decisions on Customs matters published?**

- (0) No judicial decisions on Customs matters are published.
- (2) Judicial decisions on Customs matters are published on the Customs website (or electronic link).

**Q17. Is there a dedicated interactive page for professional users/companies\*?**

- (0) There is no dedicated interactive page for professional users/companies.

(2) There is a dedicated page for companies or a “pro” version of the website.

\* A dedicated interactive page for professional users/companies provides specific information and tools for electronic interfaces and downloadable forms. It is more than a simple (or quick) distinction between companies and private individuals.

**Q18. Are there user manuals available online?**

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(0) There are no manuals online to help users when a new system is implemented.

(2) User manuals are available online.

**INVOLVEMENT OF THE TRADE COMMUNITY (CONSULTATIONS)**

**Q19. Are there public consultations between traders and other interested parties and government?**

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(0) There are no public consultations between traders and other interested parties and governments.

(1) There are specific public consultations when introducing or amending trade related laws, regulations and administrative rulings of general application.

(2) There are one or more structures for regular public consultations.

\* Each Member shall, to the extent practicable and in a manner consistent with its domestic law and legal system, provide opportunities and an appropriate time period to traders and other interested parties to comment on the proposed introduction or amendment of laws and regulations of general application related to the movement, release and clearance of goods, including goods in transit. (Art.2.1.1)

**Q20. Are there general notice-and-comment framework procedures in place, applicable to trade and border issues?\***

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(0) There are no notice-and-comment procedures in place.

(1) There are notice-and-comment procedures but they do not apply to trade and border issues and regulation.

(2) Notice-and-comment procedures apply to trade and border issues and regulation.

\* The score to this variable is (0) if variable Q10 scores (0).

**Q21. Are there established guidelines and procedures in place, governing the public consultation process?\***

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(0) There are no established guidelines and procedures in place, consultation take place at random.

(2) There are established guidelines and procedures to ensure a systematic handling of consultation structures and opportunities.

\* The score to this variable is (0) if variable Q10 scores (0).

**Q22. Who are the targeted stakeholders\*?**

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(0) There are less than 2 stakeholder groups\*\* involved.

(1) There are at least 3 stakeholder groups involved.

(2) There are 4 or more stakeholder groups involved.

\* This variable refers to the scope of the public consultations launched by the authorities on Customs and border related matters.

\*\* The stakeholder groups are: Small and Medium Enterprises (SMEs), Large traders, Transporters, Customs brokers, Citizens.

**Q23. What is the average number of public consultations\* ?**

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Please provide the number of public consultations (during the three previous years) :

\* Average number of public consultations, including both regular and specific consultations, open to all parties, taking place per year.

**Q24. Are drafts published prior to entry into force\*?**

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- 
- (0) Drafts\*\* are not published before the entry into force of a rule.
- (1) Drafts are available before entry into force of a rule and stakeholder comments are possible.
- (2) The trading community is involved at the stage of drafting new trade related legislation.

*\*Each Member shall, to the extent practicable and in a manner consistent with its domestic law and legal system, ensure that new or amended laws and regulations of general application related to the movement, release and clearance of goods, including goods in transit are published or information on them made otherwise publicly available, as early as possible before their entry into force, in order to enable traders and other interested parties to become acquainted with them. (Art.2.1.2)*

**\*\*Drafts (or summaries) of trade related laws, regulations or administrative rulings of general application.**

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**Q25. Are public comments taken into account?**

- (0) Public comments are not taken into account.
- (1) Public comments are taken into account.
- (2) The administration explains how public comments have been dealt with online or in the legislation's final draft.

### ADVANCE RULINGS

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**Q26. Does the country issue binding advance rulings?**

- (0) Binding advance rulings are not issued.
- (2) Binding advance rulings are issued.

*\* An advance ruling is a written decision provided by a Member to an applicant prior to the importation of a good covered by the application that sets forth the treatment that the Member shall provide to the good at the time of importation with regard to the good's tariff classification, and the origin of the good. (Art.3.9)* In addition it could cover valuation methods and their application, duty drawback, or quotas. Following this definition, Binding Tariff Information (BTI) is regarded as an *advance ruling mechanism*.

*An advance ruling issued by a Member shall be binding on that Member in respect of the applicant that sought it. (Art.3.5)*

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**Q27. What is the annual number of advance ruling requests on tariff classification?**

Please provide the average number of advance ruling requests per year on tariff classification:

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**Q28. What is the annual number of advance ruling requests on origin?**

Please provide the average number of advance ruling requests per year on origin:

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**Q29. What is the total annual number of advance ruling requests?**

Please provide the average total number of advance ruling requests per year:

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**Q30. What is the length of time for which the advance ruling is valid (duration)\*?**

Please provide the length of time for which the advance ruling is valid:

*\* The advance ruling shall be valid for a reasonable period of time after its issuance unless the law, facts or circumstances supporting the original advance ruling have changed. (Art.3.3)*

The validity of the ruling may vary according to the policy area. The variable focuses on tariff classification.

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**Q31a. Is the maximum time by which the advance ruling will be issued published\*\*?**

- (0) The maximum time by which the ruling will be issued is not published on the Customs website or in the related legislation.

(2) The maximum time by which the ruling will be issued is published on the Customs website or in the related legislation.

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**Q31b. If your answer to Q31a is (2), please provide the maximum issuance time as published :**

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*\* Each Member shall publish, at a minimum, the time period by which it will issue and advance ruling (Art.3.6.b).*

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**Q32. What is the percentage of advance rulings issued within the maximum issuance time provided for in Q31?**

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Please provide the percentage of advance rulings issued within the maximum issuance time:

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**Q33. Is information on advance rulings of significant general interest published\*?**

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(0) Information on advance rulings of significant interest to other interested parties (governments, traders...) is not published.

(2) Information on advance rulings of significant interest to other interested parties is made publicly available.

*\* Each Member shall endeavour to make publicly available any information on advance rulings which it considers to be of significant interest to other interested parties, taking into account the need to protect commercially confidential information (Art.3.8).*

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**Q34. Is it possible to request a review of an advance ruling or its revocation / modification?**

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(0) It is not possible to request a review of an advance ruling or its revocation / modification.

(2) It is possible to request a review of an advance ruling or its revocation / modification.

*\* Each Member shall provide, upon written request of an applicant, a review of the advance ruling or the decision to revoke, modify or invalidate the advance ruling. (Art.3.7)*

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**Q35. Is the refusal to issue or the revocation of advance rulings motivated\*?**

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(0) The refusal to issue or the revocation of advance rulings are not motivated.

(2) The refusal to issue or the revocation of advance rulings are motivated.

*\* Where the Member revokes, modifies or invalidates the advance ruling, it shall provide written notice to the applicant setting out the relevant facts and the basis for its decision. (Art.3.4)*

## APPEAL PROCEDURES

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**Q36. Is information on procedural rules for appeal\* publicly available?**

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(0) There is no appeal mechanism for Customs matters or the related laws are not publicly available.

(2) There is an appeal mechanism and it is explained in the customs Code.

*\*Art.1.1.h This variable is different from Q11 within the Information Availability area, which focuses on information available online.*

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**Q37. Are independent or higher level administrative and/or judicial appeal procedures available for customs decisions\*?**

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(0) There is no possibility of independent or higher level administrative, or judicial appeal of customs decisions.

(1) There is the possibility of an independent or higher level administrative appeal of customs decisions and established policies/procedures for the processing of appeals.

(2) There is in addition a possibility of a judicial appeal following, or independent of, the administrative appeal of customs decisions.

*\* Each Member shall provide that any person to whom customs issues an administrative decision has the right, within its territory to administrative appeal to or review by an administrative authority higher than or independent of the official or office that issued the decision; and/or judicial appeal or review of the decision. (Art.4.1.1)*

**Q38. Timeliness of the appeal mechanism –time available for lodging and appeal?**

(0) Time limits fixed for contesting a decision of border agencies do not provide sufficient time to study the contested decision and prepare the appeal.

(2) Time limits fixed for contesting a decision of border agencies provide adequate time to study the contested decision and prepare the appeal.

*\* Each Member shall ensure that, in a case where the decision on appeal or review ... is not given ... (a) within set periods as specified in its laws and regulations ... the petitioner has the right to either further appeal to or further review by the administrative authority or the judicial authority or any other recourse to the judicial authority. (Art.4.4)*

**Q39. Timeliness of the appeal mechanism – avoidance of undue delays?**

(0) There are no set periods specified in the laws and regulations for providing a decision on appeal or review.

(1) There are set periods specified in the laws and regulations for providing a decision on appeal or review.

(2) There are set periods specified and the petitioner can further appeal of the decision is not given within that set period or without undue delay; or the administrative silence is recognized as a decision in favour of the petitioner.

*\* Each Member shall ensure that, in a case where the decision on appeal or review ... is not given either (a) within set periods as specified in its laws and regulations; or (b) without undue delay, the petitioner has the right to either further appeal to or further review by the administrative authority or the judicial authority or any other recourse to the judicial authority. Nothing in this paragraph shall prevent a Member from recognizing administrative silence on appeal or review as a decision in favour of the petitioner in accordance with its laws and regulations (Art.4.4)*

**Q40. Is information available on the motives of the administration's decisions\*?**

(0) There is no information on the motives.

(2) Information about the motives of the administration's decision is provided.

*\* Each Member shall ensure that the person ... is provided with the reasons for the administrative decision so as to enable such a person to have recourse to appeal or review procedures where necessary (Art.4.1.5).*

**Q41a. What is the average percent of appeals introduced by Customs or other border agencies that is resolved in favour of traders?**

Please provide the percentage of appeals introduced by Customs or other border agencies that is resolved in favour of traders (over the last 3 years):

**Q41b. What is the average percent of appeals introduced by traders that is resolved in favour of Customs or other border agencies?**

Please provide the percentage appeals introduced by traders that is resolved in favour of Customs or other border agencies (over the last 3 years):

**Q41c. What is the average number of administrative appeals per year?**

Please provide the average yearly number of administrative appeals (over the last 3 years):

**Q41d. What is the average number of judicial appeals per year?**

Please provide the average yearly number of judicial appeals (over the last 3 years) if available:

**Q42a. Is there a time limit for deciding judicial appeals?**

(0) There is no time limit for deciding judicial appeals.

(2) There is a time limit for deciding judicial appeals.

**Q42b. If the answer to Q40.a. is (2), please specify the time limit:**

**FEES AND CHARGES**

**Q43. Is information on fees and charges imposed by governmental agencies on, or in connection with, importation, exportation or transit,\* published?**

- (0) Information on fees and charges is not published\*\*.
- (1) Information is available in paper publications (Gazette, Bulletin, Customs Code).
- (2) Information is displayed on relevant agencies' website (on a dedicated page).

\* This variable refers to *all fees and charges other than import and export duties and other than taxes within the purview of Article III of GATT 1994 imposed by Members on or in connection with importation or exportation of goods. (Art.6.1.1).*

\*\* *This information shall include the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made. (Art.6.1.2)*

**Q44. How are fees and charges calculated\*?**

- (0) Fees and charges are calculated on an ad-valorem basis.\*
- (1) Some fees and charges are calculated on an ad-valorem basis.\*
- (2) Fees and charges are not calculated on an ad-valorem basis or are limited in amount to the approximate cost of the services rendered on or in connection with the specific import or export operation.

\* However, the score is (2) if the fees and charges are less than the approximate cost of the service rendered.

*Fees and charges for customs processing shall be limited in amount to the approximate cost of the services rendered on or in connection with the specific import or export operation in question (Art.6.2.1.i)*

**Q45. What is the total amount of fees collected (value in USD) ?**

Please provide the total amount of fees and charges collected by customs and other governmental agencies in one civil year for importation/exportation :

Please provide the total amount of fees and charges collected by customs and other governmental agencies in one civil year for transit:

**Q46. Is the information on fees and charges all-inclusive?**

- (0) No information about fees and charges is available, on paper or online.
- (1) Available information does not account for all applicable fees and charges or does not include all information required in Art. 6.1.2\*.
- (2) All applicable fees or charges have been accounted for when providing information and it includes the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made.

\* *Information on fees and charges (...) shall include the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made (Art.6.1.2).*

**Q47. What is the total number of fees collected (number - diversity)?**

**Q47a.** Please specify the number of (different categories of) fees and charges collected by all entities involved in the border process:

**Q47b.** Please specify the collecting entities and the type of fees (Veterinary inspections, inspections outside normal working hours, etc.):

**Q48. Fees for answering enquiries and providing required forms and documents**

- (0) There are fees requested for answering enquiries and/or providing required forms and documents.
- (1) If any, these are limited to the approximate cost of services rendered.
- (2) There are no fees requested for answering enquiries and/or providing required forms and documents.

**Art.1.3.3** *Members are encouraged not to require the payment of a fee for answering enquiries and providing required forms and documents. If any, Members shall limit the amount of their fees and charges to the approximate cost of services rendered.*

**Q49. Are fees and charges periodically reviewed to ensure they are still appropriate and relevant?**

- (0) There is no periodic review of fees and charges.
- (1) Fees and charges are reviewed periodically.
- (2) Fees and charges are reviewed periodically and adapted to changed circumstances.

**Art.6.1.4** *Each Member shall periodically review its fees and charges with a view to reducing their number and diversity, where practicable.*

**Q50. Is there an adequate time period granted between the publication of new or amended fees and charges and their entry into force?**

- (0) Fees and charges may be applied even without being published or prior to their publication.
- (1) New or amended fees and charges enter into force immediately upon their publication
- (2) There is a time period accorded between the publication of new or amended fees and charges and their entry into force.

**Art.6.1.3** *An adequate time period shall be accorded between the publication of new or amended fees and charges and their entry into force, except in urgent circumstances. Such fees and charges shall not be applied until information on them has been published.*

**Q51. Are there fees for Customs services during normal working hours?**

- (0) There are fees for Customs services during normal working hours.
- (2) There are no fees for Customs services during normal working hours.

**Q52. Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - transparency**

- (0) The rules, regulations or procedures regarding penalty disciplines for the breach of customs laws, regulations, or procedural requirements are not publicly available.
- (1) The rules, regulations or procedures regarding penalty disciplines for the breach of customs laws, regulations, or procedural requirements are publicly available.
- (2). The rules, regulations or procedures regarding penalty disciplines for the breach of customs laws, regulations, or procedural requirements are publicly available and they clearly specify the persons that can be held responsible for such breach.

**Art.1.1.g** *Each Member shall promptly publish ...penalty provisions against breaches of import, export or transit formalities*

**Art.6.3.2** *Each Member shall ensure that penalties for a breach of a customs law, regulation, or procedural requirement are imposed only on the person(s) responsible for the breach under its laws.*

**Q53. Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - proportionality**

- (0) Penalties imposed for the breach of customs laws, regulations, or procedural requirements are assessed and applied regardless of the circumstances and the severity of the breach.
- (2) Penalties imposed for the breach of customs laws, regulations, or procedural requirements depend on the facts and circumstances of the case and are commensurate with the degree and severity of the breach.

**Art.6.3.3.** *The penalty imposed shall depend on the facts and circumstances of the case and shall be commensurate with the degree and severity of the breach.*

**Q54. Procedural guarantees on penalties\***

- (0) The administration does not provide any explanation in writing on the basis for assessing and applying the penalty.
- (2) The administration provides an explanation in writing to the person upon whom the penalty is imposed, specifying the nature of the breach and the applicable regulation.

**Art.6.3.5** Each Member shall ensure that when a penalty is imposed for a breach of customs laws, regulations, or procedural requirements, an explanation in writing is provided to the person(s) upon whom the penalty is imposed specifying the nature of the breach and the applicable law, regulation or procedure under which the amount or range of penalty for the breach has been prescribed.

**Q55 Conflicts of interest in the assessment and collection of penalties and duties**

(0) Remuneration of customs officials is based on a fixed portion or percentage of any penalties or duties that they assess or collect.

(2) Remuneration of customs officials is independent of any penalties or duties that they assess or collect

**Art.6.3.4** Each Member shall ensure that it maintains measures to avoid: (i) conflicts of interest in the assessment and collection of penalties and duties; and (ii) creating an incentive for the assessment or collection of a penalty that is inconsistent with paragraph 3.3.

**Q56 Is voluntary disclosure of the breach of customs regulation by the person responsible a mitigating factor when establishing penalties?**

(0) Voluntary disclosure of the breach of a customs regulation, by the person responsible, prior to the discovery of the breach by the customs administration, is not considered a mitigating factor when establishing penalties.

(2) Voluntary disclosure of the breach of a customs regulation, by the person responsible, prior to the discovery of the breach by the customs administration, is considered a mitigating factor when establishing penalties.

**Art.6.3.6** When a person voluntarily discloses to a Member's customs administration the circumstances of a breach of a customs law, regulation, or procedural requirement prior to the discovery of the breach by the customs administration, the Member is encouraged to, where appropriate, consider this fact as a potential mitigating factor when establishing a penalty for that person.

**FORMALITIES - DOCUMENTS**

**Q57. Are copies of documents\* accepted?**

(0) Customs and other border agencies do not accept copies of documents.

(1) Copies are accepted with exceptions (related to the type of good, the circumstances or the agency).

(2) Copies are accepted without exceptions, although the original may need to be presented upon request.

*\*Each Member shall, where appropriate, endeavour to accept paper or electronic copies of supporting documents required for import, export and transit formalities. (Art.10.2.1)*

**Q58. What is the percent of supporting documents required for import, export and transit formalities for which copies are accepted?\***

Please provide the percentage of supporting documents required for import, export and transit formalities for which border authorities accept copies:

*\* Each Member shall, where appropriate, endeavour to accept paper or electronic copies of supporting documents required for import, export or transit formalities. (Art.10.2.1)*

The percentage should be calculated on the basis of the total number of supporting documents required by the country for import, export or transit.

**Q59. Are copies accepted where another government agency already holds the original?**

(0) Customs and other border agencies do not accept copies of documents.

(2) Copies are accepted where another government agency holds the original of the document.

*\* Where a government agency of a Member already holds the original of such a document, any other agency of that Member shall accept a paper or electronic copy, where applicable, from the agency holding the original in lieu of the original document. (Art.10.2.2)*

**Q60. How widely are international standards\* used?**

**Please indicate which of the following Conventions have been ratified:**

|   |
|---|
| Convention (2005) on Facilitation of International Maritime Traffic |
|---|

|   |
|---|
| Convention (2006) on International Civil Aviation |
|---|

|   |
|---|
| Convention (1990) on the Temporary Admission of Goods (Istanbul Convention) |
|---|



|   |
|---|
| International Convention (1986) on the Harmonized Commodity Description and Coding System (HS Convention) |
|---|

|   |
|---|
| General Annex of the International Convention (1999) on the Simplification and Harmonisation of Customs procedures (Revised Kyoto Convention) |
|---|

\* As a proxy of acceptance of international standards we consider the ratifications to the following conventions: Convention (2005) on Facilitation of International Maritime Traffic, Convention (2006) on International Civil Aviation, Convention (1990) on the Temporary Admission of Goods (Istanbul Convention), International Convention (1986) on the Harmonized Commodity Description and Coding System (HS Convention), General Annex of the International Convention (1999) on the Simplification and Harmonisation of Customs procedures (Revised Kyoto Convention).

**Q61. What is the number of documents for import?**

Please provide the number of documents necessary for importation:

**Q62. What is the number of documents for export?**

Please provide the number of documents necessary for exportation:

**Q63. Are relevant border agencies required to carry out a periodic review of their documentation requirements?**

(0) Relevant border agencies do not carry out a periodic review of their documentation requirements.

(1) Relevant border agencies carry out periodic reviews of their documentation requirements and ensure that requirements that are no longer required are discontinued.

(2) Relevant border agencies carry out periodic reviews of their documentation requirements and proceed to simplify requirements that are unduly consuming or costly for traders.

**Art.10.1.1** (...) each Member shall review (...) documentation requirements, and, based on the results of the review, ensure, as appropriate, that (they ... ) b. are adopted and/or applied in a manner that aims at reducing the time and cost of compliance for traders and operators; c. are the least trade restrictive measure chosen, where two or more alternative measures are reasonably available for fulfilling the policy objective or objectives in question; and d. are not maintained, including parts thereof, if no longer required

**FORMALITIES - AUTOMATION****Q64. What is the percent of import declarations cleared electronically?**

Please provide the percentage of import declarations cleared electronically:

**Q65. What is the percent of export declarations cleared electronically?**

Please provide the percentage of export declarations cleared electronically:

**Q66. What is the percent of import and export procedures that allow for electronic processing?\***

Please provide the percentage of all import and export procedures, including processing of documents and payment of duties, taxes, fees and charges that allow for electronic processing:

\* Members shall, as appropriate, provide for advance lodging of documents in electronic format for pre-arrival processing of such documents (Art.7.1.2) Each Member shall, to the extent practicable, adopt or maintain procedures allowing the option of electronic payment for duties, taxes, fees and charges collected by customs incurred upon importation and exportation. (Art.7.2)

**Q67. How much are border agencies spending on automation annually\* (in USD)?**

Please provide the total automation spending (in USD):

\* This variable refers to the amount spent for automating formalities connected with importation, exportation or transit, whether in charge of the Customs agencies or other agencies dealing with goods import, export or transit, such as sanitary and phytosanitary control agencies, port authorities, etc. during the current year.

**Q68. Is pre-arrival processing\* supported by the possibility to lodge documents in advance in electronic format?**

(0) Documents cannot be lodged in advance in electronic format..

(1) Advance lodging of documents in electronic format is in the process of implementation, not yet fully operational.

(2) There is a fully operational mechanism, allowing for the advance lodging of documents in electronic format.

\* Pre-arrival processing refers to the procedures allowing for the submission of import documentation (...) in advance, in order to begin processing prior to the arrival of goods (Art.7.4.3)

**Q69. Do import and export procedures allow for the electronic payment of duties, taxes, fees and charges (including inspections fees, licenses, permits, other fees) collected upon importation and exportation?**

(0) Import and export procedures do not allow for the electronic payment of duties, taxes, fees and charges collected upon importation and exportation.

(1) Some of the duties, taxes, fees and charges collected upon importation and exportation can be paid electronically.

(2) All duties, taxes, fees and charges collected upon importation and exportation can be paid electronically.

**Art.7.2** *Each Member shall, to the extent practicable, adopt or maintain procedures allowing the option of electronic payment for duties, taxes, fees and charges collected by customs incurred upon importation and exportation*

**Q70. Is the electronic payment system integrated with the automated declaration/cargo processing systems?**

(0) The electronic payment system is not integrated with the automated declaration/cargo processing systems.

(1) The electronic payment system is in the process of being integrated with the automated declaration/cargo processing systems.

(2) The electronic payment system is integrated with the automated declaration/cargo processing systems.

**Q71. Is Risk Management\* applied and operating in an automated environment ?**

(0) There are no risk management mechanisms in place.

(1) Risk management mechanisms, whether fully operational or in the process of implementation, are not supported by information technology.

(2) There is a fully operational mechanism, supported by information technology.

\* Risk Management means the systematic application of management procedures and practices providing Customs and other relevant border agencies with the necessary information to address movements or consignments on the basis of risks they represent. "Risk" is defined as the potential for non-compliance with Customs and/or other relevant laws. *Each Member shall concentrate customs control and, to the extent possible other relevant border controls, on high risk consignments and expedite the release of low risk consignments. (Art.7.4.3)*

**Q72. Is the single window supported by information technology?**

(0) There is no single window, or the single window operates totally in a non-automated environment.

(1) The automation of the single window is work in progress.

(2) The single window is fully supported by information technology.

**Art.10.4.4** *Members shall, to the extent possible and practical, use information technology to support the single window.*

**Q73. Are IT Systems capable of accepting and exchanging data electronically\* ?**

(0) IT systems are not ready for EDI accepting and exchanging data electronically.

(1) In the process of implementation, not yet fully operational.

(2) IT systems are ready for EDI accepting and exchanging data electronically.

**Q74. Does the automated processing system include functions allowing for the release of goods subject to conditions (i.e. guarantee)?**

(0) The release of goods is not separated from the final determination and payment of Customs duties, taxes, fees and charges, or such separation cannot take place in the context of automated declaration processing.

(2) The automated declaration processing includes functions allowing for the release of goods subject to conditions, such as the deposit of appropriate guarantee.

**Q75. Are digital certificates and signatures in place?**

(0) No use of electronic signatures.

(2) Use of electronic signatures.

**Q76. Is automated processing for Customs declarations available full-time (24/7)?**

(0) There is no full-time automated processing.

(2) There is full-time automated processing.

#### FORMALITIES - PROCEDURES

##### Q77. Is there a Single Window\*?

(0) There is no Single Window.

(1) A Single Window is planned or in the process of implementation\*\*.

(2) There is a Single Window.

\* A Single Window is defined as a facility that allows parties involved in trade and transport to lodge standardized documentation and/or data with a single entry point to fulfil all import, export and transit-related regulatory requirements (**UN/CEFACT Recommendation No.33**). *Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation or transit of goods through a single entry point to the participating authorities or agencies (Art.10.4.1)*

\*\* It can be a facility already in place acting as a Single Window (i.e not covering all the aspects of a Single Windows facility) or a facility in the process of implementation but not yet fully operational.

##### Q78. Are Average Release Times published\*?

(0) The average time for the release and clearance of goods is not published in a consistent manner on a periodic basis.

(2) The average time for the release and clearance of goods is published in a consistent manner on a periodic basis, for major customs offices.

*Members are encouraged to measure and publish their average release time of goods periodically and in a consistent manner ... (Art.7.6.1)*

##### Q78b. What is the average Clearance Time\*?

Please provide the average clearance time (hours):

##### Q79. Are there procedures allowing for the pre-arrival processing of goods\*?

0) Procedures allowing for the submission of import documentation and other required information so as to begin processing prior to the arrival of goods are not in place.

(1) Procedures allowing for the submission of import documentation and other required information so as to begin processing prior to the arrival of goods are in the process of implementation.

(2) Procedures allowing for the submission of import documentation and other required information so as to begin processing prior to the arrival of goods are in place.

**If the answer is (2), please provide the percentage of pre-arrival processing:**

*\* Each Member shall adopt or maintain procedures allowing for the submission of import documentation and other required information, including manifests in order to begin processing prior to the arrival of goods with a view to expediting the release of goods upon arrival. (Art.7.1.1)*

##### Q80. What is the percent of goods undergoing physical inspections?

Please provide the percentage of physical inspections:

##### Q81. Are perishable\* goods treated differently than non-perishable goods with regards to physical inspections\*\*-regarding timeliness?

(0) Physical inspection procedures do not allow to accelerate the control for perishable goods.

(1) Border agencies give appropriate priority to perishable goods when scheduling required examinations.

(2) Border agencies give appropriate priority to perishable goods when scheduling required examinations and have the possibility to clear such goods outside business hours.

##### Q81b. Please provide the percentage of physical inspections for perishable goods:

*\* Perishable goods are goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions.*

*Each Member shall give appropriate priority to perishable goods when scheduling any examinations that may be required. (Art. 7.9.2)*

**Q82. Are perishable goods treated differently than non-perishable goods with regards to physical inspections- storage conditions ?**

(0) There are no proper storage facilities for perishable products and the Customs border agencies do not have the authority to clear perishable goods at storage facilities arranged by the importer.

(2) Storage facilities have been arranged by the authorities to ensure perishable products benefit from appropriate storage conditions or Customs border agencies have the authority to clear perishable goods at storage facilities arranged by the importer.

**Q83. Is the release of goods separated from final determination and payment of Customs duties\* ?**

(0) There is no such possibility.

(1) Yes, but it is restricted to the Authorized Economic Operator status.

(2) Yes, provided that all other regulatory requirements have been met, without conditions other than the submission of guarantee or a deposit for any amount not yet determined.

*\* Each Member shall adopt or maintain procedures allowing the release of goods prior to the final determination of customs duties, taxes, fees and charges, if such a determination is not done prior to, or upon arrival, or as rapidly as possible after arrival and provided that all other regulatory requirements have been met. As a condition for such release, a Member may require ... payment of any amount not yet determined in the form of a ... deposit ...or a guarantee in the form of a surety, a deposit or other appropriate instrument provided for in its laws and regulations. (Art.7.3)*

**Q84. What is the percent of goods released prior to final determination and payment of Customs duties, taxes, fees and charges ?**

**Q84a.** Percentage of releases prior to final determination and payment of Customs duties, taxes, fees and charges :

**Q84b.** Percentage of releases for perishable goods prior to final determination and payment of Customs duties, taxes, fees and charges :

**Q85. Are perishable goods treated differently than non-perishable goods concerning the separation of release from clearance?\***

(0) There is no preferential treatment of perishable goods.

(2) Perishable goods enjoy preferential treatment concerning the separation of release from clearance.

*\* With a view to preventing avoidable loss or deterioration of perishable goods, and provided all regulatory requirements have been met, each Member shall:*

*a. provide for the release of perishable goods under normal circumstances within the shortest possible time; and*

*b. provide for the release of perishable goods, in exceptional circumstances where it would be appropriate to do so, outside the business hours of customs and other relevant authorities. (Art. 7.9.1)*

**Q86. Are customs controls supported by a risk management system allowing risks to be assessed through appropriate selectivity criteria?**

(0) There is no risk management system for customs controls.

(1) A risk management system to support customs controls is in the process of implementation.

(2) A risk management system is fully operational and allows customs controls to concentrate on high-risk consignments, expediting the release of low-risk consignments.

**Art 7.4.1.** *Each Member shall, to the extent possible, adopt or maintain a risk management system for customs control.*

**Art.7.4.3.** *Each Member shall concentrate customs control and, to the extent possible other relevant border controls, on high risk consignments and expedite the release of low risk consignments.*

**Art.7.4.4.** *Each Member shall base risk management on assessment of risk through appropriate selectivity criteria. Such selectivity criteria may include, inter alia, HS code, nature and description of the goods, country of origin, country from which the goods were shipped, value of the goods, compliance record of traders, and type of means of transport.*

**Q87. Are other border controls supported by a risk management system?**

- (0) There is no risk management system for border controls other than customs.
- (1) Risk management systems to support border controls other than customs are in the process of implementation.
- (2) Border controls other than customs are supported by a risk management system, allowing those controls to concentrate on high-risk consignments and expedite the release of low-risk consignments.

**\* Please indicate the border agencies having in place, or in the process of implementing a risk management system: \_\_\_\_\_**

**Q88. Does Customs use risk channels (green, yellow, red – or equivalent) for customs clearance? If yes, please indicate the percentage of shipments that are allocated to the red, green and yellow channel in the total number of shipments of cargo cleared in a year?**

|                 |  |
|-----------------|--|
| Red channel:    |  |
| Yellow channel: |  |
| Green channel:  |  |

**Q89. Is compliance with customs and other related laws and regulations supported by post-clearance audits (PCAs) \*?**

- (0) PCAs are not conducted:
- (1) PCAs are conducted
- (2) PCAs are conducted and the results are used in applying risk management.

If the answer is (1) or (2), please indicate the percentage of Post-Clearance Audits (PCAs) carried out:

*\* With a view to expediting the release of goods, each Member shall adopt or maintain post-clearance audit to ensure compliance with customs and other related laws and regulations. (Art.7.5.1)*

**Q90. Establishment of standard policies and procedures to guide PCAs**

- (0) There are no standard policies and procedures to guide the conduct of PCAs.
- (1) Standard policies and procedures are established to guide the conduct of PCAs.
- (2) Standard policies and procedures ensure the conduct of PCAs in a transparent and risk-based manner.

**Q91. Is the use of pre-shipment inspections required on Customs matters\*?**

- (0) The country requires pre-shipment inspection on tariff classification and customs valuation.
- (1) No pre-shipment inspection is required on tariff classification and customs valuation.
- (2) No pre-shipment inspection is required on any Customs matter.

*\* Members shall not require the use of pre-shipment inspections in relation to tariff classification and customs valuation. Without prejudice to the rights of Members to use other types of pre-shipment inspection ... Members are encouraged not to introduce or apply new requirements regarding their use (Art.10.5.1 and Art.10.5.2)*

**Q92. Is it possible to provide additional trade facilitation measures to operators meeting specified criteria (authorized operators or AOs)\*\*?**

- (0) There is no possibility to provide additional facilitation to Authorized Operators.
- (1) Additional trade facilitation measures are provided to Authorised Operators meeting criteria related to compliance or the risk of non-compliance\*\*.
- (2) The applied Authorised Operator scheme is developed on the basis of relevant international standards.

\* This can be offered either under a separate scheme or as part of *customs procedures generally available to all operators*.

\*\* Such as an *appropriate record of compliance with customs and other related laws and regulations; a system of managing records to allow for necessary internal controls; financial solvency; supply chain security (Art.7.7.2)*

**Art.7.7.1** Each Member shall provide additional trade facilitation measures related to import, export or transit formalities and procedures, (...) to operators who meet specified criteria, hereinafter called authorized operators. Alternatively, a Member may offer such facilitation measures through customs procedures generally available to all operators and not be required to establish a separate scheme.

**Q93. Transparency of the criteria for qualifying as an Authorized Operator (AO) and the procedures for submission and review of applications for AO status**

(0) The criteria for qualifying as an Authorized Operator (AO) and the procedures for submission and review of applications for AO status are not defined or published.

(1) The criteria for qualifying as an Authorized Operator (AO) and the procedures for submission and review of applications for AO status are made available in paper publications.

(2) The criteria for qualifying as an Authorized Operator (AO) and the procedures for submission and review of applications for AO status are published on a dedicated webpage and an online request procedure is available.

**Art.7.7.2** The specified criteria shall be related to compliance, or the risk of non-compliance, with requirements specified in a Member's laws, regulations or procedures.

**Q94. What is the percentage of Authorized Operators (AOs)\* against the total number of traders?**

Please provide the percentage of AOs against the total number of traders:

Please provide the percentage of SMEs in the total number of AOs

**Art 7.7.2.** Criteria to qualify as an authorized operator ... shall not ... to the extent possible, restrict the participation of small and medium-sized enterprises.

**Q95. What is the annual percentage of trade volume handled by Authorized Operators?**

Please provide the annual percentage of trade volume handled by AOs:

**Q96. How long does it take on average to obtain Authorized Operator certification?\***

Please specify the time necessary on average to obtain AO certification:

\* This question is not applicable if the country provides additional trade facilitation measures as part of *customs procedures generally available to all operators*, and not by establishing a separate scheme, as provided in **Art.7.7.1**

**Q97. What are the benefits provided for Authorized Operators?**

Please specify which of these benefits are linked to the AO status:

|  |
|--|
| Deferred payment of duties, taxes, fees and charges                        |
| Use of comprehensive guarantees or reduced guarantees                      |
| Low rate of physical inspections   |
| Low documentary and data requirements                                      |
| A single Customs declaration for all imports and exports in a given period |
| Rapid release time   |
| Clearance of goods at the premises of the AO                               |

**Q98. Adjustment of working hours of Customs personnel to commercial needs**

(0) The working hours of Customs personnel are not adapted to commercial needs.

(1) The working hours of Customs personnel are partially adapted to commercial needs.

(2) The private sector considers that working hours of Customs personnel are entirely adapted to commercial needs.

**Q99. Requirement for clearance by a third-party customs broker**

(0) The use of a third-party customs broker is mandatory.

(1) The use of a third party customs broker is mandatory for certain types of consignees.

(2) The use of a third-party customs broker is not mandatory

**Art.10.6.1** (...) from the entry into force of this agreement Members shall not introduce the mandatory use of customs brokers

**Q100. Expedited release procedures**

(0) There are no procedures allowing for the rapid release of expedited shipments.

(1) Goods may benefit from expedited release to persons meeting specific qualifying criteria\*, but this is limited to certain types of goods only\*\*.

(2) Goods of any type, weight or value may benefit from expedited release to persons meeting specific qualifying criteria\*.

\* Including an adequate infrastructure and payment of customs expenses related to processing of expedited shipments; advance submission of the information necessary for the release; a high degree of security, logistics and tracking control over the shipment; a good compliance record.

\*\* Please specify :

| Type of goods                                    | yes/no |
|--|--------|
| goods entering through air cargo facilities only |        |
| low value goods only                             |        |
| other _____                                      |        |

**Q101. Procedures for the re-export of rejected goods**

(0) The importer does not have the right to return to the exporter goods that have been rejected for import due to failure to comply with prescribed sanitary and phytosanitary regulations or technical regulations.

(1) The importer has the right to return rejected goods that are not subject to specific prohibitions.

(2) The importer has this right to return rejected goods and a reasonable period of time is granted to complete the re-export.

**Art. 10.8.1** Where goods presented for import are rejected by the competent authority of a Member on account of their failure to meet prescribed sanitary or phytosanitary regulations or technical regulations, the Member shall, subject to and consistent with its laws and regulations, allow the importer to re-consign or to return the rejected goods to the exporter or another person designated by the exporter

**Q102. Temporary Admission of Goods and Inward and Outward Processing**

(0) Goods moved into or out of the customs territory for a specific purpose, including for inward or outward processing are not relieved from the payment of import duties and taxes.

(2) Goods moved into or out of the customs territory for a specific purpose, including for inward or outward processing are relieved totally or partially from the payment of import duties and taxes.

**Art. 10.9.9** Each Member shall allow ... goods to be brought into a customs territory conditionally relieved, totally or partially, from payment of import duties and taxes if such goods are brought ... for a specific purpose, are intended for re-exportation within a specific period, and have not undergone any change except normal depreciation and wastage due to the use made of them.

Goods allowed for outward processing may be reimported with total or partial exemption from import duties and taxes in accordance with the Member's laws and regulations in force

**BORDER AGENCY COOPERATION - INTERNAL\***

\*within the same country

**Q103. General cooperation and co-ordination of the activities of domestic agencies involved in the management of cross border trade, with a view to improving border control efficiency and facilitating trade\***

(0) There is no cooperation and coordination between the various domestic agencies involved in the management of cross border trade.

(1) Cooperation, coordination, exchange of information and mutual assistance involves substantially all domestic agencies involved in the management of cross border trade.

(2) There is an explicit coordination strategy led at a high political level.

*\* A Member shall ensure that its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade. (Art. 8.1)*

**Q104. Institutionalised mechanism to support inter-agency coordination**

(0) There is no inter-agency coordination body.

(2) An inter-agency coordination body is established to facilitate domestic coordination.

**The above score of (2) is multiplied with the percentage of listed features\* to which the body meets the terms of.**

**This is a continuous variable, i.e. the final score of the variable ranges from 0 to 2.**

**TFA Art 23.2**

**\*Please specify whether the coordination platform:**

|  | yes/no |
|--|--------|
| has established terms of reference and procedures for conducting its activities  |        |
| has a permanent technical Secretariat  |        |
| its decisions and recommendations are made publicly available on a dedicated webpage                                       |        |
| has a Steering Committee which monitors the implementation of decisions  |        |
| has clear provisions for its financing   |        |
| includes at least 60% of relevant agencies (a number of ____ agencies of a total of ____ relevant agencies in the country) |        |

**Q105. Domestic inter-agency coordination mechanisms meet regularly to develop strategy and oversee implementation of border agency cooperation\***

(0) There are no meetings between the different public agencies involved in the procedures required to import or export goods or such meetings are only ad hoc.

(1) Regular meetings are held to improve cooperation.

(2) Regular meetings are held and the proceedings are publicly available.

*\* If the score of the previous question Q104 is zero, this variable is also scored zero.*

**Q106. Domestic coordination / harmonisation of data requirements and documentary controls among agencies involved in the management of cross border trade**

(0) Data requirements of various border agencies are not coordinated / harmonised.

(1) Data requirements are coordinated / harmonised through common data definitions and types of information requested and mechanisms established to ensure timely exchange of information among the relevant border agencies.

(2) Data requirements are coordinated/harmonised and a single data entry is possible for traders.\*

**TFA Art 8.1**

*\* for instance through a single window platform*

**Q107. Interconnected or shared computer systems and real time availability of pertinent data among domestic agencies involved in the management of cross border trade**

(0) There are no interconnected or shared computer systems and no exchange of data among domestic agencies involved in the management of cross border trade.

(1) Exchange or transmission of data is provided between the different systems on a regular basis (daily, weekly, monthly).

(2) There are interconnected or shared computer systems and data is commonly available in real time.\*

**TFA Art 8.1**



**Q108. Domestic coordination of inspections among agencies involved in the management of cross border trade**

(0) There is no domestic coordination of physical inspections and controls between the various agencies involved in the management of cross border trade.

(1) There is informal and ad hoc coordination to address contingencies.

(2) A single location and coordinated timing is established for the physical inspection of consignments by the various concerned agencies.

**TFA Art 8.1**

**Q109. Shared results of inspections and controls among agencies involved in the management of cross border trade with a view to improving border control efficiency and facilitating trade**

(0) No, inspection results are not shared among the agencies involved in the management of cross border trade.

(2) Inspection results are shared among the agencies involved in the management of cross border trade.

**TFA Art 8.1**

**Q110. Control delegation at the national level**

The score is (0) if government agencies do not delegate controls to another agency involved in the management of cross border trade.

Otherwise, the score is the percentage\* of government agencies delegating controls to another agency involved in the management of cross border trade multiplied by the top score (2). As an example, 60% of agencies delegating controls leads to a score of 1.2, while 40% delegating leads to a score of 0.8.

This is a continuous variable, i.e. the score of the variable ranges from 0 to 2.

**\*Please specify the number of agencies \_\_\_\_\_ of the total \_\_\_\_\_ relevant agencies which are currently delegating controls.**

**Q111. Coordinated / shared risk management mechanisms**

(0) Domestic agencies involved in the management of cross border trade maintain separate risk management mechanisms.

(1) Domestic agencies involved in the management of cross border trade maintain separate risk management mechanisms but share intelligence with a view to improving risk management efficiency.

(2) There are interagency synergies in terms of risk analysis and shared data and risk profiling of goods.

**Q112. Authorised Operators programs**

(0) Each agency certifies its own Authorised Operators.

(1) Ad hoc collaboration exists among certain agencies on the certification of Authorised Operators.

(2) Explicit strategies have been implemented among the agencies to harmonise the requirements, coordinate the certification, manage the follow-up and coordinate the inspection of Authorised Operators.

**Q113. Coordinated / shared infrastructure and equipment use**

(0) Domestic agencies involved in the management of cross border trade do not share infrastructure and equipment.

(2) Domestic agencies involved in the management of cross border trade share infrastructure and equipment.

**BORDER AGENCY COOPERATION - EXTERNAL\***

\*with other countries

**Q114. Cross-border cooperation and co-ordination of the activities of agencies involved in the management of cross border trade, with a view to improving border control efficiency and facilitating trade\***

(0) There is no cross-border cooperation and coordination with border agencies in neighbouring countries.

(1) National legislation allows for cross-border cooperation, coordination, exchange of information and mutual assistance with border authorities in neighbouring countries.

(2) There is an explicit coordination strategy led at a high political level, or the concerned countries belong to a Customs Union.

**TFA Art. 8.1**

**Q115. Alignment of working days and hours with neighbouring countries at land borders where applicable**

(0) Working days and hours are not aligned with neighbouring countries.

(2) Working days and hours are aligned with neighbouring countries.

**TFA Art. 8.2 (i)**

**Q116. Alignment of procedures and formalities with neighbouring countries at borders where applicable**

(0) Procedures and formalities are not aligned with neighbouring countries.

(1) Local arrangements exist in order to facilitate goods' traffic

(2) Procedures and formalities are aligned with neighbouring countries.

**TFA Art. 8.3 (ii)**

**Q117. Cross-border coordination / harmonisation of data requirements and documentary controls**

(0) Data requirements are not coordinated / harmonised with neighbouring countries.

(1) Work is under way with neighbouring countries in order to identify strategies for coordination/harmonisation of data requirements.

(2) Data requirements are coordinated / harmonised with neighbouring countries through common data definitions and types of information requested and mechanisms established to ensure timely exchange of information\*, or the concerned countries belong to a Customs Union.

\* for instance by means of interoperability of National Single Windows

**Q118. Cross-border coordination / harmonisation of the different computer systems**

(0) Computer language and systems are not coordinated / harmonised with neighbouring countries.

(1) Work is under way with neighbouring countries in order to identify strategies for coordination/harmonisation of computer language and systems.

(2) Computer language and systems are coordinated / harmonised with neighbouring countries.

**Q119. Risk management cooperation**

(0) There is no risk management cooperation with border agencies in neighbouring countries.

(1) Border agencies in neighbouring countries share intelligence with a view to improving risk management efficiency and facilitating licit trade.

(2) There are interagency synergies in terms of shared risk profiling of traders or goods, or of risk analysis and exchange of the results thereof.

**Q120. Systematic sharing of control results among neighbouring countries at border crossings with a view to improving the risk analysis as well as the efficiency of border controls and to facilitating licit trade**

(0) The control results are not shared with border agencies in neighbouring countries.

(1) National legislation allows for exchanging information about control results.

(2) The control results are shared with border agencies in neighbouring countries.

**Q121. Development and sharing of common facilities with neighbouring countries at border crossings, where applicable**

(0) Common facilities are not developed and shared with neighbouring countries.

(1) There are no common facilities, but some infrastructure and equipment is shared between neighbouring countries at land borders.

(2) Common facilities are developed and shared with neighbouring countries.

**TFA Art. 8.3 (iii)**

**Q122. Joint controls with neighbouring countries at border crossings, where applicable**

(0) There are no joint controls performed in cooperation with neighbouring countries.

- (1) Joint controls are performed with neighbouring countries.
- (2) One stop border posts are shared with neighbouring countries.

**TFA Art. 8.3 (iv, v)**

**Q123. Mutual Recognition Agreements/Arrangements on Authorized Operators\* (AOs), where applicable**

The score is (0) if the Customs administration has not signed any MRAs on AOs. The score is also (0) if the country does not have AO programs in place.

If MRAs on AOs have been signed with partner countries, an assigned score of (2) is multiplied with the percentage of listed features\*\* the MRAs cover.

This is a continuous variable, i.e. the score of the variable ranges from 0 to 2.

**TFA Art. 7.5**

\*\*“Mutual Recognition (MR) is a broad concept embodied within the WCO SAFE Framework whereby an action or decision taken or an authorization that has been properly granted by one Customs administration, is recognized and accepted by another Customs administration (...). The objective of Mutual Recognition of AEOs is that one Customs administration recognizes the validation findings and AEO authorizations by the other Customs administration issued under the other programme and agrees to provide substantial, comparable and – where possible - reciprocal benefits/facilitation to the mutually recognized AEOs.” (WCO, *Guidelines for Developing a Mutual Recognition Arrangement/Agreement*)

\*\*Please specify whether MRAs cover:

|   | yes/no |
|---|--------|
| agreed benefits that can be delivered to the AOs covered by the MRA   |        |
| the practical arrangements enabling the participating Customs administrations to provide the agreed benefits                      |        |
| use of compatible technologies for the AO data exSchange with the partner country   |        |
| storing of AO data is reconciled with data protection and data security concerns  |        |
| reference to the procedures to be followed if one MRA partner finds irregularities involving the AOs of the other partner country |        |
| include consultations with the private sector   |        |

**Q124. Exchange of staff and training programmes at the international level**

- (0) There are no programmes to exchange staff with partner countries.
- (1) There are occasional exchanges of know-how with neighbouring or third countries.
- (2) There are regular exchange programmes, as well as training seminars on best practices, with both neighbouring and third countries.

**TFA Art. 12.1.2**

**GOVERNANCE AND IMPARTIALITY**

**Q125. Are the structures and functions in the border agencies clearly established and transparent?**

- (0) Structures and functions of the various administrations involved in the border process are not publicly described.
- (2) Structures and functions of the various administrations involved in the border process are clearly established and publicly available.

**Q126. Is there an ethics policy applied to border agencies?**

- (0) There is no ethics policy applied to the various agencies involved in the border process
- (1) There is an ethics policy applied to the various agencies involved in the border process
- (2) Violations of ethics regulations are prosecuted. The ethics policy observes all of the principles of the Revised Arusha Declaration.

**Q127. Have the various border agencies established a Code of conduct?**

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- (0) There is no Code of conduct in the various agencies involved in the border process.
- (1) A Code of Conduct is developed.
- (2) The Code of Conduct is published and there is a communications strategy to make it available to all employees.

**Q128. Are there effective sanctions against misconduct of border agency staff?**

---

- (0) Sanctions against misconduct are not published.
- (2) The code of conduct includes disciplinary provisions specifying what constitutes misconduct and the sanctions which apply.

**Q129. Is there efficient internal communication about policies and procedures of agencies involved in the border process?**

---

- (0) There are no arrangements in place to ensure that staff receives relevant information in good time about new legislation and regulation, and changes to existing legislation and regulation.
- (2) Arrangements are in place to ensure that staff receives relevant information in good time about new legislation and regulation, and changes to existing legislation and regulation.

**Q130. Is there an internal systems audit function in the various agencies involved in the border process?**

---

- (0) There is no internal audit mechanism.
- (2) An audit function for internal systems is established, adequately empowered and operational.

**Q131. Are non-compliance penalties for border agency staff transparent and proportional?**

---

- (0) There is no publicly available information on non-compliance penalties.
- (2) Systems of non-compliance penalties are transparent and balanced.

**Q132. Are there clear provisions for the financing of the Customs administration?**

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- (0) There is no public information as to the financing of the Customs administration.
- (2) Financing is determined and set out in legal provisions and related information is publicly available.

**Q133. Do Customs publish an annual report?**

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- (0) Customs do not publish annual activity reports.
- (1) Annual reports are available, but they contain insufficient information on customs activities\*.
- (2) Annual reports are available and contain sufficient information on Customs activities.

\* Information is viewed here as insufficient if it does not include information on budget and duties collected, complaints or efficiency indicators.

## ANNEX 2. TFIS COUNTRY LIST

Annex Table 2.1. Country groupings

(a) By income criteria

| Grouping                              | List of economies  |
|---------------------------------------|--|
| <b>OECD countries</b>                 | Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Israel <sup>a</sup> , Italy, Japan, Korea, Latvia, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States  |
| <b>High income non-OECD economies</b> | Antigua and Barbuda; Bahamas; Barbados; Bahrain; Brunei Darussalam; Cyprus <sup>bc</sup> ; Croatia; Hong Kong, China; Kuwait; Lithuania, Malta; Oman; Qatar; Saudi Arabia; Singapore; Chinese Taipei; Trinidad and Tobago; United Arab Emirates; Uruguay   |
| <b>Upper middle income countries</b>  | Albania, Algeria, Angola, Argentina; Azerbaijan, Belarus, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, People's Republic of China, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, Gabon, Georgia, Jamaica, Jordan, Kazakhstan, Lebanon, Macedonia FYR, Malaysia, Maldives, Mauritius, Montenegro, Namibia, Panama, Paraguay, Peru, Romania, Russian Federation, Serbia, South Africa, Suriname, Thailand, Venezuela |
| <b>Lower middle income countries</b>  | Armenia, Bangladesh, Belize, Bhutan, Bolivia, Cambodia, Cameroon, Republic of Congo, Côte d'Ivoire, Djibouti, Egypt, El Salvador, Fiji, Ghana, Guatemala, Honduras, India, Indonesia, Kenya, Kyrgyz Republic, Lao PDR, Lesotho, Moldova, Mongolia, Morocco, Nicaragua, Nigeria, Pakistan, Papua New Guinea, Philippines, Sri Lanka, Sudan, Swaziland, Tunisia, Ukraine, Uzbekistan, Viet Nam, Yemen, Zambia                                    |
| <b>Low income countries</b>           | Benin, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Ethiopia, Gambia, Liberia, Madagascar, Malawi, Mali, Mozambique, Myanmar, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Tajikistan, Togo, Tanzania, Uganda, Zimbabwe   |

a) The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

b) Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the "Cyprus" issue.

c) Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Note: Based on World Bank's classification. The latest available classification will be used at the time of disseminating the data.

## (b) By geographic criteria

| Grouping                               | List of economies   |
|--|---|
| <b>South America</b>                   | Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Peru, Paraguay, Suriname, Uruguay, Venezuela  |
| <b>Central America and Caribbean</b>   | Antigua and Barbuda, Bahamas, Barbados, Belize, Costa Rica, Cuba, Dominica, Dominican Republic, Guatemala, Honduras, Jamaica, Nicaragua, Panama, El Salvador, Trinidad and Tobago   |
| <b>North America</b>                   | Canada, Mexico, United States   |
| <b>East Asia and the Pacific</b>       | Australia; China; Fiji; Hong Kong, China; Japan; Korea; Mongolia; New Zealand; Papua New Guinea; Chinese Taipei   |
| <b>Southeast Asia</b>                  | Brunei Darussalam, Indonesia, Cambodia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam  |
| <b>South Asia</b>                      | Bangladesh, Bhutan, India, Sri Lanka, Nepal, Pakistan   |
| <b>Europe</b>                          | Albania, Austria, Belgium, Bulgaria, Belarus, Bosnia and Herzegovina, Cyprus <sup>ab</sup> , Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Croatia, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Macedonia FYR, Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom, Ukraine     |
| <b>Rest of Europe and Central Asia</b> | Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Russian Federation, Tajikistan, Turkey, Uzbekistan   |
| <b>Middle East and North Africa</b>    | Algeria, Bahrain, Egypt, Israel <sup>c</sup> , Jordan, Kuwait, Lebanon, Oman, Qatar, Morocco, Saudi Arabia, Tunisia, United Arab Emirates   |
| <b>Sub-Saharan Africa</b>              | Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Republic of Congo, Comoros, Côte d'Ivoire, Djibouti, Ethiopia, Gabon, Gambia, Ghana, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe |

a) Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the "Cyprus" issue.

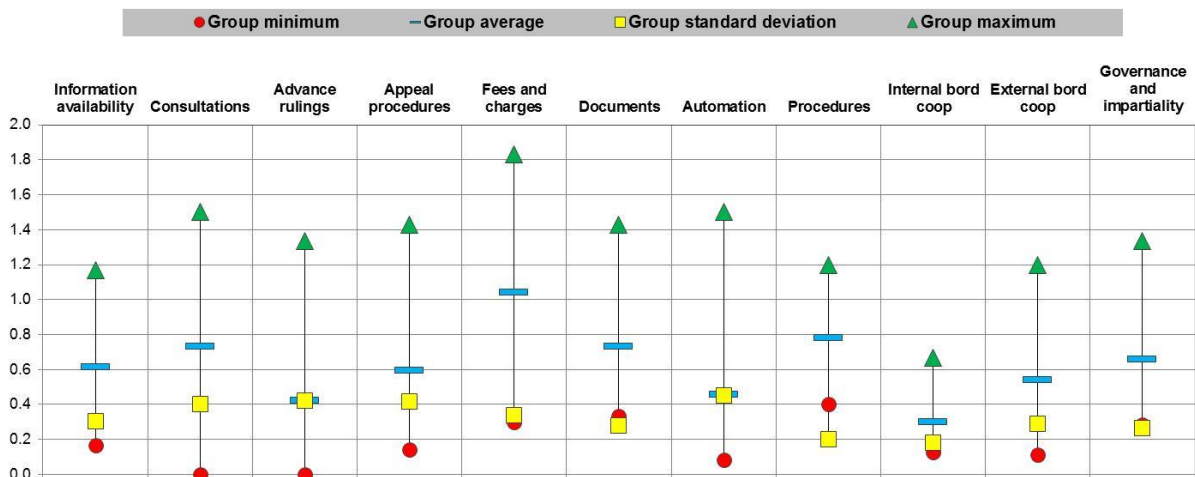
b) Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

c) The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

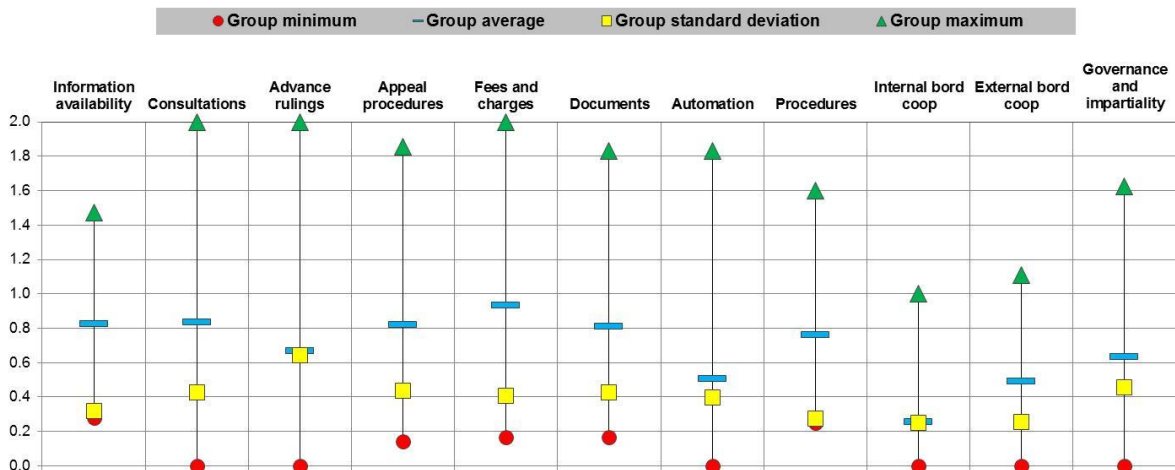
ANNEX 3. INCOME GROUPINGS AND TFIS SNAPSHOTS

Annex Figure 3.1. 2017 TFIs: income groupings

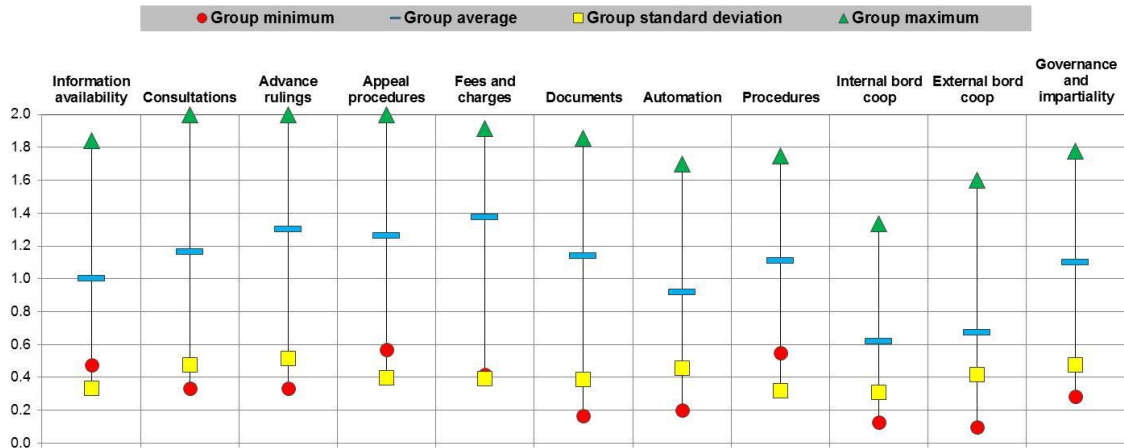
a. Low income countries



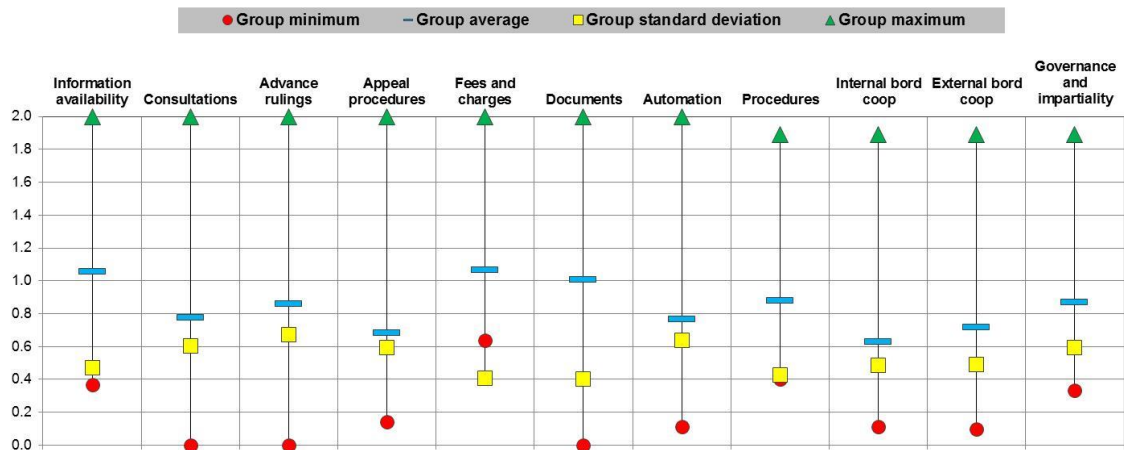
b. Lower middle income countries



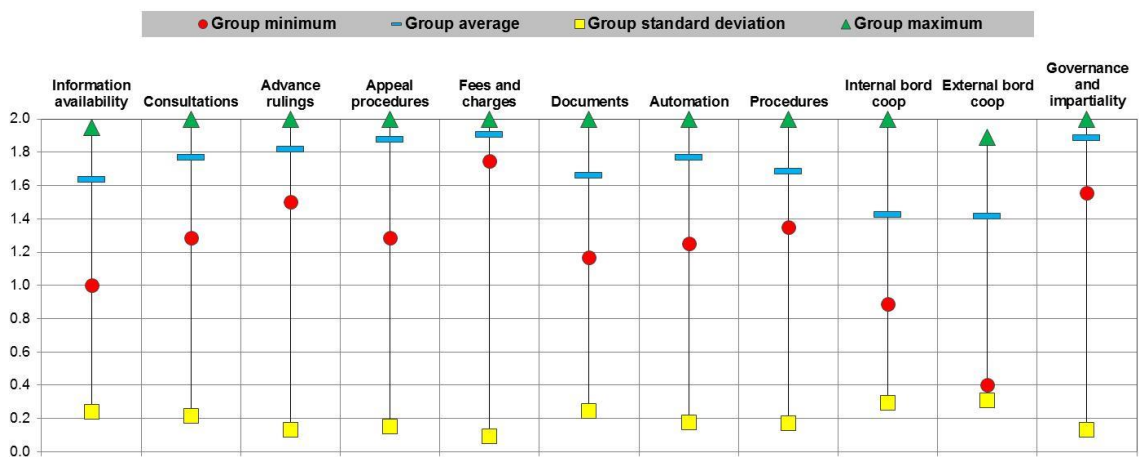
**c. Upper middle income countries**



**d. High-income non-OECD economies**



**e. OECD economies**



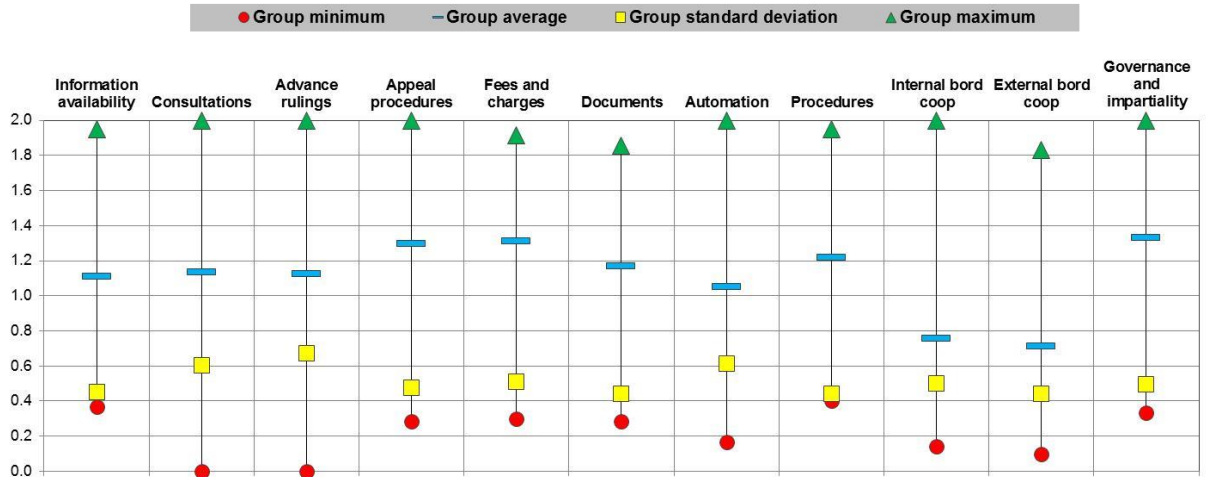
Source: OECD Trade Facilitation Indicators 2017 (February 2017).



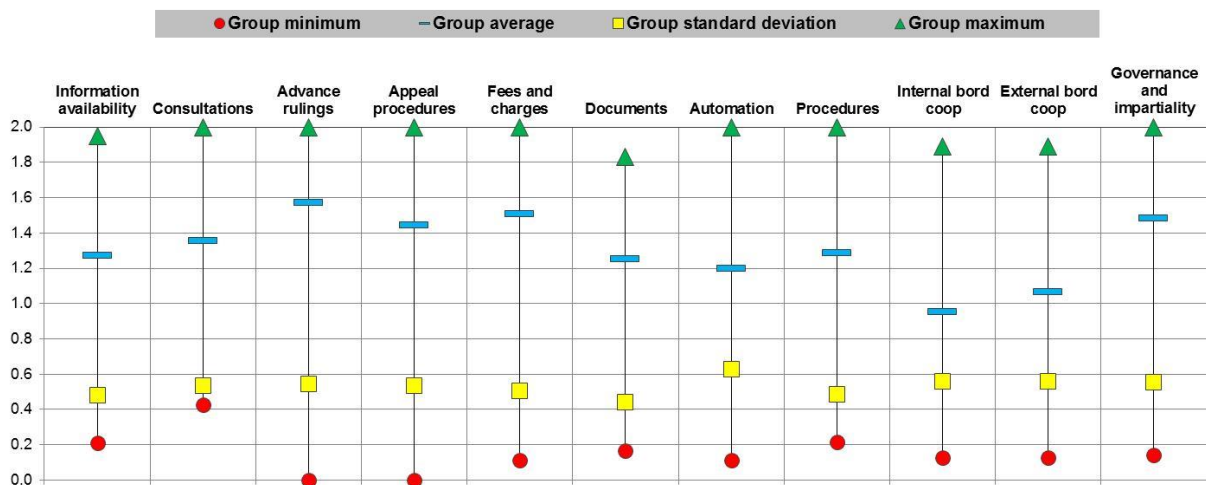
ANNEX 4. REGIONAL GROUPINGS AND TFIS SNAPSHOT

Annex Figure 4.1. 2017 TFIs: regional groupings

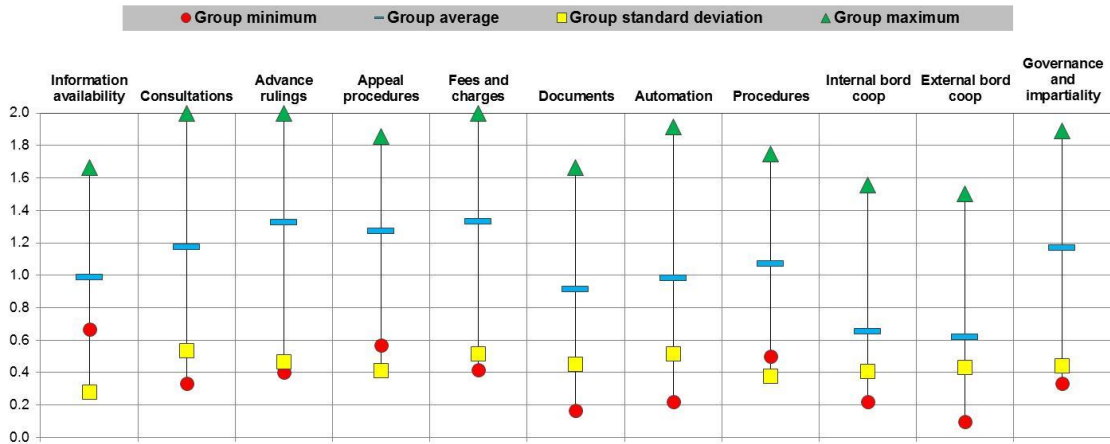
a. Asia-Pacific



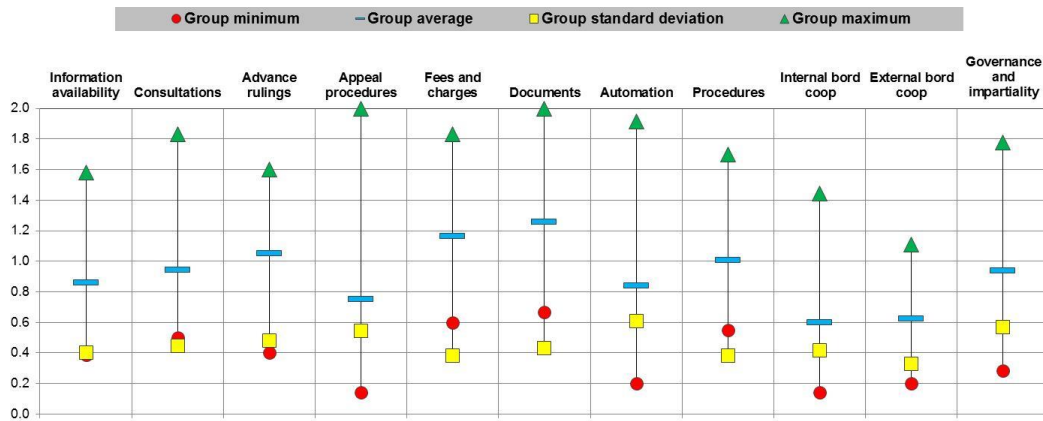
b. Europe (non-OECD) and Central Asia



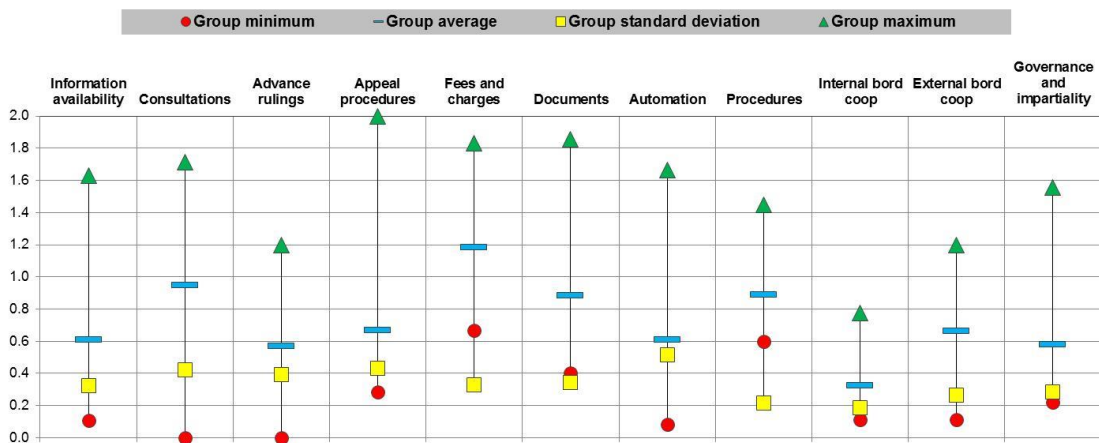
**c. Latin America and the Caribbean**



**d. Middle East and North Africa**



**e. Sub-Saharan Africa**



Source: OECD Trade Facilitation Indicators 2017 (February 2017).