

CHAPTER 6 DISCIPLINES ON FEES AND CHARGES

General disciplines on fees and charges imposed on or in connection with importation and exportation: Article 6.1

Informal payments and unusually high fees represent one of the major barriers to cross-border trade.

To ensure that the business community thrives in a predictable, transparent and conducive environment, Article 6.1 of the TFA requires that all the relevant information regarding fees and charges relating to export or import are published widely.

Members are required to publish fees and charges related to importation and exportation in a transparent and predictable manner, and to periodically review them according to the cost-recovery principle.

The measure

ARTICLE 6 DISCIPLINES ON FEES AND CHARGES IMPOSED ON OR IN CONNECTION WITH IMPORTATION AND EXPORTATION AND PENALTIES

1 General Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation

1.1 The provisions of paragraph 1 shall apply 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 the importation or exportation of goods.

1.2 Information on fees and charges shall be published in accordance with Article 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.

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.

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

Understanding the measure

What is covered?

Scope

WTO Members are requested to publish information on 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 and exportation.

Specifically, the information made public must include:

- The fees and charges that will be applied;
- The reason for the imposition of such fees and charges;
- The responsible authority who will collect the fees and charges;
- Information about when and how payment is to be done.

Publication of fees and charges

When publishing information on fees and charges, Members must specify at least the applicable fees and charges that traders are requested to pay, the reasons for their existence and imposition, the responsible levying authority within their territory and the modalities of payment as a minimum requirement.

Reasonable period of time

Except for urgent circumstances, Members must ensure that an adequate period of time is available between the official publication of a new or amended fee or charge and their entry into force. This provision enables traders to get acquainted with the new or amended fee before it can have full legal effects and be enforceable.

Periodic review

Members must undertake a periodic review of fees and charges imposed with the purpose of reducing these as much as possible. Whereas the review is mandatory, the reduction in the number and diversity of fees should take place 'where practicable'.

What is not covered?

This measure does not apply to import and export duties and taxes within the purview of Article III of GATT 1994, and does not specify the period of time that should exist between publication of new or amended fees and charges and their entry into force.

Benefits and opportunities for stakeholders

Prompt access to relevant information on the imposition of fees and charges levied for importation and exportation will increase transparency, legal certainty and predictability for traders. Allowing a period of time between the publication of new or amended fees and charges and their entry into force will provide traders with an opportunity to better understand and adjust to upcoming changes that will affect them.

A continued review of fees and charges will reduce trade costs for traders. In particular, SMEs will reap the greatest advantage from lower fees and charges, building on much needed economies of scale and contribute to their success in international markets.

Where available, dissemination of information on the internet will also reduce the time government institutions spend in responding to inquiries from traders about fees and charges.

Implementation

Implementation checklist

The following checklist may be used to estimate the level of compliance with the measure:

- Fees and charges for customs processing are only imposed for services rendered.
- The required information on fees and charges connected to importation, exportation and transit is published.
- The amount of fees and charges for customs processing is based on the approximate cost of the service rendered.
- *Ad valorem* fees and charges for customs processing, if they exist, are limited to the approximate cost.
- Fees and charges are applied at a reasonable time after publication.
- Fees and charges are applied only after information on them has been published.
- Fees and charges are regularly reviewed to reduce their number and diversity.

Preparing a national implementation plan

The following template may be used as the basis for a national implementation plan:

	Actions suggested
Implementation sequence	Preparatory phase
	Conduct a review of existing fees and charges related to importation and exportation.
	Categorize services charged in different ranges and categories.
	Ascertain costs for each of these services rendered, based on relevant cost factors, and analyse if current charges comply with the cost-recovery principle.
	Using these findings, prepare a proposal to revise existing charges, consolidating, where possible, fees and charges to increase efficiency of administration and collection.
	Set-up phase
	Update legislation and administrative actions listing fees and charges and their amount.
	Introduce the obligation to publish required information on fees and charges.
	Introduce the principle of reasonable interval between publication and application of new fees and charges.
	Introduce the obligation to periodically review fees and charges with the goal to reduce their number and diversity.
	Publish information on fees and charges, including: <ul style="list-style-type: none"> • Applicable fees and charges. • Reasons for their existence. • Responsible authority. • Modalities of payment.
	Management and follow-up phase
Set up a mechanism for monitoring prompt publication of information on fees and charges and allowing an adequate time interval between publication and entry into force.	
	Periodically review fees and charges with the goal to reduce their number and diversity.
Average time for implementation	Three and a half years.
Leading implementation agency	Ministries in charge of trade and finance are most commonly chosen as the leading implementation agency.

Key challenges

Lack of a centralized hub to handle regular publication and review of fees is a common challenge in many WTO Members' administrations. Ensuring that the publication takes place before fees and charges are applied is also critical for the success of this measure. Poor collaboration between border agencies can also hinder exchange of information. Border agencies, in particular, may not be fully informed about changes in fees and charges when they occur.

Key factors for success

Coordination between the relevant agencies, ideally within a NTFC, will help implementation of this measure. A robust monitoring mechanism of fees and charges is also a key factor.