

CHAPTER 9 GOODS UNDER CUSTOMS CONTROL

Movement of goods intended for import under customs control: Article 9

Countries usually have selected points of entry and release for imported goods, normally seaports, airports or land borders. However, in some cases, businesses are located inland and prefer clearing imported goods at inland locations, in places usually called dry ports, which act as logistics centres where goods are duly released or cleared.¹⁰

Article 9 provides for imported goods arrived at one customs office (for example, an international airport or a seaport) to be delivered to an inland final destination where the importer will declare and clear the goods.

This measure is intended to allow goods to be moved under a simplified procedure to inland customs offices, permitting the importer to clear the merchandise at destination rather than at the point of entry, thus speeding the flow of goods at the border.

Members must provide the possibility to transport imported goods from the point of entry to an inland customs office, where the goods will be cleared.

The measure

ARTICLE 9 MOVEMENT OF GOODS INTENDED FOR IMPORT UNDER CUSTOMS CONTROL

Each Member shall, to the extent practicable, and provided all regulatory requirements are met, allow goods intended for import to be moved within its territory under customs control from a customs office of entry to another customs office in its territory from where the goods would be released or cleared.

Understanding the measure

What is covered?

Core obligation

This measure requires Members to allow imported goods under customs control to be transported from the entry point to another customs office located within its territory, where the goods will be ultimately cleared. Transporting goods under customs control means that the goods are in the safe custody of customs staff, with appropriate controls including the customs seal and security, and they are not handed over to business before they reach the dry port.

The use of the verb 'shall' suggests that the implementation of this provision is mandatory for Members. However, the addition of the qualifying words 'to the extent practicable' and 'provided all regulatory requirements are met' gives Members some room for flexibility.

What is not covered?

The TFA remains silent on whether additional fees and charges could be imposed on movement of goods under customs control. Moreover, the measure does not include any provision regarding facilities to trans-ship cargoes.

¹⁰ A dry port refers to an inland location which serves as a logistics centre connected to one or more modes of transport for the handling, storage and regulatory inspection of goods and the execution of applicable customs control and formalities. See United Nations 2013: Inter-Government Agreement for Dry Ports. http://www.unescap.org/ttdw/common/Meetings/dry_ports/Signing/Agreement-on-Dry-Ports-E.pdf

Benefits and opportunities for stakeholders

Importers will competitively benefit from easier access to the point of clearance, as they can receive imported goods cleared from a location closer to their business operations. Similarly, there will be a significant reduction in transaction costs and delays at the border.

Improved advance planning of customs clearance will reduce the burden on existing infrastructure at the seaports/airports, including storage facilities and testing laboratories, ultimately reducing costs while delivering improved services to traders.

Implementation

Implementation checklist

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

- A national implementation framework is in place to allow movement of goods from point of entry to customs office of destination.
- Processes and systems are available for clearing goods at inland customs stations.
- Systems for secure movement of goods under customs control are enhanced.
- Wider publicity is undertaken to raise awareness of the scheme's benefits with private sector stakeholders.

Preparing a national implementation plan

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

Implementation sequence	Actions suggested
	Preparatory phase
	Review existing legal and/or administrative frameworks, business processes and assess capacity of existing infrastructure facilities.
	Identify shortcomings in legal, regulatory and institutional frameworks and infrastructure.
	Review existing customs procedures to identify bottlenecks and devise new procedures, if needed, to allow the trans-shipment of goods.
	Determine changes required to organizational structures and ICT infrastructure of different agencies, if required.
	Set-up phase
	Implement changes identified to legal, regulatory and infrastructural frameworks.
	Ensure or improve implementation of newly designed business processes and train staff accordingly.
	If needed, equip and enable staff in inland customs offices and dry port infrastructures to clear goods throughout the country.
	Prepare and undertake a robust public awareness-raising campaign.
	Management and follow-up phase
	Regularly review and audit business processes to verify reduced delays at seaports and improved efficiency of customs clearance in inland customs offices.
	Seek feedback from private sector to include traders' experiences and perspectives.

Average time for implementation	Between two and three years, depending on the national implementing capacity of each Member.
Leading implementation agency	Customs is most commonly chosen as the leading implementation agency.

Key challenges

Members may lack adequate infrastructure for fully equipped dry ports, as well as human, financial and technical resources, to manage transportation of goods under customs control and subsequent in-country clearance of imported goods. Government staff may not have the capacity to develop new protocols for the transportation of the goods under customs control. Lack of inter-agency coordination and poor use of ICT to modernize dry port infrastructures and handle transportation, tracking and the clearance of goods is also a key challenge.

Key factors for success

Efficient coordination among customs authorities, relevant border agencies, logistics services providers and traders is the key success factor. Additionally, quality facilities for in-country customs release is critical to allow importers to clear their goods in a cost- and time-effective manner. Allocation of appropriate funds and stimulation of foreign investment in public infrastructure will thus be fundamental to equip existing local customs offices and develop new logistic hubs.