

Moves to streamline world customs procedures

Australia has accepted the amendment of an international convention (the 'Kyoto Convention') which aims to simplify and harmonise existing international customs procedures around the world.

However, before the revised convention, which is managed by the World Customs Organisation (WCO), can come into force, almost two-thirds (40) of the existing 61 contracting parties will first have to

accept the revised text. To date, Australia and five other countries have accepted the revised provisions.

That means that before international traders can take advantage of the greater efficiencies and opportunities flowing from the amended

convention, the revised convention will need to be promoted widely to other customs administrations urging them to accept and implement it. This is currently happening.

The Kyoto Convention first came into force in 1974. Since then, there has been a significant growth in international trade, an increased use of information technology and additional pressure to reduce technical barriers to trade such as restrictive customs procedures. The WCO therefore updated the Kyoto Convention so that it better meets the current demands of international trade.

The review of the convention commenced in 1994 and ended in June 1999. The review involved five years of detailed work by WCO, by individual customs administrations and by other relevant international organisations.

As a contracting party to the existing Kyoto Convention,

Australia was invited by the WCO to accede to the Protocol of Amendment that will bring the revised convention into force.

But before Australia could accept the revised text, the Federal Government had to ensure that Commonwealth legislation and procedures complied with the included



On behalf of Australia, the Minister for Justice and Customs, Senator Amanda Vanstone, signs the Amendment Protocol to the Kyoto Convention at WCO Headquarters, Brussels, in April 2000.

provisions. On the Federal Government's behalf, the Australian Customs Service examined the text and consulted widely with other government agencies and industry. These consultations resulted in a recommendation that Australia could comply with most of the revised provisions.

Exactly what has Australia accepted?

The revised Kyoto Convention includes a General Annex that includes measures necessary for a modern customs administration. The General Annex is a new part to the Kyoto Convention and includes approximately 120 binding provisions that have general application across a number of Customs procedures.

As well as provisions on traditional customs matters such as duties and taxes and customs control, the General Annex includes provisions on the use of information technology, risk management and audit techniques, pre-arrival processing, transparency of customs regulations, partnership approach between customs and trade, co-ordinated interventions and much more.

Parties who sign the amended version of the Kyoto Convention must accept the General Annex without reservation. In other words, a contracting party must agree to implement all of the provisions included in the General Annex.

The revised Convention also includes 10 Specific Annexes which each deal with a single procedure or a number of closely related procedures. There are 25 chapters in the specific annexes. The specific annexes/chapters are optional but Australia accepted six specific

annexes in full and chapters of a further two - which comes to 18 chapters in all:

- A1** Formalities prior to the lodgement of the Goods Declaration,
- A2** Temporary storage of goods,
- B1** Clearance for home use,
- B2** Reimportation in the same state,
- B3** Relief from import duties and taxes,
- C1** Outright exportation,
- D1** Customs warehouses,
- E1** Customs transit,
- E2** Transhipment,
- E3** Carriage of goods coastwise,
- F1** Inward processing,
- F3** Drawback,
- G1** Temporary admission,
- J1** Travellers,
- J2** Postal traffic,
- J3** Means of transport for commercial use,
- J4** Stores, and
- J5** Relief consignments.

What does it mean for Australian industry?

The revision is seen by WCO, by customs administrations and by a number of international bodies and companies as a blueprint for modern and efficient customs procedures in the 21st century. Once implemented widely, the Convention will provide international commerce with a significant improvement in trade facilitation. The revisions aim to provide international trade with faster, predictable and efficient customs clearances, transparent procedures, greater facilities for compliant traders and clear information concerning rights and obligations.

The benefits will be of particular use to Australian exporters where the importing country has also

implemented the provisions of the revised convention. The implementation of the revised provisions could potentially open up new markets for Australian industry in other signatory countries.

However, more work is required by the Australian Customs Service to ensure that the revised convention continues to be up to date and relevant. This includes ensuring that the implementation guidelines and provisions in the convention continue to suit international trade - especially from an Australian viewpoint. Australian Customs will continue to provide input into the on-going convention revision process and is happy to put forward an industry perspective.

Further information:

The full text of the revised Kyoto Convention, in either English or Spanish, can be viewed at and/or down-loaded from the WCO Home Page at:

<http://www.wcoomd.org/Kyoto/kyreport.htm>

Information on the revised Kyoto Convention and on the Australia's acceptance process can be obtained from:

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