



WORLD TRADE
ORGANIZATION



Trade Facilitation
Agreement Facility

WTO TRADE FACILITATION

<http://www.tfafacility.org>

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BACKGROUND

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After nearly 10 years of talks, WTO Members concluded negotiations on the WTO Trade Facilitation Agreement (TFA) at the Ninth Ministerial Conference held in Bali, Indonesia in December 2013. The objective of this Agreement is to boost global trade by expediting the movement, release and clearance of goods, including goods in transit.

”

WHY IS THE TFA GOOD FOR MY COUNTRY?

The TFA has a huge potential to reduce trade costs thereby boosting trade between countries and raising world income.

Developing countries are expected to see the biggest gains since they currently face some of the largest procedural obstacles. Studies suggest that their trade cost will fall by 13% to 15%. Households will gain access to a greater variety of goods. For companies, it means inputs at lower cost and better entry to foreign markets.

OECD studies¹ find that implementation of the TFA could reduce worldwide trade costs by between 12.5% and 17.5%. Developing country exports are expected to grow by between 14% and 22% while becoming more diversified. Companies are more likely to become more profitable which should encourage domestic investment. In addition, foreign direct investment is likely to be attracted to countries that fully implement the TFA. Finally, increased trade means better employment prospects for workers and greater revenue collection by the government.

1 OECD Policy Brief (2015) "Implementation of the WTO Trade Facilitation Agreement: The Potential Impact on Trade Costs".

ENTRY INTO FORCE

“

The Trade Facilitation Agreement will enter into force once two-thirds of Members have domestically ratified a Protocol of Amendment and notified the WTO of their acceptance of this Protocol. This Protocol of Amendment, which was officially opened for acceptance on November 27, 2014, will insert the Agreement on Trade Facilitation into the WTO Agreement.

”

THE TRADE FACILITATION AGREEMENT²



Section I:

The Trade Facilitation Agreement contains approximately 40 measures set out in 12 Articles.

These are the new border-related procedures, processes and other obligations that governments will be required to implement. They will provide transparency of laws, rules and procedures, fairness in border agency decisions, streamlined clearance procedures, and help reduce administrative constraints on transit.



Art. 1 Publication and Availability of Information

- 1.1** Publication
- 1.2** Information Available Through Internet
- 1.3** Enquiry Points
- 1.4** Notification



Art. 2 Opportunity to comment, information before entry into force and consultations

- 2.1** Opportunity to comment and information before entry into force
- 2.2** Consultations



Art. 3 Advance Rulings



Art. 4 Procedures for appeal or review

² Protocol of Amendment and Trade Facilitation Agreement can be found at WTO document symbol (WT/L/940).

THE TRADE FACILITATION AGREEMENT



Art. 5 Other measures to enhance impartiality, non-discrimination and transparency

5.1 Notifications for enhanced controls or inspections

5.2 Detention

5.3 Test Procedures



Art. 6 Disciplines on fees and charges

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

6.2 Specific Disciplines on Fees and Charges for Customs Processing Imposed on or in Connection with Importation and Exportation

6.3 Penalty Disciplines



Art. 7 Release and Clearance of Goods

7.1 Pre-arrival Processing

7.2 Electronic Payment

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

7.4 Risk Management

7.5 Post-Clearance Audit

7.6 Establishment and Publication of Average Release Times

7.7 Trade Facilitation Measures for Authorized Operators

7.8 Expedited Shipments

7.9 Perishable Goods



Art. 8 Border Agency Cooperation



Art. 9 Movement of goods intended for import under customs control

THE TRADE FACILITATION AGREEMENT



Art. 10 **Formalities connected with importation, exportation and transit**

- 10.1** Formalities and Documentation Requirements
- 10.2** Acceptance of Copies
- 10.3** Use of International Standards
- 10.4** Single Window
- 10.5** Pre-shipment Inspection
- 10.6** Use of Customs Brokers
- 10.7** Common Border Procedures and Uniform Documentation Requirements
- 10.8** Rejected Goods
- 10.9** Temporary Admission of Goods and Inward and Outward Processing



Art. 11 **Freedom of transit**



Art. 12 **Customs Cooperation**

Although many provisions apply only to the customs administration, the majority of provisions apply to all border agencies that deal with trade in goods. None of the measures are new- all are being used with success in various countries around the world. They not only benefit trade but can also lead to more effective, efficient and modern government practice.

THE TRADE FACILITATION AGREEMENT



Section II:

Special provisions for developing and least developed countries.

There are special provisions that allow developing and least developed country (LDC) members to implement the Agreement at their own pace. Each member will determine when it will implement each of the technical provisions, and, it can identify provisions that it will only be able to implement upon the receipt of technical assistance and support for capacity building.

Category A, B, C Notifications

To benefit from SDT, a Member must notify the other WTO Members of when it will implement each trade facilitation measure using the categories below. The Agreement sets out timelines for these notifications.



Category A

provisions that the member will implement by the time the Agreement enters into force (or in the case of a least-developed country member within one year after entry into force).



Category B

provisions that the member will implement after a transitional period following the entry into force of the Agreement.

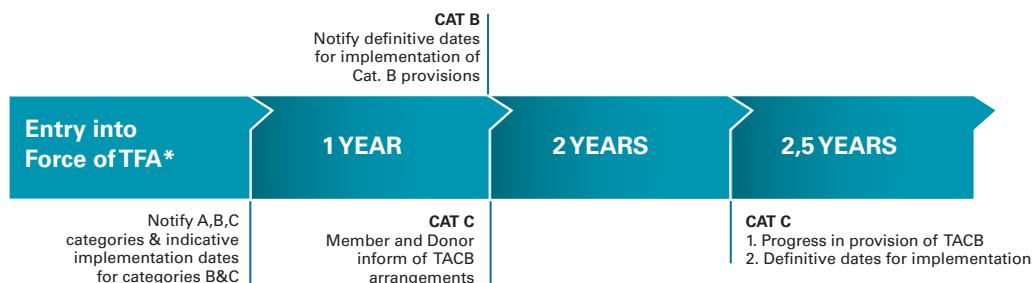


Category C

provisions that the member will implement 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

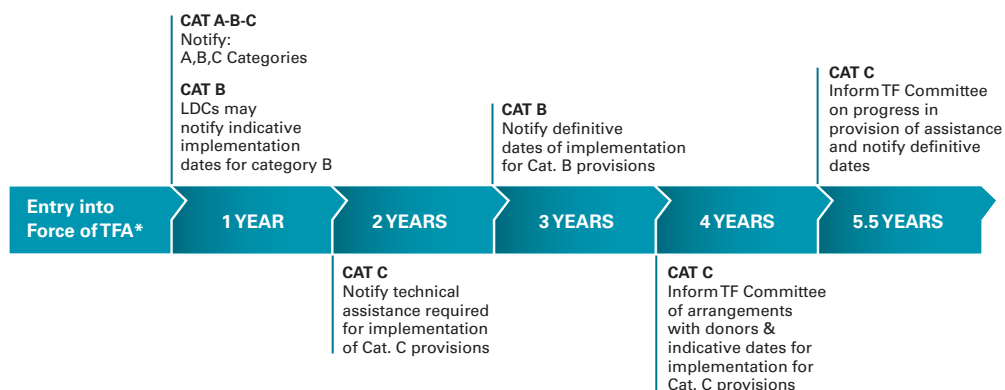
THE TRADE FACILITATION AGREEMENT

Figure 1: Developing Countries Notification for all categories of provisions



* Entry into force of TFA when 2/3 of Members ratify. Obligations for an individual country will only commence once this country completes its ratification process as well.

Figure 2: LDCs Notification for all categories of provisions



* Entry into force of TFA when 2/3 of Members ratify. Obligations for an individual country will only commence once this country completes its ratification process as well.

THE TRADE FACILITATION AGREEMENT



Section III: Committees

This section establishes a permanent committee on trade facilitation at the WTO. It requires Members to have a national committee to facilitate domestic coordination and national implementation of the Agreement. It also contains provisions related to the overall implementation of the Agreement.

TRADE FACILITATION IN ACTION

In one landlocked African country only 43% of truck transport time along its trade corridors is spent moving; the rest is time spent waiting at border crossings, road blocks, or resting.

Removing the administrative bottlenecks can have powerful effects on reducing trade time and costs.

This has been evidenced by a manufacturer in Uganda:

“

Nice House Plastics saves approximately US \$150 per day for 25 containers as a result of time savings from reduced examination and inspection of goods and acceptance of pre-arrival import declaration. Additionally, we used to spend US\$ 10 million to clear our cargo, this cost has come to zero. We used to adjust our prices every month prior to becoming an AEO. But now, we have not adjusted our prices for the last year because our cost of doing business has remained stable.

”

Nice House Plastics, Uganda
(Uganda benefits from support from Trade Mark East Africa).



Truck at a border control (World Bank Group)

WITNESSING SUCCESS

Some 45 case studies showing the benefits resulting from the implementation of various measures of the Trade Facilitation Agreement were submitted to the WTO for the Aid for Trade (A4T) 2015 Global Review.

A few examples can be found here:



Publication

Lao PDR launched a Trade Portal in 2012 that publishes all trade-related laws, regulations, procedures and fees in the public domain. As a result of this improved transparency, clearance times for goods by non-customs agencies fell from 5 days in 2009 to 2.9 days in 2012 – a 42% decrease.

(Supported by Australia, the European Union, Germany, Ireland, and the United States and supported by the World Bank.)



Border Agency Cooperation

An Integrated Check Post (ICP) in India provides one-stop integrated facilities. According to traders this ICP has significantly reduced costs and clearance time. The ICP can now handle 10 times the number of trucks a day which has led to an increase of imports to US\$ 292 million in 2012-2013, up from US\$ 161 million in 2011-12; and an increase in exports to US\$ 509 million from 229 million during the same time periods. Pakistan is also implementing an ICP on the other side of the same border.

(Researched by CUTS International.)



Single Window

Peru

- A saving of \$70 for each transaction
- More than 23,000 exporters and importers have used the Single Window.
- A saving of more than \$30 million by traders that no longer need to travel to multiple agencies to file documents.
- A saving of more than 9 million pages that did not need to be printed – a great saving to the environment.

(Supported by the European Union, the Development Bank of Latin America and the Inter-American Development Bank.)

Kenya

TradeNet enables traders to track, clear and move goods across borders much faster, easier and cheaper through a simplified cargo clearance process. The expected annual savings to the Kenyan economy is US\$ 150 to 250 million during the first three years. This is expected to increase to US\$300-450 million annually in subsequent years.

(Kenya Revenue Authority.)

WITNESSING SUCCESS

Rwanda

Rwanda (also accessible to other Customs Authorities and customs brokers within the East African Community)

- Reduced the time taken to clear goods from 34 hours in 2010 to 23 hours in 2014 – a 32% improvement.
- Reduced costs to importers from \$350 per declaration to \$243 – a 30% drop worth an estimated \$2 million annually.
- Generates net savings of some \$18 million per year.

(Supported by TradeMark East Africa.)

Togo

“

The Single Window is part of our strategy to attract more international trade, reinforce the local economy and improve our position in the World Bank's competitive index, Doing Business.

”

Togo Ministry of Trade and Private Sector Promotion

(Supported by multiple donors)

WITNESSING SUCCESS

A wide range of outcomes and positive impacts were reported in the 45 A4T case studies. A summary of the most frequently reported is shown here.

Top Outcomes:

- Reduced customs clearance times
- Reduced other border agency clearance times
- Reduced costs of customs clearance

Top Impacts:

- Increased foreign investment
- Export market diversification
- Increased domestic investment
- Increase in consumer welfare
- Increase in employment

The case stories can be found at:

<http://www.oecd.org/aidfortrade/casestories>



Through this Facility we will enhance WTO technical assistance programs, support coordination between donors and recipients, and provide a source of funding for countries that are not able to access the assistance they require.

Director-General Roberto Azevêdo

TFAF launch event, 2014



THE TRADE FACILITATION AGREEMENT FACILITY (TFAF)



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Trade Facilitation
Agreement Facility



Assistance for developing
and LDC country Members

DID YOU KNOW?

The WTO Trade Facilitation Facility (TFAF) was launched on 22 July 2014, and it became operational on 27 November 2014. The TFAF was created at the request of developing and least-developed members with the aim to support the implementation of the Agreement on Trade Facilitation (TFA). It is through the full implementation of the TFA that developing and least-developed members will attain the maximum benefits of this Agreement.



THE TFAF'S RESPONSIBILITIES AND ACTIVITIES

Providing support and assistance through

- National needs assessments
- A, B, C categorization support
- Thematic workshops
- Development and publication of training materials
- E-learning programs

Finding implementation support

- TFA assistance tracking
- Development of partner outreach
- Bilateral consultations
- In-country and/or regional consultations

Outreach

- Participation in external events
- Participation in an annual WTO roundtable

Promoting coherence

- Regular meetings with donors & international and regional organizations
- Publication of donor programs and TF support activities on the TFAF website

Grants

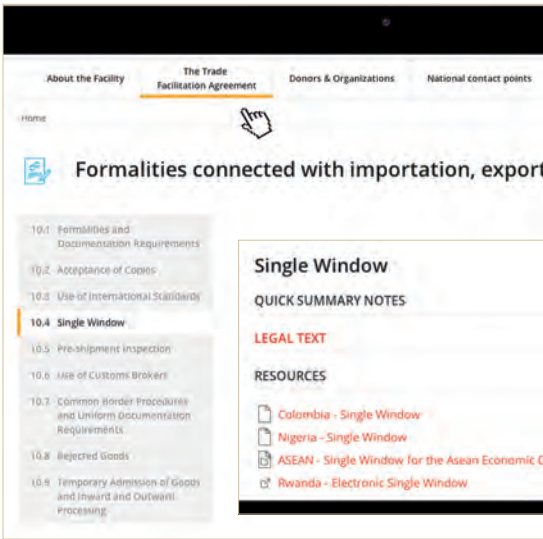
- Project preparation
- Project implementation

The TFAF is operated, managed, and monitored by the WTO Secretariat.

EXPERIENCE-SHARING

The TFAF website also serves as a database for experience-sharing. The Trade Facilitation Agreement Overview and Resources pages gather case studies on best practices in the implementation of the trade facilitation measures. You can also find links to training materials and other useful information on these pages.

Each article of the TFA is explained on the Trade Facilitation Agreement Overview page. This includes: summary notes, the legal text, as well as case studies. All fields expand to show more information.



Example:

Case studies relevant to Article 10 on the Trade Facilitation Agreement Overview page

TFA articles and case studies:

<http://www.tfafacility.org/trade-facilitation-agreement-facility>

EXPERIENCE-SHARING

Home - Media and Resources

Case studies by article

1. Publication & availability of information
2. Comment and consultation
3. Advance rulings
4. Procedures for appeal or review
5. Impartiality, non-discrimination & transparency
6. Disciplines on fees and charges
7. Release and clearance of goods
8. Border agency cooperation
9. Movement under customs control
10. Import, export & transit formalities
11. Freedom of transit
12. Customs cooperation
23. Institutional arrangements

General case studies

- ADB - WTO Agreement on TF: Assessing the level of ambition and likely impacts
- Guatemala's experience - express consignments - TN/TF/W/65
- Malaysia's experience in Trade Facilitation - TN/TF/W/50
- OSCE-UNECE - Handbook of best practices at Border Crossing - A Trade and Transport Facilitation Perspective
- Pakistan's experience in Trade Facilitation - TN/TF/W/135

[VIEW ALL](#)

Implementation guides

- USAID's implementation guide - second edition - June 2015
- UNECE Trade Facilitation Implementation Guide
- ITC - WTO TFA - A Business Guide for Developing Countries
- UNCTAD - Trade Facilitation Implementation
- WCOs Implementation Guidance

Brochures, articles and research papers

The lone and windier road: how WTO Members finally reached a Trade...

Trade Facilitation indicators

On this page you can find case studies grouped by article, general case studies, implementation guides, brochures articles and links to Trade Facilitation indicators.

Case studies and other resources:

<http://www.tfafacility.org/media-resources/case-studies>

FINDING SUPPORT

The WTO Secretariat regularly meets with donors and organizations to gather information on TF assistance programs.

CARICOM OECD
ITC AfTra UNESCAP
UNCTAD UNECLAC JICA
AfDB SADC EIF WCO
UNECE UNIDO AU USAID
UNECA WBG IADB EU
IsDB PIFS GIZ SIDA
DFID SECO

Detailed information on TF-related support programs:

[http:// www.tfafacility.org/implementation-support](http://www.tfafacility.org/implementation-support)

FINDING SUPPORT

Developing and least developed country members may require help to implement the provision of the TFA. WTO donor members and international organizations have committed to providing this support.

The TFAF works closely with donor members and organizations to promote cooperation and coherence. It will also maintain close contact with developing and least-developed members to make sure they are finding the support they need.

One of the main features of the TFAF website is its directory of information of the technical assistance and capacity building support programs offered by our donor members' partner and organizations.

Home

Extensive trade facilitation related assistance and support for implementation of the Agreement is already being provided by Donor Members, International and regional organizations, and other stakeholders through a broad range of different programs.

In order to assist in the matchmaking between donors and beneficiary Members, this section provides information on programs that support implementation of the Agreement. The [5th Global Review of Aid for Trade](#) will examine this issue as part of the broader theme of "reducing trade costs for inclusive, sustainable growth".

Members

AUSTRALIA	FRANCE	NEW ZEALAND	UNITED KINGDOM
AUSTRIA	GERMANY	NORWAY	UNITED STATES OF AMERICA
CANADA	IRELAND	SPAIN	
EUROPEAN UNION	JAPAN	SWEDEN	
FINLAND	NETHERLANDS	SWITZERLAND	

International Organizations

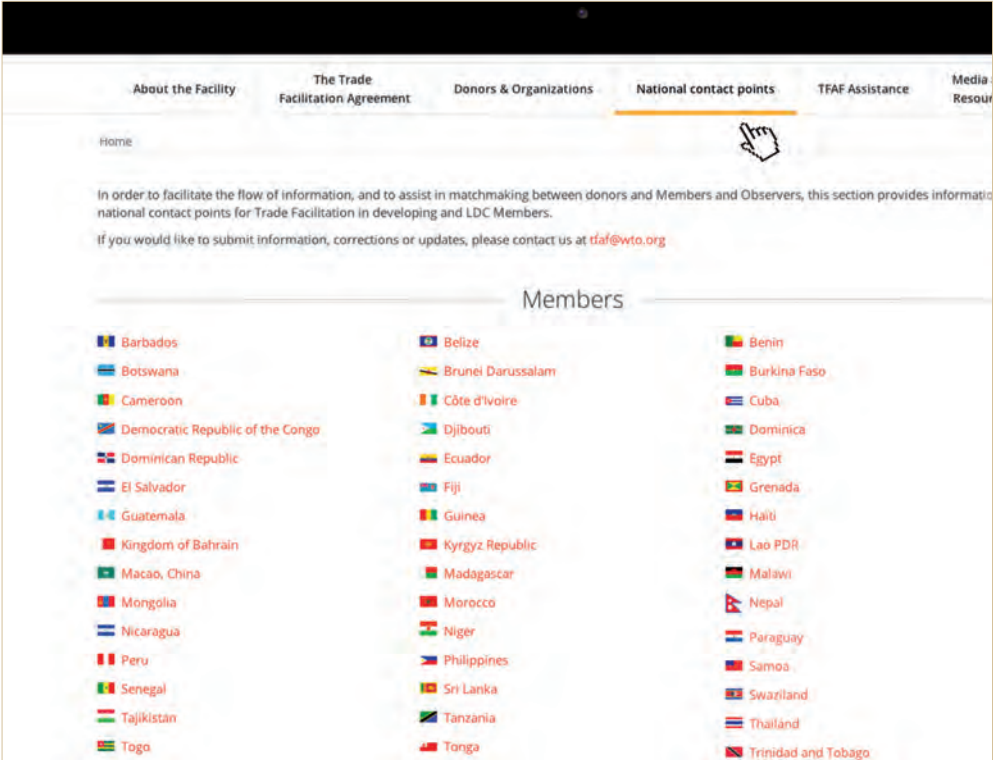
[Enhanced Integrated Framework \(EIF\)](#)

On this page you can find information and contact points for a variety of support programs offered by donor members and international and regional organizations.

ENHANCING EFFECTIVENESS

The TFAF aims to complement existing support programs, enhance their effectiveness, and ensure the best possible conditions for the flow of information between donors and recipients.

National contact points for developing and least-developed members are available on the website to aid the matchmaking process.



National Contact Points:
www.tfafacility.org/national-contact-points

IMPLEMENTATION SUPPORT

In addition to serving as a one-stop shop for TF-related technical assistance and implementation information, two types of grants will be available through the TFAF for developing and least-developed members.

Members notifying Category C commitments may apply for these grants where no other funding source is available to meet their needs.

PROJECT PREPARATION GRANTS OF UP TO US\$ 30,000
PROJECT IMPLEMENTATION GRANTS OF UP TO US\$ 200,000



Dar es Salaam port courtesy of the World Bank

NOTE:

Information on the application process and conditions of the TFAF grants will be available on the website in due course.

MAPPING PROGRESS

The TFAF website’s homepage features a map highlighting members that have notified their Categories A, B, and C, as well as a map highlighting members that have deposited their Instruments of Acceptance notifying their ratification of the TFA.



The list of notifications and ratifications can also be downloaded.

TRADE FACILITATION AGREEMENT NOTIFICATIONS DATABASE (TFAND)

“

The TFAND database is a repository of notifications received from WTO Members under the Trade Facilitation Agreement. It also disseminates information about the status of the ratification process.

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WORLD TRADE
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Trade Facilitation Agreement
Notifications Database

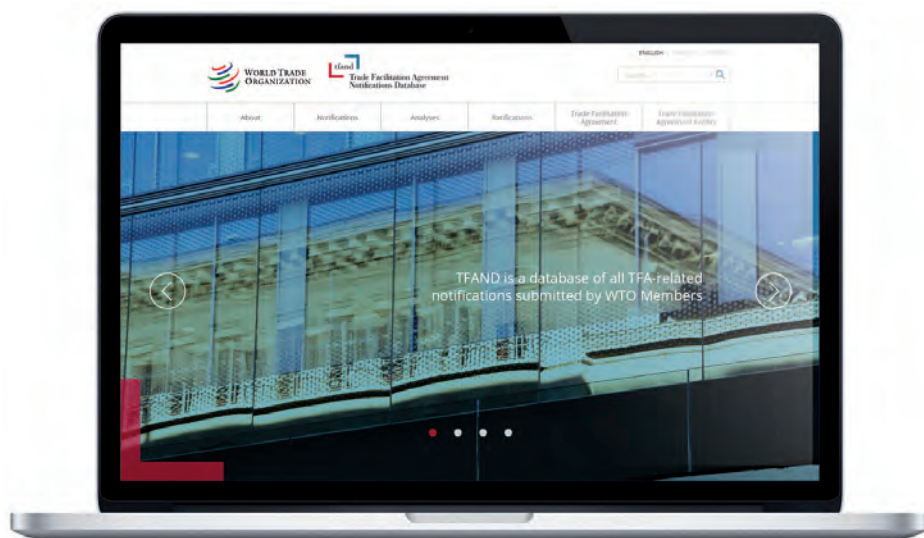
THE TFAND IS:

A SIMPLE AND USER-FRIENDLY DATABASE THAT ALLOWS USERS TO SEARCH, FILTER, AND ANALYZE THE TFA NOTIFICATIONS THAT HAVE BEEN RECEIVED

THE TFAND WILL:

PROVIDE AN EXPORTABLE STATISTICS FUNCTION FOR USERS TO RETRIEVE TFA NOTIFICATIONS-RELATED DATA

HELP MEMBERS TRACK AND PREDICT THE TFA'S ENTRY INTO FORCE TIMELINE, SO THAT THEY CAN PLAN THEIR IMPLEMENTATION PROCESSES ACCORDINGLY



<http://tfand.wto.org>

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