



GLOBAL ALLIANCE  
FOR TRADE FACILITATION

## COLOMBIA

### Establishing a Center for Trade Facilitation and Good Practices

Supporting growth in Colombia's automotive industry



The Alliance is working with Colombian customs (DIAN) and the private sector to establish a Center for Trade Facilitation and Good Practices to process advance rulings affecting the automotive industry. The centre will issue advance rulings on classification, valuation and origin, allowing traders to benefit from lower clearance times at borders while also helping to build trust between the government and the private sector.

#### WHAT WE ARE DOING

In cooperation with the automotive industry and DIAN, the Alliance is:

- establishing a working group comprised of customs officials and representatives of the automotive industry to direct and oversee the work of the centre
- developing a pilot proposal to reform advance rulings in the automotive sector
- assisting with the institutional setting-up of the centre, including helping to obtain legal support
- testing and launching the centre
- providing experts to assess the impact of the centre on external users and on customs clearance

It is expected that the centre will broaden its scope of work to other industries in the future.

#### BENEFITS

The establishment of the centre will:

- improve compliance with applicable laws and regulations
- improve predictability and harmonise customs processing across all ports of entry
- establish a single point of contact that will streamline the administrative process, eliminating duplicative work and reducing requests for information
- enhance customs' knowledge of rulings on key automotive industry practices and the importer's specific commodities
- improve cargo movement resulting in quicker release times and fewer holds or examinations
- reduce costs
- improve the competitiveness of the Colombian automobile industry
- attract investment
- build trust between Colombian customs and importers

#### TRADE FACILITATION IN COLOMBIA

Colombia recently enacted a regulatory framework for advance rulings. The centre will accelerate and ensure the successful implementation of this regime. It will also help Colombia to implement the World Trade Organization's Trade Facilitation Agreement (TFA), which requires countries to expedite the movement, release and clearance of goods, namely:

**Article 1.3** (Enquiry Points)

**Article 2.2** (Consultations)

**Article 3** (Advance Rulings)

#### WHAT IS THE CENTRE?

The centre is a customs-run body of specialised knowledge focusing on a particular industry. It centralises decision-making by industry rather than port of entry and takes a client-centered approach. A centralised team of customs officials process all ruling applications submitted by a member as a single 'client account'.

## MONITORING AND EVALUATION

We are monitoring and evaluating the project throughout its duration. Key indicators of the success of the project will include:

- reduced waiting times and costs at the border for the automotive industry in Colombia
- reduction in costs to traders who receive advance rulings
- number and percentage of automotive companies using the Center disaggregated by size of company using OECD standards

## TIMELINE

The project will be implemented in five phases over 24 months.

## HOW CAN THE PRIVATE SECTOR GET INVOLVED?

Successful trade facilitation is only possible when the private sector plays an active part. After all, it is businesses who know best where the barriers to trade lie. We are looking for business to get involved in a wide range of activities including:

- advising on best practice in centres for excellence and expertise
- testing and piloting the centre
- assessing the centre's impact

### WHAT IS AN ADVANCE RULING?

An advance ruling is an official written decision issued by a competent authority such as customs that determines the classification, origin and valuation of goods prior to their importation or exportation.

## TIMELINE

### PHASE I

Preparatory work, education process  
3 months

### PHASE II

Institutional set up and regulatory reform  
6 months

### PHASE III

Testing, piloting and launching the centre  
6 months

### PHASE IV

Supporting legal and regulatory reforms  
3 months

### PHASE V

Assessment of impact on the Colombian automotive industry  
6 months

## WHO WE ARE



The Global Alliance for Trade Facilitation is a public-private partnership for trade-led growth. We believe that international trade should be simpler, faster and more cost-effective, creating new business opportunities, enabling greater economic and social development and reducing poverty. Working with governments and businesses from the ground up, Alliance projects identify and deliver common sense trade reforms in developing and least developed countries. Our work is designed to help governments implement the World Trade Organization's Trade Facilitation Agreement.

To get involved or for more information, please contact us at [info@tradefacilitation.org](mailto:info@tradefacilitation.org)  
[www.tradefacilitation.org](http://www.tradefacilitation.org)

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