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*Presentation*  
**United Nations Statistics Division**

*Item 8: Revised Kyoto Convention*

## Revised Kyoto Convention

### Revised Kyoto Convention



The revised text of the Kyoto Convention was adopted by WCO in June 1999.

It wanted to ensure a wider application of standard customs procedures by creating a general annex, which is obligatory for accession.

It was ratified in February 2006

### **SPECIFIC ANNEX A**

ARRIVAL OF GOODS IN A CUSTOMS TERRITORY  
FORMALITIES PRIOR TO THE LODGEMENT OF THE  
GOODS DECLARATION  
TEMPORARY STORAGE OF GOODS

### **SPECIFIC ANNEX B**

*CLEARANCE FOR HOME USE*  
*RE-IMPORTATION IN THE SAME STATE*  
RELIEF FROM IMPORT DUTIES AND TAXES

### **SPECIFIC ANNEX C**

*OUTRIGHT EXPORTATION*

**SPECIFIC ANNEX D**

*CUSTOMS WAREHOUSES  
FREE ZONES*

**SPECIFIC ANNEX E**

*CUSTOMS TRANSIT  
TRANSHIPMENT  
CARRIAGE OF GOODS COASTWISE*

**SPECIFIC ANNEX F**

*INWARD PROCESSING  
OUTWARD PROCESSING  
DRAWBACK  
PROCESSING OF GOODS FOR HOME USE*

**SPECIFIC ANNEX G**

*TEMPORARY ADMISSION*

**SPECIFIC ANNEX H**

*OFFENCES*

**SPECIFIC ANNEX J**

*TRAVELLERS  
POSTAL TRAFFIC  
MEANS OF TRANSPORT FOR COMMERCIAL USE  
STORES  
RELIEF CONSIGNMENTS*

**SPECIFIC ANNEX K**

*RULES OF ORIGIN*

*DOCUMENTARY EVIDENCE OF ORIGIN*

*CONTROL OF DOCUMENTARY EVIDENCE OF ORIGIN*

**Coverage of IMTS**

Customs procedures under the Revised Kyoto Convention covering goods (crossing an international border) to be **included** in trade statistics.

- (a) Clearance for home use ;
- (b) Outright exportation ;
- (c) Re-importation in the same state ;
- (d) Customs warehouses ;
- (e) Temporary admission for inward processing ;

## Coverage of IMTS (cont.)

Customs procedures **included** in trade statistics

- (f) Temporary exportation for outward processing ;
- (g) Free zones ;
- (h) Processing of goods for home use ;
- (i) Customs formalities in respect of postal traffic ;

## Coverage of IMTS

Customs procedures to be **excluded** in trade statistics.

- (a) Temporary storage of goods ;
- (b) Commercial means of transport ;
- (c) Customs treatment of stores ;
- (d) Customs transit ;
- (e) Trans-shipment ;
- (f) Temporary admission subject to re-exportation in the same state ;
- (g) Carriage of goods coastwise.

## Clearance for home use

**“Clearance for home use”** means the Customs procedure which provides that imported goods enter into free circulation in the Customs territory upon the payment of any import duties and taxes chargeable and the accomplishment of all the necessary Customs formalities. (=Imports)

## Re-importation in the same state

**“re-importation in the same state”** means the Customs procedure under which goods which were exported may be taken into home use free of import duties and taxes, provided they have not undergone any manufacturing, processing or repairs abroad and provided that any sums chargeable [...] in connection with exportation must be paid. The goods that are eligible for re-importation in the same state can be goods that were in free circulation or were compensating products.

## Outright exportation

“**outright exportation**” means the Customs procedure applicable to goods which, being in free circulation, leave the Customs territory and are intended to remain permanently outside it. (=EXPORTS)

## Customs warehousing

“**Customs warehousing procedure**” means the Customs procedure under which imported goods are stored under Customs control in a designated place (a Customs warehouse) without payment of import duties and taxes.

## Customs warehousing (cont.)

**Authorized operations** - Any person entitled to dispose of the warehoused goods shall be allowed, for reasons deemed valid by the Customs:

- a. to inspect them;
- b. to take samples, against payment of import duties and taxes wherever applicable;
- c. to carry out operations necessary for their preservation; and
- d. to carry out such other normal handling operations as are necessary to improve their packaging or marketable quality or to prepare them for shipment, such as breaking bulk, grouping of packages, sorting and grading, and repacking.

## Free zone

“free zone” means a part of the territory of a Contracting Party where any goods introduced are generally regarded, insofar as import duties and taxes are concerned, as being outside the Customs territory.



## Customs Transit

**“Customs transit”** means the Customs procedure under which goods are transported under Customs control from one Customs office to another;

**“Customs transit operation”** means the transport of goods from an office of departure to an office of destination under Customs transit.

## Inward Processing

**“inward processing”** means the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved from payment of import duties and taxes, on the basis that such goods are intended for manufacturing, processing or repair and subsequent exportation.

## Inward Processing (cont.)

### 12. Standard

Where goods admitted for inward processing are to undergo manufacturing or processing, the competent authorities shall fix or agree to the rate of yield of the operation by reference to the actual conditions under which it is effected. The description, quality and quantity of the various compensating products shall be specified upon fixing or agreeing to that rate.

## Inward Processing (cont.)

### 13. Recommended Practice

Where the inward processing operations:

- relate to goods whose characteristics remain reasonably constant;
  - are customarily carried out under clearly defined technical conditions; and
  - give compensating products of constant quality;
- the competent authorities should lay down standard rates of yield applicable to the operations

## Inward Processing (cont.)

### Termination of inward processing : (a) Exportation

#### 20. Standard

Provision shall be made to permit inward processing procedures to be terminated by exportation of the compensating products in one or more consignments.

#### 21. Standard

Upon request by the person concerned, the competent authorities shall authorize the re-exportation of the goods in the same state as imported, with termination of inward processing.

## Inward Processing (cont.)

### Termination of inward processing : (b) Other

#### 22. Recommended Practice

Provision should be made for suspending or terminating inward processing by placing the imported goods or the compensating products under another Customs procedure, subject to compliance with the conditions and formalities applicable in each case.

#### 23. Recommended Practice

National legislation should provide that the amount of import duties and taxes applicable in the case where the compensating products are not exported shall not exceed the amount of import duties and taxes applicable to the imported goods admitted for inward processing.

## Outward Processing

“**outward processing**” means the Customs procedure under which goods which are in free circulation in a Customs territory may be temporarily exported for manufacturing, processing or repair abroad and then re-imported with total or partial exemption from import duties and taxes.

## Outward Processing (cont.)

### 7. Standard

The requirements relating to the identification of goods for outward processing shall be laid down by the Customs. In carrying this out, **due account shall be taken of the nature of the goods, of the operation to be carried out and of the importance of the interests involved.**

## Outward Processing (cont.)

### Stay of the goods outside the Customs territory

#### 8. Standard

The Customs shall fix the time limit for outward processing in each case.

#### 9. Recommended Practice

At the request of the person concerned, and for reasons deemed valid by the Customs, the latter should extend the period initially fixed.

“**compensating products**” means the products resulting from the manufacturing, processing or repair of the goods for which the use of the **inward processing** procedure is authorized;

“**compensating products**” means the products obtained abroad and resulting from the manufacturing, processing or repair of goods for which the use of the **outward processing** procedure is authorized;

## Outward Processing (cont.)

### Importation of compensating products

#### 10. Standard

Provision shall be made to permit compensating products to be imported through a Customs office other than that through which the goods were temporarily exported for outward processing.

#### 11. Standard

Provision shall be made to permit compensating products to be imported in one or more consignments.

#### 12. Standard

Upon request by the person concerned, the competent authorities shall allow goods temporarily exported for outward processing to be re-imported with exemption from import duties and taxes if they are returned in the same state.

## Outward Processing (cont.)

### Importation of compensating products

#### 13. Standard

Unless national legislation requires the re-importation of goods temporarily exported for outward processing, provision shall be made for terminating the outward processing by declaring the goods for outright exportation subject to compliance with the conditions and formalities applicable in such case.

## Drawback

**“drawback”** means the amount of import duties and taxes repaid under the drawback procedure;  
**“drawback procedure”** means the Customs procedure which, when goods are exported, provides for a **repayment** (total or partial) to be made in respect of the import duties and taxes charged on the goods, or on materials contained in them or consumed in their production.

## Drawback (cont.)

### Conditions to be fulfilled

#### 4. Standard

The Customs shall not withhold payment of drawback solely because, at the time of importation of the goods for home use, the importer did not state his intention of claiming drawback at exportation.

Similarly, exportation shall not be mandatory when such a statement has been made at importation.

## Processing of goods for home use

**“processing of goods for home use”** means the Customs procedure under which imported goods may be manufactured, processed or worked, before clearance for home use and under Customs control, to such an extent that the amount of the import duties and taxes applicable to the products thus obtained is lower than that which would be applicable to the imported goods

## Processing of goods for home use

### 2. Standard

The granting of the procedure of processing of goods for home use shall be subject to the conditions that:

- the Customs are able to satisfy themselves that the products resulting from the processing of goods for home use have been obtained from the imported goods; and
- the original state of the goods cannot be economically recovered after the manufacturing, processing or working



## Temporary Admission

**“temporary admission”** means the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved totally or partially from payment of import duties and taxes; such goods must be imported for a specific purpose and **must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of them.**

## Examples of Temporary Admission

1. “Goods for display or use at exhibitions, fairs, meetings or similar events”
2. “Professional equipment”
3. “Containers, pallets, packings, samples and other goods imported in connection with a commercial operation”
4. “Goods imported for educational, scientific or cultural purposes”
5. “Travellers’ personal effects and goods imported for sports purposes”

## Rules of Origin

**“country of origin of goods”** means the country in which the goods have been produced or manufactured, according to the criteria laid down for the purposes of application of the Customs tariff, of quantitative restrictions or of any other measure related to trade;

**“rules of origin”** means the specific provisions, developed from principles established by national legislation or international agreements ("origin criteria"), applied by a country to determine the origin of goods;

## Rules of Origin (cont.)

**“substantial transformation criterion”** means the criterion according to which origin is determined by regarding as the country of origin the country in which the last substantial manufacturing or processing, deemed sufficient to give the commodity its essential character, has been carried out.

## Rules of Origin (cont.)

### Rules of origin

#### 2. Standard

Goods produced wholly in a given country shall be taken as originating in that country. The following only shall be taken to be produced wholly in a given country :

- a. mineral products extracted from its soil, from its territorial waters or from its sea-bed;
- b. vegetable products harvested or gathered in that country;
- c. live animals born and raised in that country;

## Rules of Origin (cont.)

- d. products obtained from live animals in that country;
- e. products obtained from hunting or fishing conducted in that country;
- f. products obtained by maritime fishing and other products taken from the sea by a vessel of that country;
- g. products obtained aboard a factory ship of that country solely from products of the kind covered by paragraph (f) above;
- h. products extracted from marine soil outside that country's territorial waters, provided that the country has sole rights to work that soil;
- i. scrap and waste from manufacturing operations, and used articles, collected in that country and fit only for the recovery of raw materials;
- j. goods produced in that country solely from the products referred to in paragraphs (a) to (i) above.

## Rules of Origin (cont.)

### 3. Recommended Practice

**Where two or more countries have taken part in the production of the goods, the origin of the goods should be determined according to the substantial transformation criterion.**

### 4. Recommended Practice

**In applying the substantial transformation criterion, use should be made of the International Convention on the Harmonized Commodity Description and Coding System**

## Rules of Origin (cont.)

### 5. Recommended Practice

Where the substantial transformation criterion is expressed in terms of the ad valorem percentage rule, the values to be taken into consideration should be:

- for the materials imported, the dutiable value at importation or, in the case of materials of undetermined origin, the first ascertainable price paid for them in the territory of the country in which manufacture took place; and
- for the goods produced, either the ex-works price or the price at exportation, according to the provisions of national legislation

## Documentary evidence of Origin

**“certificate of origin”** means a specific form identifying the goods, in which the authority or body empowered to issue it certifies expressly that the goods to which the certificate relates originate in a specific country. This certificate may also include a declaration by the manufacturer, producer, supplier, exporter or other competent person;

**“certified declaration of origin”** means a “declaration of origin” certified by an authority or body empowered to do so;

## Documentary evidence of Origin

**“declaration of origin”** means an appropriate statement as to the origin of the goods made, in connection with their exportation, by the manufacturer, producer, supplier, exporter or other competent person on the commercial invoice or any other document relating to the goods;

**“documentary evidence of origin”** means a certificate of origin, a certified declaration of origin or a declaration of origin;

## Documentary evidence of Origin

*Authorities and other bodies empowered to issue certificates of origin*

### 9. Standard

Contracting Parties accepting this Chapter shall indicate, either in their notification of acceptance or subsequently, the authorities or bodies empowered to issue certificates of origin.

1. Exporter (name, address, country) Exportateur (nom, adresse, pays)		2. Number - Numéro	
3. Consignee (name, address, country) Destinataire (nom, adresse, pays)		<b>CERTIFICATE OF ORIGIN</b> <b>CERTIFICAT D'ORIGINE</b>	
4. Particulars of transport (where required) Renseignements relatifs au transport (le cas échéant)			
5. Marks & numbers - Number and kind of packages - Description of the goods Marques et numéros - Nombre et nature des colis - Désignation des marchandises		6. Gross weight Poids brut	7.
8. Other information - Autres renseignements		It is hereby certified that the above-mentioned goods originate in: Il est certifié par le présent que les marchandises mentionnées ci-dessus sont originaires de :	
Stamp - Timbre 		<b>CERTIFYING BODY</b> <b>ORGANISME AYANT DELIVRE LE CERTIFICAT.</b>	
		Place and date of issue - Lieu et date de délivrance Authorized signature - Signature autorisée	

# Thank you for your attention