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Negotiating Group on Trade Facilitation

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COMMUNICATION FROM GUATEMALA

The following communication, dated 19 September 2005, is being circulated at the request of the delegation of Guatemala.

GUATEMALA: EXPERIENCE IN IMPLEMENTING A SPECIAL PROCEDURE FOR THE RAPID CLEARANCE OF EXPRESS CONSIGNMENTS

I. INTRODUCTION

1. Pursuant to the provisions of Article VIII of the GATT which refer to the need to minimize the incidence and complexity of import and export formalities, the Guatemalan customs authorities intend to review their procedures on an ongoing basis in order to strengthen the trade facilitation process and identify the country's needs and priorities in related areas.
2. Rapid release of express consignments plays a vital role in ensuring the competitiveness of many companies, particularly small- and medium-sized enterprises (SMEs), given the high cost of adhering to commitments and procedures that create delays within their operating systems.
3. Guatemala has worked to improve the implementation of the rapid release process, thus helping small and medium-sized enterprises to become more competitive and minimizing clearance times.
4. The Guatemalan Customs Service recognizes the need for rapid clearance of goods transported by courier firms, since this is most important in maintaining the competitiveness of those using the service. Acting through its customs authority (*Intendencia de Aduanas*), Guatemala has therefore introduced customs reform procedures to allow for the speedier clearance of express shipments. Obligations to ensure clearance under such conditions are clearly defined in the Central American Uniform Customs Code (CAUCA) and its Regulations (RECAUCA) and are thus permanently inscribed in Guatemalan legislation.

II. GUATEMALA'S EXPERIENCE

5. Guatemala has recently introduced reforms to its customs procedures so as to permit the immediate release of express consignments. The customs procedures manual has been duly validated and the procedures therein are applied at air cargo customs points. The reforms have already started to yield positive results, for example:

- The facilities set up to ensure rapid clearance at air cargo customs points in Guatemala have been in operation 24 hours a day, 7 days a week, since June 2004.

- Once a waybill has been transmitted and received in advance, it takes an average of three hours for goods to be released from storage, as opposed to the five or six hours required before the advance electronic transmission of waybills was introduced. The previous system involved the presentation of paper waybills with no standard format for the amount and type of information to be provided and no electronic record-keeping facilities. Customs declarations were generated manually by the customs inspector and 100 per cent of consignments were inspected.
- Since April 2005, waybills have been transmitted electronically in advance. This process involves the courier firm transmitting the information on the consignment that is to enter the country at least 30 minutes before the means of transport arrives, although it is often transmitted even sooner. The information transmitted in the waybill is in a uniform format and processed using EDIFACT standard codification. With this new system, courier firms transmit the information in the simplified declaration together with the waybill, that is to say, when the goods are presented for clearance the customs official uses the waybill number already authorized by the Customs Service to automatically generate the information in the simplified declaration and applies a random selection procedure to single out the goods that will be subject to inspection.
- All consignments up to a value of \$1,000 are cleared under a consolidated declaration, without the intervention of a customs agent.
- All express consignments of a value greater than \$1,000 must be declared separately through a customs agent and are stored in the courier's warehouse in accordance with normal procedures. Such consignments can be cleared within two hours or less, provided that the requisite documentation is submitted.
- Since July 2005, Guatemala has implemented a checking system for the entry of goods, which reduces the delays caused by inspection requirements. Fifty per cent of consignments are given "green status" and are cleared without being physically inspected, whilst "red status" consignments are subject to physical inspection before clearance. Selection is carried out through a risk management analysis. The green/red status is currently determined when the clearance documents are presented to customs, after which the customs declaration is issued.

The advantages of this system are the following:

- The simplified declaration is generated through the system and not by the customs official;
- an information database is generated;
- more effective control;
- less paperwork;
- less discretion for customs officials conducting inspections;
- information is obtained in advance, so risk analysis can be applied;
- the clearance process is speeded up;

- the mechanism applied to express consignments is separate from that applied to consignments subject to the ordinary clearance process.
- The Guatemalan customs authorities have benefited from the cooperation of express delivery operators in implementing the new procedure and maintain a regular dialogue with the private sector in order to make further improvements.

III. FUTURE ACTION

- Guatemala continues to assess the need for resources and technical assistance to improve the implementation of the current rapid release mechanism for express consignments.
 - In conclusion, Guatemala continues to examine its customs procedures and will continue to implement new reforms at national level, and at Central American level, to improve trade.
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