

COMMUNICATION FROM CHILE

The following communication, dated 26 October 2005, from the delegation of Chile, is being circulated in advance of the Negotiating Group meeting of 8 and 9 November.

PROPOSAL BY CHILE

Articles V, VIII and X of the GATT 1994

I. INTRODUCTION

1. The elements explained below should, in Chile's view, form part of an agreement for the current negotiations on trade facilitation. Special and differential treatment, as established in the negotiating mandate, is a key aspect that should be appropriately addressed under each element of the proposal.

II. ARTICLE V: FREEDOM OF TRANSIT

A. TRANSIT PERIODS AND ROUTES

2. Transit should not be subject to any unnecessary delays or restrictions. The absence of prescribed routes and periods for transit constitutes a barrier to trade. The establishment by Members of precise routes and periods for transit between an entry and an exit point would therefore increase the predictability and transparency of trade, while improving the ability to control cross-border smuggling.

B. EXEMPTION FROM TRANSIT DUTIES: ADMINISTRATIVE EXPENSES AND SERVICES RENDERED

3. Transit should not be subject to fees or charges that are not strictly related to transport costs or services rendered. Any fee or charge that is not related to the above could constitute a disguised barrier to trade.

4. Trade will become more predictable and transparent if Members agree to implement a public register of all administrative costs and transport charges involved in transit and fees for services rendered. Service fees should not be established on a *ad valorem* basis.

C. COORDINATION, COOPERATION AND ASSISTANCE AMONG AGENCIES INVOLVED WITH TRANSIT

5. Coordination, cooperation and assistance among Members' authorities – especially Customs – involved with transit are highly relevant for the efficient resolving of transit-related problems.

Members should work to conclude international cooperation and assistance agreements as a mechanism for achieving more efficient trade and increasing the ability to control illicit activities.

III. ARTICLE VIII: FEES AND FORMALITIES CONNECTED WITH IMPORTATION AND EXPORTATION

A. FEES AND CHARGES: COST OF SERVICES RENDERED

- Publication of fees connected with importation and exportation increases the transparency and predictability of trade. Members should publish on the Internet and notify to the WTO all import- and export-related fees, and prohibit the use of those that have not been duly published and notified.
- Services should be directly related to the goods being imported or exported, and fees and charges should be related to the approximate cost of the services rendered. Members should agree to prohibit that such services be calculated on an *ad valorem* basis.
- The establishment of a register of all services connected with import and export operations would increase the transparency and predictability of trade. The register would cover the objectives, criteria and administrative costs of such services and be subject to periodic review.

B. "SINGLE WINDOW" FOR IMPORT/EXPORT PROCEDURES

6. The use by Members of an electronic "single window" for submitting, once only and to a single authority, all documentation and data relating to import/export procedures is highly important for the smooth running of trade, since it increases inter-agency coordination, allows more efficient use of public and private resources, and enhances the performance of government agencies.

C. ADVANCE PROCESSING OF CUSTOMS DECLARATIONS

7. Advance processing of customs declarations increases the fluidity of trade by making goods ready for release on arrival in the country of destination and avoiding unnecessary delays or lengthy storage in customs warehouses. The understanding is that there will be a pre-clearance procedure based on risk assessment and other factors which will determine whether incoming goods are subject to thorough, limited or no border control.

D. FORMAT FOR DOCUMENTATION

8. Chile considers it necessary to standardize and reduce the amount of documentation and information required for import and export operations. This would facilitate and expedite trade, and would improve the exchange of information among Members' customs administrations.

IV. ARTICLE X: DISSEMINATION OF REGULATIONS AND REVIEW OF ADMINISTRATIVE ACTION

A. DISSEMINATION AND PUBLICATION OF CUSTOMS REGULATIONS

1. WEB page

- The publication of regulations, procedures, documents, formats and rulings issued by Customs on classification, value, and origin on an official web page and the

establishment of a national coordination point to enable agencies dealing with international trade to communicate more efficiently. This would make it possible *inter alia* to respond more efficiently to enquiries concerning trade-related matters.

- The creation of an official WTO web page on trade facilitation, with links to Members' official pages, containing relevant information on the subject would be an appropriate step.

2. Comments and consultation

9. Chile proposes the establishment of contact points and consultation mechanisms laying down procedures and timeframes for response, including the use of web pages. The advantage of implementing such measures is to provide interested parties with a forum to share their comments and views on decisions of general application issued by Customs.

3. Confidentiality

10. Chile proposes the establishment of a register which should clearly specify the circumstances under which each Member's legislation establishes a partial or complete ban on disclosure or publication of a trade-related regulation, including executive summaries that enable interested parties to understand the core elements of a specific trade regulation.

B. ADVANCE RULINGS

11. Establish and make public mechanisms and procedures so that both domestic and foreign trade operators can seek rulings from customs administrations on matters such as the classification, value and origin of imported goods. This would improve the predictability and transparency of trade.
