



Module IV

Processing of Freight: Policies for Control, Clearance and Transit

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**Dushanbe
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Customs is an authority or agency in a country responsible for collecting and safeguarding customs **duties** and for **controlling** the flow of **goods** including animals, transports, personal effects and hazardous items in and out of a country.
(wikipedia)

- ➔ Mostly Customs do not deal with Persons
- ➔ Tax and law enforcement
- ➔ Ministry of finance ? Ministry of Homeland Security ? Independent agency ? ...





What is a tariff on the importation of usual or extraordinary goods?

Based on the value of the goods
Specific or ad valorem

→ Tariff is linked to kind of goods
Classification of the goods → Harmonized system

Goal tariff revenue protection local production trade policy





Justification

• Impact

Increasing green channel

Import

Increasing frontier not

• Roll

• Paper

• Electronic

EUROPESE GEMEENSCHAP										KANTOOR VAN VERZENDING / UITVOER		
1 Exemplaar voor het land van verzending / uitvoer	2. Afzender / Exporteur				3. Formuleer		4. Ladingsoort		5. Acties		6. Total code	7. Referentienummer
	8. Datasoort				9. Financieel verantwoordelijke				10. L. verz. best. (aanv. best.)			
	14. Aangef. / Verantwoordelijke				15. Land van verzending / uitvoer				16. Land van verzending			
	18. Identiteit en nationaliteit van het vervoermiddel (bij wetten, landen)				19. C.				20. Leveringswaarden			
	21. Identiteit en nationaliteit van het vervoermiddel (bij wetten, landen)				22. Voedsel in totaal geïmporteerd bedrag				23. Winkels			
	25. Verpakking aan				26. Verpakking van				27. Plaats van lading / best.			
	28. Kantoor van verzending / uitvoer				29. Plaats van de goederen				30. Financiële en bankgegevens			
	31. C.				32. Actie				33. Datasoort			
	34. C.				35. Datasoort				36. Datasoort			
	37. R.F.G.E.L.N.G.				38. Datasoort				39. Datasoort			
40. Samenvatting / Overzicht document												
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Where customs control?

- **Border**



- **Inland customs office**

- **Free zones outside the border**

and eventually

- **Borderline**

- **Inland Security checks**





Customs controls ?

Are all goods declared ?



March 2022





Customs control

Is the declaration correct?

- Kind of goods → Import
- Value → Audit
- Origin
- Weight/unit
- Authorization procedure and conditions

• ? ?

→ ? ? controls are done electronic



March 20, 2020





Customs control

Exercise

Advantages/disadvantages of customs clearance control at

CP

Inland customs office

Premises of the importer

March 20, 2020





Multiplicity of border control agencies

Border police → control people

Customs → control goods

Border guards at border

Checking trucks border police customs

Veterinary phytosanitary sanitary controls
→ in cooperation with customs

Border guards at border

March 20, 2020





Customs Control

Reasons to trade

Profit motive

Some goods can not be imported or exported
e.g.

- rugs
- agricultural products
- weapons
- nuclear plants/cities
- waste

March 27, 2022





Customs Control

Corruption and Control

Long queues → stretched lines process

Controls → who decide on control

Not reporting trucks → more seldom

March 20, 2020





Customs Control

Two Types of checks :

- **Compliance checks (limitive and selective):**
 1. Discourage fraud
 2. Test reliability
 3. Encourage professional performance
 4. Penalize violations
 5. Reveal the need for more controls (update risk indicators)
- **Enforcement checks**
 - To detect fraud





Customs Control

Customs control or group

Customs inspection

Customs right of enforcement

Customs ruling

Customs seizure

Customs right to access documents

Customs post clearance audit

Customs retention of goods

Customs charge

Customs prosecution

Customs restraint of assets

Customs change of membership

March 20, 2020





Customs Clearance

1. Cargo declaration

2. Pre-arrival storage

3. Customs import goods declaration

4. Presentation

5. Submission

6. Validation and acceptance of Customs → Payment of duties for
import

7. Customs paid risk management

8. Checking the goods declaration and supporting
documents physical inspection

9. Release of the goods

10. Release of the goods

11. ?





Clearance formalities

Best practices

Pre-clearance and advance information

Not required limited to what is needed

Do give the possibility to lodge a provisional declaration

Modelling an electronic environment

Alerting the trader releases

Periodic submission instead of on a transaction basis





Customs procedures in the EU

Release for free circulation

Transit

Duty-free warehousing

Temporary processing

Processing under customs control

Export or re-exportation

Temporary processing

Importation





Customs Transit

Needed for

- country to be linked to trade routes
- Smooth border procedures
- Economic development (free zones, inward processing)
- Facilitate international trade





Customs Transit

- Based on Article V of the GATT agreement
- Movement of goods under Customs control without payment of duties and taxes
- Safeguards for customs :
 - guarantee
 - Customs seals,
 - time limits
 - Customs escorts





Customs Transit

2 types

International (or external) transit between two or more customs territories implying the crossing of borders

National (or internal) transit between Customs locations in the same country

e.g. from a CP to a inland Customs office





Customs Transit

Several systems

- National transit
- Bilateral or multilateral transit
 - Closed system between two or more countries (access on invitation)
- Global transit → TIR





Customs Transit

Since 1990

the Convention





Customs Transit

What is the background

• History

- First Convention for the revision of the
- from 19 countries to 22 countries for the operation of the
- during the last 10 years need for contracting parties

• Objectives

- facilitation
- revenue protection and customs checks

• national transit procedure

• national international transit

• intermodal trucks and containers

• public-private partnerships





THE TIR CUSTOMS TRANSIT PROCEDURE

The five pillars of the TIR System

TIR Convention, 1975

5 pillars of the TIR system





THE TIR CUSTOMS TRANSIT PROCEDURE

The five pillars of the TIR System

TIR Convention, 1975

5 pillars of the TIR system

Secure vehicles
or containers





Secure vehicles and/or containers

Secure vehicles and/or containers

- ➔ no goods can be removed from or introduced into the sealed part
- ➔ Customs seal simply and effectively
- ➔ No concealed spaces
- ➔ All spaces accessible for customs

Detailed technical regulations in the annexes of the convention

Certification of approval





Secure vehicles and/or containers





THE TIR CUSTOMS TRANSIT PROCEDURE

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5 pillars of the TIR system

Secure vehicles
or containers

International
guarantee





International Guarantee

- Task of the international organisation is to organise an effective internal guarantee system
- The guarantee of the national guaranteeing association covers all TIR Carnets used in its country and issued by any association affiliated to IATA
- Customs claim against the national association in their country





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Secure vehicles
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International
guarantee

WCO Internet





Document TIR Carnet

- One single document,
- Security elements
- Printing and issued by the IATA only

The image shows a template for a CARNET TIR, which is a document used for the transit of goods under customs supervision. The form is titled "CARNET TIR" and "6 volets" (6 parts). It contains several sections for data entry, including:

- 1. Valable pour prise en charge par le bureau de douane de départ jusqu'au (Valid for the acceptance of goods by the Customs office of departure up to and including)
- 2. Délivré par (Issued by)
- 3. Titulaire (Holder)
- 4. Signature du délégué de l'association émettrice (Signature of authorized official of the issuing association and stamp of that association)
- 5. Signature du secrétaire de l'organisation internationale (Signature of the secretary of the international organization)
- 6. Pays de départ (Country/Countries of departure)
- 7. Pays de destination (Country/Countries of destination)
- 8. Note(s) d'immatriculation du (des) véhicule(s) routier(s) (Registration Note(s) of road vehicle(s))
- 9. Certificat(s) d'agrément du (des) véhicule(s) routier(s) (No. and date)
- 10. Note(s) d'identification du (des) conteneur(s) (Identification Note(s) of container(s))
- 11. Observations diverses (Remarks)
- 12. Signature du titulaire du carnet (Signature of the carnet holder)

There is also a section for "Biffer la mention inutile" (Strike out whichever does not apply).





THE TIR CUSTOMS TRANSIT PROCEDURE

The five pillars of the TIR System

TIR Convention, 1975

5 pillars of the TIR system

Secure vehicles
or containers

International
guarantee

TIR carnet

Mutual recognition of
Customs controls



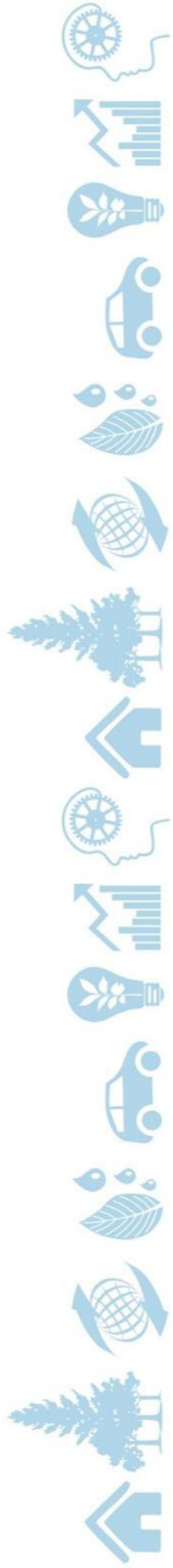


Mutual recognition of Customs Control

Article 11

Food carried under the TIR procedure in sealed road vehicles, combinations of vehicles or containers shall not as a general rule be subjected to examination at Customs offices en route





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