

## CHAPTER 4

### CUSTOMS PROCEDURES AND TRADE FACILITATION

#### Article 4.1: Definitions

For the purposes of this Chapter:

**customs laws** means any laws and regulations administered, applied or enforced by the customs administration of a Party; and

**customs procedures** means the treatment applied by the customs administration of each Party to goods that are subject to customs control.

#### Article 4.2: Objectives

The objectives of this Chapter are to:

- (a) simplify and harmonise customs procedures of the Parties;
- (b) ensure predictability, consistency and transparency in the application of customs laws and administrative procedures of the Parties;
- (c) ensure the efficient and expeditious clearance of goods;
- (d) facilitate trade between the Parties; and
- (e) promote cooperation between the customs administrations of the Parties, within the scope of this Chapter.

#### Article 4.3: Scope

This Chapter shall apply, in accordance with the Parties' respective international obligations and customs laws, to customs procedures applied to goods traded between the Parties.

#### Article 4.4: WTO Agreement on Trade Facilitation

The Parties affirm their rights and obligations with respect to each other under the *Agreement on Trade Facilitation*, set out in Annex 1A to the WTO Agreement.

#### **Article 4.5: Customs Valuation**

Each Party shall determine the customs value of goods traded with the other Party in accordance with Article VII of GATT 1994 and the Customs Valuation Agreement.

#### **Article 4.6: Customs Procedures and Facilitation**

1. Each Party shall ensure that its customs procedures and practices are predictable, consistent, transparent and facilitate trade.
2. Each Party shall ensure that its customs procedures conform, where possible and subject to its laws and regulations, to international standards and recommended practices established by the World Customs Organization.
3. The customs administration of each Party shall periodically review its customs procedures with a view to exploring options for their simplification and the enhancement of mutually beneficial arrangements to facilitate trade between the Parties.

#### **Article 4.7: Response to Requests for Advice or Information**

Within 60 days of a request from an importer in its Area, or an exporter or a producer in the Area of the other Party, a Party shall provide advice or information relevant to the facts contained in the request on:

- (a) the tariff classification and customs valuation of a good;
- (b) the excise duty rate that applies to a good;
- (c) the application of duty drawback, deferral or other types of relief that reduce, refund or waive customs duties;
- (d) country of origin marking, if it is a prerequisite for importation;
- (e) whether a good is originating in accordance with Chapter 3 (Rules of Origin and Origin Procedures) for the purpose of claiming preferential tariff treatment for a good imported into the Area of a Party; or
- (f) other matters as the Parties may agree in writing.

#### **Article 4.8: Application of Information Technology**

1. Each Party shall apply information technology to support customs operations,

where it is cost-effective and efficient, particularly in the paperless trading context, taking into account developments in this area within the World Customs Organization.

2. Each Party shall endeavour to establish and operate a single window system enabling its traders to submit documentation or data requirements for importation, exportation or transit of goods through a single entry point to its relevant authorities or agencies.

#### **Article 4.9: Risk Management**

1. Each Party shall work to further enhance the use of risk management techniques in the administration of its customs procedures so as to facilitate the clearance of low-risk goods and allow resources to focus on high-risk goods.

2. The customs administration of each Party shall periodically review its customs procedures specified in paragraph 1.

#### **Article 4.10: Release of Goods**

1. Each Party shall adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties. This paragraph shall not require a Party to release a good if its requirements for release have not been met.

2. In accordance with paragraph 1, each Party shall adopt or maintain customs procedures that:

- (a) provide for the release of goods as rapidly as possible after arrival, provided that all other regulatory requirements have been met; and
- (b) as appropriate, provide for advance electronic submission and processing of information before the physical arrival of goods with a view to expediting the release of goods.

#### **Article 4.11: Authorised Economic Operator**

Each customs administration shall maintain and review the operation of the Arrangement regarding Mutual Recognition of their respective Authorised Economic Operator Systems.

#### **Article 4.12: Transparency**

1. Each customs administration shall publish, including on the internet, its laws,

regulations and, where applicable, administrative rules or procedures of general application relevant to trade in goods between the Parties.

2. Each Party shall designate one or more enquiry points to address enquiries from interested persons on customs matters, and shall make available on the internet information concerning the procedures for making such enquiries.

3. To the extent practicable and in a manner consistent with its laws and regulations, each Party shall endeavour to publish, in advance on the internet, draft laws and regulations of general application relevant to trade between the Parties, with a view to affording the public, especially interested persons, an opportunity to provide comment.

#### **Article 4.13: Review and Appeal**

Each Party shall, in accordance with its laws and regulations, provide the importer, exporter or any other person affected by its administrative decisions on a customs matter access to:

- (a) at least one level of administrative review of decisions by its customs administration, independent of the official or office responsible for the decision under review; or
- (b) judicial review of the decisions.

#### **Article 4.14: Cooperation**

Subject to their laws and regulations, the customs administrations of both Parties shall assist each other, in relation to:

- (a) the implementation and operation of this Chapter; and
- (b) such other issues as the Parties mutually determine.

#### **Article 4.15: Consultations**

1. The customs administration of a Party may at any time request consultations with the customs administration of the other Party on any matter arising from the implementation or operation of this Chapter. Such consultations shall be conducted through the relevant contact points, and shall take place within 30 days of the date of receipt of the request, unless the customs administrations of the Parties mutually determine otherwise.

2. In the event that such consultations fail to resolve the matter, the requesting Party

may refer the matter to the Joint Commission for consideration.

3. The customs administration of each Party shall designate one or more contact points for the purposes of this Chapter and provide details of such contact points to the other Party. The customs administrations of the Parties shall notify each other promptly of any amendments to the details of their contact points.