



WTO TRADE FACILITATION AGREEMENT- THE WAY FORWARD

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BACKGROUND – Malaysia & WTO

- ✓ Member in GATT since 1957
- ✓ participated in Tokyo Round and Uruguay Round;
- ✓ One of the Founding member of WTO , established on 1 January 1995,
- ✓ 6 rounds of Trade Policy Review (TPR) Main objective is to pursue market access and fair and equitable rules;
- ✓ MITI is focal point for WTO-related

TRADE FACILITATION AGREEMENT (TFA)

- ✓ CONSENSUS AT THE BALI MINISTERIAL CONFERENCE IN DECEMBER 2013.
- ✓ THE TFA DEALS ALMOST ENTIRELY WITH CUSTOMS-TRADE RELATED TOPICS
- ✓ INCLUDES COOPERATION WITH OTHER AGENCIES



TFA CONTENTS

- **12 Articles on Trade Facilitation and Customs Cooperation in Section I,**
- **10 Articles on special and differential treatment for developing countries and least-developed countries in Section II**
- **2 Articles on institutional arrangements and final provisions in Section III.**

RMCD ACTIVITIES

➤ Discussions With MITI and Other Relevant Agencies Prior To Every WTO Meetings

- * Discussions on TFA Texts
- * To determine the level of compliance on negotiated text
- * To consider activities to be improved or developed before implementation

CATEGORIZING THE TFA

Conducted An Initial Needs Assessment Workshop In July 2013

- ❑ Objectives of workshop**
 - More effective participation in the negotiations**
 - Determine overall compliance level**
 - Identify special and differential treatment needs**
 - Measures needing more time to implement**

EXAMPLES OF NEEDS ASSESSMENT WORKSHOP

ARTICLE 7.8 . EXPEDITED SHIPMENTS

I. SITUATIONAL/GAP ANALYSIS

Describe Your Current Situation	Barriers (Give Reasons for non-compliance)	Actions/Resources Required & Cost	TACB Resources Needed
<p>A. Policy/Legal Framework:</p> <p>Customs Duties (Exemption) Order 1988 Item 172 provides exemption for goods of a total value not exceeding RM500 per consignment.</p>	<p>No specific legislative or policy framework that allows for expedited shipments.</p>	<ul style="list-style-type: none"> To provide legislative or policy framework to allow expedited shipments. 	<p>Customs Acts and Regulation is being reviewed</p>

EXAMPLES OF NEEDS ASSESSMENT WORKSHOP

ARTICLE 3.1 PROVISION OF ADVANCE RULINGS

I. SITUATIONAL /GAP ANALYSIS

Describe Your Current Situation	Barriers (Give Reasons for non-compliance)	Actions/Resources Required & Cost	TACB Resources Needed
<p>A. Policy/Legal Framework:</p> <p>Customs Act 1967 (Section 10A) Customs Rulings 2007 Advance ruling is valid for 3 years.</p> <p>Advance ruling only provided for tariff classification and valuation (see Article 3(7)(a)(i) & (ii) limitation exist with respect to (iii) – (vi) as Malaysia only make advance ruling with respect to tariff classification and valuation.</p>	<p>The regulation of the Customs (Customs Ruling) Regulations 2007 only covers rulings on matters of classification and valuation only. Do not cover TRQ, Origin and duty drawback.</p> <p>On para 3ter the procedures for issuance of advance rulings in Regulation of the Customs (Customs Rulings) Regulation 2007 do not provide for the right to be heard in person before the issuance of the ruling. The procedures for issuance of advance ruling in Malaysia is non-adversarial in nature, unlike in some Members. Hence, such a right is unnecessary.</p>	<p>If agreed, legislative amendments will be required to the Customs (Customs Rulings) Regulation 2007 – P.U.(A) 149/2007 to provide for the forms and procedures for issuance of advance rulings on origin, TRQ and duty drawback and to provide for the right to be heard in person prior to issuance of advance ruling.</p>	<p>Capacity building.</p>

FULLY COMPLY

Include the following-

- Publication
- Enquiry Points
- Interval between Publication and Entry into Force
- Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation
- Prohibition of Consular Transaction Requirement
- Review of Formalities and Documentation Requirements
- Reduction/Limitation of Formalities and Documentation Requirements
- Pre-arrival Processing
- Electronic Payment
- Use of International Standards
- Reduction/Limitation of Formalities and Documentation Requirements

SUBSTANTIALLY COMPLY

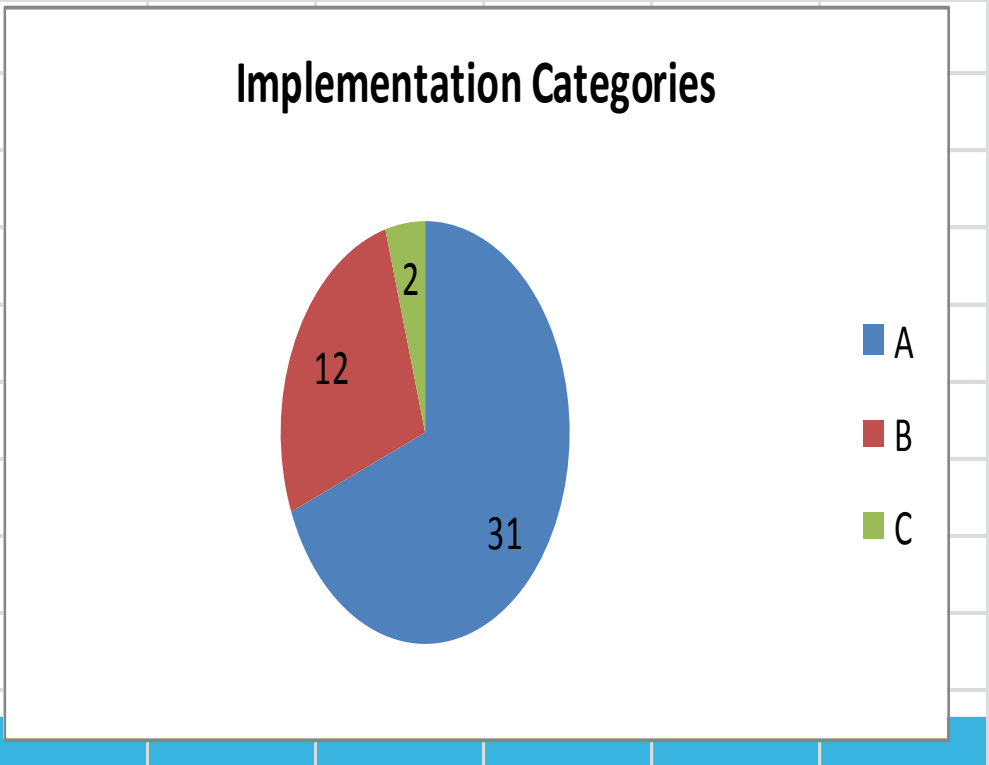
- Opportunity to Comment on New and Amended Rules
- Provision of Advance Rulings
- Import Alerts/Rapid Alerts
- Penalty Disciplines
- Perishable goods
- [Common Border Procedures [and Requirements]
- Transit: Charges, Regulations, and

PARTIALLY COMPLY

- 1.2 Information Available Through Internet
- 4.1 Right of Appeal or Review
- 5.3 Test Procedures
- 7.8 Expedited Shipments
- 11.1-2 Transit: Scope
- 12 Customs cooperation

OUTCOME OF WORKSHOP

	Number	Percent
Category		
A	31	69%
B	12	27%
C	2	4%
	45	100%



A = we can implement when Trade Facilitation Agreement enters into force
B = we will need additional time to implement
C = we will need additional time and technical assistance to implement

ADOPTION OF THE BALI MINISTERIAL DECLARATION AT THE BALI MINISTERIAL CONFERENCE ON 7 DECEMBER 2013.



The Bali Package



WORLD TRADE
ORGANIZATION

WT/MIN(13)/36
WT/L/911

11 December 2013

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(13-6825)

Ministerial Conference
Ninth Session
Bali, 3-6 December 2013

AGREEMENT ON TRADE FACILITATION

Preamble

SECTION I

ARTICLE 1: PUBLICATION AND AVAILABILITY OF INFORMATION

ARTICLE 2: OPPORTUNITY TO COMMENT, INFORMATION BEFORE ENTRY INTO FORCE AND CONSULTATION

ARTICLE 3: ADVANCE RULINGS

ARTICLE 4: APPEAL OR REVIEW PROCEDURES

ARTICLE 5: OTHER MEASURES TO ENHANCE IMPARTIALITY, NON-DISCRIMINATION AND TRANSPARENCY

ARTICLE 6: DISCIPLINES ON FEES AND CHARGES IMPOSED ON OR IN CONNECTION WITH IMPORTATION AND EXPORTATION

ARTICLE 7: RELEASE AND CLEARANCE OF GOODS

ARTICLE 8: BORDER AGENCY COOPERATION

ARTICLE 9: MOVEMENT OF GOODS UNDER CUSTOMS CONTROL INTENDED FOR IMPORT

ARTICLE 10: FORMALITIES CONNECTED WITH IMPORTATION AND EXPORTATION AND TRANSIT

ARTICLE 11: FREEDOM OF TRANSIT

ARTICLE 12: CUSTOMS COOPERATION

ARTICLE 13: INSTITUTIONAL ARRANGEMENTS

SECTION II

SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS FOR DEVELOPING COUNTRY MEMBERS AND LEAST DEVELOPED COUNTRY MEMBERS

FINAL PROVISIONS



BALI MINISTERIAL DECISION ON TF

- **Concludes negotiation of TFA in Dec 2013**
- **Establishes Preparatory Committee**
- **Mandates follow-up work**
- **TFA enters into force upon acceptance by 2/3 of Members (106 out of 160)**

BALI PACKAGE

AFTER ADOPTION

Categorize The TFA Into Category A,B,C

To Consider Time Needed To Implement Category B And C

Consideration Of Activities To Be Improved Or Developed Before Implementation

BALI CONCLUSION OF THE TFA- DEC 2013

The WTO Categorisation Workshop

Date : 21 April 2014

Venue : Ministry of International Trade and Industry (MITI)



ROLE OF CUSTOMS

Coordinate and Cooperate with MITI as Lead Coordinator for TFA

Seek Capacity Building / Assistance on B and C Categories

Coordinate and cooperate with other agencies and relevant bodies on implementation of TFA

RESULT OF WORKSHOP

- **NATIONAL COMMITTEE-**
 - **MALAYSIAN LOGISTICS SERVICES COUNCIL**
 - **BASED IN MITI**
 - **MITI AS SECRETARIAT**
 - **CUSTOMS AND OTHER BORDER AGENCIES AS WELL AS RELEVANT PRIVATE SECTORS AS PERMANENT MEMBERS**

TECHNICAL ASSISTANCE PRIORITIES

- **Information Available Through Internet**
 - **consultancy services to collate all the relevant procedures from various Ministries/Agencies and to map out the practical steps**

- **Provision of Advance Rulings**
 - **expertise on understanding how rulings are done for Rules of Origin (ROO)**

CATEGORIZATIONS

**ALL ARTICLES TO BE CATEGORISE AS A
EXCEPT :**

Article 7: Release and clearance of goods

- **to establish facilitative procedures to allow expedited release of goods entered through air cargo facilities which include minimizing documentation and providing for a de minimis shipment value or dutiable amount for which Customs duties and taxes will not be collected.**

- **CATEGORY B WITH A TIMELINE OF FIVE YEARS**

CATEGORIZATIONS

Article 11: FREEDOM OF TRANSIT

- 11.9 . Members shall allow and provide for advance filing and processing of transit documentation and data prior to the arrival of goods.
- **CATEGORY B WITH A TIMELINE OF FIVE YEARS**

CABINET APPROVAL

- GRANTED IN EARLY JULY 2014
- NOTIFY WTO ON 23RD JULY 2014



23 July 2014

Preparatory Committee on Trade Facilitation
NOTIFICATION OF CATEGORY A COMMITMENTS UNDER
THE AGREEMENT ON TRADE FACILITATION

Original: English

COMMUNICATION FROM MALAYSIA

The following communication dated 22 July 2014 to the Preparatory Committee on Trade Facilitation is being circulated on behalf of **Malaysia** for Members' information.

Pursuant to the Ministerial Decision of 7 December 2013 (WT/MIN(13)/36, WT/L/911), the Preparatory Committee on Trade Facilitation established under the General Council (hereinafter referred to as the "Preparatory Committee") shall, *inter alia*, receive Members' notifications of Category A commitments under the Agreement on Trade Facilitation (hereinafter referred to as the "Agreement"). With reference to the above, the Government of Malaysia has the honour to notify the Preparatory Committee that Malaysia hereby designates all provisions contained in Articles 1 to 12

of the Agreement (annexed to the above Ministerial Decision) under Category A, except for the following:

- Article 7.8 (Expedited Shipments); and
- Article 11.9 (Advance filing and processing of transit documentation and

WAY FORWARD

- **TO REVIEW AND SUBMIT PROPOSALS FOR AMENDMENT TO CUSTOMS ACT AND REGULATIONS**
- **TO IDENTIFY TRAINING NEEDS FOR CAPACITY BUILDING**
- **TO ASSIST AND COOPERATE WITH OTHER CUSTOMS ADMINISTRATIONS**

WAY FORWARD

- **TO REVIEW RMCD'S TRADE FACILITATION MEASURES AND THEIR EFFECTIVENESS**
- **ENHANCING USAGE OF WCO TOOLS / INFORMATION TECHNOLOGY**

REVIEW OF RKC'S MEASURES

PROV. NO.	TEXT	TYPE OF PROV.	KEY POINTS AND ISSUES	RELEVANT NATIONAL LAW, LEGISLATION OR STANDING ORDER.	LEGISLATION CONSISTENT/ INCONSISTENT WITH PROVISION	STEPS REQUIRED TO BE RKC COMPLIANT
	GENERAL ANNEX					
	Chapter 1 – General Principles					
1.1	The Definitions, Standards and Transitional Standards in this Annex shall apply to Customs procedures and practices specified in this Annex and, in so far as applicable, to procedures and practices in the Specific Annexes	Std.				
1.2	The conditions to be fulfilled and Customs formalities to be accomplished for procedures and practices in this Annex and in the Specific Annexes shall be specified in national legislation and shall be as simple as possible.	St d.				
1.3	The Customs shall institute and maintain formal consultative relationships with the trade to increase co-operation and facilitate participation in establishing the most effective methods of working commensurate with national provisions and international agreements.	Std.		Consultative Panels exist at national and state level. Meet twice a year.	Consistent	Implemented
	Chapter 3 – Clearance and Other Customs Facilities					

REVISED KYOTO CONVENTION

Stage I - Situation Analysis (Identification of Annex already complied with and Annex to be complied with)

Stage II - Gap Analysis (Identification of legislation and procedural work needed to bridge the Gaps)

WTO

Facilitation Trade Agreement

border cooperation goods transit notification consultation Differential agency

fees customs clearance legal appeal implementation Committee provisions transparency export TFA publication

Organization Special capacity formalities shipment Treatment facilitate review building Members release World

uniformity non-discrimination import information technical

**THANK YOU
FOR YOUR
ATTENTION**