

**CHAPTER 4**  
**CUSTOMS PROCEDURES AND COOPERATION**

**Article 1**  
**Definitions**

For the purposes of this Chapter:

**customs law** means any legislation administered, applied, or enforced by the customs administration of a Party;

**customs procedures** means the treatment applied by each customs administration to goods that are subject to customs control; and

**express consignments** means all goods imported by an enterprise operating a consignment service for the expeditious international movement of goods who assumes liability to the customs for those goods.

**Article 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, economical administration of customs procedures and expeditious clearance of goods;
- (d) facilitate trade between the Parties; and
- (e) promote cooperation between the customs administrations.

### **Article 3**

#### **Facilitation**

1. Each Party shall ensure that its customs procedures and practices are predictable, consistent and transparent and facilitate trade.
2. Customs procedures of each Party shall where possible conform to the standards and recommended practices of the World Customs Organisation (WCO), including the principles of the International Convention on the Simplification and Harmonisation of Customs Procedures.
3. Customs administrations of the Parties shall facilitate the clearance of goods in administering their procedures in accordance with the provisions of this Chapter.
4. Each customs administration shall provide a single point, electronic or otherwise, through which its traders may submit all required information in order to obtain clearance of goods.

**Article 4**  
**Customs Valuation**

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of GATT 1994 and the Customs Valuation Agreement.

**Article 5**  
**Tariff Classification**

The Parties shall apply the International Convention on the Harmonized Commodity Description and Coding System to goods traded between them.

**Article 6**  
**Advance Rulings**

1. Each customs administration shall provide in writing advance rulings in respect of the tariff classification and origin of goods to a person described in paragraph 2(a).
2. Each Party shall adopt or maintain procedures for advance rulings, which shall:
  - (a) provide that an importer in its jurisdiction or an exporter or producer in the jurisdiction of the other Party may apply for an advance ruling before the importation of goods in question;

- (b) require that an applicant for an advance ruling provide a detailed description of the goods and all relevant information needed to issue an advance ruling;
  - (c) provide that its customs administration may, at any time during the course of issuing an advance ruling, request that the applicant provide additional information within a specified period;
  - (d) provide that any advance ruling be based on the facts and circumstances presented by the applicant, and any other relevant information in the possession of the decision-maker; and
  - (e) provide that the ruling be issued in the official language of the issuing customs administration to the applicant expeditiously on receipt of all necessary information, or in any case within:
    - (i) 40 days with respect to tariff classification; and
    - (ii) 90 days with respect to origin.
3. A Party may reject requests for an advance ruling where the additional information requested by it in accordance with paragraph 2(c) is not provided within a specified time.
  4. Subject to paragraph 5, each Party shall apply an advance ruling to all importations of goods described in that ruling imported within a period of at least three years from the date of that ruling.
  5. A Party may modify or revoke an advance ruling upon a determination that the ruling was based on an error of fact or law, the information provided is false or inaccurate, if there is a change in domestic law

consistent with this Agreement, or there is a change in a material fact, or circumstances on which the ruling is based.

6. Subject to the confidentiality requirements of a Party's domestic law, each Party shall publish its advance rulings.

## **Article 7**

### **Use of Automated Systems**

1. The customs administrations shall use information technology that expedites procedures for the release of goods, as well as electronic or automated systems for risk management and targeting.
2. The Parties shall provide a facility that allows importers and exporters to electronically complete standardised import and export requirements at a single entry point.
3. The Parties shall endeavour to implement common standards and elements for import and export data in accordance with the WCO Data Model and other related WCO standards and recommendations, and models developed through APEC.

## **Article 8**

### **Express Consignments**

Each customs administration shall adopt procedures to expedite the clearance of express consignments while maintaining appropriate control, including:

- (a) to provide for pre-arrival processing of information related to express consignments;
- (b) to permit the submission of a single document covering all goods contained in a shipment transported by an express consignment enterprise through electronic means if possible; and
- (c) to minimise, to the extent possible, the documentation required for the release of express consignments.

## **Article 9**

### **Release of Goods**

1. Each Party shall adopt or maintain procedures which allow goods to be released within 48 hours of arrival, unless:
  - (a) the importer fails to provide any information required by the importing Party at the time of first entry;
  - (b) the goods are selected for closer examination by the customs administration of the importing Party through the application of risk management techniques; or
  - (c) the goods are to be examined by any agency, other than the customs administration of the importing Party, acting under powers conferred by the domestic legislation of the importing Party.
2. Each Party shall provide for the electronic submission of import requirements in advance of the arrival of the goods to expedite the release of goods from customs control upon arrival.

**Article 10**  
**Risk Management**

1. The Parties shall administer customs procedures so as to facilitate the clearance of low-risk goods and focus on high-risk goods.
2. To enhance the flow of goods across their borders the customs administration of each Party shall regularly review these procedures.

**Article 11**  
**Review and Appeal**

1. Each Party shall provide for the right of appeal without penalty in regard to customs administrative rulings, determinations or decisions by the importer, exporter or any other person affected by that administrative ruling, determination or decision.
2. An initial right of appeal by a person described in paragraph 1 may be to an authority within the customs administration or to an independent body, but the legislation of each Party shall provide for the right of appeal without penalty to a judicial authority.
3. Notice of the decision on appeal shall be given to the appellant and the reasons for such decision shall be provided in writing.

**Article 12**

## **Customs Cooperation**

1. The customs administrations of the Parties may assist each other by providing information on the following:
  - (a) the implementation and operation of this Chapter;
  - (b) the movement of goods among the Parties;
  - (c) investigation and prevention of prima facie customs offences;
  - (d) developing and implementing customs best practice and risk management techniques;
  - (e) simplifying and expediting customs procedures;
  - (f) advancing technical skills and the use of technology;
  - (g) application of the Customs Valuation Agreement; and
  - (h) additional assistance in respect to other matters.
  
2. Customs administrations may consult each other on any trade facilitation issues arising from procedures to secure trade and the movement of means of transport between the Parties.

## **Article 13**

## **Customs Consultation**

1. Either customs administration may at any time request consultations with the other customs administration on any matter arising from the operation or implementation of this Chapter. Such consultations shall be conducted through the relevant contact points, and shall take place within 30 days of the request, unless the customs administrations of the Parties mutually determine otherwise.
2. In the event that such consultations fail to resolve any such matter, the requesting Party may refer the matter to the Joint Commission for consideration.
3. Each customs administration shall designate one or more contact points for the purposes of this Chapter and provide details of such contact points to the other Party. Customs administrations of the Parties shall notify each other promptly of any amendments to the details of their contact points.
4. Customs administrations may consult each other on any trade facilitation issues arising from procedures to secure trade between the Parties.
5. Consultations pursuant to this Article are without prejudice to the rights of the Parties under Chapter 21 (Dispute Settlement) of this Agreement or under the *WTO Understanding on Rules and Procedures Governing the Settlement of Disputes*.

## **Article 14**

## **Enquiry Points**

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

## **Article 15**

### **Publication and Transparency**

1. Each customs administration shall make available all customs laws, regulations and any administrative procedures it applies or enforces on the internet and through any other media as appropriate.
2. Each customs administration shall promptly inform the other customs administrations of any significant modification of customs law or procedures governing the movement of goods that is likely to substantially affect the operation of this Chapter.

## **Article 16**

### **Review of Customs Procedures**

Each customs administration shall periodically review its procedures with a view to their further simplification and the development of mutually beneficial arrangements to facilitate the flow of trade between the Parties.