

INTERNATIONAL CONVENTION ON THE SIMPLIFICATION AND HARMONIZATION OF CUSTOMS PROCEDURES

Preamble

THE CONTRACTING PARTIES to the present Convention, established under the auspices of the Customs Co-operation Council,

NOTING that divergences between national Customs procedures can hamper international trade and other international exchanges,

CONSIDERING that it is in the interests of all countries to promote such trade and exchanges and to foster international co-operation,

CONSIDERING that simplification and harmonization of their Customs procedures can effectively contribute to the development of international trade and of other international exchanges,

CONVINCED that an international instrument proposing provisions which countries undertake to apply as soon as they are able to do so would lead progressively to a high degree of simplification and harmonization of Customs procedures, which is one of the essential aims of the Customs Co-operation Council,

HAVE AGREED as follows:

CHAPTER I DEFINITIONS

Article 1

For the purposes of this Convention:

- (a) the term "the Council" means the Organization set up by the Convention establishing a Customs Co-operation Council, done at Brussels on 15 December 1950;
- (b) the term "Permanent Technical Committee" means the Permanent Technical Committee of the Council;
- (c) the term "ratification" means ratification, acceptance or approval.

CHAPTER II

SCOPE OF THE CONVENTION AND STRUCTURE OF THE ANNEXES

Article 2

Each Contracting Party undertakes to promote the simplification and harmonization of Customs procedures and, to that end, to conform, in accordance with the provisions of this Convention, to the Standards and

Recommended Practices in the Annexes to this Convention. However, nothing shall prevent a Contracting Party from granting facilities greater than those provided for therein, and each Contracting Party is recommended to grant such greater facilities as extensively as possible.

Article 3

The provisions of this Convention shall not preclude the application of prohibitions or restrictions imposed under national legislation.

Article 4

Each Annex to this Convention consists, in principle, of:

- (a) an introduction summarizing the various matters dealt with in the Annex;
- (b) definitions of the main Customs terms used in the Annex;
- (c) Standards, being those provisions the general application of which is recognized as necessary for the achievement of harmonization and simplification of Customs procedures;
- (d) Recommended Practices, being those provisions which are recognized as constituting progress towards the harmonization and the simplification of Customs procedures, the widest possible application of which is considered to be desirable;
- (e) Notes, indicating some of the possible courses of action to be followed in applying the Standard or Recommended Practice concerned.

Article 5

1. Any Contracting Party which accepts an Annex shall be deemed to accept all the Standards and Recommended Practices therein unless at the time of accepting the Annex or at any time thereafter it notifies the Secretary General of the Council of the Standard(s) and Recommended Practice(s) in respect of which it enters reservations, stating the differences existing between the provisions of its national legislation and those of the Standard(s) and Recommended Practice(s) concerned. Any Contracting Party which has entered reservations may withdraw them, in whole or in part, at any time, by notification to the Secretary General specifying the date on which such withdrawal takes effect.

2. Each Contracting Party bound by an Annex shall at least once every three years review the Standards and Recommended Practices therein in respect of which it has entered reservations, compare them with the provisions of its

national legislation and notify the Secretary General of the Council of the results of that review.

CHAPTER III
ROLE OF THE COUNCIL AND OF THE PERMANENT TECHNICAL
COMMITTEE

Article 6

1. The Council shall, in accordance with the provisions of this Convention, supervise the administration and development of this Convention. It shall, in particular, decide upon the incorporation of new Annexes in the Convention.

2. To these ends the Permanent Technical Committee shall, under the authority of the Council, and in accordance with any directions given by the Council, have the following functions:

(a) to prepare new Annexes and to propose to the Council their adoption with a view to their incorporation in the Convention;

(b) to submit to the Council proposals for such amendments to this Convention or to its Annexes as it may consider necessary and, in particular, proposals for amendments to the texts of the Standards and Recommended Practices and for the upgrading of Recommended Practices to Standards;

(c) to furnish opinions on any matters concerning the application of the Convention;

(d) to perform such tasks as the Council may direct in relation to the provisions of the Convention.

Article 7

For the purposes of voting in the Council and in the Permanent Technical Committee each Annex shall be taken to be a separate convention.

CHAPTER IV
MISCELLANEOUS PROVISIONS

Article 8

For the purposes of this Convention, any Annex or Annexes to which a Contracting Party is bound shall be construed to be an integral part of the Convention, and in relation to that Contracting Party any reference to the Convention shall be deemed to include a reference to such Annex or Annexes.

Article 9

Contracting Parties which form a Customs or Economic Union may state by notification to the Secretary General of the Council that for the application of a given Annex to this Convention their territories are to be taken as a single territory. In each instance where, as a result of such notification, differences exist between the provisions of that Annex and those of the legislation applicable to the territories of the Contracting Parties, the States concerned shall enter a reservation to the Standard or Recommended Practice in question under Article 5 of the Convention.

CHAPTER V FINAL PROVISIONS

Article 10

1. Any dispute between two or more Contracting Parties concerning the interpretation or application of this Convention shall so far as possible be settled by negotiation between them.
2. Any dispute which is not settled by negotiation shall be referred by the Contracting Parties in dispute to the Permanent Technical Committee which shall thereupon consider the dispute and make recommendations for its settlement.
3. If the Permanent Technical Committee is unable to settle the dispute, it shall refer the matter to the Council which shall make recommendations in conformity with Article III(e) of the Convention establishing the Council.
4. The Contracting Parties in dispute may agree in advance to accept the recommendations of the Permanent Technical Committee or Council as binding.

Article 11

1. Any State Member of the Council and any State Member of the United Nations or its specialized agencies may become a Contracting Party to this Convention:
 - (a) by signing it without reservation of ratification;
 - (b) by depositing an instrument of ratification after signing it subject to ratification; or
 - (c) by acceding to it.

2. This Convention shall be open until 30th June 1974 for signature at the Headquarters of the Council in Brussels by the States referred to in paragraph 1 of this Article. Thereafter, it shall be open for their accession.

3. Any State, not being a Member of the Organisations referred to in paragraph 1 of this Article, to which an invitation to that effect has been addressed by the Secretary General of the Council at the Council's request, may become a Contracting Party to this Convention by acceding thereto after its entry into force.

4. Each State referred to in paragraph 1 or 3 of this Article shall at the time of signing, ratifying or acceding to this Convention specify the Annex or Annexes it accepts, it being necessary to accept at least one Annex. It may subsequently notify the Secretary General of the Council that it accepts one or more further Annexes.

5. The instruments of ratification or accession shall be deposited with the Secretary General of the Council.

6. The Secretary General of the Council shall notify the Contracting Parties to this Convention, the other signatory States, those States Members of the Council that are not Contracting Parties to the Convention, and the Secretary General of the United Nations of any new Annex that the Council may decide to incorporate in this Convention. Contracting Parties accepting such a new Annex shall notify the Secretary General of the Council in accordance with paragraph 4 of this Article.

7. The provisions of paragraph 1 of this Article shall also apply to the Customs and Economic Unions referred to in Article 9 of this Convention in so far as the obligations arising from the instruments establishing such Customs or Economic Unions require the competent bodies thereof to contract in their own name. However, such bodies shall not have the right to vote.

Article 12

1. This Convention shall enter into force three months after five of the States referred to in paragraph 1 of Article 11 thereof have signed the Convention without reservation of ratification or have deposited their instruments of ratification or accession.[\[1\]](#)

2. For any State signing without reservation of ratification, ratifying or acceding to this Convention after five States have signed it without reservation of ratification or have deposited their instruments of ratification or accession, this Convention shall enter into force three months after the said State has signed without reservation of ratification or deposited its instrument of ratification or accession.[\[2\]](#)

3. Any Annex to this Convention shall enter into force three months after five Contracting Parties have accepted that Annex.

4. For any State which accepts an Annex after five States have accepted it, that Annex shall enter into force three months after the said State has notified its acceptance.

Article 13

1. Any State may, at the time of signing this Convention without reservation of ratification or of depositing its instrument of ratification or accession, or at any time thereafter, declare by notification given to the Secretary General of the Council that this Convention shall extend to all or any of the territories for whose international relations it is responsible. Such notification shall take effect three months after the date of the receipt thereof by the Secretary General of the Council. However, the Convention shall not apply to the territories named in the notification before the Convention has entered into force for the State concerned.

2. Any State which has made a notification under paragraph 1 of this Article extending this Convention to any territory for whose international relations it is responsible may notify the Secretary General of the Council, under the procedure of Article 14 of this Convention, that the territory in question will no longer apply the Convention.

Article 14

1. This Convention is of unlimited duration but any Contracting Party may denounce it at any time after the date of its entry into force under Article 12 thereof.

2. The denunciation shall be notified by an instrument in writing, deposited with the Secretary General of the Council.

3. The denunciation shall take effect six months after the receipt of the instrument of denunciation by the Secretary General of the Council.

4. The provisions of paragraphs 2 and 3 of this Article shall also apply in respect of the Annexes to this Convention, any Contracting Party being entitled, at any time after the date of their entry into force under Article 12 of the Convention, to withdraw its acceptance of one or more Annexes. Any Contracting Party which withdraws its acceptance of all the Annexes shall be deemed to have denounced the Convention.

Article 15

1. The Council may recommend amendments to this Convention. Every Contracting Party shall be invited by the Secretary General of the Council to participate in the discussion of proposals for amendment of this Convention.
2. The text of any amendment so recommended shall be communicated by the Secretary General of the Council to all Contracting Parties to this Convention, to the other signatory States and to those States Members of the Council that are not Contracting Parties to this Convention.
3. Within a period of six months from the date on which the recommended amendment is so communicated, any Contracting Party or, if the amendment affects an Annex in force, any Contracting Party bound by that Annex, may inform the Secretary General of the Council:
 - (a) that it has an objection to the recommended amendment, or
 - (b) that, although it intends to accept the recommended amendment, the conditions necessary for such acceptance are not yet fulfilled in its country.
4. If a Contracting Party sends the Secretary General of the Council a communication as provided for in paragraph 3(b) of this Article, it may, so long as it has not notified the Secretary General of its acceptance of the recommended amendment, submit an objection to that amendment within a period of nine months following the expiry of the six-month period referred to in paragraph 3 of this Article.
5. If an objection to the recommended amendment is stated in accordance with the terms of paragraph 3 or 4 of this Article, the amendment shall be deemed not to have been accepted and shall be of no effect.
6. If no objection to the recommended amendment in accordance with paragraph 3 or 4 of this Article has been stated, the amendment shall be deemed to have been accepted as from the date specified below:

(a) if no Contracting Party has sent a communication in accordance with paragraph 3(b) of this Article, on the expiry of the period of six months referred to in paragraph 3;

(b) if any Contracting Party has sent a communication in accordance with paragraph 3(b) of this Article, on the earlier of the following two dates:

(i) the date by which all the Contracting Parties which sent such communications have notified the Secretary General of the Council of their acceptance of the recommended amendment, provided that, if all the acceptances were notified before the expiry of the period of six months referred to in paragraph 3 of this Article, that date shall be taken to be the date of expiry of the said six-month period;

(ii) the date of expiry of the nine-month period referred to in paragraph 4 of this Article.

7. Any amendment deemed to be accepted shall enter into force either six months after the date on which it was deemed to be accepted or, if a different period is specified in the recommended amendment, on the expiry of that period after the date on which the amendment was deemed to be accepted.

8. The Secretary General of the Council shall, as soon as possible, notify the Contracting Parties to this Convention and other signatory States of any objection to the recommended amendment made in accordance with paragraph 3(a), and of any communication received in accordance with paragraph 3(b), of this Article. He shall subsequently inform the Contracting Parties and other signatory States whether the Contracting Party or Parties which have sent such a communication raise an objection to the recommended amendment or accept it.

Article 16

1. Independently of the amendment procedure laid down in Article 15 of this Convention any Annex, excluding its definitions, may be modified by a decision of the Council. Every Contracting Party to this Convention shall be invited by the Secretary General of the Council to participate in the discussion of any proposal for the amendment of an Annex. The text of any amendment so decided upon shall be communicated by the Secretary General of the Council to the Contracting Parties to this Convention, the other signatory

States and those States Members of the Council that are not Contracting Parties to this Convention.

2. Amendments decided upon under paragraph 1 of this Article shall enter into force six months after their communication by the Secretary General of the Council. Each Contracting Party bound by an Annex forming the subject of such amendments shall be deemed to have accepted those amendments unless it enters a reservation under the procedure of Article 5 of this Convention.

Article 17

1. Any State ratifying or acceding to this Convention shall be deemed to have accepted any amendments thereto which have entered into force at the date of deposit of its instrument of ratification or accession.

2. Any State which accepts an Annex shall be deemed, unless it enters reservations under Article 5 of this Convention, to have accepted any amendments to that Annex which have entered into force at the date on which it notifies its acceptance to the Secretary General of the Council.

Article 18

The Secretary General of the Council shall notify the Contracting Parties to this Convention, the other signatory States, those States Members of the Council that are not Contracting Parties to this Convention, and the Secretary General of the United Nations of:

- (a) signatures, ratifications and accessions under Article 11 of this Convention;
- (b) the date of entry into force of this Convention and of each of the Annexes in accordance with Article 12;
- (c) notifications received in accordance with Articles 9 and 13;
- (d) notifications and communications received in accordance with Articles 5, 16 and 17;
- (e) denunciations under Article 14;
- (f) any amendment deemed to have been accepted in accordance with Article 15 and the date of its entry into force;
- (g) any amendment to the Annexes adopted by the Council in accordance with Article 16 and the date of its entry into force.

Article 19

In accordance with Article 102 of the Charter of the United Nations, this Convention shall be registered with the Secretariat of the United Nations at the request of the Secretary General of the Council.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Convention.

DONE at Kyoto, this eighteenth day of May nineteen hundred and seventy-three, in the English and French languages, both texts being equally authentic, in a single original which shall be deposited with the Secretary General of the Council who shall transmit certified copies to all the States referred to in paragraph 1 of Article 11 of this Convention.

[Signatures not reproduced here.]

ANNEX E.3.

[\[3\]](#)

ANNEX CONCERNING CUSTOMS WAREHOUSES

Introduction

It is in the nature of international trade practice that in a great many cases it is not known at the time of importation how imported goods will finally be disposed of. This means that the importers are obliged to store the goods for more or less long periods.

Where it is intended to re-export the goods, it is in the importer's interest to place them under a Customs procedure which obviates the need to pay import duties and taxes.

When goods are intended for outright importation, it is again in the importer's interest to be able to delay payment of the import duties and taxes until the goods are actually taken into home use.

In order to make these facilities available to importers, most countries have provided in their national legislations for the Customs warehousing procedure. However, imported goods are not the only goods which may qualify for Customs warehousing.

For example, some countries allow goods that are liable to, or have borne, internal duties and taxes (whether of national origin or previously imported against payment of import duties and taxes) to be stored in Customs

warehouses in order that they may qualify for exemption from, or repayment of, such internal duties and taxes.

Similarly, the deposit in a Customs warehouse of goods that have previously been dealt with under another Customs procedure or that may qualify, upon exportation, for repayment of import duties and taxes, makes it possible for the Customs authorities to grant discharge of such other Customs procedure or to repay the import duties and taxes, as the case may be, before the goods are actually re-exported.

The provisions of this Annex do not apply to:

- the storage of goods in temporary store (locked premises and enclosed or unenclosed spaces approved by the Customs, in which goods may be stored pending clearance),
- the storage of goods in free ports and free zones,
- the processing or manufacturing, under Customs supervision, of goods conditionally relieved from import duties and taxes in premises approved by the Customs (inward processing warehouses).

Definitions

For the purposes of this Annex:

(a) the term "Customs warehousing procedure" means the Customs procedure under which imported goods are stored under Customs control in a designated place (a Customs warehouse) without payment of import duties and taxes;

(b) the term "import duties and taxes" means Customs duties and all other duties, taxes, fees or other charges which are collected on or in connection with the importation of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered;

(c) the term "Customs control" means measures applied to ensure compliance with the laws and regulations which the Customs are responsible for enforcing;

(d) the term "security" means that which ensures to the satisfaction of the Customs, that an obligation to the Customs will be fulfilled. Security is described as "general" when it ensures that the obligations arising from several operations will be fulfilled;

(e) the term "person" means both natural and legal persons, unless the context otherwise requires.

Principle

1. Standard

The Customs warehousing procedure shall be governed by the provisions of this Annex.

Classes of warehouses

2. Standard

National legislation shall provide for Customs warehouses open to all importers (public Customs warehouses).

Note

In accordance with the provisions of national legislation, public Customs warehouses may be managed either by the Customs authorities or by other authorities or by natural or legal persons.

3. Standard

The right to store imported goods in public Customs warehouses shall not be restricted only to importers but shall be extended to any other persons interested.

4. Standard

National legislation shall provide for Customs warehouses to be used solely by specified persons (private Customs warehouses) when this is necessary to meet the special requirements of trade or industry.

Establishment of warehouses

5. Standard

The requirements as regards the construction and layout of Customs warehouses and the arrangements for Customs control shall be laid down by the Customs authorities.

Note

For the purpose of control, the Customs authorities may, in particular:

- require that Customs warehouses be double-locked (secured by the lock of the person concerned and by the Customs lock),
- keep the premises under permanent or intermittent supervision,
- keep, or require to be kept, accounts of goods warehoused (by using either special registers or the relevant declarations), and

- take stock of the goods in the warehouse from time to time.

Management of warehouses

6. Standard

National legislation shall specify the person or persons held responsible for the payment of any import duties and taxes chargeable on goods placed under the Customs warehousing procedure that are not accounted for to the satisfaction of the Customs authorities.

7. Standard

When security is required to ensure that the obligations arising from several operations will be fulfilled, the Customs authorities shall accept a general security.

8. Recommended Practice

The amount of any security should be set as low as possible having regard to the import duties and taxes potentially chargeable.

9. Recommended Practice

The Customs authorities should waive security where the warehouse is under adequate Customs supervision, in particular where it is Customs-locked.

10. Standard

The Customs authorities shall lay down the requirements as regards the management of Customs warehouses, and arrangements for storage of goods in Customs warehouses and for stock-keeping and accounting shall be subject to the approval of the Customs authorities.

Goods allowed to be warehoused

11. Recommended Practice

Storage in public Customs warehouses should be allowed for all kinds of imported goods liable to import duties and taxes or to restrictions or prohibitions other than those imposed on grounds of public morality or order, public security, public hygiene or health, or for veterinary or phytopathological considerations, or relating to the protection of patents, trade marks and copyrights, irrespective of quantity, country of origin, country whence arrived or country of destination.

Goods which constitute a hazard, which are likely to affect other goods or which require special installations should be accepted only by Customs warehouses specially designed to receive them.

12. Standard

The kinds of goods which may be stored in private Customs warehouses shall be specified by the competent authorities in the authority granting the benefit of the Customs warehousing procedure or in an appropriate provision.

13. Recommended Practice

Storage in Customs warehouses should be allowed for goods which are entitled to repayment of import duties and taxes when exported, so that they may qualify for such repayment immediately, on condition that they are to be exported subsequently.

14. Recommended Practice

Storage in Customs warehouses, with a view to subsequent exportation or other authorized disposal, should be allowed for goods under the temporary admission procedure, the obligations under that procedure thereby being discharged.

15. Recommended Practice

Storage in Customs warehouses should be allowed for goods intended for exportation that are liable to, or have borne, internal duties or taxes, in order that they may qualify for exemption from, or repayment of, such internal duties and taxes, on condition that they are to be exported subsequently.

Admission into warehouses

16. Standard

National legislation shall specify the conditions under which goods for warehousing shall be produced at the competent Customs office and a Goods declaration shall be lodged.

Authorized operations

17. Standard

Any person entitled to dispose of the warehoused goods shall be allowed:

- (a) to inspect them;
- (b) to take samples, against payment of the import duties and taxes where appropriate;
- (c) to carry out operations necessary for their preservation.

18. Standard

Warehoused goods shall be allowed to undergo usual forms of handling to improve their packaging or marketable quality or to prepare them for

shipment, such as breaking bulk, grouping of packages, sorting and grading, and repacking.

Duration of warehousing

19. Standard

The authorized maximum duration of storage in a Customs warehouse shall be fixed with due regard to the needs of trade and shall be not less than one year.

Transfer of ownership

20. Standard

The transfer of ownership of warehoused goods shall be allowed.

Deterioration, loss or destruction of goods

21. Standard

Goods deteriorated or spoiled by accident or *force majeure* before leaving the warehouse shall be allowed to be cleared for home use as if they had been imported in their deteriorated or spoiled state.

22. Standard

Warehoused goods destroyed or irrecoverably lost by accident or *force majeure* shall not be subjected to import duties and taxes, provided that such destruction or loss is duly established to the satisfaction of the Customs authorities.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste and scrap imported in that state.

23. Standard

At the request of the person entitled to dispose of them, any warehoused goods shall be allowed to be abandoned, in whole or in part, to the Revenue or to be destroyed or rendered commercially valueless under Customs control, as the Customs authorities may decide. Such abandonment or destruction shall not entail any cost to the Revenue.

Any waste or scrap remaining after destruction shall be liable, if taken into home use, to the import duties and taxes that would be applicable to such waste and scrap imported in that state.

Removal from warehouse

24. Standard

Any person entitled to dispose of the goods shall be authorized to remove all or part of them from warehouse for re-exportation, home use, removal to another Customs warehouse or assignment to any other Customs procedure, subject to compliance with the conditions and formalities applicable in each case.

Goods taken into home use

25. Standard

National legislation shall specify the point in time to be taken into consideration for the purpose of determining the value and quantity of goods removed from Customs warehouse for home use and the rates of the import duties and taxes applicable to them.

Goods not removed from warehouse

26. Standard

National legislation shall specify the procedure to be followed where goods are not removed from Customs warehouse within the period laid down.

27. Recommended Practice

When goods not removed from Customs warehouse are sold by the Customs, the proceeds of the sale, after deduction of the import duties and taxes and all other charges and expenses incurred, should either be made over to the person(s) entitled to receive them, when this is possible, or be held at their disposal for a specified period.

Information concerning warehouses

28. Standard

The Customs authorities shall ensure that all relevant information regarding the Customs warehousing procedure is readily available to any person interested.