

Chapter 4
Customs Procedures and Trade Facilitation

Article 4.1
Scope and Objectives

1. This Chapter shall apply to customs procedures required for the clearance of goods traded between the Parties.
2. This Chapter shall be implemented by the Parties in accordance with the laws and regulations of each Party and within the available resources of their respective customs authorities.
3. The objectives of this Chapter are to establish a framework to ensure transparency, proper application of customs laws and prompt clearance of goods and to promote cooperation in the field of customs procedures, with a view to facilitating trade in goods between the Parties.

Article 4.2
Definition

For the purposes of this Chapter, the term "customs laws" means such laws and regulations administered and enforced by the customs authority of each Party concerning the importation, exportation and transit of goods, as they relate to customs duties, charges and other taxes, or to prohibitions, restrictions and other similar controls with respect to the movement of controlled items across the boundary of the customs territory of each Party.

Article 4.3
Transparency

1. Each Party shall ensure that all relevant information of general application pertaining to its customs laws is readily available to any interested person.

2. When information that has been made available must be revised due to changes in its customs laws, each Party shall make the revised information readily available, whenever possible in advance of the entry into force of the changes, to enable interested persons to take account of them.

3. Upon request of any interested person of the Parties, each Party shall provide, as quickly and accurately as possible, information related to the specific customs matters raised by the interested person and pertaining to its customs laws. Each Party shall supply not only the information specifically requested but also any other pertinent information which it considers the interested person should be made aware of.

4. Each Party shall designate one or more enquiry points to answer reasonable enquiries from any interested person of the Parties concerning customs matters, and shall make publicly available, including through its website, the names and addresses of such enquiry points.

Article 4.4 Customs Clearance

1. The Parties shall apply their respective customs procedures in a predictable, consistent and transparent manner.

2. For prompt customs clearance of goods traded between the Parties, each Party shall:

- (a) make use of information and communications technology;
- (b) simplify its customs procedures;
- (c) harmonize its customs procedures, to the extent possible, with relevant international standards and recommended practices such as those made under the auspices of the Customs Co-operation Council; and
- (d) promote cooperation, where appropriate, between its customs authority and:

- (i) other national authorities of the Party;
- (ii) the trading communities of the Party; and
- (iii) the customs authorities of non-Parties.

3. Each Party shall provide affected parties with easily accessible processes of judicial or administrative review related to the action on the customs matters taken by the Party. Such review shall be independent of the authorities entrusted with the administrative enforcement of such actions and shall be carried out in an impartial and fair manner.

Article 4.5 Temporary Admission and Goods in Transit

1. Each Party shall continue to facilitate the procedures for the temporary admission of goods traded between the Parties in accordance with its laws, regulations and international obligations.

2. Each Party shall continue to facilitate customs clearance of goods in transit from or to the other Party in accordance with paragraph 3 of Article V of the GATT 1994.

3. The Parties shall endeavor to promote, through arrangements such as seminars and courses, the use of A.T.A. carnets in accordance with the international obligations and the facilitation of customs clearance of goods in transit in the Parties or non-Parties.

4. For the purposes of this Article:

- (a) the term "A.T.A. carnet" shall have the same meaning as in:
 - (i) for Japan, the Customs Convention on A.T.A. Carnet for the Temporary Admission of Goods, done at Brussels on December 6, 1961; and
 - (ii) for Mongolia, the Convention on Temporary Admission, done at Istanbul on June 26, 1990; and

- (b) the term "temporary admission" means customs procedures under which certain goods may be brought into a customs territory conditionally, relieved totally or partially from the payment of customs duties. Such goods shall be imported for a specific purpose and shall be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of them.

Article 4.6 Advance Rulings

Where a written application is made in accordance with relevant laws, regulations or procedures adopted or maintained by the importing Party and the importing Party has no reasonable grounds to deny the issuance, the importing Party shall endeavor to, prior to the importation of the good, issue a written advance ruling on:

- (a) the tariff classification;
- (b) the customs valuation; and
- (c) the qualification of the good as an originating good of the exporting Party under the provisions of Chapter 3.

Article 4.7 Cooperation and Exchange of Information

1. The Parties shall cooperate and exchange information with each other in the field of customs procedures, including combating the trafficking of prohibited goods and the importation and exportation of goods suspected of infringing intellectual property rights.

2. Such cooperation and exchange of information shall be implemented as provided for in the Implementing Agreement.

3. Paragraph 2 of Article 1.8 shall not apply to the exchange of information under this Article.

Article 4.8

Sub-Committee on Customs Procedures and Trade Facilitation

1. For the purposes of the effective implementation and operation of this Chapter, the Parties hereby establish a Sub-Committee on Customs Procedures and Trade Facilitation (hereinafter referred to in this Article as "the Sub-Committee").
2. The functions of the Sub-Committee shall be:
 - (a) reviewing and monitoring the implementation and operation of this Chapter;
 - (b) identifying areas, related to this Chapter, to be improved for facilitating trade between the Parties;
 - (c) reporting the findings of the Sub-Committee to the Joint Committee; and
 - (d) carrying out other functions as may be delegated by the Joint Committee.
3. The composition of the Sub-Committee shall be specified in the Implementing Agreement.
4. The Sub-Committee shall hold meetings at such times and venues or by means, as may be agreed by the Parties.