

## CHAPTER 4

### CUSTOMS

#### ARTICLE 4.1: SCOPE

This Chapter shall apply, in accordance with the Parties' respective national laws, rules and regulations, to customs procedures required for clearance of goods traded between the Parties.

#### ARTICLE 4.2: TRANSPARENCY

1. The Parties shall promptly publish or otherwise make publicly available their laws, regulations, administrative procedures and administrative rulings of general application on respective customs matters that pertain to or affect the operation of this Chapter, so as to enable interested persons and parties to become acquainted with them.
2. Nothing in this Article or in any part of this Chapter shall require any Party to publish law enforcement procedures and internal operational guidelines including those related to conducting risk analysis and targeting methodologies.

#### ARTICLE 4.3: RISK MANAGEMENT

1. A Party shall adopt the risk management approach in its customs activities based on its identified risk of goods in order to facilitate the clearance of low risk consignments, while focusing its inspection activities on high-risk goods. Accordingly, each Party undertakes that customs compliance activities at the time of entry shall not normally exceed 5 per cent of total customs transactions.
2. The Parties shall apply and further develop risk management techniques in the performance of their customs compliance activities.
3. The Parties shall exchange information on risk management techniques in the performance of their customs procedures.

#### ARTICLE 4.4: PAPERLESS TRADING

1. Recognising that trading using electronic filing and transfer of trade-related information and electronic versions of documents, as an alternative to paper-based methods will significantly enhance the efficiency of trade through reduction of cost and time, the Parties shall co-operate with a view to realising and promoting paperless trading between their respective customs administrations and its respective trading community.
2. The Parties shall exchange views and information on realizing, promoting and developments in paperless trading.

#### ARTICLE 4.5: DENIAL OF PREFERENTIAL TARIFF TREATMENT

1. The importing Party may deny preferential tariff treatment to a good for which an importer in its territory claims preferential tariff treatment where the good does not meet the requirements of Chapter 3 or where the importer fails to comply with any of the relevant requirements of Chapter 3.
2. Where the denial of preferential treatment is due to the signature that appears in the Certificate of Origin, the Importing Party may accept a clarification letter from the exporting Party confirming the

authenticity of Certificate of Origin. Such clarification letter may be issued directly from the exporting Party to the importing Party or through the exporter of the good.

3. Export of consignments accompanied by an authentic Certificate of Origin will not be subjected to any detention or delays by the Customs Authorities of the importing country.

4. In case of reasonable doubt about the authenticity of a Certificate of Origin, the Customs Authority of the importing country may seek a clarification from the certifying agency of the exporting country which will furnish the same within a period of 30 days. Meanwhile, the subject consignment will be allowed entry into the importing country on a provisional basis against a bond or a guarantee i.e. a legally binding undertaking as may be required. After examining the information so provided by the certifying authority, the Customs Authority in the importing country would take appropriate action to finalise the provisional assessment.

5. Where the clarification carried on in paragraph 4 is not conclusive, the importing Party may, upon informing the exporting Party and with the knowledge of the importer concerned and with the consent of the exporter or manufacturer concerned, visit the exporter or manufacturer concerned for the purpose of verifying the preference claim. If no consent is given by the exporter or manufacturer concerned within a period of 45 days, the importing party may disallow the tariff preference for the particular Certificate of Origin.

#### ARTICLE 4.6: VERIFICATION OF CERTIFICATES OF ORIGIN

1. The Parties shall co-operate with each other to verify the authenticity and the correctness of the information given in the certificates of origin.

2. For the purpose of implementing the provisions of paragraph 1, the customs administration of the importing Party shall return the certificate of origin, or a copy of the document, to the customs authority of the exporting Party, giving the reason for the enquiry. Any document and/or information obtained suggesting that the information given on the certificate of origin is incorrect shall be forwarded in support of the request for verification.

3. The verification shall be carried out by the customs authorities of the exporting Party.

#### ARTICLE 4.7: ADVANCE RULINGS

The Parties shall apply Advance Rulings in accordance with the provisions of Article 3.13.

#### ARTICLE 4.8: SHARING OF BEST PRACTICES

1. The Customs Administrations of both Parties shall endeavor to use their best efforts to provide each other technical advice for the purpose of improving risk assessment techniques, simplifying and expediting customs procedures and enhancing customs clearance.

2. The Customs Administrations of both Parties shall endeavor, within their respective available resources, to actively encourage exchange of information on best practices on customs procedures and techniques with the aim of enhancing each other's capacity.

#### ARTICLE 4.9: CONFIDENTIALITY

Nothing in this Chapter shall require a Party to provide or allow access to information:

- (a) the disclosure of which would impede law enforcement or otherwise be contrary to the public interest; or

- (b) the disclosure of which would prejudice the legitimate commercial interest of a particular enterprise, public or private.