

## SECTOR BACKGROUND: INDUSTRY AND TRADE

### A. Sector Performance, Problems, and Opportunities

1. Sri Lanka's economy grew at an average annual rate of 5.8% during 2000–2012 but has since then slowed down to an average growth rate of 4.4% during 2013–2017. From 2000 to 2017, the export-to-gross domestic product (GDP) ratio declined from 33% to 13% and the import-to-GDP ratio also declined from 44% to 24%. The Government of Sri Lanka's medium-term strategy document, Vision 2025, envisages to make Sri Lanka an export-oriented economy and a logistics hub in the Indian Ocean. A weak business climate, including the need to make customs procedures transparent and quicker, is identified as one of the constraints to improving trade performance.<sup>1</sup>

2. A comparison of Sri Lanka's performance on various indicators of trade facilitation shows that it performs well compared with some of the countries in the region but lags behind some of the Southeast Asian economies. Sri Lanka's average score on the Organisation for Economic Cooperation and Development's (OECD) Trade Facilitation Indicators (TFI) is 0.99 compared with 0.78 for Bangladesh, 0.59 for Bhutan, 1.25 for India, 0.70 for Maldives, and 0.69 for Nepal in South Asia; 1.13 for Indonesia, 1.27 for Malaysia, 1.75 for Singapore, 1.36 for Viet Nam, and 1.38 for Thailand.<sup>2</sup> Sri Lanka ranks 86th (out of 189 countries) in the World Bank's Trading Across Borders. In 2017, for the same set of comparator countries, Sri Lanka outranked most except Singapore (46), Thailand (57), Malaysia (61), and Nepal (76).<sup>3</sup> However, on the customs efficiency component of the World Bank's Logistics Performance Index (LPI), Sri Lanka ranks 84th (out of 160), behind most of the comparator countries listed here except Nepal (123) and Bangladesh (138).<sup>4</sup>

3. Several measures such as risk management, green lane program, post clearance audit, etc. have been adopted in recent years to improve cargo clearance efficiency. However, these measures have been implemented in a limited manner and have not been given full effect in their implementation. As a result, full benefits of these measures have not been realized. For example, risk management has been introduced but the risk rules have been designed in such a manner that about 80% of the consignments are targeted for inspection. In countries with a modern risk management system, less than 10% of the consignments are targeted. Stakeholder consultations and an analysis of the ground level situation indicate several areas that constrain the performance of the sector. These include (i) inadequate use of modern customs tools, (ii) excessive documentation, (iii) insufficient use of automated systems, (iv) lack of a national single window and inadequate enhanced cooperation among border agencies, (v) absence of a port facilitation system, (vi) need to improve inland cargo clearance system, (vii) on-the-ground issues, (viii) ill-equipped customs laboratories, and (ix) inadequate capacity (see sector problem tree, Appendix 1).

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<sup>1</sup> Government of Sri Lanka. 2017. [Vision 2025: A Country Enriched](#). Colombo.

<sup>2</sup> Organisation for Economic Co-operation and Development (OECD). [Data visualization for key OECD data](#) (accessed on 14 May 2018). OECD's Trade Facilitation Indicators (TFI) map into the various sections of the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) and were constructed to monitor the progress in implementation of the TFA. The TFI range from a minimum of 0 to a maximum of 2.

<sup>3</sup> World Bank. [Doing Business—Trading across borders](#) (accessed on 14 May 2018). Data used are based on the 2018 edition of World Bank's Doing Business Survey, which relies on data collected until June 2017.

<sup>4</sup> World Bank. [Logistics Performance Index](#) (accessed on 14 May 2018). Data reported here are based on the 2014 edition of the Logistics Performance Index (LPI) as there is no data for Sri Lanka in the 2016 edition.

4. **Inadequate use of modern customs tools.** The Sri Lanka Customs Department (SLCD) is a signatory to the World Customs Organization's (WCO) Revised Kyoto Convention (RKC) and could benefit from the full implementation of key recommendations of the RKC. These recommendations include the introduction of modern customs tools such as pre-arrival processing, risk management, post-clearance audit (PCA), and advance ruling. Illustratively, the risk management system (RMS) is an important tool that can help Sri Lanka in facilitating legitimate trade, while focusing on the areas posing higher risk and allocating resources efficiently. The SLCD has implemented an RMS using the selectivity module of the ASYCUDA World, the latest Automated System for Customs Data developed by the United Nations Conference on Trade and Development. Consignments are categorized as green (released without examination), amber, and red (both of which are subjected to varying levels of examination). However, the risk rules lead to a relatively high physical inspection rate—in 2015, about 77% of the customs declarations under amber and red channels were taken up for examination. The inspection rate is also high since the other cross-border regulatory agencies check the consignments under their respective legislations (such as quarantine, food safety, etc.). There is no concerted effort to coordinate inspections so as to cause minimum inconvenience to trade. The export consignments are also subject to a significant level of checks—with the shipments first processed in an export facilitation center (EFC) before being allowed to enter the port. There is, thus, a need to revisit the design of the risk assessment framework, standard operating procedures, monitoring and review mechanisms, and organizational resources to be applied to the management of risk and to enhance coordination among border agencies in managing risk. It is interesting to note that the SLCD could not increase the number of containers under the green channel as the SLCD does not perform the green channel concept for cargo examination.<sup>5</sup>

5. In addition, there is a need to devise a more sharply focused RMS with a feedback loop to continuously refine it. The existing risk management framework in Sri Lanka needs to be reviewed for the risk profiling criteria, targeting, and the feedback mechanism to develop an effective RMS suitable to the operating environment of Sri Lanka and consistent with the WCO Framework of Standards to Secure and Facilitate Global Trade (SAFE) Framework of Standards.

6. The other tools that are closely linked to risk management and whose concomitant use with the RMS would maximize benefits are pre-arrival processing and PCA. Pre-arrival processing is not yet used in Sri Lanka due to lack of specific legal backing in the Customs Ordinance. A proposal in this connection has been submitted to the Ministry of Finance and Mass Media. The PCA has been initiated by the customs, but is not fully effective as the traders and areas for audit are not based on selectivity risk assessment and the auditors are not adequately equipped to conduct a 360-degree scrutiny of financial records, transfer pricing matters, etc.<sup>6</sup>

7. Currently, only the SLCD is using the risk management approach, even if in a limited manner. The other cross-border regulatory agencies involved in clearing or certifying imported and exported goods, such as the Department of Import and Export Control, quarantine offices, food control administration, the Sri Lankan Standards Institution, and the Measurement Units

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<sup>5</sup> Government of Sri Lanka, Ministry of Finance and Mass Media, Sri Lanka Customs. 2016. [Sri Lanka Customs Annual Performance Report 2015](#). Colombo.

<sup>6</sup> The post-clearance audits check the compliance of the trader after the release of cargo from customs control. This is carried out through the examination of a trader's accounting and business systems, including management and internal control systems, financial transaction records, transport and storage records, and supporting documents (contracts, letters of credit, bill of lading, commercial invoices, etc.). This leads to better compliance check without delaying cargo release.

Standards and Services Department, etc., do not adopt a risk-based approach. A key finding of the national diagnostic study conducted under the SASEC framework for Sri Lanka on Sanitary and Phyto-sanitary Measures (SPS) and Technical Barriers to Trade (TBT) has been that the SPS and TBT agencies do not use the risk-based approach, which is causing increased transaction costs and delays in cargo clearance, particularly for perishable cargo. The report recommends to develop an RMS that ensures transparency, predictability, and stability of procedures; reduces procedural barriers including overlapping inspections, testing, and certifying by different institutions; and minimizes associated costs and delays in trade transactions.<sup>7</sup> Development of such a system encompassing all the cross-border regulatory agencies would also aid in the future launch of the national single window (NSW), where integrated risk management is considered a critical component.

8. An approach where risk assessment and treatment are done at entity level and not at transactional level is through the authorized economic operator (AEO) program or trusted trader programs. A trusted trader program could be the first step to an AEO program rooted in the WCO SAFE Framework. Sri Lanka has green lane and fast track programs that offer limited benefits to trade.<sup>8</sup> Currently, the physical inspection of cargo is waived only for a few categories of trade, such as imports by government agencies.

9. **Excessive documentation.** Very often, the overall volume of documentation required to achieve clearance poses barriers to trade. In Sri Lanka, eight documents are required for clearing an import consignment and seven documents for exporting. Furthermore, there is a tendency to requisition additional documents during the clearance process, and the uncertainty associated with not knowing what additional documents would be required adds to the time taken for clearance, and eventually to the transaction cost. In Sri Lanka, the main reason for additional requirements is to verify the valuation of goods, as under-invoicing is a commonly perceived risk; there are also the requirements of other government agencies involved in goods clearance (conformance assessment, etc.). Development and use of valuation databases and coordinated risk management can help address this problem.

10. **Inadequate use of automation.** The SLCD introduced automation through the deployment of ASYCUDA in 1993, ASYCUDA++ in 1998, and ASYCUDA World in 2012. The optimal use of information and communications technology by customs would allow traders to file declarations as well as the supporting documents (such as the invoice, packing list, etc.) electronically, and to pay duties and communicate with the customs online. Currently, while customs declarations are filed electronically, supporting documents are furnished manually to customs. In addition, the physical signatures of officers are required for completing the clearance processes, although the manual actions are also captured in the ASYCUDA World system. Traders do not feel the positive impact of automation and, in some instances, it may have actually increased the compliance burden. Automation has thus not yielded optimal benefits to either trade or for customs.

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<sup>7</sup> R. Ratnayake. 2018. Identification of Potential Exports Facing Sanitary-phytosanitary and Technical Barriers to Trade Measures in the SASEC Subregion: Sri Lanka National Study. Draft Presented at Regional Workshop in April 2018 in Delhi.

<sup>8</sup> As per the terminology of the Sri Lanka Customs Department, the fast-track system facilitates documentation for compliant traders, whereas the green lane system offers waiver of physical inspection of cargo. As of now, the fast-track system covers 247 traders, but these traders get relief only on document check, not on cargo check. Green lane is presently applied to defense imports, some other government imports, disaster relief cargo, etc. The rest of the shipments are physically inspected.

11. **Improving coordination among border agencies and setting up national single window.** A coordinated approach among the border agencies, while maintaining a balance with security requirements, is critical to the efficient movement of goods across borders. A good starting point for coordination would be the coordination of inspections and control procedures to obviate the need for the trade to arrange for destuffing of the cargo multiple times. The NSW is one such arrangement—it eliminates duplication in data submission and enables single filing and integrated online clearance without the need to separately approach multiple agencies. This would result in significant time and cost savings for traders and increase the efficiency of trading across borders.

12. **Lack of port facilitation.** Port facilitation covers all aspects of cargo processing that occur between the ship's arrival and cargo discharge to its evacuation from the port in the case of imports, and vice versa in the case of exports. There are several players involved and the efficiency of interactions between these players, including documentary and information exchanges, determines the cargo evacuation speed.<sup>9</sup> Currently, in the absence of an electronic platform, users have to interface separately with different parties involved in port clearance, resulting in delays. Payment of wharfage, storage, and handling charges takes time and adds to the documentation requirements. The issuance of a delivery order by the shipping agency for delivery of the goods to the importer is another important process that can benefit from automation. A port community system (PCS) that brings all the players on an information technology (IT) platform, which facilitates data flow, processing, and tracing capabilities, can significantly boost the port operation efficiency. Ultimately, the PCS would need to be linked to the NSW to allow for seamless flow of information electronically from port authorities to customs authorities.

13. **Need to improve inland cargo clearance system.** At present, there are multiple examination yards (Grayline I, Grayline II, New Nuge Road Warehouse, etc.) where the imported containers are transported for customs examination and clearance. This transfer takes place after the customs declarations are filed and processed. Similarly, export cargo is inspected at the EFC before it can enter Colombo Port. The examination yards serve as facilities for destuffing of cargo for detailed examination by customs and other relevant cross-border regulatory agencies, before it is allowed final clearance, after adjustments to the declared information, if required. Movement of cargo to and from these facilities is constrained and contributes to congestion in Colombo.

14. The SLCD allows the movement of imported goods to the customs bonded warehouse without payment of duty. The duty becomes payable at the time of clearance of the goods from the warehouse. Owing to their non-duty paid nature, the goods are moved under physical escort by customs officers from the port to the warehouses. This entails arranging the physical presence of customs officers, payment of the fee for escort, etc. The use of physical escorts or taking on security with the attendant issues relating to monitoring and timely cancellation and the return of bonds/guarantees does not make it easy for trade. The SLCD affixes seals on the containers for securing the cargo against any tampering or diversion while in transit.

15. This system to move cargo to the customs examination facilities is not reliable. The seals are neither tamperproof nor do the devices help in "live" tracking of the vehicle movement, and do not provide alerts on tampering, diversion, etc. The integrity of seals is not known in transit, and they do not provide any shipment visibility. The present system of reconciliation of cargo

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<sup>9</sup> These include the port authority, customs, other border agencies, and also private sector stakeholders such as customs brokers, shipping lines, stevedores, freight forwarders, transporters, etc.

movement is based on a document being forwarded from the port to the receiving station, which is then returned therefrom to the port with an endorsement regarding the receipt of the cargo.

16. The Government of Sri Lanka is examining options to develop alternative customs inspection facilities. To safeguard against risks during transit, stringent conditions (such as physical escorts, bank guarantees, etc.) would only add to the delays and transaction costs. Modern tools such as the electronic cargo tracking system (ECTS) could be deployed to help in a more effective monitoring of such movements, without the need to prescribe stringent requirements.<sup>10</sup>

17. **Operational issues in Colombo port.** Following are some of the on-ground issues noticed during the site visit of the port, which could be remedied for better operations efficiency and speedier movement of trucks:

- i. At present, there is no clear standard operating procedure (SOP) and physical checks at the port gates could be streamlined. The check at the exit gate should be confined to ensuring that the cargo-laden trucks or trailers leaving the port have an electronically generated exit note duly issued by customs or any other authorization to leave the port, and the note should be made available for viewing on the computer screens at the gate. Manual checks, checking of other documents, and checking by other agencies (unless there is an exception such as a security alert) should be avoided.
- ii. Currently, for export trucks entering the port, the driver has to approach the gate officers to show the “In-gate Pass” to indicate the container has arrived at the EFC. However, if the trucks are allowed entry based on the electronic cargo dispatch note (e-CDN), which is lodged in the ASYCUDA system and can be viewed on the IT system, this would accelerate the entry of the trucks into the port.
- iii. To expedite the release of a container from the yard, the system could be redesigned to allow exit based on the gate pass generated electronically after incorporating the details of the seal as opposed to the current practice of a second gate pass being generated after sealing by the customs.
- iv. The less than container load (LCL) cargo is checked and released directly from the port. However, facilities in the port to store and handle the LCL cargo are inadequate that may cause its deterioration. The LCL facilities and processing times could be improved—with the construction of a secure facility for storage and handling of such cargo, speedy destuffing, and placement of cargo for examination (if any) and release.

18. **III-equipped customs laboratory.** Well-equipped customs laboratories play a major role in safeguarding revenue and in societal protection by assisting in (i) correct classification of goods under the Harmonized System of Nomenclature, (ii) identifying restricted and prohibited items, and (iii) efficient implementation of trade laws. Due to inadequate equipment, the customs laboratory in Colombo is not able to perform its role effectively, leading to delays in cargo clearance. A modernization plan, based on a WCO guide, has been prepared for equipping the laboratory.

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<sup>10</sup> Electronic cargo tracking system (ECTS) enables regulatory authorities to track the movement of vehicles, cargo, and containers as well as the integrity of seals applied on the trucks or containers, on real time basis, to alleviate concerns on cargo and revenue security and to provide complete shipment visibility for efficient management of operations.

19. Among the intended benefits of the port access elevated highway (PAEH) project are efficient, secure, and expedient cargo evacuation from the port and its clearance from the various examination/inspection centers to relieve congestion in Colombo. Given the trade facilitation environment in Sri Lanka and with a view to maximizing benefits from the PAEH project, the following activities need to be prioritized: (i) improvements in risk framework and standard operating procedures, and developing a roadmap toward a coordinated risk management system; and (ii) improvements in the inland cargo clearance system with the development of a new customs inspection facility at a different location and the use of the electronic cargo tracking system to secure the cargo during transit.

20. Introduction of pre-arrival and paperless processing, PCA, and deferred payment; equipping the customs laboratory; and addressing issues at the port gates (on-the-ground issues) are some of the reforms that would need to be implemented to fully realize the benefits of measures to meet the above immediate priorities. The other remaining areas of reform include the introduction of an AEO program, improvements in the advance ruling and appeal systems, and the use of valuation databases. Capacity building in all the priority areas identified should be an ongoing activity. Implementation of the above measures would lead to a simplified and modern customs and port ecosystem that is transparent, predictable, facilitative, and harmonized with global standards.

21. **Benefits from trade facilitation.** Improvements in customs procedures reduce the cost of trading and help exports directly and indirectly by lowering the cost of imported intermediates. Improvements in trade facilitation procedures can also help diversify export baskets and export markets. Other benefits include greater participation of firms in global value chains, expanded export opportunities for small- and medium-sized enterprises, improved revenue collection, and increased attractiveness of the country as a destination for foreign direct investment. Improved trade facilitation through automation and simplified documentation helps reduce corruption, making it easier for small, informal, and/or women traders who do not have the capacity to handle complex custom requirements. Minimizing face-to-face interactions such as through electronic procedures and single windows, as promoted under the WTO TFA, can help reduce bias against female exporters.<sup>11</sup>

## **B. Government's Sector Strategy**

22. The Government of Sri Lanka has been prioritizing improvements in trade facilitation, keeping in view the criticality of trade to the economy of Sri Lanka. Sri Lanka ratified the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) on 31 May 2016, becoming the 81st country to do so. The government has designated 11 measures under category A, signaling that it was ready to implement these measures when the TFA entered into force on 22 February 2017.<sup>12</sup> Out of the remaining measures, two are designated under category B and 23 under category C (Appendix 2). The high share of measures notified under category C is an indication of the number of areas in which the SLCD needs technical assistance to meet its commitment to

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<sup>11</sup> International Trade Centre. 2016. *SME Competitiveness Outlook: Meeting the Standard for Trade*. Geneva.

<sup>12</sup> Category A contains provisions that a developing country designates for implementation upon entry into force of the TFA, or in the case of a least developed country, within 1 year after entry into force, as provided in Article 15 of the TFA. Category B contains provisions that a country designates for implementation on a date after a transitional period of time following the entry into force of the TFA. Category C contains provisions that a country designates for implementation on a date after a transitional period of time following the entry into force of the TFA and requiring the acquisition of implementation capacity through the provision of assistance and support for capacity building.

the WTO TFA.<sup>13</sup> It is also an indication that Sri Lanka is currently far from meeting those commitments.

23. In August 2017, the Cabinet of Ministers approved the new National Trade Policy (NTP), which was formulated by the Ministry of Development Strategies and International Trade. The NTP underscores that being a signatory to the WTO TFA, the speedy implementation of the TFA would be a cornerstone of the NTP. The NTP highlighted the following trade facilitation measures: (i) harmonization and simplification of procedures related to international trade make trade transactions efficient and low cost; (ii) publication and updating, in a timely manner on a single platform or interlinked platform, all applicable laws, regulations, procedures, and documents to ensure transparency and predictability; (iii) establishment of a national single window platform to allow traders to submit regulatory documents and data requirements for importation, exportation, or transit of goods through a single entry point; (iv) speedy release and clearance of goods through the pre-arrival processing facility, electronic payment system, and post-clearance audit system within the scope of the risk management principle; and (v) holding of stakeholders' consultations. Recent budget announcements have proposed several policy measures such as a new customs ordinance, pre-arrival processing to ensure faster clearance and release of shipments, and creation of risk profiles of importers to help the low-risk importers with expeditious clearance, among others.<sup>14</sup>

24. In a bid to intensify reform efforts, the National Trade Facilitation Committee (NTFC), chaired by the Director General of Customs and co-chaired by the Director General of Commerce and including key players from the private sector, was established in June 2014. The NTFC will serve as an institutional mechanism to oversee the planning and implementation of the trade facilitation reforms. Establishing a trade information portal, which will serve as the online repository of all the procedures that traders need to comply with respect to import or export, and developing a national single window are some of the initial measures that the NTFC is expected to focus on.

25. **Trade facilitation action plan.** The Government of Sri Lanka is also formulating a trade facilitation action plan to effectively implement the TFA. The action plan is expected to identify and cover, for each of the TFA measures, the agencies involved in its implementation, the implementation requirements, timelines, the technical assistance required, key performance indicators, etc. A proposal to revise the Customs Ordinance is under consideration by the Ministry of Finance and Mass Media.

### C. ADB Sector Experience

26. Sri Lanka customs is a new sector for ADB, and through the proposed associated technical assistance, ADB will seek to deepen the relationship with the Sri Lanka Customs Department (SLCD) and provide support, as requested, to the SLCD to meet the TFA targets. Through the

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<sup>13</sup> Out of the 112 economies that have notified their commitments on the articles of the TFA to the WTO, 72 have notified in all three categories while the remaining 40 have one or more articles that are yet to be notified. Among the 72 that have notified in all three categories, Sri Lanka, at 69.3%, has the sixth highest share of notifications in Category C. Sri Lanka is the only developing member country from Asia and the Pacific region in the list of countries with more than 50% notifications in Category C. Afghanistan, Lao People's Democratic Republic, Nepal, and Myanmar, all classified as least developed countries, are the other countries from Asia and the Pacific region with more than 50% notifications in Category C.

<sup>14</sup> Government of Sri Lanka, Ministry of Finance. 2016. [Budget Speech 2017](#). Colombo; Government of Sri Lanka, Ministry of Finance and Mass Media. 2017. [Budget Speech 2018](#). Colombo.

South Asia Subregional Economic Cooperation (SASEC) program, ADB has been engaged with the SLCD.<sup>15</sup> Trade facilitation and customs modernization are two of the key sectors of SASEC. The participating countries have agreed on the SASEC Trade Facilitation Strategic Framework to guide the planning and implementation of various trade facilitation initiatives.<sup>16</sup> Priority areas under the framework are (i) customs modernization, (ii) harmonization of standards and strengthening conformity, (iii) cross-border facilities improvement, (iv) transport facilitation, and (v) institution and capacity building.

27. The focus of the customs component of the framework is to (i) simplify and expedite border formalities, (ii) increase the use of the ICT application, (iii) develop a national single window, and (iv) provide improved information for traders. A SASEC Customs Subgroup (SCS) was established in 2013 to promote subregional trade facilitation initiatives in the SASEC region through concerted customs reforms and modernization, strengthened inter-agency cooperation, and enhanced partnerships with the private sector. A memorandum of intent on customs capacity building was signed by the SASEC customs administrations and ADB in June 2017. The scope of the MoI is to improve the capacity of the administrations to undertake and sustain their reform and modernization initiatives. Overall, the areas for improvement identified in the sector assessment are consistent with the SASEC sector strategy.

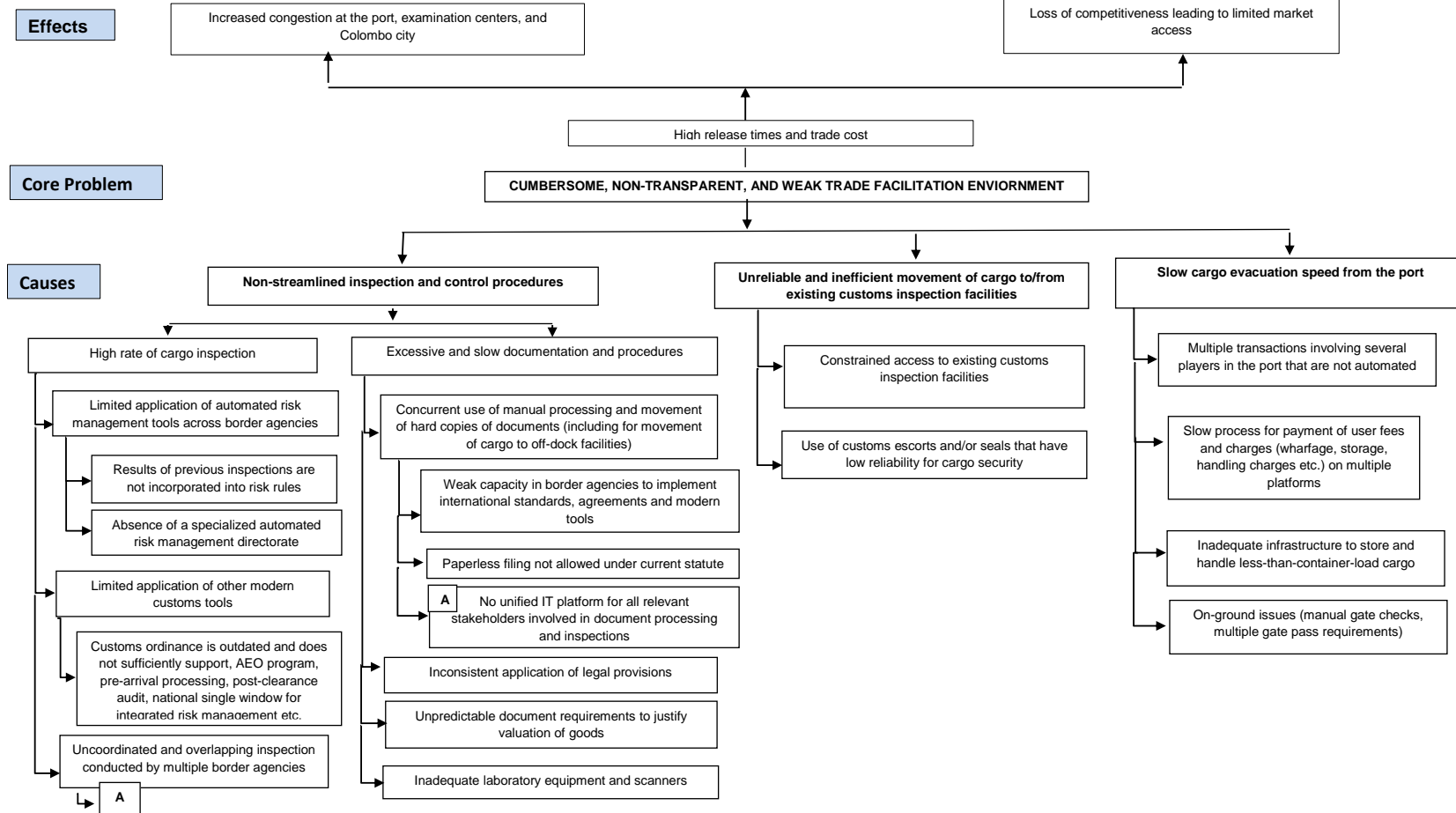
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<sup>15</sup> South Asia Subregional Economic Cooperation. <http://www.sasec.asia/>.

<sup>16</sup> ADB. 2014. [\*South Asia Subregional Economic Cooperation: Trade Facilitation Strategic Framework 2014–18\*](#). Manila.



### Problem Tree for Industry and Trade Trade (Customs) Subsector



### Categorization of Sri Lanka's WTO-TFA Commitments

TFA/Other TF Areas		Government's Categorization
<b>Article 1: Publication and Availability of Information</b>		
1.1	Publication	C
1.2	Information availability through Internet	C
1.3	Inquiry points	C
1.4	Notification	C
<b>Article 2: Opportunity to Comment, Information before Entry into Force, and Consultations</b>		
2.1	Opportunity to comment and information before entry into force	C
2.2	Consultations	C
<b>Article 3: Advance Rulings</b>		
3	Advance rulings	C
<b>Article 4: Procedures for Appeal or Review</b>		
4	Procedure for appeal or review	A
<b>Article 5: Other Measures to Enhance Impartiality, Non-Discrimination, and Transparency</b>		
5.1	Notifications for enhanced controls of inspections	C
5.2	Detention	A
5.3	Test procedures	C
<b>Article 6: Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation and Penalties</b>		
6.1	General disciplines on fees and charges	C
6.2	Specific disciplines on fees and charges	C
6.3	Penalty disciplines	A
<b>Article 7: Release and Clearance of Goods</b>		
7.1	Pre-arrival	B
7.2	Electronic payment	A
7.3	Separation of release from final determination	C
7.4	Risk management	C
7.5	Post-clearance audit	C
7.6	Establishment and publication of average release times	C
7.7	Measures for authorized operators	C
7.8	Expedited shipments	A
7.9	Perishable goods	C
<b>Article 8: Border Agency Cooperation</b>		
8	Border agency cooperation	C
<b>Article 9: Movement of Goods Intended for Import under Customs Control</b>		
9	Movement of goods intended for import under customs control	A
<b>Article 10: Formalities Connected with Importation, Exportation, and Transit</b>		
10.1.	Formalities and documentation requirements	C
10.2.	Acceptance of copies	C
10.3	Use of international standards	C
10.4	Single window	C
10.5	Pre-shipment inspection	B
10.6	Use of customs brokers	A
10.7	Common border procedures and uniform documentation requirements	A
10.8	Rejected goods	A
10.9	Temporary admission of goods and inward and outward processing	A
<b>Article 11: Freedom of Transit</b>		
11	Freedom of transit	A
<b>Article 12: Customs Cooperation</b>		
12	Customs cooperation	C

A = provisions that the Member will implement by the time the TFA enters into force (or in the case of a least-developed country Member within one year after entry into force); B = provisions that the Member will implement after a transitional period following the entry into force of the TFA; C = provisions that the Member will implement on a date after a transitional period following the entry into force of the Agreement and requiring the acquisition of assistance and support for capacity building.

TF = trade facilitation, TFA = Trade Facilitation Agreement, WTO = World Trade Organization.

Source: WTO. [Trade Facilitation Database](#) (accessed 14 May 2018).