



WSC Trade Facilitation Principles

- I. The World Semiconductor Council (WSC)¹ affirms the key importance of trade facilitation in achieving free and open markets, reducing barriers to trade, and improving business conditions that provide significant benefits to governments, industry, and consumers alike. Recognizing the trade facilitation work undertaken by other organizations, including the World Trade Organization (WTO), and with the aim to enhance trade facilitation initiatives worldwide, the WSC urges government authorities to ensure that such efforts embody the following principles:
- a. Streamlined release of goods, including submission/processing of customs information prior to arrival at a port of entry; allowing release of goods prior to final disposition on duties/taxes/fees; permitting release without requiring temporary transfers to a warehouse or other facility; providing for release times that are as short as possible (e.g., 24 hour service); and confining the release process solely to matters of compliance with customs rules.
 - b. Deployment of automated (paperless) systems and procedures that expedite release of goods and processing of customs information, foster consistency with international IT standards, ensure system interoperability/compatibility, and embrace common harmonized worldwide data elements and related processes established by the WCO to be reused by worldwide customs authorities.
 - c. Development of a single window that enables traders to submit all customs or other information required by a country for the import, export or transit of goods.
 - d. Customs capacity that supports a trader's around-the-clock shipping and receiving operations every day of the year (e.g., "24x7x365"), including ensuring efficient bonded zone and bond air procedures
 - e. Use of risk management procedures to enable customs authorities to focus import examination activities principally on high risk goods, while allowing simplified procedures for low risk goods.
 - f. Avoidance of formalities and documentation requirements for the import, export and transit of goods where: (1) the reasons for those requirements no longer exist or can be addressed in a less trade restrictive manner; and/or (2) the application of

¹ The WSC represents global leaders in the manufacturing and design of semiconductors and is comprised of the Semiconductor Industry Associations in China, Chinese Taipei, Europe, Japan, Korea, and the United States.

those requirements otherwise represents an unnecessary obstacle to trade. This includes formalities and document requirements related to non-preferential rules of origin and overall product marking/labeling requirements that present overly complex burdens or obstacles to trade.

- g. Availability of “management by account” programs that enable customs authorities to flexibly tailor administration of customs rules related to classification, value, admissibility, etc. to a trader’s particular business practices.
 - h. Development of clear procedures and provisions to enhance transparency, non-discrimination and impartiality, including procedures to avoid conflicts of interest in the assessment and collection of penalties and duties. These procedures may include the establishment of an office, reporting to the Finance, Justice, or equivalent Ministry, to receive allegations from importers or exporters about conflicts of interest by Customs port officers, allowing anonymous whistleblowing when allowed by local law, and publicizing the office to importers and exporters.”
 - i. Establishing reasonable compliance and enforcement practices, namely:
 - Consistent interpretation and enforcement of customs laws and regulations to avoid unnecessary burdens and liabilities, including elimination of vague requirements.
 - Implementation of compliance/enforcement practices which include penalty mitigation guidelines that comprehend an importer’s record of compliance, the rigor of its internal compliance programs, and importer ability to make voluntary disclosure of customs-related problems.
 - Enablement of enhanced trade facilitation measures for traders that become authorized operators. This means providing clear global benefits for trusted traders that result in faster supply chain processes and mutual recognition of related border procedures on a multilateral basis. Key to this objective are reduced inspection and documentary requirements, including establishing a single customs declaration for a given period.
- II. The WSC supports national, regional and multilateral trade facilitation efforts that embrace these principles.
- III. The WSC supports conclusion of a Trade Facilitation Agreement in the World Trade Organization this year, and urges negotiators to seek an outcome that embodies the above principles to the maximum extent possible.