



Inside this issue:

Advance Rulings

• Definition	1
• Requests	1
• Types	1
• Benefits	2
• Key Points	2
• WTO Requirements	2
TRADEBEAT WORDSEARCH	3

ADVANCED RULINGS

Questions & Answers



What is an Advance Ruling?

An Advance Ruling for Customs purposes, is a binding official decision, issued by a competent Customs authority in writing, which provides the applicant with a time-bound ruling, made prior to the importation or exportation of the goods concerned. An Advance Ruling interprets and applies Customs laws and regulations to the specific facts relating to a prospective international transaction.



Who May Request An Advance Ruling?

- Importer
- Exporter
- A party that has a direct and demonstrable interest in the question.
- A representative of either of the above parties, e.g. customs broker.

Who is bound by an Advance Ruling?

Once issued, an Advance Ruling becomes binding on the issuing Customs administration. In some jurisdictions the applicant (e.g. the trader requesting the ruling) may be bound by said ruling.

What are the types of Advance Ruling?

There are three (3) types of Advance Rulings, that is, rulings may be issued on: **Tariff Classification; Origin and Valuation.**

Tariff Classification

This type of Advance Ruling is binding in relation to the tariff classification of imported goods. The correct assessment of duties payable on goods, is dependent on their accurate tariff classification, which facilitates the collection of trade statistics, the monitoring of controlled substances, revenue collection and administering incentive regimes. The application of different legal provisions such as import/export licenses, antidumping duties, security standards and rules of origin, are also dependent on the accurate tariff classification of goods.

Origin

This type of Advance Ruling advises traders of the eligibility of their goods for preferential tariff treatment, providing them with predictability and certainty when entering into commercial transactions.

Valuation

This type of Advance Ruling advises traders as to what will be the Customs value of imported goods, that is, the value of goods for the purposes of levying duties, as per the WTO Valuation Agreement.



The World Trade Organization (WTO) Agreement on Trade Facilitation includes in its Article 3, Provisions on Advance Rulings with the aim of providing advance and predictable information to stakeholders in order to facilitate compliance with Customs requirements.



WORLD CUSTOMS ORGANIZATION
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A number of Customs administrations have already established a binding ruling programme, in accordance with the provisions of Standard 9.9 of the Revised Kyoto Convention (RKC) and the WCO Recommendations and Guidelines.



What are the benefits of an Advance Ruling?

The main benefit for the holder of an Advance Ruling is the legal guarantee that the official decision will be applied at the moment of importation or exportation.

- **Trade Facilitation** - Advance Rulings reduce potential delays at the borders, by providing both Customs and traders with a binding framework for transparency, as well as predictability of Customs procedures and formalities.
- **Expedited Customs Processes** - Advance Rulings facilitate clearance formalities for the release of goods, such as automated Customs clearance, pre-arrival clearance and electronic release of goods, thus expediting the release of goods from Customs.
- **Reduction in Disputes** - Advance Rulings facilitate official binding decisions and an appeal mechanism regarding tariff classifications, Customs valuations and preferential rules of origin, thus reducing the potential for disputes between Customs and traders.
- **Increase in Customs Integrity** - Advance Rulings reduce the opportunities for corruption during the clearance process of goods, due to their transparency and predictability.



Advance Rulings are:

- Binding on the Customs Administration issuing the ruling, and is valid for a specified period.
- Applicable until revoked or modified. For example; In certain instances where there has been an amendment of the interpretation of the nomenclature at the international level or a new regulation has been issued, the decision ceases to be valid.
- Based on the assumption that the information given is factual and verifiable, trader compliance is enhanced.
- Only the holder of the binding ruling may call upon its application, provided that it is demonstrated that the goods described in the decision, correspond in every respect to the goods presented.
- For similar circumstances of like goods, an Advance Ruling may be cited as an authority, therefore setting precedence for the treatment of future transactions.
- The applicant in his/her request must supply Customs with all the information required (e.g. detailed description of goods, customs value of goods, inclusion of samples, and information to help determine origin)
- A ruling based on inaccurate or incomplete information can be revoked.



WTO REQUIREMENTS FOR ADVANCE RULING

Advance Rulings are generally made public (except from confidential information) to ensure transparency and equality of treatment of operators, as well as the uniform application of the regulations.

- The issuing authority must publish the timeframe within which it will issue advance rulings and the length of time rulings will be valid.
- Rulings must be binding for a “reasonable” period of time unless facts or circumstances supporting the original ruling change.
- If a ruling is modified or revoked, the issuing authority must notify the applicant promptly in writing and explain the basis for its decision in writing.
- If an applicant requests, the issuing authority must provide for an administrative review of a ruling or of the decision to revoke or modify a ruling.
- The issuing authority must try to make available information on Advance Rulings, that it considers to be of significant interest to other traders, taking into account the need to protect commercially confidential information.

TRADEBEAT WORDSEARCH

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ADVANCE INTERNATIONAL
 CUSTOMS PREFERENTIAL
 FACILITATION BINDING
 TIMEFRAME OFFICIAL
 TRANSACTIONS EXPORTATION
 VALUATION REGULATIONS
 PREDICTABILITY CLASSIFICATION
 RULING TRANSPARENCY
 AUTHORITY
 IMPORTATION
 LAWS



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The International and Industry Liaison Unit is committed to raising the level of awareness on topics relating to the Caribbean Community, as well as issues concerning the wider topic of international trade, to both our internal and external stakeholders. Our monthly newsletter seeks to highlight global trade topics and their importance to Customs Administrations worldwide and specifically how they affect the Jamaica Customs Agency. As we realize our vision of becoming a modern Customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA. The International Liaison Unit is located at the Myers Wharf head office and our officers are available to respond to your queries and clarify any points of concern.

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