

# Revenue Package

*"... the pathway to fair and effective revenue collection"*

## INFORMATION NOTE

### **Who is this document for?**

- Member Customs administrations *Note: Members with WCO Member website access should go to [this link](#)*
- Private sector

### **Background**

The Revenue Package was developed by the World Customs Organization (WCO) in response to WCO Members' concerns in regard to falling revenue returns in the light of the global financial crisis and declining duty rates.

Collection of revenue has historically been the cornerstone of a Customs administration's responsibilities. For a number of years, Customs has been actively involved in protection of society and trade facilitation initiatives. More recently, the role of Customs has diversified further; issues such as the fight against counterfeiting, counter-terrorism activities and the protection of the environment have been high priorities for Customs administrations. Alongside these important topics, revenue collection continues to be an area of concern for Customs administrations. The global financial crisis has led to a downturn in international trade which has inevitably affected government revenues. Additionally, the global trend in the reduction of Customs duty rates, through unilateral, regional, and multilateral trade liberalizations, can potentially have the same effect.

A WCO Communication was issued to the G20 for its London Summit in 2009 on the global financial crisis. It expressed the WCO's viewpoint on specific global issues that impact on Customs, and sought to assure them that the WCO, within the framework of its mandate, is ready and willing to contribute positively to the resolution of global issues in co-operation with others. The WCO contribution was well-received and echoed in the G20 London Communiqué on 2 April 2009.

In response, the WCO Council passed the following Resolution in June 2009 :

*"The WCO Secretariat and Members should enhance even further the delivery of effective capacity building, especially as a response to declining revenue collection and obstacles to trade facilitation caused by the global economic downturn".*

### **Benefits of the Revenue Package**

The Revenue Package provides details of all tools and instruments relevant to revenue collection which are available to WCO Member Customs administrations and the private sector. This includes, inter alia, formal instruments and Conventions, guidance notes and training material. WCO Members are encouraged to consult the Package to ensure that necessary requirements have been met and that all relevant material has been obtained by

the administration and is being utilized as appropriate. It is equally important that commercial operators have access to the unrestricted information produced by the WCO and other bodies, which can assist an importer in meeting its obligations to Customs in respect of declaring and paying the correct Customs duty and to be aware of its rights and expectations.

### **Structure of the Revenue Package**

The Revenue Package is divided into six topics :

- **Topic 1. Facilitation and Procedures**
- **Topic 2. Customs Valuation**
- **Topic 3. Harmonized System/Nomenclature**
- **Topic 4. Origin**
- **Topic 5. Compliance and Enforcement**
- **Topic 6. Capacity Building and Training**

Under each topic, the prime text is referenced, where appropriate. For example, for Topic 1 (Facilitation and Procedures), the Revised Kyoto Convention is the prime text. This is followed by a list of supporting instruments and tools for that topic, providing information on content and availability.<sup>1</sup>

Web links are included to provide convenient access to the relevant material, which is either freely available to download or available for purchase from the [WCO online Bookshop](#).

### **Revenue Package next steps**

The WCO Secretariat has identified certain areas where Customs administrations are facing particular challenges and seek further guidance and assistance in relation to fair and efficient revenue collection. Research is currently being conducted in these areas and further material will be added to the Revenue Package in due course.

### **Contact Points**

- 1) For any questions directly relating to the Revenue Package Schedule, please contact : [WCORevenuePackage@wcoomd.org](mailto:WCORevenuePackage@wcoomd.org)
- 2) Information on WCO training activities for Customs administrations, including e-learning modules, is available via the [CLIKC!](#) website.
- 3) Information on the WCO's classroom activities and e-learning modules for the private sector is available via the [WCO distributor](#). For further information contact : [info@wcoomdtraining.org](mailto:info@wcoomdtraining.org).

**WCO Secretariat**  
**November 2011**



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<sup>1</sup> Note: This version of the Revenue Package lists information which is available to the private sector. A fuller version of the Revenue Package is available to Customs administrations via [this link](#).

## REVENUE PACKAGE

### SCHEDULE OF EXISTING PRIME TEXTS, TOOLS AND INSTRUMENTS

#### TOPIC 1 - FACILITATION AND PROCEDURES

##### Trade Facilitation

It has been recognised that trade facilitation has a vital role to play in the world economic recovery programme. Reduced international trade levels inevitably affect revenue flows, including customs duties, so it becomes particularly important to ensure that Customs administrations facilitate the compliant trade sector in the current economic climate. This requires the consistent and transparent application of Customs procedures and a pro-active approach by Customs to promote and facilitate simplification of those procedures, through initiatives such as the SAFE Framework of Standards and Authorized Economic Operator (AEO) programmes.

##### Customs Procedures

Section 1 - PRIME TEXT	
INSTRUMENT	DESCRIPTION AND AVAILABILITY
1.1.1 Revised Kyoto Convention (RKC)	<p>The RKC sets the following aims:</p> <ul style="list-style-type: none"> <li>- <i>eliminating divergence between Customs procedures and practices of Contracting Parties that can hamper international trade and other international exchanges;</i></li> <li>- <i>meeting the needs of international trade and Customs for facilitation, simplification and harmonization of Customs procedures and practices;</i></li> <li>- <i>ensuring appropriate standards of Customs control; and</i></li> <li>- <i>enabling Customs to respond to major changes in business and administrative methods and techniques.</i></li> </ul> <p>- The RKC comprises the Body of the Convention, a General Annex consisting of 10 Chapters and 10 specific Annexes</p> <p>The legal text is available <a href="#">here</a></p> <p>The <b>General Annex</b> details the standards which should be met by Contracting Parties.</p> <p>Key standards relevant to revenue collection include, inter alia:</p> <ul style="list-style-type: none"> <li>- Chapter 4: standards relating to <b>Duties and Taxes</b>. Covers assessment, collection, payment (including deferred payment and repayment of duties and taxes.</li> <li>- Chapter 5: standards for <b>release of goods against security</b> (<i>Note: the WTO Valuation Agreement requires provision of release against security; see Topic 2, Section 1</i>).</li> <li>- Chapter 7 : <b>Application of Information Technology</b></li> <li>- Chapter 9: standards relating to <b>Information, Decisions and Rulings supplied Customs</b>. See also specific initiatives on advance rulings on classification and origin.</li> <li>- Chapter 10: standards regarding <b>appeals in customs matters</b> (<i>Note: the WTO Valuation Agreement requires provision of an appeals procedure; see Topic 2, Section 1</i>).</li> </ul>
Section 2 - SUPPORTING INSTRUMENTS AND TOOLS	
INSTRUMENT/TOOL	DESCRIPTION AND AVAILABILITY

1.2.1 "Let's talk" The Revised Kyoto Convention	This <a href="#">brochure</a> provides a response to queries about the entry into force of the Revised Kyoto Convention in the form of questions and answers.
1.2.2 Glossary of international Customs terms	Following the adoption of the Revised Kyoto Convention, this <a href="#">brochure</a> was compiled as a handy guide to the international language of Customs.

## **TOPIC 2 - CUSTOMS VALUATION**

Section 1 - PRIME TEXT	
INSTRUMENT	DESCRIPTION AND AVAILABILITY
2.1.1 WTO Valuation Agreement ( <i>"the Agreement"</i> )	<ul style="list-style-type: none"> <li>- Prime international instrument for customs valuation, formally known as the <i>Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade, 1994</i></li> <li>- The Agreement provides customs valuation methodology and details other related requirements including options and derogations</li> <li>- It is an obligation for all WTO Members (currently 153) to adopt this GATT Agreement for determination of customs value in respect of ad valorem duty rates</li> <li>- Members should ensure that national law, regulations and administrative procedures are in conformity with the provisions of the Agreement in (see Articles 12<sup>2</sup> and 22.1<sup>3</sup> of Agreement)</li> <li>- Text available in : <ul style="list-style-type: none"> <li>- WCO Valuation Compendium (<a href="#">paper</a> or <a href="#">online</a> versions)</li> <li>- <a href="#">Brief Guide to the Customs Valuation Agreement</a></li> <li>- <a href="#">WTO Web site</a></li> </ul> </li> <li>- The Agreement also requires the Member to provide the following: <ul style="list-style-type: none"> <li>- A penalty-free appeals procedure (Article 11<sup>4</sup> of Agreement)</li> <li>- A facility to release goods against security where it is necessary to delay final determination of the customs value (Article 13<sup>5</sup> of Agreement)</li> </ul> </li> </ul> <p>General information regarding Customs Valuation is available from the <a href="#">WCO website</a> and <a href="#">WTO website</a></p>

<sup>2</sup> *Article 12:* "Laws, regulations, judicial decisions and administrative rulings of general application giving effect to this Agreement shall be published in conformity with Article X of GATT 1994 by the country of importation concerned."

<sup>3</sup> *Article 22.1:* "Each Member shall ensure, not later than the date of application of the provisions of this Agreement for it, the conformity of its laws, regulations and administrative procedures with the provisions of this Agreement".

<sup>4</sup> *Article 11:*

"1. The legislation of each Member shall provide in regard to a determination of customs value for the right of appeal, without penalty, by the importer or any other person liable for the payment of the duty.

2. An initial right of appeal without penalty may be to an authority within the customs administration or to an independent body, but the legislation of each Member shall provide for the right of appeal without penalty to a judicial authority.

3. Notice of the decision on appeal shall be given to the appellant and the reasons for such decision shall be provided in writing. The appellant shall also be informed of any rights of further appeal."

<sup>5</sup> *Article 13:* "If, in the course of determining the customs value of imported goods, it becomes necessary to delay the final determination of such customs value, the importer of the goods shall nevertheless be able to withdraw them from customs if, where so required, the importer provides sufficient guarantee in the form of a surety, a deposit or some other appropriate instrument, covering the ultimate payment of customs duties for which the goods may be liable. The legislation of each Member shall make provisions for such circumstances."

Section 1 - PRIME TEXT	
INSTRUMENT	DESCRIPTION AND AVAILABILITY
2.1.2 Instruments of WTO Customs Valuation Committee	<ul style="list-style-type: none"> <li>- Decisions drafted by the WTO Customs Valuation Committee in support of the Agreement. Available via the WCO Customs Valuation Compendium (<a href="#">paper</a> or <a href="#">online</a> versions)</li> </ul> <p>The key WTO Decisions are listed below:</p> <ul style="list-style-type: none"> <li>- <b>Decision 3.1</b> states that charges for interest under a financing arrangement shall not be regarded as part of the customs value</li> <li>- <b>Decision 4.1</b> provides an option to omit the value of specified software when imported on carrier media. See also Commentary 13.1 of the WCO Customs Valuation Compendium</li> <li>- <b>Decision 6.1</b> details the approach to be adopted where there are reasons to doubt the truth or accuracy of a declared value. It provides a balance between the rights and expectations of both Customs and importers. See also Advisory Opinion 19.1 and Case Studies 13.1 and 13.2 of the WCO Customs Valuation Compendium</li> </ul>

Section 2 - SUPPORTING INSTRUMENTS AND TOOLS	
INSTRUMENT/TOOL	DESCRIPTION AND AVAILABILITY
2.2.1 Instruments of the Technical Committee on Customs Valuation (TCCV)	<ul style="list-style-type: none"> <li>- Various supporting instruments (e.g. Advisory Opinions, Commentaries, etc.) providing technical interpretations on many key valuation issues drafted by the TCCV</li> <li>- Available in the WCO Customs Valuation Compendium (<a href="#">paper</a> or <a href="#">online</a> versions)</li> </ul>
2.2.2 Guidelines on the development and use of a National Valuation Database as a Risk Assessment Tool	<ul style="list-style-type: none"> <li>- Drafted by Technical Committee on Customs Valuation in 2004 as part of package of responses to WTO Terms of Reference following Doha Ministerial Decision 8.3</li> <li>- Available <a href="#">here</a></li> </ul>
2.2.3 Guide to the Exchange of Customs Valuation information	<ul style="list-style-type: none"> <li>- The Guide sets out procedures to be carried out by Customs where there are reasons to doubt the truth or accuracy of a declared customs value, before considering a request for information to the exporting country customs administration</li> <li>- Drafted by Technical Committee on Customs Valuation in 2003 in response to WTO Terms of Reference following Doha Ministerial Decision 8.3</li> <li>- Available <a href="#">here</a></li> </ul>
2.2.4 Valuation / Transfer Pricing Classroom training and E-learning programme	<ul style="list-style-type: none"> <li>- For Customs officials, details available <a href="#">here</a></li> <li>- For private sector, details available <a href="#">here</a></li> </ul>

### **TOPIC 3 - HARMONIZED SYSTEM**

Section 1 - PRIME TEXT	
INSTRUMENT	DESCRIPTION AND AVAILABILITY
3.1.1 Harmonized Commodity Description and Coding System	<ul style="list-style-type: none"> <li>- The HS Convention is the basis for Customs tariffs and compilation of international trade statistics. Available here : <ul style="list-style-type: none"> <li>- <a href="#">Harmonized System Convention</a></li> <li>- <a href="#">HS Nomenclature</a> 2007 Edition</li> </ul> </li> </ul>

Section 1 - PRIME TEXT	
INSTRUMENT	DESCRIPTION AND AVAILABILITY
(HS)	<ul style="list-style-type: none"> <li>- <a href="#">HS Nomenclature</a> 2012 Edition (Note that the HS Nomenclature 2012 Edition will enter into force on 1 January 2012)</li> <li>- HS Nomenclature 2007 Edition : <a href="#">Downloadable version</a></li> <li>- HS Nomenclature 2012 Edition : <a href="#">Paper version</a></li> <li>- HS Nomenclature 2012 Edition : <a href="#">Bilingual paper version</a> (English-French)</li> <li>- <a href="#">CD-ROM</a></li> <li>- <a href="#">Online</a></li> </ul> <p>All HS Contracting Parties (currently 141) to adopt as basis for their national Customs tariff and statistical nomenclatures. <i>Note that more than 200 countries or economies apply the HS in practice.</i></p> <p>Information regarding Contracting Parties to the Harmonized System Convention (HS) and on the use of the HS Nomenclature by non-Contracting Party Administrations is available at the <a href="#">Nomenclature Web page</a> under Overview</p>
3.1.2 HS-related Council Recommendations	<ul style="list-style-type: none"> <li>- Full list available <a href="#">here</a>. Note in particular the following two Recommendations : <ul style="list-style-type: none"> <li>- <a href="#">Introduction of the programmes for binding pre-entry classification information</a></li> <li>- <a href="#">Improvement of tariff classification work and related infrastructure</a></li> </ul> </li> </ul>

Section 2 - SUPPORTING INSTRUMENTS AND TOOLS	
INSTRUMENT /TOOL	DESCRIPTION AND AVAILABILITY
3.2.1 HS Explanatory Notes	<ul style="list-style-type: none"> <li>- Official interpretation of the HS at international level</li> <li>- Current version : HS 2007 Edition</li> <li>- Updated twice a year</li> <li>- Hard copy publication available from <a href="#">WCO on-line Bookshop</a></li> <li>- <a href="#">CD-ROM</a> - <a href="#">On-line subscription</a></li> </ul>
3.2.2 Compendium of Classification Opinions	<ul style="list-style-type: none"> <li>- Classification decisions of HS Committee</li> <li>- Updated twice a year</li> <li>- Hard copy publication available from <a href="#">WCO on-line Bookshop</a></li> <li>- <a href="#">CD-ROM</a> - <a href="#">On-line subscription</a>*</li> </ul>
3.2.3 Commodity Database	<ul style="list-style-type: none"> <li>- Examples of classification of products from different sources</li> <li>- Current version : HS 2007 Edition</li> <li>- Updated periodically</li> <li>- <a href="#">CD-ROM</a> - <a href="#">On-line subscription</a>*</li> </ul>
3.2.4 Alphabetical Index	<ul style="list-style-type: none"> <li>- Practical aid to find references to products in the HS</li> <li>- Current version : HS 2007 Edition</li> <li>- Updated periodically</li> <li>- Hard copy publication available from <a href="#">WCO on-line Bookshop</a></li> </ul>
3.2.5 Amendments to the HS (including Correlation Tables)	<ul style="list-style-type: none"> <li>- List of amendments with brief explanation and correlation tables between the two versions of the HS</li> <li>- Current versions : Amendments to the HS effective from 1 January 2007</li> <li>- Amendments to the HS effective from 1 January 2012</li> <li>- Hard copy publication available from <a href="#">WCO on-line Bookshop</a></li> </ul>

\* HS Explanatory Notes, Compendium of Classification Opinions and Commodity Database are available as one comprehensive searchable database, on CD-ROM or as subscription from WCO On-line Bookshop. The Commodity Database is not available separately but only as part of this database.

Section 2 - SUPPORTING INSTRUMENTS AND TOOLS	
INSTRUMENT /TOOL	DESCRIPTION AND AVAILABILITY
3.2.6 HS Classification Handbook	<ul style="list-style-type: none"> <li>- Reference providing practical guidance for developing an appropriate classification infrastructure and modern operating procedures. This should serve to secure uniform application of the HS at national level, in line with international practice</li> <li>- Updated periodically</li> <li>- Hard copy publication available from <a href="#">WCO on-line Bookshop</a></li> </ul>
3.2.7 Classification decisions taken by the HS Committee from 1 <sup>st</sup> to 26 <sup>th</sup> Sessions <sup>6</sup>	<ul style="list-style-type: none"> <li>- Classification decisions of the HS Committee with their rationale</li> <li>- Hard copy publication available from <a href="#">WCO on-line Bookshop</a></li> </ul>
3.2.8 Classification decisions taken by the HS Committee from 27 <sup>nd</sup> to 46 <sup>th</sup> Sessions	<ul style="list-style-type: none"> <li>- Classification decisions of the HS Committee with their rationale</li> <li>- Hard copy publication <b>available soon</b> from WCO on-line Bookshop</li> </ul>
3.2.9 Customs Compendium No. 7 - The HS, a universal language for international trade	<ul style="list-style-type: none"> <li>- General information on the HS</li> <li>- Hard copy publication available from <a href="#">WCO on-line Bookshop</a></li> </ul>
3.2.10 Harmonized System Classroom training and E-learning modules	<ul style="list-style-type: none"> <li>- For Customs officials, details available <a href="#">here</a></li> <li>- For private sector, details available <a href="#">here</a></li> </ul>

#### **TOPIC 4 - ORIGIN**

Section 1 - PRIME TEXT	
INSTRUMENT/ TEXT	DESCRIPTION AND AVAILABILITY
4.1.1 Annex K, Kyoto Convention on the Simplification and Harmonization of Customs Procedures	<ul style="list-style-type: none"> <li>- WCO Convention</li> <li>- Available <a href="#">here</a></li> </ul>
4.1.2 Consolidated text on the harmonization of non-preferential rules of origin	<ul style="list-style-type: none"> <li>- WTO document</li> <li>- In preparation; draft available <a href="#">here</a></li> <li>- Negotiations on the harmonization of the non-preferential rules of origin under WTO Agreement on Rules of Origin are on-going</li> </ul>
4.1.3 Free Trade Agreements are negotiated between independent states	<ul style="list-style-type: none"> <li>- Various</li> <li>- No international standards apply to rules of origin; the WTO Agreement on Rules of Origin only gives guidance in a very general way to the application of preferential rules of origin</li> </ul>

<sup>6</sup> Since February 1999, all decisions taken by the Harmonized System Committee (HSC) on the classification of specific products as well as the amendment of the HS Explanatory Notes and the Compendium of Classification Opinions are published on the [Nomenclature web page](#). For information on classification decisions taken by the HSC see [here](#). These decisions are updated twice a year after each session of the HSC.

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Section 2 - SUPPORTING INSTRUMENTS AND TOOLS	
INSTRUMENT/ TOOL	DESCRIPTION AND AVAILABILITY
4.2.1 Database on preferential trade agreements and related rules of origin	<ul style="list-style-type: none"> <li>- Database</li> <li>- Available via the WCO online Bookshop <a href="#">here</a> :</li> </ul>
4.2.2 Comparative study on preferential rules of origin	<ul style="list-style-type: none"> <li>- Information Instrument. Available <a href="#">here</a></li> <li>- Module on origin verification. Available <a href="#">here</a></li> </ul>
4.2.3 Information on the Harmonization of non-preferential Rules of Origin	<ul style="list-style-type: none"> <li>- WCO recommends general best practices to Members and other interested parties via seminars</li> </ul>
4.2.4 Rules of Origin Classroom training and E-learning modules	<ul style="list-style-type: none"> <li>- For Customs officials, details available <a href="#">here</a></li> <li>- For private sector, details available <a href="#">here</a></li> </ul>
4.2.5 General information	<ul style="list-style-type: none"> <li>- General information regarding Origin is available from the <a href="#">WCO website</a> and <a href="#">WTO website</a></li> </ul>

## **TOPIC 5 - COMPLIANCE AND ENFORCEMENT**

Section 1 - PRIME TEXT
No prime text for Compliance and Enforcement

Section 2 - SUPPORTING INSTRUMENTS AND TOOLS	
INSTRUMENT/ TOOL	DESCRIPTION AND AVAILABILITY
5.2.1 Risk Management Compendium	<ul style="list-style-type: none"> <li>- Provides a common reference document for the concepts associated with risk management in Customs</li> <li>- Builds on the wide range of risk management-related Customs instruments and tools</li> <li>- In two volumes, however, Volume 2 is for Customs Administrations' use only</li> <li>- Details available <a href="#">here</a></li> </ul>
5.2.2 Nairobi Convention	<ul style="list-style-type: none"> <li>- International Convention on mutual administrative assistance for the prevention, investigation and repression of Customs offences: June 1977</li> <li>- Available <a href="#">here</a></li> </ul>

## **TOPIC 6 - CAPACITY BUILDING AND TRAINING**

Section 1 - PRIME TEXT
No prime text for Capacity Building and Training

Section 2 - SUPPORTING INSTRUMENTS AND TOOLS	
INSTRUMENT/ TOOL	DESCRIPTION AND AVAILABILITY
6.2.1 Capacity Building Diagnostic Framework	<ul style="list-style-type: none"> <li>- Standard diagnostic and self-assessment tool</li> <li>- Available from WCO Online Bookshop: <a href="#">Paper version</a> and <a href="#">CD-ROM version</a></li> </ul> <p>Key references :</p> <ul style="list-style-type: none"> <li>- Chapter 3, Sections 1, 2, 3</li> <li>- Chapter 4, Sections 1, 3, 5, 8, 14, 18, 20, 29</li> <li>- Chapter 7, Section 1</li> </ul>
6.2.2 WCO Capacity Building Development Compendium	<ul style="list-style-type: none"> <li>- Implementation tool covering, inter alia : <ul style="list-style-type: none"> <li>- Strategic Management</li> <li>- Change Management</li> <li>- Project Management</li> <li>- Human Resource Development</li> </ul> </li> <li>- Columbus Programme Phase 2 Implementation Tool available from the WCO Online Bookshop <a href="#">here</a></li> </ul>
6.2.3 Revised Arusha Declaration	<ul style="list-style-type: none"> <li>- Declaration of the Customs Co-Operation Council concerning good governance and integrity In Customs</li> <li>- Basis of all WCO integrity activities</li> <li>- Available <a href="#">here</a></li> </ul>
6.2.4 Integrity Development Guide	<ul style="list-style-type: none"> <li>- Implementation tool used in all WCO integrity development programmes</li> <li>- Available <a href="#">here</a></li> </ul>
6.2.5 Compendium of Integrity best practices	<ul style="list-style-type: none"> <li>- Implementation tool</li> <li>- Available <a href="#">here</a></li> </ul>
6.2.6 Integrity Newsletter	<ul style="list-style-type: none"> <li>- Available <a href="#">here</a></li> </ul>
6.2.7 E-learning integrity module	<ul style="list-style-type: none"> <li>- For Customs officials, details available <a href="#">here</a></li> <li>- For private sector, details available <a href="#">here</a></li> </ul>
6.2.8 Model Code of Ethics and Conduct	<ul style="list-style-type: none"> <li>- Model Code of Conduct</li> <li>- Available <a href="#">here</a></li> <li>- Used to help Members develop their own Codes of Conduct</li> <li>- Inspired by the <a href="#">Revised Arusha Declaration</a></li> </ul>
6.2.9 PICARD Professional Standards	<ul style="list-style-type: none"> <li>- Implementation tool for management development</li> <li>- Available <a href="#">here</a></li> </ul>
6.2.10 E-learning programme, training modules other training activities	<ul style="list-style-type: none"> <li>- For Customs officials, details available <a href="#">here</a></li> <li>- For private sector, details available <a href="#">here</a></li> </ul>