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Jamaica Ratifies Trade Facilitation Agreement



Jamaica is the 67th Member of the World Trade Organization (WTO) to ratify the Trade Facilitation Agreement (TFA), which was concluded in December 2013 at the 9th Ministerial Conference of the WTO (WTO MC9) held in Bali, Indonesia. Jamaica submitted its instrument of acceptance on January 19th, 2016, to the Director-General (DG) of the WTO, Roberto Azevêdo during his visit to the island.

The DG's visit to Jamaica comprised meetings with senior government representatives, and a public lecture held on the campus of the University of the West Indies (UWI) Mona, where he discussed challenges faced by the WTO, and the future direction of trade negotiations. The DG's visit to Jamaica from January 18 to 19th, was part of an official visit to the Caribbean.

Jamaica is the 6th Member of the Caribbean Community (CARICOM) to ratify the TFA, following Trinidad & Tobago, Belize, Guyana, St. Lucia and Grenada.

Jamaica's ratification of the TFA signals its commitment to the provisions of the Agreement, which is articulated in the categories of provisions for implementation and their respective treatment.

The provisions contained within the TFA, primarily concerns Customs procedures, and relates to expediting the movement, release, and clearance of goods, including goods in transit. The TFA provisions seek to eliminate existing bureaucracies surrounding trade in goods, and reduce transaction costs associated. Additionally, the provisions outline measures for effective cooperation between Customs and other border related authorities on trade facilitation, as well as customs compliance issues. Aberrant provisions on technical assistance and capacity building were also included in the TFA to encourage implementation among developing and Least-Developed Country (LDC) members.



“Trade is a clear priority here. For island states like Jamaica, trade is an essential means to secure growth and development.”

Roberto Carvalho de Azevêdo
Director-General WTO

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TFA Implementation: Special and Differential Treatment

For the first time in the history of the WTO, the requirement for implementation of an agreement was directly linked to the capacity of the particular Member. The TFA was ground breaking for developing and LDC Members of the WTO, as implementation of its provisions was based on capacity. The Agreement further provided that assistance and support should be given to help such Members achieve that capacity.



The WTO Agreements contain special provisions which give developing countries “special rights”. These special rights are called “special and differential (S&D) treatment” provisions, and allow developed countries the possibility to treat developing countries more favourably than other WTO Members. Under the principle of S&D treatment, if support for infrastructure development is not provided for, and where a developing or LDC Member continues to lack the necessary capacity for the implementation of provisions, then implementation of negotiated commitments will not be required.

A Trade Facilitation Agreement Facility (TFAF) was also created at the request of developing and LDC Members to assist in ensuring that requested assistance is received, so that the full benefits of the TFA may be derived to support the ultimate goal of full implementation of the TFA by all members.

A website dedicated for TFAF can be accessed at www.TFAFacility.org.

TFA Categories of Commitments



Category A Notifications

Under the TFA, developing and LDC Members are to notify the WTO of which provisions they will implement upon entry into force. Such provisions do not have a transition period, and are called Category A notifications. Category A notifications are determined based on self-designation, and become binding on Members upon the Agreement’s entry into force.

Category B Notifications

Category B notifications are those provisions that will be implemented after a transitional period has passed, following the Agreement’s entry into force. The principle of self-select is used to determine the implementation date for Category B provisions which would then become binding upon the Member.



Category C Notifications

Category C notifications are those provisions that will be implemented upon the acquisition of capacity through technical and financial assistance, and will also require a transitional period following the Agreement’s entry into force. Implementation of Category C provisions is not required if capacity is lacking. A pre-notification process to guarantee the binding commitment from donors is required, which creates additional time for developing and LDC Members to ensure that the commitment for assistance would be obtained, prior to notifying their definitive implementation dates.



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Jamaica's TFA Notifications

Through its Permanent Mission in Geneva, Jamaica's Category A notification of the TFA provisions was submitted to the WTO in February 2015. Jamaica's commitments are in accordance with the provisions listed below:

Category A Provisions:

Article 2.2:	Consultations
Article 5.2:	Detention
Article 7.9:	Perishable Goods
Article 10.5:	Pre-shipment Inspection
Article 10.6:	Use of Customs Brokers
Article 10.8:	Rejected Goods
Article 11.4:	Freedom of Transit - Strengthened Non-Discrimination

Jamaica's Categories B and C notification of the TFA provisions was submitted through its Instrument of Acceptance and are in accordance with the provisions listed below :

Category B Provisions:

Article 2.1:	Opportunity to comment and information before entry into force
Article 7.6:	Establishment and publication of average release times
Article 7.7:	Trade Facilitation Measures for Authorized Operators
Article 7.8:	Expedited Shipments
Article 10.1:	Formalities connected with importation, exportation and transit
Article 10.2:	Acceptance of Copies
Article 10.7:	Common Border Procedures and Uniform documentary requirements
Article 10.9:	Temporary admission of goods and inward and outward processing

Article 12:	Customs Cooperation
Article 23.2:	National Committee on Trade Facilitation

Category C Provisions:

Article 1.1:	Publication
Article 1.2:	Information available through internet
Article 1.3:	Enquiry points
Article 3:	Advance Rulings
Article 4:	Procedures for Appeal or Review
Article 5.1:	Notifications for Enhanced Controls or Inspections
Article 5.3:	Test procedures
Article 6.1:	General disciplines on fees & charges imposed on or in connection with importation or exportation
Article 6.2:	Specific discipline on fees and charges for Customs processing imposed on or in connection with importation or exportation
Article 6.3:	Penalty Disciplines
Article 7.1:	Pre-Arrival Processing
Article 7.2:	Electronic Payment
Article 7.3:	Separation of Release from final determination of Customs duties, taxes, fees and charges
Article 7.4:	Risk Management
Article 7.5:	Post Clearance Audit
Article 8:	Border Agency Cooperation
Article 9:	Movement of Goods intended for import under Customs control
Article 10.3:	Use of International Standards
Article 10.4:	Single Window

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WTO Director General - Public Lecture



In his speech at the UWI, Mona on January 18, 2016, DG Azevêdo began by commending Jamaica on its leadership capabilities, sighting the prominent role that the island plays within the WTO. The DG's speech was open to trade specialists, academia and members of the general public. The International Liaison Unit of the Jamaica Customs Agency was represented at the lecture, namely Senior Director Shandilayne Davis, and CARICOM Officer Marsha Wilson-Maxwell.

Jamaica continues to be an advocate for developing countries in world trade, advancing its interests, as well as those of other small and vulnerable economies (SVEs). Jamaica played an active role during the TFA negotiations, being part of the African, Caribbean and Pacific (ACP) Group of States which helped to build consensus among developing states regarding Category C negotiations. The ACP secured definitions for the three categories of implementation of the TFA, afforded to developing and LDC Members, as well as the concept of financial assistance, as part of what may be provided. Then Minister of State in the Ministry of Foreign Affairs & Foreign Trade (MFAFT) Arnaldo Brown, represented the ACP countries as chair of that negotiating group. The ACP earned a landmark victory for their Members, in getting developed countries and donor institutions to commit to the capacity building entrenched in the TFA, which led to the inclusion of the S&D provisions in the Agreement. Minister Brown also served as Ministerial Coordinator of the ACP States during the WTO MC9 where the TFA was concluded. Minister Brown, as part of the panel during the DG's speech in Jamaica, and was acknowledged for his stewardship regarding the conclusion of the TFA. Jamaica's leadership was again demonstrated during the 10th WTO Ministerial Conference in Nairobi (WTO MC10), in its significant role during the preparatory work, which contributed to the success of that meeting. Then Minister of Foreign Affairs and Foreign Trade, Arnold Joseph (AJ) Nicholson, was part of a small group of ministers selected to chair the Nairobi negotiations, which emphasized the increasing role that developing countries play in the decision-making process of the WTO. Minister Nicholson's work regarding the WTO MC10 was described by the DG as both "excellent and tireless",

and represents Jamaica as a "prominent voice" in the decision-making and in setting the agenda of the WTO. Continuing his speech, the DG noted that for Jamaica, "trade is a clear priority" and "for island States like Jamaica, trade is an essential means to secure growth and development." The DG was eager to hear of the steps being taken by Jamaica to ensure that trade plays its full role, inclusive of reforms to improve the flow of goods.



The DG noted that Jamaica's formal ratification of the TFA was to be personally received by him during his visit, and demonstrates Jamaica's potential for improved trade. TFA provisions, inter alia, are designed to cut trade costs, which can improve the business climate in the island. Already, Jamaica has jumped 27 places in the 2015 World Bank's "Doing Business" rankings, standing at 58 out of 189 economies worldwide. Jamaica's ratification of the TFA is significant, as a higher level of predictability and transparency will be brought to customs procedures, as with all Members of the WTO. This allows for ease of business, and is particularly beneficial to small and medium sized enterprises (SMEs) which would have greater access to global value chains.

With multilateralism under threat, by the increasing number of Regional Trade Agreements (RTAs) being signed globally, the DG stressed that the "WTO is delivering." Of note is the recently concluded Nairobi Package coming out of the WTO MC10, which contained a number of major decisions taken by the WTO, namely on export competition. Members agreed to the elimination of agricultural export subsidies, which is of particular significance to developing and LDC members in gaining better market access, which contributes to an improvement in the global trading environment. "This decision will help to level the playing field in agriculture markets, to the benefit of farmers and exporters in developing and least-developed countries", noted the DG. A package of specific decisions was also agreed upon by members to support the integration of LDCs into the global economy, including measures to enhance their preferential rules of origin and preferential treatment for their services providers.

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As international trade continues to rise, the role of the WTO increases in importance especially for developing and LDC members. More and more issues concerning these groups have gained prominence and are being recognized within the multilateral system. The entrenchment of the S&D provisions within the TFA speaks volumes in terms of the shifting approach of the WTO towards developing and LDC members, acknowledging the challenges faced, and making provisions for their capacity to be strengthened. This was evident in the conclusion of the TFA and continues to be the schema going forward, as the Nairobi negotiations focused on a number of development issues for these countries.

Full implementation of the TFA is already underway in Jamaica and is supported by its national trade facilitation task force, as stipulated by the Agreement. Category A notifications will become immediately binding upon entry into force of the TFA, and should present no challenges for Jamaica as these provisions are already being practiced. Based on its Categories B and C notifications, Jamaica is positioned to increase its capacity in a number of key areas that will enhance trade facilitation and allow for greater efficiency in its customs operations. Through commitments by developing countries and donor institutions, Jamaica should be able to fulfill its obligations as committed in the Agreement, and implement the provisions as permitted by capacity.



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Country Above Self



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.

We're on the Web!
<http://www.jacustoms.gov.jm>

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