



## CHAPTER 5

### CUSTOMS PROCEDURES AND COOPERATION

#### Article 5.1: Definitions

For the purposes of this Chapter:

**customs administration** means the authority that according to the legislation of each Party is responsible for the administration and enforcement of their customs laws:

- (a) for Chile, the National Customs Service or its successor notified in writing to Indonesia; and
- (b) for Indonesia, the Directorate General of Customs and Excise, Ministry of Finance or its successor notified in writing to Chile.

**customs law** means such laws and regulations administered, applied and enforced by the customs administration of each Party concerning the importation, exportation, and transit/transshipment of goods, as they relate to customs duties, charges and other taxes, or to prohibitions, restrictions and other similar controls with respect to the movement of controlled items across the boundary of the customs territory of each Party; and

**customs procedures** mean the treatment applied by the customs administration of each Party to goods and means of transport, which are subject to customs control.

#### Article 5.2: Objectives

The objectives of this Chapter are to:

- (a) simplify and harmonise, to the extent possible, customs procedures of the Parties;
- (b) ensure consistency, predictability and transparency in the application of customs law of the Parties;
- (c) ensure efficient and expeditious release and clearance of goods; and
- (d) facilitate trade between the Parties.



### **Article 5.3: Scope and Coverage**

This Chapter shall apply, in accordance with the respective laws and regulations of the Parties, to customs procedures applied to goods traded between them.

### **Article 5.4: Customs Valuation**

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of GATT 1994 and the Customs Valuation Agreement.

### **Article 5.5: Customs Procedures**

1. The customs administration of a Party shall ensure that their customs procedures and practices are consistent, predictable, and transparent, and facilitate trade, including the expeditious release and clearance of goods.
2. Customs procedures of each Party shall endeavour, where possible and to the extent permitted by its respective customs law, conform to the standards and recommended practices established by the World Customs Organization (WCO) and under other relevant international agreements to which the Parties are party.
3. The customs administration of each Party shall, to the extent possible, review its customs procedures and practices with a view to their simplification to facilitate trade.

### **Article 5.6: Release of Goods**

1. In order to facilitate trade between the Parties, each Party shall adopt or maintain simplified customs procedures for the efficient release of goods.
2. Pursuant to paragraph 1, each Party shall adopt or maintain procedures that:
  - (a) provide for the release of goods within a period no greater than that required to ensure compliance with its customs law;
  - (b) provide for customs information to be submitted and processed manually or electronically before the goods arrive in order for them to be released on their arrival; and
  - (c) allow goods to be released at the point of arrival, without temporary transfer to warehouses or other facilities, provided all requirements are met.



### **Article 5.7: Risk Management**

In order to facilitate the release of goods traded between the Parties, the customs administration of each Party shall adopt or maintain a risk management method, that considers a system for assessment and targeting that enables its customs administration to focus its inspection activities on high-risk consignments and that simplifies the clearance and movement of low-risk consignments.

### **Article 5.8: Advance Rulings**

1. The customs administration of the Parties shall issue, prior to the importation of a good into their territories, a written advance ruling, upon a written request of an importer in its territory, in relation to:

- (a) tariff classification; and
- (b) the application of valuation criteria for a particular case, in accordance with the application of the provisions set forth in the Customs Valuation Agreement.

2. For the issuance of the advance ruling, each Party shall apply its respective laws and procedures.

### **Article 5.9: Review and Appeal**

Each Party shall ensure that with respect to its determinations on customs matters and in accordance with the laws and regulations of the Party, importers in its territory have access to:

- (a) administrative review within the customs administration that issued the decision, subject to review or, where applicable, the higher authority supervising the administration; and
- (b) judicial review of the determination or decision taken at the final level of administrative review.

### **Article 5.10: Publication and Enquiry Points**

For the purposes of this Chapter, in accordance with the respective laws and regulations of the Parties, the customs administration of each Party shall:

- (a) publish on the internet or in print, its customs laws, regulations and general administrative procedures applied or enforced by its customs



administration, not including law enforcement procedures and internal operational guidelines; and

- (b) designate one or more enquiry points to address enquiries from interested persons of each Party concerning customs matters, and shall make available on the internet or in print, information on the procedures for making such enquiries.

#### **Article 5.11: Confidentiality**

1. If a Party that provides information to the other Party, in accordance with this Chapter, designates the information as confidential, the other Party shall keep the information confidential. The Party providing the information may require the other Party to furnish written assurance that the information shall be held in confidence, shall only be used for the purpose the other Party specified in its request for information, and shall not be disclosed without the specific permission of the Party that provided the information or the person that provided the information to that Party.

2. A Party may decline to provide information that the other Party has requested if that Party has failed to act in conformity with paragraph 1, and when the disclosure is contrary to its laws and regulations.

3. Each Party shall adopt or maintain procedures for protecting, from unauthorised disclosure, confidential information submitted in accordance with the administration of the customs law of that Party, including information of which the disclosure could prejudice the competitive position of the person providing the information.

#### **Article 5.12: Customs Cooperation**

1. The customs administration of each Party may, as deemed appropriate, assist the customs administration of the other Party, in relation to the implementation and operation of this Chapter.

2. The customs administration of each Party, to the extent possible, when new or amended law or regulation, or procedures governing the movement of goods are implemented, shall provide information to the customs administration of the other Party.

3. The customs administrations of the Parties shall encourage consultations with each other regarding significant customs issues that affect trade between the Parties.

4. The customs administration of the Parties shall endeavour to establish or maintain channels of communication for customs cooperation, including the establishment of contact points in order to facilitate the rapid and secure exchange of information and improve coordination on importation issues.