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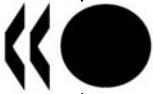
# Analysis of Non-Tariff Measures

**CUSTOMS FEES AND CHARGES ON IMPORTS**

OECD

**Unclassified**

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**Working Party of the Trade Committee**

**ANALYSIS OF NON-TARIFF MEASURES: CUSTOMS FEES AND CHARGES ON IMPORTS**

**OECD Trade Policy Working Paper No. 14**

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## ABSTRACT

This study examines the nature and the extent of use of customs fees and charges that affect imports at borders. It is part of a series of studies that analyse various types of non-tariff measures and the objective of this paper is to contribute to discussions in the Negotiating Group on Market Access (NAMA), the Council on Trade in Goods and elsewhere in the trade policy community. The analysis draws on data collected from WTO Trade Policy Reviews, non-tariff barrier notifications to NAMA, and the UNCTAD TRAINS database and country notes. The study reveals that most types of customs fees and charges on imports are applied *ad valorem* rather than with regard to the underlying costs of the services rendered. The use of customs fees and charges has also evolved over time: the use of both customs surcharges and consular invoice fees has markedly declined over the last two decades while more countries nowadays charge importers fees for the use of various customs-related services.

*Keywords:* non-tariff barriers, non-tariff measures, customs fees, customs charges, GATT Article VIII

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## **ANALYSIS OF NON-TARIFF MEASURES: CUSTOMS FEES AND CHARGES ON IMPORTS**

### **Executive Summary**

Various customs fees and charges are frequently applied in addition to tariffs, significantly adding to the costs of trading in many parts of the world. Particularly low- and middle-income countries levy high *ad valorem* fees which may negatively affect both South-South and North-South trade.

Examining fees and charges applied on imports at the border, this paper represents a contribution to the ongoing series of studies investigating the nature and scope of non-tariff measures. The objective of this study is to provide as clear a picture as possible of the use made of different types of customs fees and charges and the problems they may cause to traders. The paper reviews and analyses the information contained in the WTO Trade Policy Reviews since the introduction of the TPR Mechanism in 1995. The analysis also draws on information from the notifications to the Negotiating Group on Market Access (NAMA) and from various other sets of data.

The study reveals that the use of customs fees and charges has evolved over time. The use of both customs surcharges and consular invoice fees has markedly declined over the last two decades while more countries nowadays charge importers fees for the use of various customs-related services. In practise, a great majority of these fees, like most other types of fees and charges, are applied *ad valorem* rather than with regard to the underlying costs of the services rendered. 54% of the fees and charges applied by high-income economies were *ad valorem* while the corresponding figures were between 71-76% in the upper-middle income and lower-middle income economies, and 83% in low-income economies.

Although GATT Article VIII requires customs fees and charges to be limited in amount to the approximate cost of services rendered, frequent application of high *ad valorem* fees and charges seems to signal that clearer guidelines on how customs fees and charges should be calculated would be useful and would remove some of the uncertainties regarding the legality of their application. In addition, a more precise definition in Article VIII:1(a) of what constitutes the “services” whose costs are intended to be reflected in the fees would also remove some of the uncertainties in the interpretation of the article and potentially lead to a reduction in the costs of trading.

### List of abbreviations

ANCERTA	Australia-New Zealand Closer Economic Relations Trade Agreement
BOP	Balance of payments
CACEU	Central African Customs and Economic Union
CACM	Central American Common Market
CARICOM	Caribbean Community
CET	Common external tariff
CFAF	Communauté Financière Africaine Franc
c.i.f.	Cost, insurance and freight
CIS	Commonwealth of Independent States
CTG	Council on Trade in Goods
ECOWAS	Economic Community of West African States
EDI	Electronic data interchange
EFTA	European Free Trade Association
f.o.b.	Free on board
GATT	General Agreement on Tariffs and Trade
IMF	International Monetary Fund
MERCOSUR	Southern Common Market
NAFTA	North American Free Trade Agreement
NAMA	Non-Agricultural Market Access
n.e.s.	Not elsewhere specified
ODC	Other duties and charges
OECD	Organisation for Economic Co-operation and Development
OECS	Organisation of Eastern Caribbean States
RTA	Regional trade agreement
SACU	Southern African Customs Union
SME	Small and medium-sized enterprises
TCM	Trade control measures
TPR	Trade policy review
TRAINS	Trade analysis and information system
UDEAC	Customs and Economic Union of Central Africa
UNCTAD	United Nations Conference on Trade and Development
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organisation

## I. Introduction

1. This paper examines the nature and the extent of use of customs fees and charges that affect imports at borders. It provides background material and analysis of a category of potentially trade distorting measures that are among the measures relatively frequently mentioned by WTO Members in their notifications submitted to the Negotiating Group on Market Access (NAMA) and for which further clarification has been sought by the Council on Trade in Goods (CTG).

2. Customs fees and charges may constitute a nuisance to traders or act as an outright barrier to trade, depending on the nature and the extent of the measures in use. The objective of this study is to provide as clear a picture as possible of the use made of different types of customs fees and charges collected on imports and the problems they may cause to traders. Some countries collect customs fees and charges to increase government revenue. Others may use them as a means to protect domestic markets. Such motives may be in violation of GATT Article VIII, which states that fees and charges in connection with importation shall be *“limited in amount to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes.”*

3. A significant part of the analysis draws on data that have been systematically collected from Trade Policy Reviews (TPR) published since the establishment of the TPR mechanism in 1995. Other data have been collected from existing studies and databases, including from the Non-Tariff Barrier Notifications to NAMA, the UNCTAD TRAINS database and country notes, the Market Access Sectoral and Trade Barriers Database<sup>1</sup> and previous studies.<sup>2</sup>

4. Following a presentation of the definitions, scope and methodology in Section II, Section III gives an overview of relevant WTO disciplines and Section IV provides a review of the data found in TPRs, NAMA notifications and other reports. Section V then presents the main analysis with discussions on the characteristics and patterns of use of customs fees and charges; trends in high- and low-income countries; motivations and effects of imposing customs fees and charges; and related provisions in RTAs. The final section of the paper presents conclusions.

## II. Definitions and methodology

5. Customs fees and charges belong to a broader group of non-tariff barriers commonly referred to as para-tariff measures. The Dictionary of Trade Policy Terms (Goode, 2003) states that ‘para-tariffs’ is *“a name sometimes used for charges levied on imports instead of, or in addition to, tariffs. These can consist of service fees, additional import surcharges or other fees levied on imported products inside the market.”* There are different classifications available and some types of fees and charges are frequently referred to with different names.

6. In UNCTAD’s Trade Analysis and Information System (TRAINS) database para-tariffs are described as “other measures that increase the cost of imports in a manner similar to tariff measures, i.e. by a fixed percentage or by a fixed amount, calculated respectively on the basis on the value and the

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<sup>1</sup> <http://mkaccdb.eu.int/cgi-bin/stb/mkstb.pl>

<sup>2</sup> The Secretariat does not claim that the following presentation of data provides a complete list of the customs fees and charges that are imposed on imports today. The fees and charges that are presented were imposed at the time of the publication of the reviews and reports and the Secretariat has not been in a position to verify whether the fees and charges are still imposed, or whether new ones have subsequently been added. The years of publication are presented in both tables and annexes.

quantity...”. In the UNCTAD coding system of trade control measures (TCM)<sup>3</sup>, para-tariff measures are divided into four main groups, with a fifth group for miscellaneous items (see Table 1 for the classifications and Annex A for definitions):

7. The UNCTAD TCM coding system of para-tariff measures was introduced in 1994. Subsequent evolution of the various customs fees and charges that are applied on importers may have rendered certain categories obsolete or may merit the creation of new categories.

**Table 1. UNCTAD coding system of trade control measures**

<b>TCM Code</b>	<b>Description*</b>
<b>2000</b>	<b>Para-tariff measures</b>
<b>2100</b>	<b>Customs surcharges</b>
<b>2200</b>	<b>Additional taxes and charges</b>
2210	<i>Tax on foreign exchange transactions</i>
2220	<i>Stamp tax</i>
2230	<i>Import licence fee</i>
2240	<i>Consular invoice fee</i>
2250	<i>Statistical tax</i>
2260	<i>Tax on transport facilities</i>
2270	<i>Taxes and charges for sensitive product categories**</i>
2290	<i>Additional charges n.e.s.</i>
<b>2300</b>	<b>Internal taxes and charges levied on imports</b>
2310	<i>General sales taxes</i>
2320	<i>Excise taxes</i>
2370	<i>Taxes and charges for sensitive product categories**</i>
2390	<i>Internal taxes and charges levied on imports n.e.s.</i>
<b>2400</b>	<b>Decreed customs valuation</b>
<b>2900</b>	<b>Para-tariff measures n.e.s.</b>

\* The dotted-line box indicates the measures studied in this paper.

\*\* Including: 2X71 - Charges to protect human health; 2X72 - Charges to protect animal health and life; 2X73 - Charges to protect plant health; 2X74 - Charges to protect environment; 2X75 - Charges to protect wildlife; 2X76 - Charges to control drug abuse; 2X77 - Charge to ensure human safety; 2X78 - Charges to ensure national security; 2X79 - Charges for purposes n.e.s. (X = 2, 3)

8. The TRAINS database, which is structured around the TCM coding system, provides very limited information on para-tariff measures. Countries that annually submit their bound and applied tariffs schemes to UNCTAD are encouraged to submit information regarding their para-tariff schemes but this voluntary practise has so far failed to create a comprehensive and continuously updated record of the rich and sometimes complex para-tariff schemes that exist in many countries.

9. While the TCM coding system was based on the categories of fees and charges identified in GATT Article VIII, as shown in Annex B of this paper, the WTO Negotiating Group on Market Access is employing a broad and vaguely defined classification for its ‘inventory of non-tariff measures’ that was

<sup>3</sup> <http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2177&lang=1>

initiated to provide a framework for future non-tariff barrier notifications (WTO, 2003a). Sub-category VI in this inventory is referred to as ‘Charges on Imports’ and includes:

- a) Prior import deposits;
- b) Surcharges, port taxes, statistical taxes, etc;
- c) Discriminatory film taxes, use taxes, etc;
- d) Discriminatory credit restrictions; and
- e) Border tax adjustments.

10. This classification of import charges includes some sub-groups that are not necessarily related to the sub-categories in the TCM coding system but both item b) and c) seem to be directly related to category 2100 (customs surcharges) and 2200 (additional taxes and charges). Category e) may occasionally have the equivalent effect of a discriminating import fee or charge.

11. The TCM coding system is arguably the most widely accepted standard that provides a detailed classification scheme for customs fees and charges. To maintain a manageable scope, this study will focus on the customs fees and charges regulated by GATT Article VIII “Fees and Formalities connected with Importation and Exportation”<sup>4</sup>. The study further focuses on customs fees and charges *on imports* and assessed or payable *at borders* since the mentioned classification schemes concern imports. The marked area in Table 1 indicates the customs fees and charges that will be studied in this paper.

### III. Overview of WTO disciplines

12. GATT Article VIII on ‘Fees and Formalities connected with Importation and Exportation’ provides a legal framework for fees and charges on imports. Its legally binding provision (para 1(a)) states that “*All fees and charges of whatever character (other than import and export duties and other than taxes within the purview of Article III) imposed by contracting parties on or in connection with importation or exportation shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes*”.<sup>5</sup>

13. GATT Article VIII states that “*contracting parties recognize the need for reducing the number and diversity of fees and charges*” (para 1(b)) and that “*contracting parties also recognize the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and export documentation requirements*” (para 1(c)). However aside from para 1(a) there are no binding restrictions in GATT Article VIII on the use of fees and charges, which provides an explanation why complex schemes of fees and charges still exist. There is also no provision in the article that requires Member States to notify regularly their customs fees and charges to a central registry.

14. Article VIII additionally requires WTO Members to “*review the operation of its laws and regulations in the light of the provisions of this article*” at the request of other Members (para 2); and

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<sup>4</sup> Annex B presents an attempt to view the UNCTAD TCM coding system of para-tariff measures in a GATT framework perspective. The list of GATT Articles in Annex B is not exhaustive but the aim is to show that the diversity of the classification scheme implies involvement of several GATT Articles, such as II, III, VII and VIII. Sub-category 2300 is covered by GATT Article III and internal taxes such as general sales taxes and excise taxes will be left out from this study just like 2400 ‘Decreed customs valuation’. In addition, general sales and excise taxes are not necessarily collected at borders, which is the primary focus of this study. This leaves 2100 Customs surcharges and 2200 ‘Additional taxes and charges’ for analysis. Sub-category 2900 on Para-tariff measures n.e.s. is dealt with on an ad-hoc basis depending on the nature of the measures that are found. In addition, it is not clear whether sub-category 2260 “tax on transport facilities” is regulated in GATT Article VIII and the discussion will not go into great depth for this category.

<sup>5</sup> Article III concerns national treatment on internal taxation and regulation.

prohibits the imposition of “*substantial penalties for minor breaches of customs regulations or procedural requirements*” (para 3). Moreover, paragraph 4 sets forth an illustrative list of the types of fees and charges that fall within the scope of Article VIII, and which category 2200 of the TCM coding system is basically structured around (see Annex B).

15. There is an interpretative note to Article VIII (WTO, 2002) which states that “*the use of taxes or fees as a device for implementing multiple currency practices is inconsistent with Article VIII, but creates an exception, in accordance with Article XV:9(a) of the GATT, for circumstances in which a Member uses multiple currency exchange fees for balance of payments reasons with the approval of the IMF*”. Any Member imposing customs surcharges for BOP purposes is required to hold periodic consultations with the WTO and the IMF to determine whether the use of restrictive measures is necessary or desirable to address its difficulties. The country must specify the period for which the import surcharges will be applied and then reduce and eliminate them as the situation improves. Several transition economies applied import surcharges for BOP reasons in the 1990s, including Poland, Hungary, Slovak Republic, Czech Republic, Bulgaria, Romania, Sri Lanka and South Africa. Most of these measures were abolished in the second half of the 1990s and Romania and the Slovak Republic lifted their restrictions in 2001 (OECD, 2004).

16. GATT Article II:1(b) refers to the term ‘other duties and charges’ (ODCs), which includes “*all taxes levied on imports in addition to the customs duties which are not in conformity with Article VIII*”.<sup>6</sup> The Uruguay Round produced an understanding on the interpretation of Article II:1(b) stating that Members agreed to record the nature and level of any ODCs levied on bound tariff items (as referred to in Article II) in the Schedules of concessions annexed to GATT 1994 against the tariff item to which they applied. These ODCs were bound on 15 April 1994 and any failure to notify ODCs before the deadline meant that they had to be eliminated.

17. The aim was to ensure greater transparency of the legal rights and obligations on the nature and level of any ODCs levied on bound tariffs items. The exercise did not change the legal character of recorded ODCs. Thus, the WTO Consolidated Tariff Schedules (CTS) database does not prejudice whether bound ODCs included are consistent or not with rights and obligations under GATT 1994. The ODC register is an illustrative source of information although it should be noted here that the data are ten years old and the ODCs are not necessarily applied any more at the given rates.<sup>7</sup> A quick review of Annex C indicates that ODCs in 1994 were common in developing countries and virtually absent in OECD Member States. Fifty countries notified ODCs to the WTO: 27 were African, 12 were Southern American, Latin American or Caribbean, 8 were Asian, and 3 were European (Cyprus, Malta and Romania). Half of the countries applied ODCs with simple averages of 10% or higher, and four countries had simple averages around 100% or higher.

18. Para-tariff disputes have typically concerned issues in the application of internal sales taxes and excise taxes and there are very few dispute settlement cases related to customs fees and charges on imports as included in the scope presented above. The GATT Panel on “United States - Customs User Fee”<sup>8</sup> examined complaints concerning the “merchandise processing fee”, an *ad valorem* charge applied for the processing of commercial merchandise entering the United States. The Panel findings noted that “*Article VIII:1(a) states a rule applicable to all charges levied at the border, except tariffs and charges which serve to equalize internal taxes. It applies to all such charges, whether or not there is a tariff binding to the product in question. The rule of Article VIII:1(a) prohibits all such charges unless they satisfy the three criteria listed in that provision: (a) the charge must be limited in amount to the approximate cost of*

<sup>6</sup> [http://www.wto.org/english/thewto\\_e/whatis\\_e/eol/e/wto02/wto2\\_46.htm](http://www.wto.org/english/thewto_e/whatis_e/eol/e/wto02/wto2_46.htm)

<sup>7</sup> Some Members, notably African countries, never submitted any information concerning their ODCs to the WTO Secretariat.

<sup>8</sup> Panel Report, *US / Customs User Fee*, BISD 35S/245, adopted in 1988. WTO (2002).

services rendered; (b) it must not 'represent an indirect protection to domestic products'; (c) it must not 'represent ... a taxation of imports ... for fiscal purposes'." (GATT, 1994). The Panel concluded "that the *ad valorem* fee was not compatible with the plain meaning of the text or with the objectives of the GATT".

19. Another panel in 1998: "Argentina – Textiles and Apparel", reasoned that "An *ad valorem* duty with no maximum fee, by its very nature, is not "limited in amount to the approximate cost of services rendered" ... high-price items necessarily will bear a much greater tax burden than low-price goods, yet the service accorded to both is essentially the same. An unlimited *ad valorem* charge on imported goods violates the provisions of Article VIII because such a charge cannot be related to the cost of the service rendered."<sup>9</sup>

20. It should be noted here that the *ad valorem* fees and charges in this report do not exclusively refer to Article VIII and thus are not necessarily incompatible with GATT. In addition to the provisions in GATT Article II and VIII, there may be fees and charges presented in this report that are covered by Article III. These fees and charges have a clear fiscal purpose and are WTO-consistent to the extent they are applied in a non-discriminatory fashion. The data in the TPRs are of such nature that the interpretation and classification done during data collection may occasionally include fees and charges that correspond to similar fees and charges applied domestically.

#### **IV. Review of data on use of customs fees and charges**

21. The following examination is mainly based on the information and data collected from the latest editions of the WTO TPRs. Ninety countries were reviewed for the period of the initiation of the Trade Policy Review Mechanism in 1995 until mid-September 2004. Section III: "Trade policies and practices by measure" in the TPRs was examined in each case and Table 2 in this section should be regarded as snapshots of what customs fees and charges the countries were imposing on imports at the point of time the reviews were undertaken (see also Annex D).<sup>10</sup>

#### ***Customs fees and charges in the WTO Trade Policy Reviews (1995 – 2004)***

22. With some slight modifications, the UNCTAD TCM coding system of sub-category 2100 and 2200 is used here to classify the data collected from the WTO Trade Policy Reviews (see Table 1).

23. An additional category has been created for so-called "community levies" (Com. levy), i.e. fees applied by RTA administrations. Category 2290 'Additional charges n.e.s.' has further been subdivided into two groups: fees related to customs procedures (2290 Service); and a subgroup comprising all the other fees and charges belonging to 2290 as described under 2200 in Annex A. In addition, taxes for "special funds" have been registered as surcharges (2100) rather than 'additional charges n.e.s.' (2290) as suggested by UNCTAD.<sup>11</sup>

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<sup>9</sup> Panel Report, *Argentina – Measures Affecting Imports of Footwear, Textiles, Apparel and Other Items* ("Argentina / Textiles and Apparel"), WT/DS56/R, adopted in 1998. WTO (2002).

<sup>10</sup> Section III of the TPRs was examined using a broad set of key words, including fee, charge, surcharge, duty, tax, stamp, statistical, import licence, consular, environmental, computer, and foreign exchange.

<sup>11</sup> The main reason for this adjustment is that many of the charges directed to special funds are directly referred to as surcharges – and the difference between a surcharge and a special charge for a specific fund is that the destination of the revenue for the "fund charge" is specified.

24. Table 2 provides information on the existence of fees and charges in different countries and the table shows whether the fees are specific or *ad valorem* in nature<sup>12</sup> (see Annex D for more detailed information about the customs fees and charges that were accounted for in the TPRs).

A. *Customs surcharges (2100)*

25. Customs surcharges added to customs duties are commonly referred to also as surtaxes, special import taxes or additional duties. Data retrieved from the TPRs show that customs surcharges are predominantly *ad valorem* in nature (25 of 29 cases). Two out of five low-income and upper-middle-income economies were imposing surcharges at the time of the reviews (see Table 3). Many “temporary” surcharges were in fact fairly persistent: some countries applied temporary surcharges without giving a fixed end date (e.g. **Bangladesh** and **Senegal**), continuously extended the end date (e.g. **Gabon** and **Trinidad and Tobago**), or phased out the surcharge over an extended period of time (**Trinidad and Tobago**). For example **Papua New Guinea** introduced a temporary import duty surcharge of 1.5% on all imports as a drought relief measure in the 1998 budget. The surcharge was later extended for six months in 1999 before it was terminated.

26. Several countries applied surcharges to finance infrastructure projects, development funds, or other special causes and institutions. **Peru** levied surcharges to pay for its Agricultural Development Fund: the 5% tariff surcharge was introduced on 331 agricultural products in 1997. The number of tariff lines was subsequently increased to 350 in late 1997, and then to 352 in 1999 when the surcharge was increased to 10% for meat products. **Uruguay** applied a 0.25% fee on imports transported by sea to finance the severance packages of its National Ports Administration personnel. **Brazil** charged a Merchant Marine Renewal tax to modernise and improve its merchant fleet and a Dock Worker Severance pay surcharge to indemnify workers whose registration had been cancelled. **Benin** charged a specific fee on imports for its National Dockers’ Council and **Haiti** collected a tax of 2% (calculated on the basis of import duties and taxes paid) for its fund for the ‘Management and Development of Local Communities’. **Nigeria** applied a Port Development Tax (5%), a ‘Raw Materials and Development Council’ surcharge (1%), and a Shippers’ Council surcharge (1%) while **Senegal** applied a 0.2% levy for the Senegalese Loaders’ Council and a Livestock Fund levy. **Bangladesh** introduced a temporary infrastructure development surcharge of 2.5% in 1997 that was still intact three years later. **Turkey** had a Mass Housing Fund levy of 3% applied to imports of fish and fishery products to finance its Government’s low-cost housing schemes for poor and middle-income families. **Costa Rica** applied a 1% tax on most imports and the proceeds were earmarked for welfare, medical and child care centres.<sup>13</sup>

<sup>12</sup> The table presents the countries according to their respective income group. Four groups are identified according to 2003 GNI per capita as calculated by the World Bank: low-income (\$765 or less); lower-middle-income (\$766 - \$3,035); upper-middle-income (\$3,036 - \$9,385); and high-income (\$9,386 or more) economies.

<sup>13</sup> **Ghana’s** Export Development and Investment Fund Act imposed a 0.5% import levy on all non-petroleum products imported in “commercial quantities” (UNCTAD Country Notes).

**Table 2. Customs fees and charges on imports at time of latest Trade Policy Reviews<sup>14</sup>**

<b>Table 2a. High-income economies (16)</b>													
	TPR	2100	2210	2220	2230	2240	2250	2260	2270	2290	2900 (Service)	Com. levy	
Australia	2002	..	..	..	..	..	..	..	..	..	S	..	
Bahrain	2000	..	..	..	..	..	..	..	..	..	..	..	
Brunei Darussalam	2001	..	..	..	..	..	..	..	..	..	..	..	
Canada	2003	..	..	..	..	..	..	..	..	..	..	..	
European Communities	2002	..	..	..	..	..	..	..	..	..	..	..	
Hong Kong, China	2002	..	..	..	..	..	..	..	..	..	S	..	
Iceland	2000	..	..	..	..	..	..	..	..	..	..	..	
Israel	1999	AV	..	..	..	..	..	AV	..	..	..	..	
Japan	2002	..	..	..	..	..	..	..	..	..	..	..	
Korea	2004	S	..	..	..	..	..	..	AVS	..	..	..	
Macao, China	2001	..	..	..	S	..	..	..	AV	..	..	..	
New Zealand	2003	..	..	..	..	..	..	..	..	..	..	..	
Norway	2000	..	..	..	..	..	..	..	AV	..	AV	..	
Singapore	2004	..	..	..	..	..	..	..	..	..	..	..	
Switzerland and Liechtenstein	2000	..	..	..	S	..	..	..	S	..	..	..	
United States	2004	..	..	..	..	..	..	..	AV	..	..	..	
												SUM	
<i>Specific (S)</i>		1	..	..	2	..	..	..	1	..	2	..	6
<i>Ad valorem (AV)</i>		1	..	..	..	..	..	2	2	..	1	..	6
<i>Ad valorem and specific (AVS)</i>		..	..	..	..	..	..	..	1	..	..	..	1
<i>Unspecified type (X)</i>		..	..	..	..	..	..	..	..	..	..	..	0

<b>Table 2b. Upper-middle-income economies (19)</b>													
	TPR	2100	2210	2220	2230	2240	2250	2260	2270	2290	2900 (Service)	Com. levy	
Antigua and Barbuda	2001	..	AV	..	..	..	..	..	S	..	AV	..	
Argentina	1999	AV	..	..	..	..	..	AV	..	..	AV	..	
Barbados	2002	..	..	..	..	..	..	..	S	..	..	..	
Belize	2004	..	..	..	..	..	..	..	AV	AV	..	..	
Botswana	2003	..	..	..	..	..	..	..	..	..	..	..	
Chile	2003	AV	..	..	..	..	..	AV	..	AV	..	..	
Costa Rica	2001	AV	..	..	..	..	..	..	..	AV	X	..	
Dominica	2001	AVS	..	..	..	..	..	..	AVS	..	AV	..	
Gabon	2001	AV	..	..	..	..	..	..	..	..	..	..	
Grenada	2001	..	..	..	S	..	..	..	AVS	..	AV	..	
Malaysia	2001	..	..	..	..	..	..	..	..	..	S	..	
Mauritius	2001	..	..	..	S	..	..	..	S	AVS	S	..	
Mexico	2002	..	..	..	..	..	..	..	..	..	AV	..	
St Kitts and Nevis	2001	..	..	..	..	..	..	..	S	..	AV	..	
St Lucia	2001	..	..	..	..	..	..	..	X	..	AV	..	
St Vincent and the Grenadines	2001	..	..	..	..	..	..	..	S	..	AV	..	
Trinidad and Tobago	1998	AV	..	..	..	..	..	..	..	..	..	..	
Uruguay	1998	AV	..	..	..	..	..	..	..	..	AV	..	
Venezuela	2002	AV	..	..	..	..	..	..	..	..	AV	..	
												SUM	
<i>Specific (S)</i>		..	..	..	2	..	..	..	5	..	2	..	9
<i>Ad valorem (AV)</i>		7	1	..	..	..	1	1	1	3	10	..	24
<i>Ad valorem and specific (AVS)</i>		1	..	..	..	..	..	..	2	1	..	..	4
<i>Unspecified type (X)</i>		..	..	..	..	..	..	..	1	..	1	..	2

<sup>14</sup> See Table 1 for an explanation of the TCM codes.

Table 2c. Lower-middle-income economies (26)

	TPR	2100	2210	2220	2230	2240	2250	2260	2270	2290	2900 (Service)	Com. levy	
Bolivia	1999	..	..	..	..	..	..	..	..	..	AV	..	
Brazil	2000	S	..	..	..	..	..	..	..	..	AVS	..	
Bulgaria	2003	..	..	..	S	..	..	..	..	..	..	..	
Colombia	1996	..	..	..	..	..	..	..	..	..	..	..	
Dominican Republic	2002	..	..	..	..	S	..	..	..	AV	..	..	
Egypt	1999	AV	..	..	..	..	..	..	..	..	AV	..	
El Salvador	2003	..	..	..	..	..	..	..	..	AV	..	..	
Fiji	1997	..	..	..	..	..	..	..	..	..	..	..	
Guatemala	2002	..	..	..	..	..	..	..	..	..	..	..	
Guyana	2003	..	..	..	..	..	..	..	S	..	..	..	
Honduras	2003	..	..	..	..	..	..	..	..	..	..	..	
Indonesia	2003	..	..	..	..	..	..	..	..	..	..	..	
Jamaica	1998	..	..	AVS	S	..	..	..	..	..	..	..	
Maldives	2003	..	..	..	..	..	..	..	..	..	..	..	
Morocco	2003	..	..	AV	..	..	..	..	S	AVS	AVS	..	
Namibia	2003	..	..	..	..	..	..	..	..	..	..	..	
Paraguay	1997	..	..	..	..	AVS	..	AV	..	..	..	..	
Peru	2000	AV	..	..	..	..	..	..	..	..	AV	..	
The Philippines	1999	..	..	..	..	..	..	..	..	..	X	..	
Romania	1999	AV	..	..	..	..	..	..	..	..	AV	..	
South Africa	2003	..	..	..	S	..	..	..	S	..	..	..	
Sri Lanka	2004	AV	..	..	AV	..	..	AV	..	..	AV	..	
Suriname	2004	..	..	..	..	..	AV	..	..	AV	..	..	
Swaziland	2003	..	..	..	AV	..	..	..	..	..	..	..	
Thailand	2003	X	..	..	..	..	..	..	..	..	S	..	
Turkey	2003	AV	..	..	..	..	..	..	..	..	S	..	SUM
<i>Specific (S)</i>		1	..	..	3	1	..	..	3	..	2	..	10
<i>Ad valorem (AV)</i>		5	..	1	2	..	1	2	..	3	5	..	19
<i>Ad valorem and specific (AVS)</i>		..	..	1	..	1	..	..	..	1	2	..	5
<i>Unspecified type (X)</i>		1	..	..	..	..	..	..	..	..	1	..	2

Table 2d. Low-income economies (29)

	TPR	2100	2210	2220	2230	2240	2250	2260	2270	2290	2900 (Service)	Com. levy	
Bangladesh	2000	AV	..	..	AVS	..	..	..	..	..	AV	..	
Benin	2004	S	..	..	..	..	AV	S	..	..	S	AV	
Burkina Faso	2004	..	..	..	..	..	AV	..	..	S	AVS	AV	
Burundi	2003	AV	..	..	..	..	..	..	..	..	AV	..	
Cameroon	2001	..	..	..	..	..	..	..	AVS	S	..	..	
Côte d'Ivoire	1995	..	..	..	..	..	AV	..	..	..	AVS	..	
The Gambia	2004	..	..	..	S	..	..	..	S	..	AV	AV	
Ghana	2001	AV	..	..	..	..	..	..	..	..	AV	AV	
Guinea	1999	AV	..	..	..	..	..	..	..	AV	AV	AV	
Haiti	2003	AV	..	..	..	..	..	..	..	AV	AVS	..	
India	2002	..	..	..	..	..	..	..	..	AV	..	..	
Kenya	2000	AV	..	..	..	..	..	..	..	..	AV	..	
Lesotho	2003	..	..	..	..	..	..	..	..	..	..	..	
Madagascar	2000	..	..	AV	..	..	AV	..	..	AVS	..	..	
Malawi	2002	..	..	..	..	..	..	..	..	..	AV	..	
Mali	2004	..	..	..	..	..	AV	..	..	..	..	AV	
Mauritania	2002	..	..	..	..	..	AV	..	..	..	..	..	
Mozambique	2001	AV	..	..	..	..	..	..	..	..	S	..	
Nicaragua	1999	..	..	..	..	AV	..	..	..	..	S	..	
Niger	2003	..	..	S	..	..	AV	..	..	..	AV	AV	
Nigeria	1998	AV	..	..	..	..	..	..	..	..	AV	..	
Pakistan	2002	..	..	..	..	..	..	..	..	X	..	..	
Papua New Guinea	1999	..	..	..	..	..	..	..	..	..	..	..	
Senegal	2003	AV	..	..	..	..	AV	..	..	..	..	AV	
Solomon Islands	1998	AV	..	..	..	..	..	..	..	..	S	..	
Tanzania	2000	..	..	..	..	..	..	..	..	..	..	..	
Togo	1999	AV	..	AVS	..	..	AV	S	..	..	..	AV	
Uganda	2001	..	..	..	AV	..	..	..	..	..	..	..	
Zambia	2002	..	..	..	..	..	..	..	..	..	..	..	SUM
<i>Specific (S)</i>		1	..	1	1	..	..	2	..	2	4	..	11
<i>Ad valorem (AV)</i>		11	..	1	1	1	9	..	1	3	9	9	45
<i>Ad valorem and specific (AVS)</i>		..	..	1	1	..	..	..	1	1	3	..	7
<i>Unspecified type (X)</i>		..	..	..	..	..	..	..	..	1	..	..	1

27. Some countries applied surcharges on the importation of used goods: **Chile** and **Dominica** both had special surcharges on used vehicles. **Burundi** applied a 20% surcharge on imports of certain textile products to protect the Bujumbura Textile Complex from international competition. **Nicaragua** also introduced a temporary protection surcharge in 1994 with the objective to “counter effects from asymmetries resulting from the preferential trade treatment granted by CACM members to Nicaragua” as well as to support the “strengthening of the economy”. In 1999, the surcharges still ranged between 5-20%. **Solomon Islands** introduced a temporary surcharge of 10% in 1998 for revenue reasons. Both **Korea** (on petroleum) and **Mozambique** (on sugar, cement and steel) levied surcharges to ensure price stability. Mozambique’s sugar surcharge (averaging 25%) varied depending on the world market price. The Mozambique government negotiated the price policy with investors to assure profitability for local investment.<sup>15</sup>

28. In 1992, **Israel** started to apply “safeguard levies” on certain agricultural imports although the country lacked safeguard legislation within the meaning of Article XIX of the GATT 1994 and the Agreement on Safeguards. In 1999, 0.8% of the total number of tariff lines was still affected by these measures.

29. Several countries apply different types of advance income payments and withholding taxes at their borders. These taxes are not included in the scope of this study but they may still act as proxies for import surcharges in cases where importers are in non-tax paying positions, e.g. in instances where companies make losses or enjoy tax holidays. Some examples include **Bangladesh** that levied an advance income tax on all importers at the rate of 3% (c.i.f. value) and **Burundi** that applied a 4% levy on the customs value of imports by taxpayers in arrears as an advance payment on income tax. Burundi’s transaction tax was applied on domestic and imported goods alike but in the case of agricultural, fisheries and stockbreeding products, local products were taxed at a lower rate than imports. Both **Uganda** and **Pakistan** applied withholding taxes on imports of 6% and 4% respectively.

30. Temporary surcharges were sometimes used to compensate for the negative revenue impact of tariff reductions, for example in the form of the imposition of common external tariffs (CET) in regional trade agreements. **Senegal** provides an example where the imposition of several surtaxes was used to compensate for the revenue reduction following the introduction of the WAEMU CET. **St Kitts and Nevis** illustrates another example where the reduction of the CET among members of the Organisation of Eastern Caribbean States (OECS) led to the imposition in 2001 of a 5% raise in the consumption tax on imports and a 2% raise in the customs service charge.

*B. Tax on foreign exchange transactions (2210)*

31. There is scant evidence of countries imposing taxes on foreign exchange transactions related to importation. There is only one case of a foreign exchange transaction tax in the data used in this study. In 2001, **Antigua and Barbuda** applied a foreign exchange transaction tax of 1% on all transactions.<sup>16</sup>

*C. Stamp tax (2220)*

32. Four African countries along with **Jamaica** applied stamp taxes or duties. **Madagascar** charged a customs stamp duty of 1%, **Morocco** collected a 5% verification and stamp tax on carpets and **Niger**

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<sup>15</sup> The Market Access Sectoral and Trade Barriers Database also states that Vietnam (2002) had established a Price Stabilisation Fund that acted as a variable surcharge to raise import prices for a set of products (e.g. fertilisers, iron, petroleum and steel). Nicaragua was also reported to apply a variable surcharge levied on 780 imported tariff items (UNCTAD Country Notes). In addition, it imposed a 35% levy on goods and services coming from and originating in Colombia and Guatemala.

<sup>16</sup> The UNCTAD TRAINS database classified an excise duty in Singapore as a tax on foreign exchange transactions.

applied a specific stamp tax which discriminated between WAEMU and non-WAEMU countries. However, the fees charged in **Niger** were small. **Togo** and **Jamaica** charged both specific and *ad valorem* stamp duties. **Jamaica** charges an additional stamp duty on customs warrants inward with the aim to protect local production of certain product categories such as primary aluminium products (20-25%), vegetables and beans (35%), alcoholic beverages (34%) and tobacco products (56%). Importation of refined sugar was subject to an additional stamp duty whenever the c.i.f. price plus the customs duty fell below an established benchmark. Several countries either abolished or transformed/merged their customs stamp taxes into existing tariff schemes or other forms of fees and charges during the 1990s. For example **Belize** removed its 14% stamp duty in 1996 and **Barbados** abolished a 20% stamp duty levied on imports from non-CARICOM member states in 1997.<sup>17</sup>

*D. Import licence fee (2230)*

33. Import licence/import permit fees were applied in countries independent of income level: the frequency ratio was 10-20% across the board. Most fees were specific but *ad valorem* import licence fees were applied in **Bangladesh** (2.5% on imports valued above Tk 100,000), **Sri Lanka** (0.1% on 474 items), **Swaziland** (0.05%) and **Uganda** (2% on all imports). Most other countries charged small fees to cover the administrative costs of issuing the import licences, including in **Macao, China, Switzerland** and **Liechtenstein** in the high-income economy group.<sup>18</sup>

*E. Consular invoice fee (2240)*

34. Consular invoice fees were rare and only applied in a Caribbean, South and Central American country. The **Dominican Republic** levied a specific consular invoice fee to approve transactions while **Nicaragua** charged an *ad valorem* fee of 0.05%. **Paraguay** introduced a consular tax in 1972 that was still applied twenty-five years later. The tax was applied at a rate of 7.5% on total merchandise value. Special consular fees, ranging between USD 10 and more than USD 100, also affected compulsory document registration, additional copies and airmail charges for sending the documentation to Paraguay.<sup>19</sup>

*F. Statistical tax (2250)*

35. All the eleven countries that applied statistical taxes applied *ad valorem* fees. Statistical taxes were applied mainly in low-income economies with **Benin, Burkina Faso, Mali, Niger** and **Senegal** levying fees of 1% on imports from non-ECOWAS and non-WAEMU countries. **Madagascar, Côte d'Ivoire, Mauritania** and **Togo** further applied statistical taxes between 2% and 3%. **Suriname** charged 0.5% on the c.i.f. value of all imports except those of bauxite companies for which the statistical tax quadrupled. In 1998, **Argentina** reduced its statistical tax applied on non-MERCOSUR countries from 3% to 0.5% following a decision by a WTO panel.

36. Both **Côte d'Ivoire** and **Mauritania** applied their statistical taxes on a majority but not all products and Suriname also discriminated between product categories.

<sup>17</sup> The country notes presented at the UNCTAD TRAINS website noted that **Nicaragua, Guatemala, Lebanon** and **Mali** imposed various types of stamp taxes.

<sup>18</sup> The UNCTAD country notes observed that **Myanmar, the Philippines** and **Singapore** also had notified different forms of import licence fees. **Singapore** imposed a 0.5% surcharge on licence applications for imports from **Albania, Laos, Mongolia and Vietnam**.

<sup>19</sup> UNCTAD's country notes further note that **El Salvador** imposed specific consular fees and the Market Access Sectoral and Trade Barriers Database indicated that **Russia** levied consular fees related to imports or exports on a discriminatory basis. The fees were ten times lower in the CIS and Baltic countries than in other countries.

G. *Tax of transport facilities (2260)*

37. The application of taxes on transport facilities is seemingly independent of countries' income levels. Airport taxes (**Chile, Sri Lanka**) and port taxes (**Benin, Israel, Paraguay, Sri Lanka and United States**) are mostly *ad valorem* and the predominant measure in use. The **United States** has levied an *ad valorem* tax on port use since 1986 when the Harbor Maintenance Tax of 0.125% was introduced. The user fee applies to imports, admissions into foreign trade zones, domestic cargo shipped through a port, as well as passengers. Exports have been exempted since 1998. In **Israel**, importers were charged a 1.1% wharfage fee/port use fee while exporters paid 0.2%.

H. *Taxes and charges for sensitive product categories (2270)*

38. Taxes and charges for sensitive product categories include several types of fees and charges and the variety makes it a rather difficult category to define. Almost half of the upper-middle-income economies are identified as charging taxes and charges for sensitive product categories while the prevalence is low in high-income countries – where consumption rather than imports tend to be taxed – and even lower among low-income and lower-middle-income economies. The great majority of fees were specific although eight of the countries applied *ad valorem* fees. Three of the cases were found in the high-income economy group.

39. Most common were various forms of environmental taxes. Imported beverages in containers are popular objects for taxation, especially in the Caribbean (**Antigua Barbuda, Dominica, Grenada, Guyana, and St Kitts and Nevis**). It should be added that the money paid at the border frequently were repaid in return for the empty containers. Some countries applied environmental taxes on e.g. gasoline/petroleum/heating oils (**Dominica, Switzerland and Liechtenstein**) or on new or used vehicles (**Grenada, St Kitts and Nevis, and St Vincent and the Grenadines**). **Korea** applied environmental waste charges on certain plastics and domestic producers were charged a specific fee while foreign imports were subject to an *ad valorem* fee (0.7%).

40. Additional taxes cover inspection fees of animals or plants (**Cameroon, The Gambia, Macao, China, Mauritius, Morocco, South Africa, Switzerland and Liechtenstein**). In **Norway**, plant inspection was subject to a fee of 0.8% of the value of inspected imports. **Barbados** charged a specific environmental levy for waste disposal. **Belize** charged an environmental tax of 1% on most imported products, and **Grenada** applied a similar 1% environmental levy on a range of goods.<sup>20</sup> Both Barbados and Belize's environmental levies were applied on imports but not on the same type of products produced domestically.

I. *Additional charges n.e.s. (2290)*

41. Additional charges not elsewhere specified include a range of fees of various forms and they were prevalent in 15-24% of the studied low-income, lower-middle-income and upper-middle-income economies. The fees included an administrative charge (**Belize** 1.5%), a social fee in commercial free zones (**Belize**), specific taxes on particular product categories (**Burkina Faso** on e.g. rice, sugar, vehicles and hydraulic cement; **Cameroon** on certain meats; **Mauritius** on tea 20%; **El Salvador** on empty sacks and bags of synthetic fibre 80%; and **Morocco** on e.g. cement and wood) and a dispatch tax on merchandise exempt from import duties (**Chile** 5%). Then there were various import taxes on new and

<sup>20</sup> TRAINS notes that **Singapore** imposed specific fees linked to the inspection of plants, crops and plant products and on the endorsement of phytosanitary certificates.

used vehicles (**Costa Rica, Dominican Republic, Haiti and Pakistan**), a para-fiscal tax (**Morocco** 0.25%), a consent fee (**Suriname** 1.5%), and regulatory duties (**Pakistan**)<sup>21</sup><sup>22</sup>.

*J. Fees related to customs procedures (2290 (Service))*

42. Various fees are applied for customs related procedures. These fees do not necessarily provide utility to the importer, and in three out of four cases they were *ad valorem*. Many countries do not charge special customs service fees but cover the costs through other customs measures. Private inspection companies that are paid by the governments for which the goods are heading frequently conduct pre-shipment inspection in low-income and lower-middle-income countries.

43. Some countries applied an *ad valorem* customs 'service fee' (1% in **Bangladesh** and **Venezuela**; 0.35-1.1% in **Uruguay**; 2% in **Dominica**; 4% in **St Lucia** and **St Vincent and the Grenadines**; and 5% in **Antigua and Barbuda, Grenada** and **St Kitts and Nevis**)<sup>23</sup>, or specific fees (**Brazil, Mozambique** and **Nicaragua**)<sup>24</sup>. Other countries specified and charged for the type of service rendered. *Ad valorem* fees were common for import inspection or pre-shipment inspection of imports (**Argentina; Bolivia** 1.92%; **Burkina Faso** 1%; **Ghana** 1%; **Guinea** 1.05%; **Haiti** 4%; **Malawi** 0.85%; **Mauritius**: specific fee; **Niger** 1%, **Nigeria** 1%; and **Peru**: up to 1%). There were also cases of 'processing fees' (**The Gambia** 1.05%; **Mexico** 0.8%; and **The Philippines**)<sup>25</sup>. In **Peru**, the pre-shipment inspection fee varied and had to be negotiated with the inspection company. In **Norway**, imports of agricultural products were subject to inspection or foodstuff taxes of 0.58-0.82%.

44. **Egypt** applied a service and inspection fee of 1% plus an additional service charge of 2% on goods subject to import duties of 5-29%, and 3% on goods with duties of 30% or higher. **Burundi** levied a 6% service tax on all imports in addition to a pre-shipment inspection fee (for imports worth more than US\$5,000) that amounted to 1.5% of customs value. **Côte d'Ivoire** applied a 0.6% service fee on imports carried by sea and inspection firms charged an additional 0.75%. **Romania** applied a 0.5% customs commission in 1998.

45. **Morocco** charged an administrative specific fee based on the tonnage of shipments. **Peru** applied *ad valorem* charges for customs clearance. **Australia, Costa Rica, Thailand** and **Turkey** also applied various service charges to cover costs. Warehouse or storage fees were applied in other countries, e.g. in **Bolivia, Brazil, Haiti, Morocco** and **Nicaragua**.

<sup>21</sup> The *ad valorem* rate in **Pakistan** was 5% in year 2002 according to the Market Access Sectoral and Trade Barriers Database.

<sup>22</sup> **Nicaragua** was reported to apply a municipal tax of 1% (UNCTAD Country Notes). In addition, anecdotal evidence indicates that some countries require importers to pay customs fees and charges in hard-currency with potential returns paid in local currency. This practise gives rise to "hidden costs" in countries experiencing high inflation or lack currency convertibility.

<sup>23</sup> Senegal imposed service fees of 6-12% on all imports from non-WAEMU countries (UNCTAD Country Notes).

<sup>24</sup> The UNCTAD Country Notes also stated that **Cambodia** levied a specific import declaration fee, a pre-shipment inspection fee at 0.8% and specific registration fees for several products. **Laos** also charged pre-shipment inspection fees with minimum fees and 1% of goods valued above USD 30,000; **Myanmar** applied a 0.5% landing charge.

<sup>25</sup> The US Bureau of Customs and Border Protection collects a Merchandise Processing Fee of 0.21% on the value of imported goods per transaction. The minimum fee is USD 25 and the maximum fee is USD 485. Shipments falling under selected trade agreements like NAFTA are exempted (Ernst & Young, 2003; Market Access Sectoral and Trade Barriers Database).

46. Computer service fees were applied in some African countries: **Benin, Burkina Faso, Côte d'Ivoire, Mauritania and Morocco** all charged specific fees for submitting import declarations. **Hong Kong, China** also used a mandatory electronic system (EDI) for trade declarations for which there was a HK\$ 11 charge in 1999. **Kenya** applied an import declaration fee of 2.75% on the customs value of all imports.

*K. Community levies*

47. Two West African RTA Secretariats were imposing discriminatory customs fees and charges to fund their activities. The ECOWAS Secretariat refers to the principle of financial autonomy and the resources generated by the community levy partly finance their community activities.<sup>26</sup> One third of the WAEMU budget was funded by the community solidarity levy in 1998 (Grimm, 1999).

- **ECOWAS**<sup>27</sup> members **Benin, Burkina Faso, The Gambia, Ghana, Guinea, Mali, Niger, Senegal and Togo** applied an ECOWAS customs community levy of 0.5% on imports from non-ECOWAS members.
- **WAEMU**<sup>28</sup> members **Benin, Burkina Faso, Mali, Niger and Senegal** applied the WAEMU community solidarity levy of 1% on imports from non-WAEMU members. The TPR of **Togo** stated that the country charged a WAEMU community solidarity levy of 0.5% in the beginning of 1998.

48. In addition, **Niger** applied a special import tax (TCI) on rice of 10% during the period 2000-02. The TCI applied if the customs value was lower than the trigger price set by the WAEMU Commission. The TCI is a domestic protection mechanism established by the WAEMU and it is applied on agricultural, agro-industrial, livestock and fisheries products (with the exception of fish and fish products). The purpose of the TCI is to mitigate the effects of sharp fluctuations in international prices on community production and to counteract “unfair” practices. It is applied on products imported from third countries in two ways: as 10% of the trigger price or by equalization.<sup>29</sup>

*Notifications of customs fees and charges in NAMA*

49. In the fall of 2002, WTO Members were invited to notify NTBs that their exporters face in various markets. The Negotiating Group on Market Access received such notifications from thirty countries (and customs territories) between March 2003 and March 2004, and a summary of the notifications related to customs fees and charges on imports is presented in Annex E.<sup>30</sup> Two thirds of the notifying countries raised the issue of customs fees and charges (without revealing the identity of the imposing country(ies)) and almost the entire range of fees and charges discussed in the TPR section above were notified. **Norway** alone notified nearly every category in the TCM coding system.

<sup>26</sup> <http://www.sec.ecowas.int/sitecedeo/english/regional-6.htm>

<sup>27</sup> ECOWAS includes Benin, Burkina Faso, Cap Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

<sup>28</sup> WAEMU includes Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo.

<sup>29</sup> Several other WAEMU countries imposed TCIs on agricultural goods, including **Senegal** (UNCTAD Country Notes).

<sup>30</sup> The notifications are available at the WTO Secretariat (TN/MA/W/25, TN/MA/W/25/Add.1, TN/MA/W/25/Add.2, TN/MA/W/46, and TN/MA/W/25/Add.1). The notification format has some inherent weaknesses since the classification scheme is vague (see part II of this paper). Many countries have submitted notifications without categorising the notifications in accordance with the WTO's instructions. Other Members notified the NTBs using the wrong classification. The notifications presented in Annex E include the notifications that conformed to the definitions of fees and charges used in the previous analysis of this paper.

50. The NTB notifications seem to confirm some of the general trends identified in the analysis of TPR data. Customs surcharges and various fees related to customs procedures were the two most frequently notified categories. Six countries notified port fees, others pointed to fees related to documentation, and some countries noted that certain service fees not necessarily reflected the cost of rendering the service. Generic/all imports were the most notified group and several product-specific categories including metals, plastics, chemicals, medicines, automobiles, fluorescent lamps, textiles and clothing, watches, fish, drinks and forestry products were notified as well. Food products or agricultural produce was notified only once. A few countries reported variable import fees and charges (notifications by **Malaysia** and **Mexico**), some of which “fluctuated excessively” according to **Singapore**. **Argentina** reported that special duties on iron and steel products raised the applied tariff by up to 100% in certain cases and the **United States** notified that express delivery services were affected by discriminatory customs treatment in the form of unequal fees and taxes.

## V. Analysis of data on customs fees and charges

51. A few categories in the TCM coding system appear to have negligible impact in the context of the information used in this study. Only one country was found to charge taxes on foreign exchange transactions (2210). Consular invoice fees (2240) were another infrequent category which seems to be non-existent in the great majority of countries. Electronic Data Interchange (EDI) may be increasingly adopted by customs authorities but the TPRs did not pick up many fees related to the usage of EDI systems to submit import declarations.<sup>31</sup> The category ‘Additional charges n.e.s.’ (2290) contains by far most fees and charges yet the classification title reveals nothing about their nature. This category may usefully be further subdivided into two or more groups since it includes types of fees and charges that appear more common than those falling under e.g. 2210 and 2240. In this study, the most frequently recorded types of customs fees and charges relate to customs inspection, processing and servicing. In addition, most West African countries charge community levies of yet other types.

### A. Trends in high- and low-income countries

52. Table 3 presents the number of countries that apply different customs fees and charges as identified in the TPRs (Table 1 provides for definitions of the categories of fees and charges surveyed here). The first line reveals that fees related to customs procedures (2290 Service) are most prevalent and identified in nearly half the countries. The number would most likely have been even higher if the TPRs were stricter in accounting for the many small specific fees that are applied for services related to documentation, inspection and testing etc.<sup>32</sup> Customs surcharges (2100) were applied in one third of the countries and taxes on sensitive product categories (2270) were found in one fifth of the countries. Taxes on foreign exchange transactions (2210) and consular invoice fees (2240) were on the other hand applied in only a few cases. Less frequently, stamp taxes, import licence fees, statistical taxes, taxes on transport facilities, additional charges n.e.s. and community levies were identified in 5-15 of the countries.

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<sup>31</sup> EDI does not include the computer fees which are imposed in some developing countries.

<sup>32</sup> The TPRs are fairly consistent in accounting for para-tariff measures but they do not necessarily manage to account for every specific fee or charge that is imposed (and which might vary between customs points) on a strict cost recovery basis (e.g. fees related to documentation and registration).

**Table 3. Number of countries imposing various customs fees and charges**

Country group (number of countries)	2100	2210	2220	2230	2240	2250	2260	2270	2290	2900 (Service)	Com. levy
All countries (90)	29	1	5	12	3	11	7	18	15	42	9
High-income economies (16)	2	0	0	2	0	0	2	4	0	3	0
Upper-middle-income economies (19)	8	1	0	2	0	1	1	9	4	13	0
Lower-middle-income economies (26)	7	0	2	5	2	1	2	3	4	10	0
Low-income economies (29)	12	0	3	3	1	9	2	2	7	16	9

Source: WTO Trade Policy Reviews, 1995 - mid-September 2004.

53. A similar study comprising 63 developing countries and conducted two decades earlier found customs surcharges in 63% of the countries; other fiscal charges in 17%; foreign exchange levies in 14%; stamp taxes in 13%; consular fees in 43%; licence fees in 8%; statistical taxes in 13%; transport taxes in 21%; and other service taxes in 19% of the countries (Kostecki and Tymowski, 1985). While both datasets have methodological shortcomings, the findings still point to some general trends:

- The number of countries that apply customs surcharges is significantly lower today than twenty years ago, or down from two thirds to one third of the countries.
- There has been a considerable drop in the number of countries that apply consular invoice fees, and the imposition of taxes on foreign exchange transactions is also less frequent.
- The number of countries that apply various service fees related to customs procedures seems to have roughly doubled.
- The trend is less clear for stamp taxes, import licence fees, statistical taxes and taxes on transport facilities. The numbers seem to have been fairly stable over the time period.

54. This seems to indicate that countries have moved slowly in the direction laid out in GATT Article VIII:1(b) which states “*contracting parties recognize the need for reducing the number and diversity of fees and charges*”. The data do not allow a comparison of the absolute levels of customs fees and charges but high *ad valorem* charges were most widespread in the group of customs surcharges – and the data indicate that there has been a remarked downturn in the imposition of surcharges. However, while the number of customs fees and charges has been reduced over the last decades, a great variety of fees and charges are still applied and most of these fees are proportional to the value of the imported goods.

55. The TPRs also indicate that several countries have reformed their customs schemes of fees and charges applied at borders. For example in **Cameroon**, until 2000, a temporary import surcharge of up to 30% could be levied for a period of three years on products that were previously subject to quantitative restrictions (applied to e.g. cement, flour and polypropylene bags) and a number of fees and charges were eliminated by the Budget Law of 2000/2001. These included an import inspection fee of 0.95% on imports in excess of CFAF 1 million (with a minimum charge of CFAF 110,000); a computer user fee of 1.5% used to finance the national computer office; and a levy of 0.3% collected on river and maritime freight originating in and imported from non-members of the Customs and Economic Union of Central Africa (UDEAC).

56. In **Bangladesh**, regulatory duties and surcharges on imports were replaced by a supplementary excise duty, which is largely a trade-neutral consumption tax. In 1995, **Uruguay** combined all customs duties, surcharges, service and other charges in a unified customs charge (TGA), which is levied on the c.i.f. value of imports with the exception of goods subject to the Minimum Export Price Regime. The TGA is the sum of three components: the minimum surcharge (0-6%), the additional surcharge (0-8%) and the

single customs tax on imports (0-10%). **Brazil** has also reformed its customs measures and since 1996 eliminated import licence fees, a document surcharge for non-preferential customers and a tax for the organisation and regulation of the rubber market.

57. Table 3 further reveals that:<sup>33</sup>

- **Low-income economies:** 55% of the countries applied various fees related to customs procedures, 41% applied customs surcharges, and 31% applied statistical taxes and community levies respectively.
- **Lower-middle income economies:** 38% of the countries applied various fees related to customs procedures at borders, 27% applied customs surcharges and 19% statistical taxes. This income group also had the highest share of import licence fees and consular invoice fees – but both fees were relatively infrequent and found in less than a fifth of the countries.
- **Upper-middle-income economies:** Seven out of ten charged various fees related to customs procedures and just below half applied customs surcharges and taxes on sensitive product categories. Six categories of fees and charges were recorded only once or not at all.
- **High-income economies:** In general, few fees and charges are recorded although taxes and charges for sensitive product categories and various fees related to customs procedures are identified for a few countries. Six categories of fees and charges were not found at all.

58. The shift from customs surcharges towards the application of fees related to customs procedures would be welcome if the latter reflected the costs of the services rendered. However, Table 4 shows that a great majority of the fees related to customs procedures are *ad valorem* fees, in a similar manner to the group of customs surcharges.

#### **B. *Ad valorem vs. specific customs fees and charges***

59. Customs fees and charges applied on imports are assessed on either an *ad valorem* or a specific basis. The former is proportional to the customs value of imports and the value is normally calculated as cost, insurance and freight (c.i.f., or occasionally on the f.o.b. value)<sup>34</sup>. The specific fees are either fixed or based on weight or volume. Some countries apply *ad valorem* fees with fixed minimum or maximum fees. Table 4 shows the frequency of the two types. Customs surcharges (2100), statistical fees (2250) and community levies are predominantly, or only, of the *ad valorem* type. A great majority in the groups of taxes on transport facilities (2260), ‘additional charges n.e.s.’ (2290), and fees related to customs procedures (2290(Service)) are *ad valorem* too. Only import licence fees (2230) and taxes and charges for sensitive product categories (2270) tend to be specific.

60. The information contained in the TPRs shows some patterns that are worth highlighting: e.g. poorer countries seem more likely to apply *ad valorem* fees. 54% of the fees and charges applied by high-income economies were *ad valorem* while the corresponding figures were between 71-76% in the upper-middle income and lower-middle income economies, and 83% in low-income economies<sup>35</sup>. Few *ad*

<sup>33</sup> Calculations made with data from the COMTRADE database using 2003 as base year indicated that low-income economies accounted for 2.0% of world goods imports; lower-middle-income economies for 13.7%; upper-middle-income economies for 7.9%; and high-income economies for 76.3%.

<sup>34</sup> Goods are valued at the importer’s border (i.e. the c.i.f. value = transaction value plus the cost of transportation and insurance to the frontier of the importing country or territory) or at the exporter’s border (i.e. the f.o.b. value = transaction value including the cost of transportation and insurance to bring the merchandise to the frontier of the exporting country or territory) (WTO 2003c).

<sup>35</sup> Calculated as  $(\Sigma AV + \Sigma AVS)/(\Sigma AV + \Sigma AVS + \Sigma S)$ .

*valorem* fees are identified in OECD Member States and these fees are generally lower than one percent and targeted at specific products like agricultural products in **Norway** or plastics in **Korea**.

**Table 4. Fee structure of customs fees and charges on imports**

	2100	2210	2220	2230	2240	2250	2260	2270	2290	2900 (Service)	Com. levy
Specific (S)	3	0	1	8	1	0	2	9	2	10	0
Ad valorem (AV)	24	1	2	3	1	11	5	4	9	25	9
Ad valorem and specific (AVS)	1	0	2	1	1	0	0	4	3	5	0
Unspecified type (X)	1	0	0	0	0	0	0	1	1	2	0

Source: WTO Trade Policy Reviews, 1995 - mid-September 2004.

61. Many *ad valorem* customs fees and charges do not differ from customs duties other than by name and on the procedural and legal grounds by which they are used (Kostecki and Tymowski, 1985). Several low- and middle-income countries use high *ad valorem* fees and charges which may obstruct trade with high-income countries and other low- and middle-income countries alike. Although there has been some discussion in panel reports about the reference to “*approximate cost of services rendered*”, the overview of various fees and charges that countries apply suggests that the relation between “services rendered” and the cost imposed on the imported products warrants further clarification. The administrative burden for customs is not necessarily related to the value of the imported goods. The customs services offered to an importer of a container of mobile phones or telephone directories is an example: an *ad valorem* service fee would be considerably higher for the mobile phone importer even if the services rendered at the customs may be as time consuming and involve similar procedures as for telephone directories. Clearer guidelines of how customs fees and charges should be calculated would remove some of the uncertainties regarding the legality of their application

62. Box 1 describes the policies of fourteen Arab countries, many of which are not members of the WTO or included in the TPRs. As of the late 1990s, these Arab countries applied a plethora of fees and charges. Measures such as **Sudan’s** defence tax and **Libya’s** artificial river tax did not break WTO rules since neither country was a member of the WTO. **Tunisia** applied a duty on goods that competed with similar local products to assist its “Development and Competitiveness Fund”. The author of the report (Zarrouk, 2000) also notes that **Egypt’s** para-tariffs were relatively low compared to its applied *ad valorem* tariffs but that they still increased the effective rate of duty collection on average by about ten percent.<sup>36</sup> He further observed that transparency was a real problem – detailed data on specific surcharges were not available in most of the countries surveyed.

63. The lack of a comprehensive and trusted central registry of customs fees and charges presents transparency issues for importers as they spend time and money to search for the relevant information and yet find surprises at borders, particularly in poorer countries where the fees and charges may change at short or no notice, which increases financial risks and hampers trade. As TPRs point out, one reason why customs fees and charges are so frequently applied in low- and middle-income countries is that taxation of imports constitutes an important source of revenue for many governments. “Temporary surcharges” are also applied for long periods of time but result in few legal challenges.

<sup>36</sup> **Algeria** was another Arab non-WTO Member country that imposed a rich variety of high *ad valorem* fees and charges (UNCTAD Country Notes).

**Box 1: Customs fees and charges on imports in selected Arab countries**

Zarrouk (2000) has studied para-tariff measures in fourteen Arab countries and his findings of customs fees and charges on imports are summarised below. The author collected the information from the Arab Trade Information Network, the Program for Arab Trade Financing, the TRAINS database, and from reports by UNCTAD, World Bank and WTO. Moreover, customs authorities were surveyed in some cases to verify the information and a number of Egyptian importers replied to a questionnaire about taxes and charges in the Arab world.

**Egypt:** Service charges affecting importers included: I) a statistical tax of 1% (on f.o.b. value); II) a customs surcharge collected at the rate of 2% or 3% of the import value of goods subject to *ad valorem* rates between 5-29% and 30% < respectively; III) X-ray, health and food control charges levied on foodstuffs at the amount of \$1 per ton; and IV) certification and stamp duties collected progressively with the imported value. In addition, a specific surcharge (25£E per ton) was levied on imported goods to control standards and quality of exports.

**Iraq:** Import charges were collected to assist exports at the rate of 0.5% (on c.i.f. value) of capital goods and 0.75% (on c.i.f. value) of consumer goods.

**Jordan:** Service charges affecting importers included: I) fees for customs overtime wages that were levied on all imported goods at 0.2% (on c.i.f. value); II) legalisation charges of JD2 for certifying import invoices and certificates of origin and their attachments were levied (on f.o.b. value) of imports ranging between JD 1,000 and JD10,000, and the certification fee was JD20 for imports values exceeding JD10,000; and III) additional specific duties were expressed as a fixed monetary amount per physical unit of the product imported.

**Lebanon:** Service charges affecting importers included: I) additional customs duties levied on imported cars at 20% for the first L£25 million (c.i.f. value) and 35% for the balance of the c.i.f. value of the imported car; II) specific duties on alcoholic beverages and beer; and III) stamp fees on all imports at the rate of L£3 per each L£1,000 of the c.i.f. import value.

**Libya:** Service charges affecting importers and internal taxes and charges violating the national treatment of imports were not found. However, a 15% additional import tax called the 'artificial river tax' was levied on the c.i.f. value of imports. The tax was paid upon opening a letter of credit by the importer with his local bank.

**Morocco:** A 0.25% para-fiscal tax (on c.i.f. value) was collected on all imported goods except those exempted from or subjected to minimum customs tariffs. The tax was collected to assist standards and quality inspections of export-oriented goods, the Moroccan crafts industry, the Moroccan Center for Export Promotion, and the Industrial Development Council. Specific import duties on timber were levied at the rate of 6% (on c.i.f. value).

**Sudan:** Special import taxes complementing tariffs included a defence tax collected at the rate of 4% (on c.i.f. value) of all goods except staples; and a business profit tax of 5% (c.i.f. value plus the customs tariff and other customs duties) levied on imported goods competing with locally produced goods.

**Syria:** Import licence fees were collected at the rate of 2% (on c.i.f. value) on all imported goods in the private sector. Consular invoice fees were collected at a minimum of 4% on the first S£1,000, 3% on the next S£1,000 and 0.4% on the additional value of imports. The collected consular invoice fees differed by country and shipment. Additional import taxes were levied on all imported goods. The rates were progressive and *ad valorem* at rates between 6-35%.

**Tunisia:** Service charges affecting importers included: I) a 3% customs service charge of the total amount of collected tariffs and other import taxes and charges (or a fee of TD5 per section of the customs declaration for tariff exempted goods); and II) a computer data word-processing fee of TD2 per page of customs declaration. A duty to assist the "Development and Competitiveness Fund" was levied at 1% (on c.i.f. value) on imported goods that competed with similar local products.

**United Arab Emirates:** Specific surcharges were levied on imported tobacco and its derivatives.

For **Bahrain, Kuwait, Qatar** and **Saudi Arabia**, no para-tariffs were identified.

### **C. *Motivations and effects of imposing customs fees and charges***

64. Governments pursue trade policies for a variety of reasons, including as a means to raise revenue, to protect specific industries, to shift the terms of trade, to attain certain foreign policy or security goals, or to restrict the consumption of specific goods (Hoekman and Kostecki, 2001). Although many of the fees and charges presented so far clearly are applied to cover costs for rendered services, some governments would have great difficulties in arguing that their high permanent *ad valorem* fees – those without ceilings, domestic equivalents, and not related to BOP concerns – are related to services rendered and not used for other reasons such as to raise revenue or to protect industries. Surcharges are sometimes used to stabilise low commodity prices. Several countries also charge importers to contribute to the financing of various funds that have little, or indeed nothing, to do with services rendered to them.

65. Article VIII does not define the meaning of “**service**” in the provision that “*all fees and charges ... imposed by contracting parties on or in connection with importation ... shall be limited in amount to the approximate cost of services rendered...*”. Some of the fees and charges that are identified in this study do not provide any direct value to traders. These would include e.g. community fees and taxes on foreign exchange transactions. Some services, e.g. statistical taxes and taxes on sensitive product categories, may provide a service that could be regarded as a public good. However, para-tariff measures like some customs surcharges or community fees are arguably neither a useful service for the traders nor a public good. A more precise definition of what constitutes a “service” in Article VIII:1(a) would remove some of the uncertainties in the interpretation of the article and potentially lead to a reduction in the costs of trading.

66. Customs fees and charges do not only apply direct costs on importers but they also entail a range of indirect additional costs. The imposition of customs fees and charges may lead to delays, and transparency is an issue because of the lack of comprehensive and up-to-date registers. Fees and charges and the regulations governing their application tend to change over time and some developing countries have been shifting and changing their fees and charges for various reasons.

67. Lack of transparency, frequent changes and lax controls of the administration of fees at customs point create opportunities for bribery and corruption. Some countries require importers to make advance payments on fees, which increases the financial risk of cross-border trade. In addition, domestic taxes are often calculated based on the import price inclusive of additional fees and charges. Calculating a tax on the basis of the sum of c.i.f. value, import duty, surcharge, cess and excise duty, amplifies the increase in consumer prices.

### **D. *Provisions in RTAs and discrimination***

68. Annex F provides a review of selected RTAs and their provisions concerning customs fees and charges. The great majority of those RTAs state that no new customs fees and charges shall be introduced and existing ones shall be abolished either immediately or progressively over a number of years. Various exceptions are common, referring to particular product categories which are not included or where the elimination of fees will take place over time. Some RTAs include a provision which allows members to renegotiate their commitments (e.g. in former Soviet Republics). Other RTAs state that existing fees and charges shall not be raised and no new ones introduced. Several agreements also include a provision which allows for the application of fees to cover costs for services rendered. A general observation is that many recent RTAs define “customs duties” as including (non-tariff) customs fees and charges and provisions concerning customs duties are thus similarly affecting all other fees and charges.

69. Measures to increase transparency and provisions to prohibit bilateral discrimination in the application of additional fees and charges are occasionally included. The U.S. – Chile RTA and the U.S. –

Bahrain RTA include a simple but very useful transparency provision stating that: “*Each Party shall make available through the Internet or a comparable computerbased telecommunications network a current list of the fees and charges it imposes in connection with importation or exportation.*”

70. The data in the TPRs provide very little evidence of arbitrary discrimination in the application of fees and charges among trading partners, except for the case of RTAs. Discrimination is observed mainly where the customs fees and charges are being abolished on a preferential basis among members of regional trade agreements – and this preferential elimination will affect an increasing share of world trade following the current proliferation of regional trade agreements. Examples include the U.S. merchandise processing fee which is abolished in recent bilateral trade agreements; **Grenada**, which applies licence fees to non-CARICOM countries; and **Chile**, which has abolished customs fees on imports originating from countries with which it has free trade agreements. In the case of two West African RTAs – ECOWAS and WAEMU – specific community fees are levied only on trade transactions involving non-member countries.

71. In November 1997, the MERCOSUR Common External Tariff was increased by 3% following a proposal by **Argentina** to replace a 3% statistical tax that had been condemned by a WTO panel. In January 1998, **Argentina, Brazil, Paraguay** and **Uruguay** implemented the new tariff. The higher rate was originally set to be discontinued in December 2000 but was subsequently lowered to 2.5% in 2000 and to 1.5% in 2001. In November 2002, MERCOSUR decided to extend the application of this additional duty until December 2003.<sup>37</sup>

72. A few incidents or selective application of fees and charges were further noted. In 1999, **Israel** applied fees that discriminated between exporter countries. **Korea**'s surcharge on petroleum imports was levied to provide funds to ensure adequate supply and price stability. The Korean government also promoted diversification of oil imports to reduce the dependency on Middle Eastern oil and increase imports from other regions including the Americas, Africa, and Europe. Surcharges on non-Middle Eastern oil imports were to be lowered to offset their higher transport costs at the time of the review. A few examples not related to country of origin include **Suriname**, which applied a statistical fee that was four times higher for bauxite companies than other imports, and **Egypt**, which applied an additional *ad valorem* service charge that increased with the level of tariff protection.

73. The data presented in Annex D indicate that agricultural products, petroleum and vehicles are singled out for various customs fees and charges. One explanation may be that petroleum and vehicles represent a large share of imports in many poor countries. The agriculture sector is also heavily protected in general and it represents a larger share of the economy in poor than in rich countries.

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<sup>37</sup> The information is based on the TPRs and the Market Access Sectoral and Trade Barriers Database.

## VI. Concluding remarks

74. Customs fees and charges on imports in WTO Member States are required by GATT Article VIII to be limited in amount to the approximate cost of services rendered; and not to represent indirect protection to domestic products or a taxation of imports for fiscal purposes. This study has shown that various types of customs fees and charges continue to affect world trade, particularly in low- and middle-income countries. Fees and charges related to customs inspection, processing and similar services are found to be applied by half of the ninety reviewed WTO Members and various customs surcharges in a third of those countries.

75. If one compares this more recent information with data that were collected in the early 1980s, the use of both customs surcharges and consular invoice fees has markedly declined. On the other hand, more countries nowadays charge importers fees for the use of various customs-related services. This study discerned no clear trend concerning the use of stamp taxes, import licence fees, statistical taxes and taxes on transport facilities. Taxes on foreign exchange transactions observed to be in place in the early 1980s now seem to be abolished.

76. *Ad valorem* fees are more frequently applied than specific fees: customs surcharges, statistical taxes and community fees are predominantly of the *ad valorem* type. Taxes on transport facilities and fees related to customs procedures are also mostly *ad valorem*. Import licence fees and taxes on sensitive product categories are the only categories of primarily the specific type. Poorer countries seem more likely to use *ad valorem* fees than richer countries.

77. Many low- and middle-income countries apply high *ad valorem* fees and charges. The review indicates that several countries employ customs fees and charges for reasons other than to provide services. RTAs tend to include provisions in their schedules which either abolish customs fees and charges between members or freeze and prohibit the introduction of new such measures. There is no indication that the proliferation of RTAs is providing impetus for a widespread reduction or removal of fees and charges that would benefit also the countries that are not members of RTAs.

78. An additional issue regards transparency. The few market access databases available do not offer comprehensive and continuously updated data on customs fees and charges. This lack of information increases the financial risk for traders which may affect trade, especially for SMEs without the means and infrastructure to continuously keep themselves informed. In addition, the price effect of customs fees is amplified in some countries because domestic taxes are frequently calculated on top of the import value and all additional fees and charges.

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**ANNEX A – Descriptions of fees and charges in the UNCTAD TCM classification**

- I. **2100 Customs surcharges:** are levies added to the normal customs duties and they are commonly referred to as *surtaxes* or *additional duties*. Customs surcharges are sometimes used to improve a current account deficit, to raise fiscal revenue or to protect domestic industry.
- II. **2200 Additional taxes and charges:** are levied on imported goods in addition to customs duties and surcharges that have no internal equivalent. Various other taxes, such as taxes for special funds, municipal taxes, registration fees on imported motor vehicles, customs formality taxes etc. are classified as *additional charges, n.e.s.* (not else specified).
- III. **2300 Internal taxes and charges levied on imports:** *general sales taxes* levied on imports are the equivalent of those internal taxes that are applied to all or most products. There are three types of internal taxes: the sales tax is *ad valorem* and based on the gross receipts of sales of goods; the turnover tax, or multiple sales tax, is imposed at more than one level of production and distribution and is based on gross receipts; and the value-added tax (VAT) is a modified turnover tax based on the net value added. The *excise tax* levied on imports is the equivalent of the excise tax levied on domestic products. This tax is an internal tax imposed on selected types of commodities, usually of a luxurious or non-essential nature, and it is levied separate from, and in addition to, the general sales tax.
- IV. **2400 Decered customs valuation:** customs duties and other charges on selected imports can be levied on the basis of a decreed value of goods. This practise is presented as a means to avoid fraud or to protect domestic industry.

<b>ANNEX B. UNCTAD's TCM coding system in relation to the GATT</b>	
<b>General Agreement on Tariffs and Trade (GATT)</b>	<b>UNCTAD TCM code</b>
<p><b>Art. VIII:1(a)</b> – “All fees and charges of whatever character (other than import and export duties and other than taxes within the purview of Article III) imposed by contracting parties on or in connection with importation or exportation shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes.”</p> <p><b>Art. VIII:4</b> – “The provisions of this Article shall extend to fees, charges, formalities and requirements imposed by governmental authorities in connection with importation and exportation, including those relating to:”</p>	<p>See 2100 See 2200</p>
a) “consular transactions, such as consular invoices and certificates”	See 2240
b) “quantitative restrictions”	
c) “licensing”	See 2230
d) “exchange control”	See 2210
e) “statistical services”	See 2250
f) “documents, documentation and certification”	See 2220
g) “analysis and inspection”	See 2290
h) “quarantine, sanitation and fumigation”	See 2270
<p><b>Art. II:2</b> – “Nothing in this Article shall prevent any contracting party from imposing at any time on the importation of any product:”</p> <p>(a) “a charge equivalent to an internal tax imposed consistently with the provisions of paragraph 2 of Article III* in respect of the like domestic product or in respect of an article from which the imported product has been manufactured or produced in whole or in part;”</p> <p>(c) “fees or other charges commensurate with the cost of services rendered.”</p> <p><b>Art. III:1</b> – “The contracting parties recognize that internal taxes and other internal charges, and laws, regulations and requirements affecting the internal sale, offering for sale, purchase, transportation, distribution or use of products, and internal quantitative regulations requiring the mixture, processing or use of products in specified amounts or proportions, should not be applied to imported or domestic products so as to afford protection to domestic production.”</p> <p><b>Art. III:2</b> – “The products of the territory of any contracting party imported into the territory of any other contracting party shall not be subject, directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like domestic products. Moreover, no contracting party shall otherwise apply internal taxes or other internal charges to imported or domestic products in a manner contrary to the principles set forth in paragraph 1.”</p>	<p>See 2300</p>
<p><b>Art. VII:2</b> – “(a) The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.</p> <p>(b) “Actual value” should be the price at which, at a time and place determined by the legislation of the country of importation, such or like merchandise is sold or offered for sale in the ordinary course of trade under fully competitive conditions. To the extent to which the price of such or like merchandise is governed by the quantity in a particular transaction, the price to be considered should uniformly be related to either (i) comparable quantities, or (ii) quantities not less favourable to importers than those in which the greater volume of the merchandise is sold in the trade between the countries of exportation and importation.</p> <p>(c) When the actual value is not ascertainable in accordance with sub-paragraph (b) of this paragraph, the value for customs purposes should be based on the nearest ascertainable equivalent of such value.”</p>	<p>See 2400</p>

## ANNEX C. Bound Other Duties and Charges for all products (WTO, 2003b)

Import markets	Other Duties and Charges	
	Simple Average	Maximum
Angola	0.1	0.1
Argentina	3.0	3.0
Bahrain	0.0	2.0
Bangladesh	2.2	2.5
Barbados	98.3	246.0
Belize	14.2	106.0
Benin	6.8	19.0
Burkina Faso	17.8	50.0
Burundi	18.8	30.0
Central African Rep.	15.3	16.0
Costa Rica	1.0	1.0
Côte d'Ivoire	4.7	70.0
Cyprus	0.2	6.0
Djibouti	99.6	100.0
Dominican Rep.	0.7	60.0
Gabon	18.2	48.0
Gambia	10.0	10.0
Ghana	0.2	15.0
Guinea	8.8	93.0
Guinea-Bissau	46.8	80.0
Guyana	31.4	85.0
Haiti	12.6	21.0
Indonesia	0.1	25.0
Jamaica	14.1	200.0
Kuwait	15.0	15.0
Madagascar	190.2	250.0
Malawi	11.8	20.0
Maldives	0.0	1.0
Mali	19.0	50.0
Malta	0.4	100.0
Mauritania	5.4	15.0
Mauritius	13.7	17.0
Morocco	15.0	15.0
Mozambique	100.0	100.0
Niger	37.1	50.0
Nigeria	80.0	80.0
Qatar	3.0	3.0
Romania	0.5	0.5
Senegal	7.2	85.0
Sierra Leone	43.1	50.0
Sri Lanka	0.9	10.0
St. Kitts and Nevis	17.8	28.0
Suriname	27.0	50.0
Tanzania	0.3	84.0
Thailand	0.0	40.0
Trinidad and Tobago	14.2	15.0
Tunisia	0.7	30.0
Uganda	3.5	30.0
Uruguay	3.0	3.0
Zimbabwe	9.4	15.0

Countries with simple average and maximum equal to 0.0: *The OECD Member States, Albania, Antigua and Barbuda, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Cameroon, Chad, Chile, China, Colombia, Congo, Congo, Dem. Rep., Croatia, Cuba, Dominica, Ecuador, Egypt, El Salvador, Estonia, Fiji, Grenada, Guatemala, Honduras, Hong Kong, China, India, Israel, Jordan, Kenya, Kyrgyz Rep., Latvia, Lesotho, Lithuania, Macao, China, Malaysia, Moldova, Mongolia, Myanmar, Namibia, Nicaragua, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Singapore, Slovenia, Solomon Islands, South Africa, St. Vincent and the Grenadines, Swaziland, Chinese Taipei, Togo, United Arab Emirates, Venezuela and Zambia.*

**ANNEX D. Customs Fees and Charges in the WTO Trade Policy Reviews<sup>38</sup>****2100: Customs surcharges**

**Argentina [99]:**<sup>39</sup> In 1997, minimum surcharge levels, ranging from 8% to 16% depending on the cylinder capacity of the engine, were set for private importers of Category A vehicles.

**Bangladesh [00]:** In 1997, an infrastructure development surcharge of 2.5% was introduced as a temporary measure. It applies to 98.4% of total tariff lines and it has effectively counteracted the fall in the overall applied MFN tariff level.

**Benin [04]:** A levy for the Benin National Dockers' Council (FAF 400/t on imports) is calculated on volume.

**Brazil [00]:** A Merchant Marine Renewal Tax is charged on imports transported by sea at 25% of ocean freight charges. The tax is used to modernise and improve the Brazilian merchant fleet. In addition, there is a Dock Worker Severance Pay Surcharge that varies according to the type of cargo. The surcharge aims to "indemnify workers whose registration has been cancelled".

**Burundi [03]:** Imports of certain textile products are subject to a 20% surcharge on the customs value of the goods to provide additional protection for the Bujumbura Textile Complex.

**Chile [03]:** Used goods bear a surcharge of 50% above the relevant import duty.

**Costa Rica [01]:** There is a 1% tax on customs value of imports.

**Dominica [01]:** An import surcharge of 15% is applied on apples, fresh grapes, pears and motorcycles, and there is a surcharge of EC\$2,500 on the importation of reconditioned vehicles older than five years.

**Egypt [99]:** A 2% or 3% surcharge is levied for imports subject to customs duties of between 5% and 29% or 30% and above, respectively.

**Gabon [01]:** Since 1994, Gabon has availed itself of a provision allowing CACEU member countries the possibility of imposing a temporary surcharge on certain products. The surcharge concerned two categories of goods: a) those subject to quantitative restrictions in the member States in 1994, to be abolished in 1996 at the latest; and b) those included on a list to be abolished in June 2000 at the latest. In 2001, Gabon had not yet finally abolished the temporary surcharge because of opposition by local producers of identical or directly competing products. The temporary surcharge is set at 20%, and affects 25 Gabonese tariff lines, notably vegetable fats and oils.

**Ghana [01]:** The temporary introduction of a special import tax of 20% in 2000 on mainly consumer goods – covering 7% of tariff lines – has effectively added a fifth tariff rate of 40% and raised the average applied MFN tariff to currently almost 15%.

**Guinea [99]:** A 0.25% (c.i.f. value) tax is levied for payment to the Chamber of Commerce. A consumption surcharge has been levied on "luxury products" since 1986: on imports, the surcharge is *ad valorem* and comprises eight rates ranging from 5% to 70%. The surcharge is also levied on locally manufactured products but the method of taxing local products differs from that for imports of identical products: e.g. beer produced locally is subject to a specific tax of GF 20 per bottle with a content of 50 cl or less, while imported beers are taxed at a rate of 70%. Imports are more heavily taxed than locally produced goods.

**Haiti [03]:** A tax of 2% calculated on the basis of the import duties and taxes paid is levied as a contribution to the Fund for the Management and Development of Local Communities.

**Israel [99]:** So-called safeguard levies are collected on a number of imported goods although Israel has no safeguard legislation within the meaning of Article XIX of the GATT 1994 and the Agreement on Safeguards. The safeguard levy is partly used as an instrument to enhance flexibility of the tariff system. In 1994, based on agricultural policy considerations, Israel imposed safeguard levies on a wide range of agricultural products. In 1999, 81 items at the HS eight-digit level, equivalent to 0.8% of the total tariff lines, were subject to such surcharge, down from 268 items, equivalent to some 2.7% of tariffs lines, in 1992. The rate differs depending on the origin; imports of U.S. origin are

<sup>38</sup> The following list of customs fees and charges does not account for potential product categories or importers (including presidents, public sector organisations, diplomatic missions) exempted from the stated measures. This omission was done to shorten the Annex and the reader is advised to consult the original TPRs for a more comprehensive account of the customs regulations.

<sup>39</sup> The figures in brackets represent the years for which the latest TPRs were carried out.

generally subject to a lower safeguard levy than other imports.

**Kenya [00]:** A fee of 1% is collected on the c.i.f. value of agricultural imports to support the Kenya Plant Health Inspectorate Service. In addition to customs tariffs, "suspended" (stand – by) duties ranging up to 70% on maize, rice, wheat, sugar, and milk are imposed on some 17% of all tariff lines, in agriculture and manufacturing.

**Korea [04]:** A surcharge is levied on petroleum imports to provide funds to ensure adequate supply and price stability. Petroleum refiners and oil importers pay the surcharge, currently set at W 14 per litre.

**Mozambique [01]:** Mozambique levies a variable surcharge on sugar (25% on average), and fixed ones on cement and on steel (12.5%), since 1997. The import surcharge on sugar varies depending on the world price with government and investors negotiating price policies to assure profitability.

**Nigeria [98]:** A surcharge of 7% is levied on the customs duty payable. The surcharge comprises a Port Development Tax (5%), a Raw Materials and Development Council Surcharge (1%) and a Shippers' Council Surcharge (1%). A National Automotive Council tax of 2% is also levied on the c.i.f. value of imported vehicles and parts. In addition, Nigeria's position as an important transshipment point for neighbouring countries suffers of high port charges and customs fraud driving business away. As of 1998, multiple fees and charges levied illegally at various stages of discharging cargo resulted in overall shipping charges and port duties that were approximately 45% of the total cost of clearance.

**Peru [00]:** A 5% tariff surcharge on 331 agricultural products was introduced in 1997. Changes introduced later that year increased the number of tariff lines subject to the surcharge to 350. In 1999, two more lines were added and the surcharge was increased to 10% for meat products. The tariff surcharge is applied on the c.i.f. value of imports before tax and the revenue is channelled to the Agricultural Development Fund. Tariff surcharges apply also to imports under preferential agreements; in this case the margin of preference is applied to the sum of the base and surcharge rates.

**Romania [99]:** In 1998, Romania introduced a surcharge of 6% on imports by OU22/1998 until the end of the year 2000. The surcharge was reduced to 4% for 1999.

**Senegal [03]:** A temporary surcharge of 10% to 20% is levied on imports of several agricultural goods. No timetable had been fixed for the abolition of these temporary surcharges. In addition, there is a 0.2% levy for the Senegalese Loaders' Council and a special import tax for some agricultural goods from non-WAEMU countries. There is also a livestock fund levy, which is imposed on imported goods and has no counterpart at the domestic level. A 1% tax is payable on imported fabrics, without any counterpart at the domestic level.

**Solomon Islands [98]:** In 1998, a temporary 10% surcharge was introduced on all duty rates for revenue reasons.

**Sri Lanka [04]:** Most imports, with the exception of basic goods, were subject to a 20% surcharge (on the c.i.f. value and import duty) effective in 2003. This surcharge was reduced from 40% in 2002. The authorities were planning to phase it out by the end of 2003, but this period has been extended. In addition, imported tobacco and tobacco products are subject to import cess. A cess of 1% is levied on imports of plastic. Imports subject to a tariff higher than 45% are subject to a 10% import cess used to finance the Export Development Board.

**Thailand [03]:** Certain product-specific surcharges are imposed; a surcharge is e.g. levied on out-of-quota imports of corn and certain fish-meals.

**Togo [99]:** The MFN import duty includes a tax for the protection and maintenance of the infrastructure.

**Trinidad and Tobago [98]:** Temporary import surcharges, which replaced quantitative restrictions in 1990, apply to a handful of products: e.g. poultry, sugar and assorted fruits and vegetables. For some products they were planned to be eliminated in 1999, for others they were to continue to apply. For example, a 100% surcharge on various parts of poultry will be reduced to 86% by 2004, but an import surcharge of 60% on sugar (75% for icing sugar) will not be subject to reduction.

**Turkey [03]:** A Mass Housing Fund levy is applied since 1984 to imports of fish and fishery products (3% of the tariff lines or 555 items at the HS 12-digit level, up from 514 tariff lines in 1998) to finance the Government's low-cost housing schemes for poor and middle-income families.

**Uruguay [98]:** The unified customs charge, which is levied on the c.i.f. value, is the sum of three components: the minimum surcharge (up to 6%), additional surcharge (up to 8%) and the single customs tax on imports (up to 10%). A tax of 0.25% based on the c.i.f. value is levied on imports transported in ships, to finance the severance packages of the National Ports Administration's personnel.

**Venezuela [02]:** In 2001, a 1% tariff surcharge was imposed on the f.o.b. value of imports for a five-year period. As of 2002, the surcharge had still not been applied since no regulation had been issued for its implementation.

### 2210: Tax of foreign exchange transactions

**Antigua and Barbuda [01]:** A foreign exchange transaction tax of 1% is levied on all foreign exchange transactions.

### 2220: Stamp tax

**Jamaica [98]:** Stamp duties are levied on the c.i.f. value of imports at the rate of J\$5 for imports with a c.i.f. value lower than J\$5,500, and imports J\$100, for over J\$5,500. Additional Stamp Duties on Customs Warrants Inward are levied on the duty-paid value of imports. The aim is to protect local production of selected product categories. On primary aluminium products applied rates of additional stamp duty (excluding the customs duty) are in the 20-25% range. Some agricultural products are charged additional stamp duty rates of 35% (vegetables, beans). The range for agricultural products is between 65% and 90%. A non-specific additional stamp duty must be paid on imported refined sugar, whenever the c.i.f. price plus the customs duty fall below an established benchmark (currently US\$0.22 per lb), to cover this difference. The additional stamp duty on alcoholic beverages is 34%, while tobacco products are subject to a 56% duty

**Madagascar [00]:** Customs stamp duty of 1%.

**Morocco [03]:** A 5% verification and stamp tax on carpets.

**Niger [03]:** WAEMU imports are charged stamp taxes amounting to CFAF 9,000. Non-WAEMU imports are charged stamp taxes equalling CFAF 12,000.

**Togo [99]:** A customs stamp is collected at the rate of 4% on the taxes where the product enters with exemption from the fiscal import duty. The costs of the various formalities are: a CFAF 500 stamp levy for nationals and citizens of the ECOWAS countries, CFAF 20,000 for others.

### 2230: Import licence fee

**Bangladesh [00]:** A 2.5% letter of credit authorization/import permit fee is levied on the value of all imports above Tk 100,000, unless exempted by the Import Policy Order. All industrial consumers and commercial importers must register with the Chief Controller of Imports and Exports. The registration fee, as well as annual renewal fee, is based on the value of annual imports: Tk 500 for annual imports up to Tk 0.5 million; Tk 1,500 for up to Tk 1.5 million; Tk 3,000 for up to Tk 5 million; and Tk 5,000 for above Tk 5 million.

**Bulgaria [03]:** Licensing fees are charged to cover administrative expenses on the processing of documents and are independent of the value of imports or exports.

**The Gambia [04]:** D50 is charged for the issuance of an import permit of agricultural products.

**Grenada [01]:** A number of products originating in non-CARICOM countries are subject to automatic and non-automatic licensing. A fee of EC\$5 is charged for an import licence.

**Jamaica [98]:** Import licences for motor vehicles, in the case of an individual importer, are granted every three years, subject to a maximum fee of J\$776.32.

**Macao, China [01]:** Importers of pharmaceutical products and medicines must be licensed by the Health Service. A fee of P 3,000 is charged to the importer/firm for the licence; the annual renewal costs are P 400.

**Mauritius [01]:** Import permits cost 50 Mau Rs per permit.

**South Africa:** A cost-related fee of R 60 (per import permit) is charged for issuing import permits by the Directorate of Veterinary Public Health.

**Sri Lanka [04]:** In 2003, 474 items at the eight-digit level were subject to import licensing. Licences are issued at a fee of 0.1% of c.i.f. value; they are valid for six months from the date of issue. Import licences are a policy instrument used by the Government from time to time to control domestic supply and prices; import licences, especially on agricultural goods, are removed and imposed frequently.

**Swaziland [03]:** An administrative charge is levied on import permit goods at the rate of E 1.00 per E 2,000 of value (0.05%).

**Switzerland and Liechtenstein [00]:** Applications for licences must be submitted three to five days in advance of the importation. Fees are to be paid for the administration of data on tariff quotas (CHF 8 per consignment) and for the allocation of tariff-quota shares (CHF 30 per allocation). Special allocations (upon special request) are subject to a fee

<p>of CHF F 80 per allocation. According to the authorities, the fees cover the cost of administrative services involved.</p> <p><b>Uganda [01]:</b> An import licence commission of 2% is collected on all imports.</p>
<p><b>2240: Consular invoice fee</b></p>
<p><b>Dominican Republic [02]:</b> The cost of the consular invoice approving a transaction is US\$34 for transaction values below US\$1,000 and US\$82 for transaction values above US\$1,000.</p> <p><b>Nicaragua [99]:</b> Since 1980, consular fees, set at specific amounts (US\$20-US\$50) depending on the range of the import value and corresponding to at least 0.05% <i>ad valorem</i>, have affected shipments of a c.i.f. value exceeding US\$50. A maximum in-range fee of US\$50 per shipment (from c.i.f. value of US\$10,000 to US\$100,000) is added to every additional tranche of US\$100,000.</p> <p><b>Paraguay [97]:</b> Since 1972, a consular tax, currently at a rate of 7.5% on total merchandise value, has been levied on all imports (with a few exceptions). Special consular fees affect compulsory document registration, additional copies and air mail charges for sending the documentation to Paraguay; the fees are levied at fixed rates ranging from US\$10 (copies) to more than US\$100 (registration). In 1994 and 1995 the authorities raised US\$8 million per year from these charges.</p>
<p><b>2250: Statistical tax</b></p>
<p><b>Argentina [99]:</b> In 1998, the statistical tax was reduced from 3% to 0.5%, while most import duties were increased by 3 percentage points. The tax, which is levied on the c.i.f. merchandise value of all imports originating in countries other than those of MERCOSUR and its associate members has been changed frequently according to the fiscal situation. In July 1998, Argentina proposed to modify the statistical tax as of January 1999; a maximum ceiling of US\$500 was to apply to each import transaction.</p> <p><b>Benin [04], Burkina Faso [04], Mali [04], Niger [03] and Senegal [03]:</b> A statistical fee is levied solely on imports from non-WAEMU and non-ECOWAS countries at 1% <i>ad valorem</i>.</p> <p><b>Côte d'Ivoire [95]:</b> The statistical tax is levied at the rate of 2.5% on most products.</p> <p><b>Madagascar [00]:</b> There is an import statistics tax of 2%.</p> <p><b>Mauritania [02]:</b> There is a uniform statistical fee of 3% on the majority of tariff lines.</p> <p><b>Suriname [04]:</b> A statistical fee of 0.5% (c.i.f. value) is levied on all imports except those of bauxite companies, which are subject to a statistical fee of 2%.</p> <p><b>Togo [99]:</b> There is a 3% statistical tax on all imports (c.i.f. value).</p>
<p><b>2260: Tax on transport facilities</b></p>
<p><b>Benin [04]:</b> Port charges such as docking and handling (CFAF 1,000/t), port commission (CFAF 1,300/t) and the fee for placing seals (CFAF 25 per seal) are calculated on volume.</p> <p><b>Chile [03]:</b> An additional airport tax of 2% of the applied duty applies to all imports transported by air (i.e. the tax is currently 0.12%). However, goods originating in Canada, Costa Rica, El Salvador, and Mexico are exempt from this tax, as provided by their free-trade agreements with Chile.</p> <p><b>Israel [99]:</b> Another border charge is the wharfage fee. Until 1995, Israel's port authorities charged importers 1.5% of the c.i.f. cost of imports into Israel for the use of ports, whereas exporters using the same services faced no charges. This implied that importers were subsidizing the use of such services by exporters. Since then, the "playing field" has levelled between exporters and importers as the importer fee has been reduced to 1.1% and exporters are charged a fee of 0.2% on the c.i.f. value of containers.</p> <p><b>Paraguay [97]:</b> Port fees and other charges for shipping services differentiate between imports and exports for handling charges. Exports stored in ANNP-owned warehouses benefit from rates, set on an <i>ad valorem</i> basis, 50% lower than imports; in 1992 the full rates applicable to imports ranged between 0.75 and 3%.</p> <p><b>Sri Lanka [04]:</b> Imports are subject to the Ports and Airports Development Levy (PAL) at a rate of 1%.</p> <p><b>Togo [99]:</b> The infrastructure protection and maintenance tax on all imports was F 2000/tonne.</p> <p><b>United States [04]:</b> The United States maintains an <i>ad valorem</i> tax on port use. The Harbor Maintenance Tax (HMT),</p>

introduced in 1986, is an *ad valorem* levy of 0.125% collected by the CBP (formerly the U.S. Customs Service) on port use. The authorities indicated that the HMT applies to imports, admissions into foreign trade zones, domestic cargo shipped through a port, as well as passengers. The tax has not been collected on exports since 1998, when the U.S. Supreme Court ruled that the portion of the HMT levied on exported cargo violated the Export Clause of the Constitution, which bans taxes on exports, but not user fees.

### 2270: Taxes and charges for sensitive product categories

**Antigua and Barbuda [01]:** Imported beverages in glass and plastic containers are subject to an environmental (returnable) tax of EC\$0.25 per container.

**Barbados [02]:** Sales of certain imported (but not domestic) goods from all countries are subject to an environmental levy for the purpose of defraying the cost of disposing of specific goods. The levy is charged on the c.i.f. value of the goods and rates vary from BDS\$1.00 to BDS\$150 per item.

**Belize [04]:** The environmental tax is applied on virtually all imports at the rate of 1%. Domestic products are not subject to the environmental tax.

**Cameroon [01]:** Live animals, fresh products and salted, dried, smoked, preserved and semi-preserved products are subject to an *ad-valorem* or specific veterinary inspection tax.

**Dominica [01]:** Dominica imposes an environmental surcharge on certain imported goods. A charge of EC\$0.25 per container is levied on non-alcoholic and alcoholic beverages. A charge of EC\$0.12 per gallon is applied on gasoline, and a 5% charge is levied on some domestic appliances, electric heaters, and television receivers.

**The Gambia [04]:** The Department of State for Agriculture carries out sample tests to verify that the imports are free from infestation, before issuing a phytosanitary certificate for exports or a certificate of clearance for imports. Inspection fees depend on the type and quantity imported and the type of analysis to be performed; fees range from D10 to D500 per consignment. Fumigation of infested consignments is charged at D100 per tonne. In addition, an environmental tax of D1,000 is applied on second-hand vehicles.

**Grenada [01]:** An environmental levy per container is charged on imported water and all types of beverages in plastic and glass bottles, and in other containers. The levy is partly refundable and amounts to EC\$0.50 per plastic or glass container and EC\$0.25 in the case of other containers. An environmental levy of 1% of the c.i.f. value is charged on a range of other goods. An environmental levy is also charged on imported vehicles; new vehicles are charged a levy equivalent to 2% of the c.i.f. value. A levy of 30% of the c.i.f. value is charged on imported vehicles over five years old. In the case of imported used trucks over five years old, the levy is 5% of the c.i.f. value for trucks between 1 and 10 tonnes, 10% for trucks between 11 and 20 tonnes, and 20% for trucks of 21 tonnes and over.

**Guyana [03]:** Guyana imposes a levy of G\$10 on every unit of imported non-returnable metal, plastic, glass, or cardboard container of any alcoholic or non-alcoholic beverage.

**Korea [04]:** Korea imposes environmental waste charges on imports of certain products, materials, and containers that contain harmful substances and are difficult to recycle. It applies equally to domestic goods. The environmental waste charge on plastics is set at either W 3.8 or W 7.6 per kg of the plastic or synthetic resin used for domestic goods, and at 0.7% of the imported price for imports.

**Macao, China [01]:** Imports of species listed in Annexes I, II and III of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), regardless of country of origin, are subject to a charge of 0.5% on the c.i.f. value in patacas. Live animals and food products of animal origin, edible ice, animal fodder, fruit, mushroom spawn, plants, and vegetables are subject to sanitary or phytosanitary inspection upon arrival in Macau, China. Sanitary and phytosanitary inspections are subject to a fee, which varies according to product and Municipality.

**Mauritius [01]:** A permit from the Ministry responsible for agriculture is required prior to the importation or exportation of plants and their by-products, animals, and animal products. Inspection fees are specific in nature.

**Morocco [03]:** Veterinary sanitary inspection tax (DH 0.02 to DH 20 per unit) or inspection of plants (DH 0.01 to DH 0.3/kg).

**Norway [00]:** Consignments of plants, including fruit and vegetables, are required to be accompanied by a phytosanitary certificate issued by the plant inspection authorities of the exporting country, in accordance with FAO standards, which must specify if disinfection of any kind has taken place in the exporting county. Plant inspection is subject to a fee corresponding to 0.8% of the value of inspected imports.

**South Africa [03]:** Food products are routinely analysed in specialized laboratories in South Africa to determine their composition, microbiological contamination, and pesticide residue levels. Inspection fees range from R 35 per 30

minutes to R 104 per hour or portion thereof; fees payable for testing range from R 12 to R 122 per test or sample.

**St Kitts and Nevis [01]:** Imposes a deposit levy of EC\$0.30 per container of imported beer, stout, malt, ale, and aerated drinks in non-returnable bottles. There is an environmental levy on importation of second hand cars: EC\$2,500 for cars imported less than two years after the date of manufacture; EC\$3,500 for cars imported between two and four years after the date of manufacture; and EC\$5,000 for cars imported four years or more after the date of manufacture.

**St Lucia [01]:** The 1999/2000 Budget introduced an environmental levy on a group of imported goods, expected to yield EC\$7 million in revenue.

**St Vincent and the Grenadines [01]:** An environmental tax of between EC\$2,000 and EC\$3,000 per car, depending on the size of the engine, is levied on the importation of used vehicles older than five years.

**Switzerland and Liechtenstein [00]:** For items subject to import licensing, applications for authorization must be submitted to the Federal Phytosanitary Service. A fee of CHF 5 per application is charged. Imports, transit, and exports of animals and animal products are subject to a permit based on veterinary and species protection regulations. A fee of CHF 15 per application is charged. Under the 1983 Federal Law relating to the Protection of the Environment (as amended up to 1997), certain taxes are collected on volatile organic compounds and "extra light" heating oils for environmental protection purposes.

### 2290: Various other fees and charges

**Belize [04]:** Imports to commercial free zones are exempt from duties although they must pay a social fee of 1.5% on the value of all imported goods except fuel, for which the fee is 10%.

**Burkina Faso [04]:** Other taxes are levied on imports of any origin. The toll per tonne imported is composed of the following: CFAF 500 in general; CFAF 75 for sugar, rice and hydraulic cement; CFAF 3,000 for vehicles; and CFAF 150 for articles of metal.

**Cameroon [01]:** Imports of bovine, ovine, caprine, and pork meat are subject to a fixed tax of CFAF 100 per 100 kg.

**Chile [03]:** A dispatch tax of 5 % on the customs value applies to merchandise that has been partially exempt from duties. The dispatch tax is not levied on goods originating in countries with which Chile has trade agreements.

**Costa Rica [01]:** There is a used vehicle transfer tax of 2.5% of the import value.

**Dominican Republic [02]:** The specific tax on vehicles ranges from 0% to 80%, depending on and applied to the vehicle's c.i.f. value.

**El Salvador [03]:** Empty sacks and bags of synthetic fibre, produced in or imported into El Salvador, are subject to an 80% tax on the reference price for sacks made of coarse fibre.

**Guinea [99]:** A 3% flat-rate levy is due on all imports by natural or legal persons not registered for VAT. A registration tax on imports under the Investment Code is levied at the rate of 0.5%. A 1% storage tax is levied on goods placed in a warehouse.

**Haiti [03]:** The first registration tax applies to imported new or used automobiles, buses, lorries, and vans. The rates are 5, 10, 15 and 20 % and apply to the customs value; the minimum rate of 5% applies to vehicles valued at less than G 35,000 while the maximum rate of 20% applies to vehicles whose value exceeds G 75,000. A single rate of 5 % is applicable to lorries not exceeding 2 tonnes and minibuses with a capacity not exceeding 24. Lorries weighing over 2 tonnes and minibuses carrying more than 24 people are exempt. A tax called the tourist tax is also levied on the import of used vehicles at a single rate of 10% calculated on the customs value.

**India [02]:** A special additional duty (SAD) of 4% was introduced on most imports in the 1998/99 Budget to tax imports "similarly" to state sales taxes. As the SAD is an across-the-board 4% tariff on most goods, it may not be equivalent to local sales taxes imposed on similar domestically produced goods, some of which may face higher or lower rates of sales tax.

**Madagascar [00]:** There is an import tax, ranging from zero to 30%. Goods exempt from duties are charged US\$50 for each importation.

**Mauritius [01]:** A cess is levied on imports of tea at Mau Rs 0.20 per kg., and a 20% fee is collected on the c.i.f. value.

**Morocco [03]:** A 0.25% parafiscal import tax applies to imported goods with certain exceptions. The following also apply: a special tax on cement (DH 50/tonne); a tax on imported wood (12%); proportional duties on tobacco imported by individuals authorized by the Tobacco Authority (65% plus additional taxes depending on the product); and a tax on

the marketing of dried beet pulp (DH 10/quintal net weight).

**Pakistan [02]:** Regulatory duties “appear” to have been reinstated (for imports of edible oil and oil seeds for crushing). In addition, a capital-value tax is levied on imported motor vehicles.

**Suriname [04]:** All imports are subject to a consent fee of 1.5%. The fee is assessed on the c.i.f. value of imports.

### 2290 (Service fees) - Fees related to customs procedures

**Antigua and Barbuda [01]:** A customs service tax of 5% is charged on all imported goods.

**Argentina [99]:** Pre-shipment inspection (PSI) requirements affect merchandise of an f.o.b. value of US\$3,000 and over. Inspection costs consisting of a commission of 0.8% of the f.o.b. value of inspected goods (minimum US\$250) plus a bonus of 5% on the amount of increased tax collection from import duties and the statistical tax (up to 0.2% of the f.o.b. value of inspected items) are covered by the authorities; an auditing company charges an additional 0.64% of the value of goods included in its sample monitoring.

**Australia [02]:** Fees for cargo handling, customs clearance, and post clearance compliance activities are set on a cost-recovery basis since 1997.

**Bangladesh [00]:** A 1% service charge is levied on the value of imported goods.

**Benin [04]:** Since 2000, a computer fee of CFAF 2,000 has been levied for each customs declaration. This applies to all goods imported into Benin and to all goods exported or re-exported.

**Bolivia [99]:** Private inspection companies charge 1.92% of the f.o.b. value of merchandise. A 0.5% customs warehouse fee is charged on the c.i.f. value of merchandise remaining in warehouses for up to 30 days; thereafter a monthly 2% demurrage fee is charged.

**Brazil [00]:** There is a fixed administrative commission of US\$50 per transaction. An import declaration, for which there is a US\$5 fee, must be submitted to the customs authorities. Warehousing charges are assessed on the full value of customs duties or on the commercial value of duty-free goods; generally, charges range between 0% and 15% of the value.

**Burkina Faso [04]:** Importers have to pay a contribution to the import inspection programme corresponding to 1% of the f.o.b. value of all imports above a certain threshold. A detailed declaration must either be written or sent by computer (98% of customs transactions); in the latter case, a computer fee of CFAF 5,000 is payable.

**Burundi [03]:** A 6% service tax is levied on imports regardless of origin. Pre-shipment inspection fees for imports worth more than US\$5,000 amount to 1.5% of the customs value of the goods. The SGS charges a minimum fee (flat rate) per inspection of CHF275; Baltic Control charges US\$105.

**Costa Rica [01]:** Imports are subject to charges connected with customs formalities like cost of forms, storage and handling.

**Côte d'Ivoire [95]:** The charge for services rendered by the Ivorian Shippers' Office (0.6%) is levied on imports carried by sea (some 90% of the value of the imports); and inspection firm SGS charges a 0.75% *ad valorem* fee (f.o.b. value). The SYDAM fee is a payment for a computer service rendered of CFAF 1,000 per declaration, invoiced by the shipper to the exporter at CFAF 9,750.

**Dominica [01]:** The Government levies a 2% customs service tax on imports. The customs service tax was increased from 1% effective 2000.

**Egypt [99]:** A service and inspection charge of 1% is charged on the c.i.f. value of all imports. According to the authorities, an additional service charge of 2% or 3% is levied on goods subject to import duties of 5% to 29%, or 30% and above, respectively; the fees are used to improve customs services.

**The Gambia [04]:** A 1.05% processing fee is applied to all imports.

**Ghana [01]:** An inspection fee of 1% of the c.i.f. value of imports is levied on behalf of inspection agencies to cover the costs of providing inspection services.

**Grenada [01]:** Imports are generally subject to a customs service charge at the rate of 5% on the c.i.f. value of imports.

**Guinea [99]:** Importers are charged for pre-shipment inspection at a minimum sum set at CHF 430 and 1.05% for importation for goods worth more than US\$29,252.

**Haiti [03]:** Imports are subject to inspection fees which amount to 4% of the c.i.f. value of goods. A storage duty is

levied on goods in warehouses before the payment of duties and taxes or before their reshipment. This duty amounts to 2% of the customs value per month of storage.

**Hong Kong, China [02]:** All trade declarations must be submitted via the EDI and the import declaration charge as of 1999 was HK\$11 for electronic declaration.

**Kenya [00]:** An import declaration fee of 2.75% is collected on the customs value of all imports to Kenya. KBS tests and inspects products to ensure conformity to national standards, and issues certificates. The inspection fee is 1% of the c.i.f. value of imports or the sale price of locally produced goods.

**Malawi [02]:** Malawi requires pre-shipment inspection of all imports with a f.o.b. price of US\$2,000 and above. A pre-shipment inspection fee of 0.85% is levied on the c.i.f. value of inspected imports.

**Malaysia [01]:** Handling charges at the rate of 20 cents per 100 kg are levied for weighing all dutiable goods for assessment purpose, if such weighing is not conducted by the importers.

**Mauritania [02]:** A computer fee of UM 2,000 is imposed on each declaration irrespective of the customs regime.

**Mauritius [01]:** There are inspection and certification fees ranging from 10-100 Mau Rs per consignment.

**Mexico [02]:** The customs processing fee (DTA) varies according to the origin and nature of imports. The general DTA is 0.8% of the declared customs value; imports under temporary regimes carry a reduced rate of 0.176%, or under certain conditions a specific amount of Mex\$159 per transaction. In principle, definitive importation from preferential partners is exempt from DTA.

**Morocco [03]:** Administrative fees for verifying the manifest (DH 0.50 or DH 0.75/tonne deadweight tonnage, with a maximum of DH 1,500 or DH 3,000 respectively; DH 0.20 to DH 0.5/tonne if the tonnage of the goods loaded is less than one quarter of the deadweight tonnage). Storage tax (2 to 10% depending on the length of storage on customs premises). There is a fee for use of the computer system (DH 500 for each summary declaration; DH 100 for each import declaration; and DH 6 for each page of status reports or management statements).

**Mozambique [01]:** Customs charges an administrative charge of US\$50 per bill of entry on products exempted from customs duty.

**Nicaragua [99]:** As of 1997 Nicaragua has levied a customs services tax of US\$0.50 per tonne and a warehousing fee at US\$2.0 per tonne per day for merchandise stored for more than 12 days after arrival at the warehouse.

**Niger [03]:** An import inspection tax amounting to 1% of the customs value is levied on imports subject to the import verification programme.

**Nigeria [98]:** In 1996, importers were made to pay for pre-shipment inspection, previously paid by the Government, at a rate of 1% of the f.o.b. value to be charged on the Import Duty Report. This fee is payable only on shipments from certain countries where the PSI service has not been phased out.

**Norway [00]:** Imports of agricultural products are subject to inspection or foodstuff taxes levied at various rates (0.58-0.82%). Some products are affected by both the inspection and the foodstuff taxes.

**Peru [00]:** The pre-shipment inspection fees are negotiated between the company and importer; a maximum fee of 1% of the f.o.b. value of inspected merchandise is set by law. Charges for customs clearance amount to 0.6668% of the UIT (fiscal unit) for imports under the general regime, or half this amount for imports under the simplified regime. Handling fees on international air cargo remain twice as high as those on national air shipments.

**The Philippines [99]:** Other charges specifically imposed on imports are fees for various forms, processing fees on ordinary claim for refund, registration fees for participation in public auction sales and brokerage fees for licensed customs brokers. Other charges specifically imposed on imports include laboratory fees for services rendered by the Customs Laboratory Unit.

**Romania [99]:** Imported products are assessed a customs commission of 0.5%.

**Solomon Islands [98]:** Fees are levied by customs on importers to partially recover the costs of customs services. Hourly attendance and clearance fees, ranging from SI\$22-28 and SI\$60-100, respectively, apply for services provided outside normal working hours. Examination fees of SI\$14-22 per examination also apply. In addition, rent and charges are applied as demurrage on a per cubic metre basis.

**Sri Lanka [04]:** Imports used solely for processing and re-export are subject to a levy at 0.5%.

**St Kitts and Nevis [01]:** A 5.0% customs service charge is levied on all imports (c.i.f. value).

**St Lucia [01]:** Applies a customs service charge of 4% on the c.i.f. value of all imports.

<p><b>St Vincent and the Grenadines [01]:</b> Applies a customs service charge of 4% on the c.i.f. value of imports.</p> <p><b>Thailand [03]:</b> The Customs Department collects fees for customs services; these include fees for documentation, and charges for attendance at Customs House on holidays or after office hours.</p> <p><b>Turkey [03]:</b> The format of the Turkish customs declaration has been aligned on the single administrative document (SAD) used in the EU for customs procedures. Form EUR1 is required for imports from non-EU countries with which Turkey has free-trade agreements. The fee is TL150,000 for the SAD, and TL120,000 for the EUR1.</p> <p><b>Uruguay [98]:</b> The Banco de la República Oriental del Uruguay (BROU) charges a commission for the services rendered related to the import procedures. A commission of 1.1% is levied on imports of less than US\$10 million, 0.65% on imports between US\$10 and US\$20 million, and 0.35% on imports that exceed US\$20 million. The Executive may authorize the BROU to increase the commission up to 3%. Temporary admission of merchandise to be used in trade shows and other specific purposes has to be authorized by the Ministry of Economy and Finance; while the entry of merchandise to be transformed or elaborated is authorized by the Technological Laboratory of Uruguay (LATU), which also regulates and monitors the entry of merchandise under the regime. The fees charged by LATU for these services are set according to the cost of the services rendered; however, since 1996 this fee has been fixed at 0.6% of the c.i.f. value of the goods admitted under the regime.</p> <p><b>Venezuela [02]:</b> Venezuela levies a customs service charge of 1% on the value of all imported merchandise.</p>
<p><b>Community levies:</b></p>
<p><b>WAEMU and ECOWAS Members: Benin [04], Burkina Faso [04], Mali [04], Niger [03] and Senegal [03]:</b> Goods not originating in the WAEMU are subject to a number of supplementary duties, for example: the community solidarity levy (PCS) of the WAEMU, at a rate of 1%, and the ECOWAS community levy (CL) at a rate of 0.5%. The basis for all these supplementary duties and levies is customs value.</p> <p><b>Togo [99]</b> charged a community solidarity levy of 0.5% (imports from outside WAEMU) and a community levy of 0.5% (imports from outside ECOWAS) on c.i.f. value in March 1998. <b>Niger</b> had also introduced a special import tax (TCI) on rice of 10% during the period 2000-02. The TCI applies if the customs value is lower than the trigger price (threshold price) set by the WAEMU Commission. It is imposed at a rate of 10% of the value calculated as from the trigger price. For this purpose, the duties and taxes payable apply to the same trigger price (the trigger price is calculated according to the following formula: <math>PD = (0.3*CM + 0.7*CPI)</math> with PD being the trigger price; CM = the global price of the product; and CPI = cost of domestic production of the product).</p> <p><b>ECOWAS Members: The Gambia [04], Ghana [01] and Guinea [99]:</b> An ECOWAS customs levy of 0.5% is applied to imports from non-ECOWAS members.</p>

**ANNEX E: Non-tariff barrier notifications to NAMA on customs fees and charges**

**Argentina** has notified:

- Iron and steel products (generic): Three special duties (special, additional, special additional) apply as well as a basic duty. These considerably raise the applied tariff – even doubling the amount in certain cases.

**Australia** has notified:

- Metals, in particular lead and zinc and products thereof: ODCs, surcharges, advance income tax payments, special additional duties, security charges and import licensing requirements.
- Plastics/chemicals: Excessive port handling charges.

**Bangladesh** has notified:

- Juices/drinks, jam/jelly, pickles, spices and snacks: Attestation fees T.K. 13,000 to T.K. 14,000.

**Bulgaria** has notified:

- Generic: Existence of multiple, high value taxes related to border check point passing.
- Medicines: Additional fees and charges for customs clearance documents. Prolonged check-control procedures and demurrage at the border, even in the case of availability of all necessary certificates: 5-6 days. High storage taxes in the areas under customs control.

**China** has notified:

- All commodities: Overhead, 0.15% of declared value is levied by customs.

**Egypt** has notified:

- Several products: Exaggeration in imposing the custom levies and charges for services obtained at ports and airports which are considered a burden on the exported products. High cost of accreditation of commercial invoices. Not accrediting the commercial invoices of Egyptian exports.

**India** has notified:

- All exports: Imposition of high levels of port fees and taxes significantly add to the cost of exports. Fees for authentication of export documents by the Consulates of the importing countries similarly add to cost. The necessity for imposition of the fees and taxes as well as the need to have consular authentication procedures must be linked to the administrative necessity for the same.

**Kenya** has notified:

- Various imports: Exports accompanied by prior cash deposits.

**Korea** has notified:

- Automobiles, electric and electronic products: Unduly long time and excessive fees are required in acquiring certification marks.
- Majority of products: Excessive customs use fee and harbour maintenance fee.

**Malaysia** has notified:

- Food and beverage products: Despite progress in recent years, the participant's import clearance procedures remain slow and cumbersome. User fees remain high and customs processing hours of operation are short.
- All Products: Trade documents for exports to a group of Participants/WTO applicants are subject to endorsement by their respective embassies. The endorsement fees charged are high and vary with different embassies.
- Fluorescents lamps: Massive documentation and high cost of endorsement fee. Certificate of origin needs to be certified by their consulate in Kuala Lumpur and cost RM400 to RM600.
- Service Charge for Export Receipts: Businessmen have to bear with a 20% across-the-board government service charge for all export receipts, which are collected by the banks.
- Brochures and Printed Materials: Printed materials brought into the territory of this participant for free distribution are subject to import duty of 20% by weight.

**Mexico** has notified:

- Textiles and clothing: One Member imposes a significant number of variable taxes only on imports, thereby affecting access to textile and clothing products.
- Horizontal: One Member imposes import duties, which include, inter alia, storage, cargo and maritime transport taxes. One Member, in addition to the normal tariff (generally 30%), levies an additional special tax of 4 per cent on the import value (which already includes import tax).

**New Zealand** has notified:

- Forestry, logs and downstream products: High internal taxes or charges, charges on imports by some ports and state trading bodies, import surcharges, some arbitrary charges.
- Carpets, leather, fish, forestry, manufactured products, metal, raw materials and unspecified other: High internal taxes or charges.

**Norway** has notified:

- Fish and fish products (salmon): Special additional duty.
- Generic: Customs fees and surcharges, extra taxes, statistical taxes, high fees related to financial transactions, port taxes, inspection taxes, customs fee for shipments, extra customs duty, solidarity fees, storage taxes, transit taxes, price controls, additional taxes and fees. Currency restrictions, exchange restrictions/control, currency licence required for shipment of goods, foreign currency controlled by domestic central bank.

**The Philippines** has notified:

- Cuttle fish, dried, salted, in brine, smoked: Advance payment requirements n.e.s. The license issued should be affixed with a stamp of "The charge for issuance of permit should be paid before the applicant acquires the import permit".

**Singapore** has notified:

- Mechanical machinery, equipment and parts, plastics and plastic articles, sound recorders and reproducers: Port, customs or other levies and fees which fluctuate excessively.

**Switzerland** has notified:

- Textiles: Fiscal stamp.
- Watches: Luxury tax, *ad valorem* fees, anticipated profit tax, various surcharges, statistical taxes.
- Machines: High fees and import customs clearance costs and lengthy customs clearance procedure.

**Turkey** has notified:

- All Products: Passage fees applied to Turkish transporters are higher than the legal amount paid by other transporters. High passage fees, unnecessary controls at various points.

**United States** has notified:

- Motion pictures: U.S. industry has reported the prevalence of discriminatory box office taxes, sometimes set a higher rate for foreign films than domestic films. Discriminatory levies and taxes at other stages in the distribution of filmed entertainment were also reported.
- Express delivery services: U.S. industry reports a variety of NTBs, which include discriminatory customs treatment in the form of unequal fees, taxes, paperwork, and inspection requirements.

**ANNEX F: Provisions in selected RTAs concerning customs fees and charges**

<b>RTA</b>	<b>Customs duties, taxes, levies or charges which have equivalent effect</b>	<b>Service fees</b>
AFTA	No new ones shall be introduced.*	
ANCERTA	Shall be abolished.**	X
Armenia - Georgia	Are not imposed.*	
Armenia - Kyrgyzstan	Shall not be applied.	
Australia - Papua New Guinea	Prohibited for certain types of articles.	
Australia - Singapore	Shall be abolished.	X
Australia - Thailand	No new ones shall be introduced, existing ones shall be abolished.	X
Bulgaria - Israel	No new ones shall be introduced, existing ones shall be abolished.	
Bulgaria - Macedonia, FYR	No new ones shall be introduced, existing ones shall be abolished.	
CACM	Shall be prohibited.*	X
Canada - Chile	No new ones shall be introduced, existing ones shall be abolished.**	X
Canada - Costa Rica	No new ones shall be introduced, existing ones shall be abolished.**	X
Canada - Israel	No new ones shall be introduced, existing ones shall be abolished.**	X
CARICOM	Shall not be applied.*	X
Chile - Korea	Shall be limited in amount to the approximate cost (specific) of services rendered.	X
CIS	Shall not be applied.*	X
Costa Rica - Panama	Shall be prohibited.*	
EC - Algeria	No new ones shall be introduced, existing ones shall be abolished.**	
EC - Andorra	No new ones shall be introduced, existing ones shall be abolished over time.*	
EC - Bulgaria	No new ones shall be introduced, existing ones shall be abolished.**	
EC - Croatia	No new ones shall be introduced, existing shall be abolished.*	
EC - Egypt	Shall be abolished.**	
EC - Faroe Islands	No new ones shall be introduced; existing ones shall be abolished.	
EC - Iceland	No new ones shall be introduced; existing ones will be abolished.**	
EC - Israel	Shall be prohibited.	
EC - Jordan	No new ones shall be introduced, existing ones shall be abolished.**	
EC - Lebanon	Shall be abolished.*	
EC - Macedonia, FYR	No new ones shall be introduced, existing ones shall be abolished.**	
EC - Mexico	Existing ones shall be abolished over time.**	X
EC - Morocco	No new ones shall be introduced, existing ones shall be abolished.**	
EC - Norway	No new ones shall be introduced, existing ones shall be progressively abolished.	
EC - PLO	No new ones shall be introduced, existing ones shall be abolished.**	
EC - Romania	No new ones shall be introduced, existing ones shall be abolished.**	
EC - South Africa	Shall be abolished.	
EC - Switzerland	No new ones shall be introduced, existing ones shall be abolished.**	
EC - Syria	Existing ones shall be abolished over time.** Syria has the right to introduce new fees.	
EC - Tunisia	No new ones shall be introduced, existing ones shall be abolished.**	
EC - Turkey	No new ones shall be introduced, existing ones shall be abolished.	
EFTA	Shall not introduce new ones for fiscal reasons.	
EFTA - Bulgaria	No new ones shall be introduced, existing ones shall be abolished.**	
EFTA - Croatia	No new ones shall be introduced, existing ones shall be abolished.*	
EFTA - Israel	No new ones shall be introduced, existing ones shall be abolished.	
EFTA - Jordan	No new ones shall be introduced, existing ones shall be abolished.*	
EFTA - Macedonia, FYR	No new ones will be introduced, existing ones will be abolished.*	
EFTA - Morocco	No new ones shall be introduced, existing ones shall be abolished.*	
EFTA - PLO	No new ones shall be introduced, existing ones shall be abolished.	
EFTA - Romania	No new one shall be introduced, existing ones shall be abolished.**	
EFTA - Singapore	No new ones shall be introduced, existing ones shall be abolished.*	X
EFTA - Turkey	No new ones shall be introduced, existing ones shall be abolished.**	
Egypt - Jordan	No new ones shall be introduced, and existing ones reduced.	

\* With exceptions or potential exceptions.  
\*\* With exceptions and some abolished over time.

**ANNEX F: Provisions in selected RTAs concerning customs fees and charges, *continued***

RTA	Customs duties, taxes, levies or charges which have equivalent effect	Service fees
El Salvador - Panama	Shall not be applied.	
Georgia - Azerbaijan	Are not imposed.*	
Georgia - Turkmenistan	Are not imposed.*	
Iceland - Faroe Islands	No new ones shall be introduced, existing ones shall be abolished.	
Japan - Mexico	Shall be abolished or reduced.*	X
Japan - Singapore	No new ones shall be introduced, existing ones shall be eliminated.	X
Kazakstan - Georgia	Are not imposed with the exception for fees concerning customs processing.	
Kazakstan - Kyrgyzstan	Shall not be applied*	
MERCOSUR	Shall be eliminated.	X
Mexico - Chile	Shall be prohibited.	
Mexico-Colombia-Venezuela	No new ones shall be introduced, existing ones shall be abolished.**	
Mexico - EFTA	No new ones shall be introduced, existing ones shall be abolished.*	X
Mexico - Israel	Shall eliminate any ad valorem customs users fees.	
Moldova - Kyrgyzstan	Shall not be applied.	
NAFTA	No new ones shall be introduced, existing ones shall be progressively abolished.	
New Zealand - Singapore		X
Norway - Faroe Islands	No new ones shall be introduced. existing ones shall be abolished.	
Russia - Georgia	Are not imposed.	
Russia - Kyrgyzstan	Shall not be applied.	
Switzerland - Faroe Islands	Shall be prohibited.	
Turkey - Bosnia & Herzegovina	No new ones shall be introduced, existing ones shall be abolished.**	
Turkey - Bulgaria	No new ones shall be introduced, existing ones shall be abolished.	
Turkey - Israel	No new ones shall be introduced nor shall existing ones be increased.	
Turkey - Macedonia, FYR	No new ones shall be introduced; existing ones shall be abolished.*	
Turkey - Romania	No new ones shall be introduced, existing ones shall be progressively abolished.	
Ukraine - Georgia	Are not imposed.*	
Ukraine - Kyrgyzstan	Shall not be applied.*	
United States - Bahrain	Consular fees and merchandise processing fees shall be abolished.	X
United States - Chile	Consular fees and merchandise processing fees shall be abolished.	X
United States - Israel	May be maintained based on agricultural policy considerations.	
United States - Jordan		
United States - Morocco	Consular fees shall be prohibited. Morocco may apply a parafiscal tax of 0.25%.	
United States - Singapore	No new ones shall be introduced, existing ones shall be progressively abolished.	X
Uzbekistan - Kyrgyzstan	Shall not be applied*	

\* With exceptions or potential exceptions.  
\*\* With exceptions and some abolished over time.