

CHAPTER 4 CUSTOMS PROCEDURES

ARTICLE 4.1: CUSTOMS COOPERATION

The Parties shall cooperate in order to ensure:

1. The correct implementation and operation of the provisions of this Agreement as they relate to:
 - (a) importations or exportations within the framework of this Agreement;
 - (b) preferential treatment and claims procedures;
 - (c) verification procedures;
 - (d) customs valuation and tariff classification of goods; and
 - (e) restrictions or prohibitions on imports and/or exports;
2. Each Party shall designate official contact points and provide details thereof to the other Party, with a view to facilitating the effective implementation of this Chapter and Chapter 3 (Rules of Origin). If a matter cannot be resolved through the contact points, it shall be referred to the Subcommittee on Customs, Trade Facilitation and Rules of Origin as set out in this Chapter.

ARTICLE 4.2: TRADE FACILITATION

1. The Parties shall apply their respective customs laws and procedures in a transparent, consistent, fair and predictable manner in order to facilitate the free flow of trade under this Agreement.
2. Pursuant to paragraph 1, the Parties shall:
 - (a) simplify their customs procedures to the greatest extent possible;
 - (b) make use of information and communications technology in their customs procedures; and
 - (c) to the extent possible, provide for advance electronic submission and processing of information before the physical arrival of goods to enable the quick release of goods upon their arrival.
3. The Parties shall endeavor to improve trade facilitation by mutual consultations and exchange of information between their respective customs authorities.

ARTICLE 4.3: RELEASE OF GOODS

1. Each Party shall endeavor to ensure that its customs authority and other competent authorities shall adopt or maintain procedures that:

- (a) provide for the release of goods within a period no greater than that required to ensure compliance with its customs law, and to the extent possible release the goods within 48 hours of arrival;
- (b) provide for advance electronic submission and processing of information before the physical arrival of goods to enable their release upon arrival;
- (c) allow goods to be released at the point of arrival, without temporary transfer to warehouses or other facilities; and
- (d) allow importers to withdraw goods from customs before the final determination of the applicable customs duties, taxes, and fees, by its customs authority, according to the domestic legislation of each Party. Before releasing the goods, a Party may, according to its own domestic legislation, require an importer to provide sufficient guarantee covering the ultimate payment of customs duties, taxes or fees in connection with the importation of the goods.

2. Each Party shall endeavor to adopt and maintain procedures under which, in cases of emergency, goods can go through the customs procedures for 24 hours a day including holidays.

3. Each Party shall endeavor to ensure, in accordance with its law, that all competent administrative entities, intervening in control and physical inspection of goods subject to either imports or exports, perform their activities, simultaneously and in a single place.

ARTICLE 4.4: RISK MANAGEMENT

The Parties shall exchange information on their respective risk management techniques used in the application of their customs procedures and shall endeavor to improve them in the framework of cooperation between their respective customs authorities. In administering customs procedures and to the extent possible, each customs authority shall focus resources on high-risk shipments of goods and facilitate the clearance, including release, of low-risk goods.

ARTICLE 4.5: TRANSPARENCY

1. The Parties shall promptly publish or otherwise make publicly available, including on the Internet, their laws, regulations, administrative procedures, and administrative rulings of general application on customs matters that pertain to or affect the operation of this Agreement, so as to enable interested persons and parties to become acquainted with them.

2. Such laws, regulations, administrative procedures and administrative rulings mentioned in paragraph 1 shall include, *inter alia*, those pertaining to:

- (a) special customs procedures such as temporary imports, imports for the purpose of repairs, alterations, refurbishments, overhauls and other similar procedures;
- (b) procedures for the re-importing and re-exporting of goods;

ARTICLE 4.6: PAPERLESS CUSTOMS PROCEDURES

The Parties recognize that electronic filing in trade and in transferring of trade-related information and electronic versions of documents is an alternative to paper-based methods that will significantly enhance the efficiency of trade through reduction of cost and time. Therefore, the Parties shall cooperate with a view to implementing and promoting paperless customs procedures.

ARTICLE 4.7: ADVANCE RULINGS

1. In accordance with its domestic law, each Party shall endeavor to provide, through its customs or other competent authorities, for the expeditious issuance of written advance rulings.

2. The customs authorities or another competent authority in the importing Party shall issue advance rulings concerning:

- (a) the classification of goods;
- (b) the application of customs valuation criteria for a particular case, in accordance with the provisions of the Customs Valuation Agreement; and
- (c) such other matters as the Parties may agree.

3. The customs authorities or another competent authority in the exporting Party shall issue advance rulings concerning compliance with the rules of origin as set forth in Chapter 3 (Rules of Origin) of this Agreement, as well as the eligibility of such goods for preferential treatment under this Agreement.

4. Each Party shall adopt or maintain procedures for the issuance of such advance rulings, including the details of the information required for processing an application for a ruling.

5. A Party may decline to issue an advance ruling if the facts and circumstances forming the basis of the advance ruling are the subject of an investigation or an administrative or judicial review. The Party that declines to issue an advance ruling shall promptly notify the requester in writing, setting forth the relevant facts and the basis for its decision to decline to issue the advance ruling.

6. Each Party shall provide that advance rulings shall be in force from their date of issuance, or another date specified in the ruling. Subject to paragraphs 1-5, an advance ruling shall remain in force provided that the facts or circumstances on which the ruling is based

remain unchanged, or for the period specified in the laws, regulations or administrative rulings of the importing Party.

ARTICLE 4.8: UNIFORM PROCEDURES

The Joint Committee shall agree upon uniform procedures that may be necessary for the administration, application and interpretation of this Agreement in customs matters and related topics.

ARTICLE 4.9: AUTHORIZED ECONOMIC OPERATORS

1. The Parties shall promote the implementation of the Authorized Economic Operator (hereinafter referred to as "AEO") concept according to World Customs Organization SAFE Framework of Standards.
2. Each Party shall promote the granting of AEO status to its economic operators with a view of achieving trade facilitation benefits.
3. The Parties shall endeavor to promote a mutual recognition agreement for Approved Economic Operators (AEOs).

ARTICLE 4.10: REVIEW AND APPEAL

Regarding its determinations on customs matters, each Party shall grant access to:

- (a) at least one level of administrative review, within the same institution, of the official or authority responsible for the determination under review; and
- (b) judicial review of the determination or decision taken at the final level of administrative review.

ARTICLE 4.11: CONFIDENTIALITY

1. A Party shall maintain confidentiality of the information provided by the other Party pursuant to Chapter 3 (Rules of Origin) and this Chapter, and protect it from disclosure that could prejudice the competitive position of the person providing the information. Any violation of confidentiality shall be treated in accordance with the domestic legislation of each Party.
2. The above mentioned information shall not be disclosed without the specific permission of the Party providing such information, except to the extent that it may be required to be disclosed for law enforcement purposes or in the course of judicial proceedings.

ARTICLE 4.12: SUBCOMMITTEE ON CUSTOMS, TRADE FACILITATION AND RULES OF ORIGIN

1. The Parties agree to establish a Subcommittee on Customs, Trade Facilitation and Rules of Origin to address any customs-related issues relevant to:

- (a) the uniform interpretation, application and administration of Chapter 3 (Rules of Origin), and this Chapter;
- (b) addressing issues on tariff classification, valuation and determination of the origin of goods for the purposes of this Agreement;
- (c) reviewing of rules of origin;
- (d) including in their bilateral dialogue regular updates on changes in their respective law; and
- (e) considering any other customs-related issues, referred to it by the customs authorities of the Parties, by the Parties or by the Joint Committee.

2. The Subcommittee on Customs, Trade Facilitation and Rules of Origin will meet within one year from the date of entry into force of this Agreement and shall meet thereafter as agreed upon by the Parties alternately in Israel or in Colombia.

3. The Subcommittee on Customs, Trade Facilitation and Rules of Origin shall comprise representatives of customs and, if necessary, other competent authorities from each Party and shall draw up its own rules of procedure at its first meeting.

4. The Subcommittee on Customs, Trade Facilitation and Rules of Origin may formulate resolutions, recommendations or opinions which it considers necessary and report to the Parties or to the Joint Committee.

5. The Subcommittee on Customs, Trade Facilitation and Rules of Origin may draft uniform procedures, which it considers necessary, to be submitted to the Joint Committee for its approval.