

Chapter 5 Customs Procedures

Article 47: Definitions

For purposes of this Chapter, customs administration means:

- (a) for China, the General Administration of Customs of the People's Republic of China; and
- (b) for Costa Rica, the National Customs Service (*Servicio Nacional de Aduanas*).

Article 48: Publication

1. Each administration shall publish, including on the Internet, its customs laws, regulations, and rules².
2. Each administration shall designate or maintain one contact point to address inquiries by interested persons concerning customs matters and shall make available on the Internet information concerning the procedures for making such inquiries.

Article 49: Release of Goods

1. According to its domestic law, each Party shall establish or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties.
2. Each Party shall endeavour to adopt procedures to ensure, to the extent possible, the release of goods within a period no greater than 48 hours after submission of the customs declaration.

Article 50: Use of Automated Systems

1. The customs administrations shall apply information technology to support customs operations, particularly by facilitating the transmission of information prior to the arrival of the shipment, to allow the release of goods in the shortest time possible after their arrival.
2. The customs administrations shall endeavour to use information technology that expedites procedures for the release of goods and risk management and targeting.

Article 51: Cooperation

1. With a view to facilitating the effective operation of this Agreement, each Party shall endeavour to provide the other Party with advance notice of any

² In the case of Costa Rica, the term "rules" shall be understood as general administrative provisions.

significant modification of its administrative policy and other similar development related to its laws or regulations governing importations or exportations, and that is likely to substantially affect the operation of this Agreement.

2. The Parties, through their customs administrations, shall cooperate in achieving compliance with their respective domestic laws or regulations governing importations or exportations pertaining to:

- (a) the implementation and operation of this Agreement, including its Chapter 4 (Rules of Origin and Related Operational Procedures);
- (b) the implementation and operation of the Customs Valuation Agreement;
- (c) restrictions or prohibitions on imports or exports; and
- (d) other customs matters as the Parties may agree.

3. According to its domestic law, each Party, through its customs administration, shall endeavour to provide the other Party with any information that may assist that Party in determining if importations or exportations are in compliance with its laws or regulations governing importations, in particular those related to the prevention of fiscal fraud in any of its modalities.

4. For purposes to facilitate the flow of trade between the Parties, the Parties shall endeavour to provide the other Party with technical advice and assistance for the purpose of improving risk assessment techniques, simplifying and expediting customs procedures, advancing the technical skills of personnel, and enhancing the use of technologies that can lead to improved compliance with the laws or regulations governing importations.

5. The customs administrations of the Parties shall negotiate a Mutual Administrative Assistance Agreement that will cover relevant customs issues, no later than 3 months counted from the date of entry into force of this Free Trade Agreement. The Mutual Administrative Assistance Agreement shall be in compliance with the domestic law of each Party.

Article 52: Risk Management

Each Party shall endeavour to adopt or maintain risk management systems that enable its customs administration to focus its inspection activities on high-risk goods and that simplify the clearance and movement of low-risk goods.

Article 53: Express Shipments

Each customs administration shall adopt or maintain separate and expedited customs procedures for express shipments while maintaining appropriate risk management systems. These procedures shall, under normal

circumstances, provide an express or expedited clearance of goods after submission of all the necessary requirements and customs documents.

Article 54: Review and Appeal

Each Party shall ensure, with respect to its determinations on customs matters, that importers in its territory have access to:

- (a) a level of administrative review independent of the employee or office that issued the determination; and
- (b) judicial review of the administrative decision.

Article 55: Penalties

Each Party shall adopt or maintain measures that allow for the imposition of administrative penalties and, where appropriate, criminal sanctions for violations of its customs laws and regulations, including those governing tariff classification, customs valuation, country of origin, and claims for preferential treatment under this Agreement.

Article 56: Advance Rulings

1. The customs administration of each Party shall issue written advance rulings prior to the importation of a good into its territory upon written request of an importer in its territory, or exporter in the territory of the other Party³, on the basis of the facts and circumstances provided by the requester, including a detailed description of the information required to process a request for an advance ruling. The advance ruling may be issued on the following matters:

- (a) tariff classification; or
- (b) origin of a good in accordance with this Agreement.

2. The customs administration shall issue an advance ruling within 90 days after a request, provided that the requester has submitted all information that the competent authority requires. These advance rulings shall be in force from their date of notification, provided that the facts or circumstances on which the ruling is based remain unchanged.

3. The advance rulings that are into force may be annulled, amended or revoked, by the authorities that issued them, by administrative initiative, when one of the following situations is presented:

- (a) where the facts or circumstances prove that the information on which the advance ruling is based is false or inaccurate. In these cases, the customs administration may apply appropriate

³ For China, the applicant for an advance ruling on tariff classification must be registered with the local customs authority of China.

measures to the requester, including civil, criminal and administrative actions, penalties or other sanctions in accordance with its domestic laws;

- (b) where the customs administration deems appropriate to apply different criteria on the same facts and circumstances subject to the initial advance rulings. In this case, the amendment or revocation shall be applied from the date of the change and in no case shall oppose to situations occurred being into force the resolution; or
- (c) when the administrative decisions are affected due to changes in the laws, regulations and rules that served as basis. In this case, the advance rulings shall automatically cease to be in force from the date of publication of the changes.

In the cases mentioned in subparagraphs (b) and (c) the customs administration shall make available to interested persons the information reviewed, with sufficient time prior to the date on which the amendments enter into force, so they can take them into account, with the exception of the cases where it is impossible to publish in advance.