



**World Chambers Federation**

## **ATA CARNET SYSTEM**

### **GENERAL PRESENTATION**

By Christophe Coulie



WCO - OMD

Knowledge Academy for Customs and Trade

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# The ATA Carnet: What is it?

- ① The ATA Carnet is:
  - **An international Customs document** allowing the duty-free and tax-free temporary admission of three main categories of goods:
    - Commercial samples
    - Professional equipment
    - Goods intended for fairs and exhibitions.
  - **An international "Guarantee"** to Customs that duties and taxes will be paid.
- ② A genuine "**Passport for goods**", a "**Passport to World Trade**".
- ③ Operating since **1963; 2011** will mark its **48 year anniversary**.
- ④ Currently in operation in **71 countries**.

# Countries participating in the ATA Carnet System

Algeria	France	Macao	Senegal
Andorra	Germany	Macedonia	Serbia
Australia	Gibraltar	Malaysia	Singapore
Austria	Greece	Malta	Slovak Republic
Belarus	Hong Kong	Mauritius	Slovenia
Belgium	Hungary	Mexico	South Africa
Bosnia & Herzegovina	Iceland	Moldova	Spain
Bulgaria	India	Mongolia	Sri Lanka
Canada	Iran	Montenegro	Sweden
Chile	Ireland	Morocco	Switzerland
China	Israel	Netherlands	Thailand
Côte d'Ivoire	Italy	New Zealand	Tunisia
Croatia	Japan	Norway	Turkey
Cyprus	Korea	Pakistan	Ukraine
Czech Republic	Latvia	Poland	United Arab Emirates
Denmark	Lebanon	Portugal	United Kingdom
Estonia	Lithuania	Romania	USA
Finland	Luxembourg	Russia	

## Goods covered by ATA Carnets

ATA Carnets cover virtually all goods, including:

- **Commercial samples:** jewellery, apparel, watches, leather goods, electronic equipment, etc.
- **Items for display or use at international exhibitions, trade shows or similar events:** various types of products/equipment, antiques, paintings and other works of art, display stands, etc.
- **Professional equipment:** press, sound and television broadcasting equipment, cinematographic equipment, musical instruments, costumes, theatrical effects and sets, equipment for seminars, meetings, demonstration, testing, maintaining or repairing machinery, electrical equipment, equipment for use by engineers, surgeons, archaeologists, zoologists, entertainers, lecturers, sportsmen, etc.

# For the ordinary and the extraordinary

- Munich Symphony
- Bolshoi Ballet
- BBC and CNN
- Ringling Bros Circus
- Australian Olympic horses
- Tokyo Opera
- Harley Davidson motorcycles
- Boeing and Airbus
- U2 360° Tour
- City of Dublin power system
- Sheremetyevo radar system
- Human skulls
- Prototype solar car
- World Cup Yachts
- Giorgio Armani Apparel
- McLaren Grand Prix cars
- Cirque du Soleil
- Daimler Chrysler
- Dinner in the sky

## Main users of ATA Carnets

- Travelling business/sales executives
- Technicians
- Fair exhibitors
- Professional individuals and teams:
  - film crews
  - surgeons
  - architects
  - artists
  - engineers
  - educationalists
  - entertainers, touring groups, etc.

## Number and value of ATA Carnets issued

<u>Year</u>	<u>Number</u>	<u>Value</u> (In Billions US\$)
1970	85,840	3.8
1980	186,911	3.6
1990	286,437	12.6
2000	194,915	11.4
2005	151,012	13.4
2009	150,046	14.9
2010	161,917	19.7

# Operation of the ATA System

## ① Role of the World Customs Organization (WCO)

- To administer the international Customs Conventions on temporary admission of goods: ATA and Istanbul Conventions

## ② Role of the ICC World Chambers Federation (WCF)

- To administer the ATA International Guarantee Chain worldwide
- To run the ATA Chain through the World ATA Carnet Council (WATAC)
  - WATAC comprises the 68 national guaranteeing organizations affiliated to the ATA guarantee chain.
  - WATAC is assisted by an ATA Carnet Administrative Committee (ATAC) composed of 12 member organizations.
  - WATAC/ATAC are responsible for the operation and management of the Chain worldwide.



# Operation of the ATA System

## ③ WCO and ICC/WCF/WATAC cooperation

- They jointly administer the ATA Carnet System worldwide.
- They ensure its smooth functioning.
- They promote its use and expansion throughout the world.

In each ATA country (71 today) the ATA System is jointly administered by:

- The Customs authorities
- The national guaranteeing organization.

## ④ Role of the national guaranteeing organization

- There is only **one** national guaranteeing organization in each ATA country.
- The national guaranteeing organization is liable to its Customs for all duties and taxes due in case of misuse of foreign ATA Carnets (for instance, in case of non re-exportation of goods covered by a foreign ATA Carnet).

# Operation of the ATA System

- Each national guaranteeing organization acts:
  1. **As guarantor vis-à-vis its Customs**  
For the payment of import duties and taxes payable in its country on foreign ATA Carnets (**Passive liability**)
  2. **As guarantor vis-à-vis foreign ATA organizations**  
For the payment of import duties and taxes payable in foreign countries on ATA Carnets issued under its responsibility (**Active liability**)
- National guaranteeing organizations agree to act on each other's behalf in a spirit of **solidarity** and **mutual confidence** (**reciprocal guarantees**).

## In Practice:

1. The guaranteeing organization which has paid its Customs will recover the sums from its ATA counterpart in the country where the Carnet was issued.
2. In turn, this counterpart will claim refund from the ATA Carnet holder.

# Operation of the ATA System

Each national guaranteeing organization :

- Must cover the **financial risks** that are linked to the use of ATA Carnets:
  1. Letter of undertaking and security from applicants
  2. Bank guarantee and/or insurance policy taken out by guaranteeing and issuing organizations.These **security schemes** are the back-bone of the ATA Chain
- Must be **approved** by its national Customs authorities.
- Must be **affiliated** to the ATA Guarantee Chain and approved to that effect by the World Chambers Federation (WCF), upon WATAC's recommendations.
- Must have **unrestricted authorization to receive and remit funds** to all other organizations of the Guarantee Chain.
- **Issues** ATA Carnets or **delegates** to local offices the right to issue ATA Carnets under their authority/responsibility.

# Operation of the ATA System

- National guaranteeing organizations are jointly responsible with Customs for the operation/administration of the ATA System at national level.

## Main functions on national level

- Relations with Customs
- Relations with local issuing offices
- Relations with Carnet holders
- Payments of duties and taxes to national Customs
- Printing of ATA Carnets
- Training & helpdesk
- Promotion and marketing

## Main functions on international level

- Relations with foreign guaranteeing organizations
- Relations with ICC/WCF/WATAC international Secretariat
- Handling of Customs claims and disputes on national and foreign Carnets

# Operation of the ATA System

## ⑤ Security schemes in the ATA Chain

- Security to be provided by ATA Carnet applicants
  - Type: cash deposit, bank guarantee, surety bond, insurance indemnity or any combination.
  - Amount: equal to the highest rate of duties and taxes in any country to be visited, plus 10%.
- Guarantee acts deposited with ICC/WCF/WATAC Secretariat by national guaranteeing organizations.
- ICC/WCF/WATAC Guarantee Fund.
- ICC/WCF/WATAC global insurance policy.

# Operation of the ATA System

## ⑥ ATA Carnet holder obligations/responsibilities

Carnet holders must:

- Comply with the WCO Conventions and Customs regulations of visited countries.
- Make sure that the goods will be accepted by the Customs of the countries of temporary importation.
- Re-export/Re-import the goods in the same condition in which they were temporarily imported (i.e. without any transformation).
- Re-export the goods by the date fixed by the Customs of the country of temporary importation or of transit.
- Obtain Customs verification and certification of the Carnet upon entry and exit from each visited country.
- Return to the issuing Chamber ATA Carnets properly discharged by Customs (= reexportation)

# Operation of the ATA System

## ⑦ How ATA Carnets work

- ATA Carnets are valid for up to one year.
- They serve as Customs declarations and Customs bonds (guarantees)
- They are presented to Customs when the goods enter and exit each country.
- They are made up of the appropriate set of sheets (vouchers and counterfoils) corresponding to the number of countries to be visited.

### - **Sets of colour-coded vouchers:**

- **Yellow** for departing/re-entering country of temporary export
- White for entering/departing country of temporary import
- **Blue** for transit operations (entry and exit from an ATA transit country).

Each voucher is removed by the Customs (at the time of export, import, re-export, re-import and transit) and is retained by Customs as control document.

- **Sets of counterfoils:** Counterfoils must not be removed from Carnets. They serve as “control document” for Customs, holders and national guaranteeing organizations.

# Benefits of the ATA Carnet System

The ATA Carnet System is a beneficial scheme for:

- Customs and Governments
- Businesses
- Chambers of commerce
- National economy

1. The ATA Carnet is a joint initiative of:

- An intergovernmental organization:  
The World Customs Organization (WCO)
- The world business organization:  
The International Chamber of Commerce (ICC)

2. The ATA Carnet is the most successful example of international co-operation between Governments and the private sector.

3. The ATA Carnet is also a perfect illustration of how close co-operation between business and Governments can contribute to facilitate and stimulate international trade.



# Benefits for Customs

4. **For Customs**, the ATA Carnet System presents the following advantages/benefits:
  1. ATA Carnets are **safe, simple, easy to use, check and process**.
  2. They increase **efficiency** and **security**.
  3. They improve **productivity**:
    - Reduce time to process temporary imports
    - Reduce documents to be processed and cut red tape.
  4. They eliminate cash transactions
  5. They eliminate time-consuming calculation of duties and taxes at time of entry.
  6. They facilitate import processes and the control of the movements of goods (import, export).

# Benefits for Customs

7. They protect Customs revenues and provide increased Customs safety:
  - All duties and taxes due are paid to Customs by NGOs.
  - The security systems set up by the ATA International Guarantee Chain
8. With the ATA Carnet System, there is only one **single point of contact** for all Customs claims and collection of revenue in each country: the national guaranteeing organization.
9. The ATA System is **risk-free** to Customs (tried and trusted)

## In conclusion:

Participation in the ATA System is a strategic element in developing a modern Customs administration, one responsive to business needs.

# Benefits for business

1. **ATA Carnets are valid for up to one year.**  
During that period they may be used for several exits from the country of export and entries into foreign countries of temporary admission.
2. **ATA Carnets are accepted in 71 trading nations.**  
This number increases as more countries are currently joining the scheme.
3. **ATA Carnets cover a wide range of goods:**
  - Commercial samples
  - Professional equipment
  - Goods to be exhibited at trade fairs
4. **ATA Carnets simplify, harmonize and standardize** the Customs procedures related to duty and tax-free temporary admission of goods:
  - They allow exporters to use **one single Customs document** for all Customs transactions at each entry/exit points
  - They allow exporters to make advance Customs arrangements at a predetermined cost.

# Benefits for business

5. **ATA Carnets eliminate the payment of Customs duties and taxes and the posting of a security** normally required at the time of importation into each foreign country visited.
  - No temporary import bond
  - No cash deposit for Customs duties/taxes
  - Reduction of the risks linked to carrying foreign currencies.
6. **ATA Carnets reduce foreign language barriers.**
7. **ATA Carnets facilitate re-exportation** from foreign countries and **re-importation** into the country of temporary exportation.

## In summary

- The use of ATA Carnets enables exporters, traders, etc. to conduct their business in an effective way instead of having to become Customs experts.
- **ATA Carnets will help them:**
  - Focus on their business
  - Keep down costs
  - Globalize their activities
  - Improve their international competitiveness.

# Why Chambers of Commerce issue Carnets

## ATA Carnets are:

- A good/tangible product to offer to the local business community
- A complementary product to other document services.
- A way of gaining greater visibility among exporters and answering their needs
- a good basis/opportunity for working with:
  - Governmental departments
  - Customs:
    - Close partnership required with Customs to ensure a successful system
    - Build basis for work in other areas.

# Benefits for the National economy

- The ATA Carnet System contributes to facilitate and promote international trade.
- By participating in the ATA Carnet System, countries (Governments):
  - Meet the needs of the local business and help them expand their activities worldwide.
  - Present profile to world of countries wanting to do business (globalization).

# Questions and Answers