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## **NORWAY'S EXPERIENCE ON TRADE FACILITATION ELECTRONIC CUSTOMS PROCEDURES**

The following communication, dated 14 July 2000, has been received from the Permanent Mission of Norway.

Trade facilitation has been part of the Norwegian trade- and customs policy for a long time. Efforts in this area are perceived as crucial for lowering costs and enhancing the benefits of trade, both for the Norwegian authorities and for the traders and the society at large. As part of this policy, the Norwegian customs authorities are continuously trying to simplify import and export procedures as well as other customs related procedures.

As a contribution to future discussions in the Council for Trade in Goods on trade facilitation, and consistent with the Singapore Ministerial mandate on trade facilitation, one method would be to present papers on national experience. Such papers could play usefully into analytical and exploratory work on a multilateral framework on trade facilitation, as well as providing the basis for needs assessments in the context of capacity building and technical assistance.

This paper provides a summary of Norway's national experience on customs facilitation in the areas of electronic customs procedures and the development of a computerised transit system.

### **I. TVINN – THE ELECTRONIC CUSTOMS CLEARANCE SYSTEM**

The Norwegian electronic clearance system TVINN has been applied to import declarations since 1988 and to export declarations since 1992. Today, 96 per cent of all import and export declarations are submitted electronically to the Regional Customs Administration and cleared through the TVINN system. The remaining 4% of the declarations are presented manually, but processed electronically.

The TVINN system is open 24 hours a day and declarations may be submitted at any time. The electronic clearance system includes checks to detect declarations that contain errors or ought to be closer examined by the custom authorities for other reasons. The consignment is normally released without further interruption if the system finds no errors in the declaration, or it is not stopped due to other parameters set in the system. Importers are linked on-line to the customs authorities and declare goods electronically. Prior checking of declared value is carried out for 5 % of all declarations. In addition to prior checking, post audit checks are performed by the Regional Customs authorities.

If the declarations are not stopped by this control mechanism, this process will normally take 3 – 4 minutes. The average clearance time (except for documents and consignments subjected to further examination) is approximately 12 minutes from the declaration is submitted until the goods are released. Goods that are customs cleared by TVINN will be released when the Regional Customs Authority accepts the customs declaration assigned by a registration number.

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## **II. OTHER ELECTRONIC SYSTEMS – THE NEW COMPUTERISED TRANSIT SYSTEM**

The Norwegian authorities have also developed electronic systems for assessing and claiming excise duties and vehicle taxes, accounting, enforcement purposes and risk analysis. In order to facilitate trade, a direct link from the customs authorities to the computer systems of other governmental authorities has been established. Such authorities include veterinary and agricultural authorities, as well as licensing bodies.

The customs procedures and the electronic systems used in Norway are under constant scrutiny aiming at further simplifications and effectiveness for both the customs authorities and the economic operators. In the development of simplified procedures and electronic systems, the use of international standards and recommendations are considered very important, and these are applied in most cases if such standards exist.

During the last couple of years, work has been undertaken to update the Convention of 20 May 1987 on a common transit procedure. The aim of this work has been to develop the "New Computerised Transit System (NCTS)" together with the EU, the other EFTA countries and the Visegrad countries (Poland, Hungary, the Czech Republic and the Slovak Republic). The EU and the other countries are all Contracting Parties to the Transit Convention between the EU and the EFTA countries.

Difficulties throughout the transit procedure have caused, and continue to cause, significant losses for the Contracting Parties and represent a permanent threat to trade and economic operators. The modernisation of transit procedures has been considered necessary and computerisation represents a significant element in this respect. With the introduction of new computerised procedures based on the use of modern information technology and electronic data interchange (EDI)<sup>1</sup>, the exchange of information between the competent authorities will be more secure and the information more reliable. Economic operators may, subject to authorisation, enjoy the possibility of presenting the transit declarations using a data-processing technique. The implementation and monitoring of security measures are of vital importance to achieve and maintain a reliable and secure operation of transit. The implementation of a new computerised transit system will be introduced in different phases.

When the NCTS is up and running, transit of goods within Europe will be "paperless" and all communication concerning transit consignments between customs authorities will be carried out through electronic messages. Norway will start the pilot application in September 2000, as one of five countries.

## **III. CONCLUSION**

The introduction of electronic customs procedures in Norway has been and continues to be essential to Norway's efforts in the area of trade facilitation. The systems introduced so far have worked to the benefit of Norwegian authorities and the players in international trade at large. We continue to work on improving existing systems and to undertake new projects in the area, and hope to return at a later stage to update members on these efforts.

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<sup>1</sup> "EDI" (electronic data interchange) means that the transmission of data is structured according to agreed message standards.