



INFORMAL WORKING GROUP ON MSMEs

**TRADE FACILITATION AGREEMENT PROVISIONS, MSMEs' PAIN POINTS,
RECOMMENDATIONS AND GOOD PRACTICES**

The following document has been prepared by the WTO Secretariat at the request of the delegation of Uruguay, coordinator of the Informal Working Group on MSMEs to provide a brief overview of the provisions and implementation of the WTO Trade Facilitation Agreement from MSMEs' perspective. It does not represent the official position of the WTO, nor of the WTO secretariat.

TRADE FACILITATION AGREEMENT PROVISIONS, MSMEs' PAIN POINTS, RECOMMENDATIONS AND GOOD PRACTICES

TFA provisions	TFA measures	MSME pain points	Relevant recommendations from external studies or presentations to MSME IWG ¹	Good national/regional practices ²
INFORMATION AVAILABILITY				
<p><u>Article 1.1: Publication</u></p> <ul style="list-style-type: none"> §1.1 Each Member shall <i>promptly publish the following information in a non-discriminatory and easily accessible manner</i> in order to enable governments, traders, and other interested parties to become acquainted with them (...) <p><u>Article 1.2: Information Available Through Internet</u></p> <ul style="list-style-type: none"> §2.1 Each Member shall <i>make available, and update to the extent possible and as appropriate</i>, the following <i>through the internet</i> (...) §2.2 Whenever practicable, the description referred to in subparagraph 2.1(a) shall also be <i>made available in one of the official languages of the WTO</i> 	Publication and Availability of Information	<p>MSMEs often have difficulties in understanding official information because of delays, non-updates, incomplete context and/or complex legal language. MSMEs also tend to be more affected by sudden changes to rules and regulations than large enterprises. Further, some MSMEs have insufficient access to information because they lack the time and/or resources to conduct the necessary research. (ITC, 2018 – referred as "ITC toolkit" below)³</p> <p>Online information platforms have been shown to provide significant savings for MSME traders by improving information search and reducing regulatory compliance costs. (Ganne and Lundquist, 2019)⁴</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> Create a government knowledge management policy at the national level. Use ITC tools to communicate changes to rules and regulations. Develop user friendly and experience-based information platform for MSMEs. Establish requests for information and responses service for MSMEs as part of organizational performance-measurement parameters. Provide channels that address the needs of business generally and MSMEs specifically. <p>OECD 2004 Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive MSMEs⁵:</p> <ul style="list-style-type: none"> Promoting access to and use of quality information and communication infrastructure and promoting enhanced security and trust in the digital economy. 	<p>1) Global Trade Helpdesk</p> <ul style="list-style-type: none"> A joint ITC-UNCTAD-WTO initiative that aims to improve the quality, transparency and accessibility of trade-related information by providing a unique entry point to existing trade-related information with specifically target for MSMEs. The platform integrates comprehensive information from various sources on market requirements, including customs tariffs, taxes, rules of origin, non-tariff measures, and notifications of WTO Members; export/import procedures, business opportunities and policy outlook. (June 2019 meeting)⁶ <p>2) EU Trade Helpdesk</p> <ul style="list-style-type: none"> An online platform that provides information on how to export to

¹ These references include MSME-related studies from international organizations, as well as previous presentations from Members or guest speakers to the WTO Informal Working Group on MSMEs.

² These examples are taken from relevant external studies (see column 4) or were discussed at meetings and workshops organized by the WTO Informal Working Group on MSMEs.

³ International Trade Centre (2018), Supporting SMEs through trade facilitation reforms: Toolkit for policymakers. ITC, Geneva. See: <http://www.intracen.org/publication/supporting-SMEs-through-trade-facilitation-reforms/>.

⁴ Ganne, E. and Lundquist, K. (2019), "The digital economy, GVCs and SMEs", Global Value Chain Development Report (2019), Chapter 6. See: https://www.wto.org/english/res_e/booksp_e/gvc_dev_report_2019_e_ch6.pdf.

⁵ OECD, Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs, OECD/LEGAL/0328. See: <https://legalinstruments.oecd.org/public/doc/155/155.en.pdf>.

⁶ https://www.wto.org/english/tratop_e/msmes_e/global_trade_helpdesk_presentation.pdf.

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		<p>The UK Federation of Small Businesses (FSB) also stressed the importance of making information accessible to MSMEs, and recommended policy makers to reduce the administrative burden and improve customs capacity for MSMEs. (Oct. 2017 workshop)⁷</p>		<p>the EU, including EU import duties, product requirements, rules of origin, internal taxes and trade statistics.</p> <ul style="list-style-type: none"> • It also includes a database on trade in goods, the usage is free of charge and it is available in English, French, Spanish and Portuguese. (Oct. 2017 workshop)⁸ <p>3) Switzerland Online Customs Database</p> <ul style="list-style-type: none"> • A foreign trade portal for country-specific information on tariff and non-tariff trade measures, including import formalities of over 100 countries. (Oct. 2017 workshop)⁹ <p>4) Russia "one-stop shop" service for MSMEs</p> <ul style="list-style-type: none"> • Provides easy access for all; includes both paid and free services; provides both financial and non-financial services; has a call-centre and other related support available to users. (June 2018 meeting)¹⁰

⁷ https://www.wto.org/english/tratop_e/msmes_e/fsb_presentation.pdf.

⁸ https://www.wto.org/english/forums_e/business_e/session4_1paolo_qarzotti_eu_presentation.pdf.

⁹ https://www.wto.org/english/forums_e/business_e/session4_4silini_s_ge.pdf.

¹⁰ https://www.wto.org/english/tratop_e/msmes_e/2018_06_08_rus_presentation_support_of_msmes.pdf.

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<p>Article 1.3: Enquiry points</p> <ul style="list-style-type: none"> §3.1 Each Member shall, within its available resources, <i>establish or maintain one or more enquiry points to answer reasonable enquiries of governments, traders, and other interested parties</i> on matters covered by paragraph 1.1 and to <i>provide the required forms and documents</i> referred to in subparagraph 1.1(a). §3.2 Members of a customs union or involved in regional integration may establish or maintain common enquiry points at the regional level to satisfy the requirement of paragraph 3.1 for common procedures. §3.3 Members are encouraged <i>not to require the payment of a fee for answering enquiries and providing required forms and documents</i>. If any, Members shall limit the amount of their fees and charges to the approximate cost of services rendered. §3.4 The enquiry points shall <i>answer enquiries and provide the forms and documents within a reasonable time period</i> set by each Member, which may vary depending on the nature or complexity of the request. 	Enquiry Points	<p>Enquiry points improve small businesses' compliance level by providing the paperwork they need to trade which helps them more than large enterprises. (WTO, 2016)¹¹</p> <p>This further improves compliance by addressing concerns and increasing MSME understanding before transactions occur. (UNCTAD, 2011)¹²</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> Choose the appropriate model for enquiry points, preferably a single national enquiry point to which businesses could direct all trade inquiries. Provide channels that address the needs of business generally and MSMEs specifically. <p>World Customs Organization Revised Kyoto Convention guidelines¹³:</p> <ul style="list-style-type: none"> This TFA requirement is closely tied to the concept of 'helpdesks' as recommended by the WCO in its RKC guidelines. These guidelines include detailed information on setting up helpdesks and require customs units to provide detailed information or make decisions quickly. 	[N/A]
<p>Article 10.4: Single Window</p> <ul style="list-style-type: none"> §4.1 Members shall endeavour to establish or maintain a single window, <i>enabling traders to submit documentation and/or data requirements for importation,</i> 	Single Window	<p>Studies showed that reform of slow or cumbersome border procedures can cut costs of trading by 12%-18%, depending on a country's development level, and domestic whole-of-government approaches could greatly</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> Consult MSMEs and address their needs when designing single window. Prioritize solutions for problems MSMEs face in the existing system. 	<p>1) Singapore National Trade Platform (NTP)</p> <ul style="list-style-type: none"> A one-stop trade information management system that enables electronic data sharing among businesses and government.

¹¹ World Trade Organization (2016), World Trade Report 2016 – Levelling the trading field for SMEs. See: https://www.wto.org/english/res_e/booksp_e/world_trade_report16_e.pdf.

¹² United Nations Conference on Trade and Development (2011), Technical Notes on Trade Facilitation Measures, Geneva: United Nations.

¹³ World Customs Organization (December 2010), Revised Kyoto Convention, General Annex, Guidelines.

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<p><i>exportation, or transit of goods through a single entry point</i> to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the <i>results shall be notified to the applicants through the single window in a timely manner.</i></p> <ul style="list-style-type: none"> • §4.2 In cases where documentation and/or data requirements have already been received through the single window, the same documentation and/or data requirements shall not be requested by participating authorities or agencies except in urgent circumstances and other limited exceptions which are made public. • §4.3 Members shall notify the Committee of the details of operation of the single window. • §4.4 Members shall, to the extent possible and practicable, <i>use information technology to support the single window.</i> 		<p>help MSMEs to participate international trade. (OECD, 2019)¹⁴</p> <p>In practical terms, MSMEs have specific concerns and are disadvantaged when dealing with border processes, and single windows can ease MSMEs' burden if the platforms transform traditional administrative systems into a coherent and coordinated arrangement with prioritized address of MSMEs' pain points and challenges. (ITC toolkit)</p> <p>Single windows that are not developed with automated decision-making and integrated risk management mean that approval process is convoluted and submitted documents can be unnecessarily delayed. Complexity of design can prevent MSMEs from finding necessary information or submitting all required documentation. (ITC toolkit)</p>	<p>The International Federation of Freight Forwarders Associations (FIATA) presentation¹⁵:</p> <ul style="list-style-type: none"> • Advise member states on the creation of Single Windows that would ensure reduced costs and facilitated clearance which could increase the likelihood of MSMEs to trade. • Encourage states to implement Single Window solutions promoting filing systems that minimise the frequency of data transfers, thus creating a large, transparent and secure eCommerce community. (FIATA presentation, June 2018 workshop – refer as "FIATA presentation" below) 	<ul style="list-style-type: none"> • Firms only have to provide trade information once and to authorize its use by logistics providers, business partners, customs and other trade regulatory approvals, which will be especially helpful for MSMEs to cut costs and streamline processes. (Oct. 2017 workshop) <p>Some single window initiatives go beyond B2G and include a number of B2B services, such as:</p> <p>2) Morocco's PORNET IT system</p> <ul style="list-style-type: none"> • Facilitate collaboration between agencies such as between Poste Maroc and Morocco's customs authority which helps to ensure MSMEs comply with trade regulations. • Relevant agencies should be made stakeholders in the initiative to incentivize involvement. • A Single Window should seek to streamline processes through consolidation of trade events, such as sequential inspections and paperwork or necessary fee payments. (June 2019 workshop)¹⁶ <p>3) Integrated Services for MSMEs in International Trade (ISMITE)¹⁷</p> <ul style="list-style-type: none"> • An integrated, end-to-end e-commerce trade services platform for MSMEs advocated by UN/CEFACT.

¹⁴ OECD (2019), Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth: OECD 2018 Ministerial Conference on SMEs, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris. See: <https://www.oecd-ilibrary.org/docserver/c19b6f97-en.pdf?expires=1569336511&id=id&accname=ocid195767&checksum=E8F851E9E22657A0E38FBAC374844FC7>.

¹⁵ https://www.wto.org/english/tratop_e/msmes_e/kersten_importance_of_facilitated_trade_for_msme_growth_msme_june_27th_presentaiton_fiata.pdf.

¹⁶ https://www.wto.org/english/tratop_e/msmes_e/portnet_presentation.pdf.

¹⁷ http://www.unece.org/fileadmin/DAM/cefact/cf_forums/2018_China/eCommerce_Bio-PPT/PPT_05_CramMartos.pdf.

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				<ul style="list-style-type: none"> Trade-related information can either be coordinated through connectivity to a National Single Window or directly to customs for export and import declarations and to other relevant government websites.
<p>Article 2.1: Opportunity to Comment and Information before Entry into Force</p> <ul style="list-style-type: none"> §1.1 Each Member shall, to the extent practicable and in a manner consistent with its domestic law and legal system, <i>provide opportunities and an appropriate time period to traders and other interested parties to comment</i> on the proposed introduction or amendment of laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit. 	<p>Consultation and Business Participation</p>	<p>Regulatory changes and cumbersome administrative procedures can be major hurdles for MSMEs. However, they are typically not consulted concerning the potential impact of proposed regulation and the current inefficiencies of existing requirements. Further, when they are given the opportunity, MSMEs may lack the capacity to articulate their views about regulatory changes. (ITC toolkit)</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> Ensure adequate MSME representation in national trade facilitation committees/consultative processes. Take MSMEs needs and concerns into account when major amendments/information dissemination plans are developed. Provide schedules and agendas of stakeholder discussions so MSMEs can share their viewpoints. Conduct regular studies to capture MSME concerns. 	<p>1) Canada "Think small" principle</p> <ul style="list-style-type: none"> Requires consultation with MSMEs and analysis of potential impacts. (Feb 2019 IWG meeting)¹⁸ <p>2) EU "Think small first" principle and MSME test</p> <ul style="list-style-type: none"> The regulatory initiative targets to take the interests of MSMEs into account when designing and evaluating policies; provide lighter regimes for MSMEs and exemptions for micro-businesses to be envisaged; and develop Single Digital Gateway platforms.
<p>Article 2.2: Consultations</p> <ul style="list-style-type: none"> Each Member shall, as appropriate, provide for regular consultations between its border agencies and traders or other stakeholders located within its territory. 			<p>2018 OECD Declaration on Strengthening MSMEs and Entrepreneurship for Productivity and Inclusive Growth¹⁹:</p> <ul style="list-style-type: none"> Continuing multi-stakeholder dialogue on effective policies to support development, growth and competitiveness of MSMEs in a global and digitalised economy. 	<ul style="list-style-type: none"> Since 2009, the MSME test mandates stakeholders' consultation and an impact assessment analysis that should be proportionate to the expected impact on MSMEs. (June 2019 IWG meeting)²⁰

¹⁸ https://www.wto.org/english/tratop_e/msmes_e/2018_06_08_rus_presentation_support_of_msme.pdf.

¹⁹ OECD, Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth. See: <https://www.oecd.org/cfe/smes/ministerial/SME-Ministerial-Declaration-ENG.pdf>.

²⁰ https://www.wto.org/english/tratop_e/msmes_e/european_commission_think_small_first_presentation.pdf.

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			2016 APEC MSME Ministerial Statement ²¹ : <ul style="list-style-type: none"> We would also like to express our appreciation for the participation of representatives from the private sector, academia and international organizations. Their views and contribution helped in our understanding of existing opportunities and challenges MSMEs need to address so that they can successfully integrate into the global economy. 	3) Russia Regulatory Impact Assessment <ul style="list-style-type: none"> Requires regulators to complete a consolidated report in which an MSME test is integrated; a standard cost calculator is also developed to measure the information and substantial costs to MSMEs when a new policy is designed. (June 2019 IWG meeting)²²
Article 23.2: National Committee on Trade Facilitation <ul style="list-style-type: none"> Each Member shall <i>establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions</i> of this Agreement. 	National Trade Facilitation Committee	MSMEs are often less well-coordinated and usually have the smallest voice when it comes to advocating for favourable laws and regulations. Ideally, MSMEs should be well represented on National Committees on Trade Facilitation. (FIATA presentation) ²³	ITC toolkit: <ul style="list-style-type: none"> Ensure adequate MSME representation in national trade facilitation committees/consultative processes. Take MSMEs' needs and concerns into account when major amendments/information dissemination plans are developed. Provide schedules and agendas of stakeholder discussions so MSMEs can share their viewpoints. Conduct regular studies to capture MSME concerns. FIATA presentation: <ul style="list-style-type: none"> Policies should be crafted to ensure that MSME associations are appropriately organized, informed [or educated] and represented and able to participate in public fora for customs issues. 	[N/A]

²¹ APEC, 2016 APEC SME Ministerial Statement: "SMEs as engines of quality growth and prosperity". See: https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Small-and-Medium-Enterprise/2016_sme.aspx.

²² https://www.wto.org/english/tratop_e/msmes_e/russia_regulatory_impact_assessment_presentation.pdf.

²³ https://www.wto.org/english/tratop_e/msmes_e/kersten_importance_of_facilitated_trade_for_msme_growth_msme_june_27th_presentation_fiata.pdf.

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CUSTOMS COMPLIANCES				
<p>Article 3: Advance Rulings</p> <ul style="list-style-type: none"> • §1 Each Member shall <i>issue an advance ruling in a reasonable, time-bound manner to the applicant that has submitted a written request containing all necessary information</i>. If a Member declines to issue an advance ruling, it shall promptly notify the applicant in writing, setting out the relevant facts and the basis for its decision. • §9(d) A Member may require that the applicant have legal representation or registration in its territory. To the extent possible, <i>such requirements shall not restrict the categories of persons eligible to apply for advance rulings, with particular consideration for the specific needs of small and medium-sized enterprises. These requirements shall be clear and transparent and not constitute a means of arbitrary or unjustifiable discrimination</i>. 	Advanced Rulings	<p>MSMEs are more sensitive to changes in fees and trade costs than larger businesses. According to an OECD study, advance rulings would help small businesses to increase regulatory predictability, eliminate inconsistent classification and origin decisions on the borders, which helps to create a more enabling trading environment for MSMEs. (Moisé <i>et al.</i>, 2011)²⁴</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> • The procedures to file applications for rulings, and the supporting information, should not be so costly and cumbersome that MSMEs cannot complete them. • Making past rulings available would enable MSMEs to search information or ask service desks or enquiry points before they prepare a new request. • Provide well-organized, easily searchable and understandable information without request. • Respond to ruling requests efficiently using good knowledge management practices. 	<p>1) EU public rulings database on "Binding Tariff Information" (BTI)</p> <ul style="list-style-type: none"> • An online platform that allows traders to obtain a decision on BTI issued by national customs authorities so to have legal certainty about the correct classification of their goods. (ITC toolkit)
<p>Article 4: Procedures for Appeal or Review</p> <ul style="list-style-type: none"> • §3 Each Member shall <i>ensure that its procedures for appeal or review are carried out in a non-discriminatory manner</i>. • §5 Each Member shall ensure that the person referred to in paragraph 1 is provided with the reasons for the administrative decision so as to enable such a person to have recourse to procedures for appeal or review where necessary. • §6 Each Member is encouraged to make the provisions of this Article applicable to an administrative decision issued by 	Customs Disputes and Penalties	<p>MSMEs and other businesses are usually affected during the clearance process by the lack of a redressal mechanism to deal with delays in decisions and by the range of securities, across different client categories, demanded in case of disputes.</p> <p>MSMEs are more likely to be required to pay in cash or provide bank guarantees instead of simple undertakings.</p> <p>Also, MSMEs are very sensitive to fees, charges and penalties, and the cost of trading and payment processes could be burdensome to them. (ITC toolkit)</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> • Apply objective and efficient administrative review procedures. • Ensure fair, easy and transparent procedures for requesting appointments hearings. • Set time limits to process transactions and resolve disputes. Measure performance from this perspective and publish results to build public trust and set reasonable expectations. • Improve the transparency and quality of decisions at the operational level. • Provide mechanisms that enable traders to escalate such occurrences to senior management. 	[N/A]

²⁴ Moisé, E., T. Orliac and P. Minor (2011), "Trade Facilitation Indicators: The Impact on Trade Costs", OECD Trade Policy Papers, No. 118, OECD Publishing, Paris. See: <https://www.oecd-ilibrary.org/docserver/5kg6nk654hmr-en.pdf?expires=1569837135&id=id&accname=quest&checksum=73594811A13698D2C2507C2DF7E8BC08>.

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<p>a relevant border agency other than customs.</p> <p><u>Article 6.2: Special disciplines on Fees and Charges for Customs Processing Imposed on or in Connection with Importation and Exportation</u></p> <ul style="list-style-type: none"> • <i>Fees and charges for customs processing: (i) shall be limited in amount to the approximate cost of the services rendered</i> on or in connection with the specific import or export operation in question; and (ii) are not required to be linked to a specific import or export operation provided they are levied for services that are closely connected to the customs processing of goods. 			<ul style="list-style-type: none"> • Provide simplified and streamlined fees and charges with simple and facilitative clearance and payment processes for MSMEs. 	
<p><u>Article 6: Disciplines on Fees and Charges Imposed on or in connection with Importation and Exportation</u></p> <ul style="list-style-type: none"> • §1.2 Information on fees and charges shall be published in accordance with Article 1. This <i>information shall include the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made.</i> • §1.3 An <i>adequate time period</i> shall be accorded between the publication of new or amended fees and charges and their entry into force, except in urgent circumstances. <i>Such fees and charges shall not be applied until information on them has been published.</i> • §1.4 Each Member shall <i>periodically review its fees and charges with a view to reducing their number and diversity, where practicable.</i> 	<p>Discipline on Fees and Charges</p>	<p>Fees and charges are a burden for MSMEs and other businesses. While some of them are inevitable, MSMEs would benefit from simplified, streamlined fees and charges. (ITC toolkit)</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> • Review payment processes. • Justify the level of fees and charges. • Ensure that information about payments is clear and complete. • Notify business in advance about changes. 	<p>[N/A]</p>

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<p><u>Article 10.6: Use of Customs Brokers</u></p> <ul style="list-style-type: none"> §6.1 Without prejudice to the important policy concerns of some Members that currently maintain a special role for customs brokers, from the entry into force of this Agreement Members <i>shall not introduce the mandatory use of customs brokers</i>. 	<p>Use of Customs Brokers</p>	<p>Many MSMEs have to engage a broker because of complex border procedures. MSMEs may opt to save money on brokerage fees and handle the transaction directly with customs. (ITC toolkit)</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> Develop ICT-based processes where traders have direct online access to the customs system. Provide self-filing options through a simple and standard procedure. Develop a simple process and user-centric design. 	<p>[N/A]</p>
RISK MANAGEMENT				
<p><u>Article 7.4: Risk Management</u></p> <ul style="list-style-type: none"> §4.2 Each Member shall <i>design and apply risk management in a manner as to avoid arbitrary or unjustifiable discrimination, or a disguised restriction on international trade</i>. §4.3 Each Member shall concentrate customs control and, to the extent possible other relevant border controls, on high-risk consignments and <i>expedite the release of low-risk consignments</i>. A Member also may select, on a random basis, consignments for such controls as part of its risk management. §4.4 Each Member shall <i>base risk management on an assessment of risk through appropriate selectivity criteria</i>. Such selectivity criteria may include, inter alia, the Harmonized System code, nature and description of the goods, country of origin, country from which the goods were shipped, value of the goods, <i>compliance record of traders</i>, and type of means of transport. 	<p>Risk Management in Border Processes</p>	<p>MSMEs are generally perceived as high-risk operators. Administrations that base risk calculations solely on the regularity and frequency of transactions are more likely to inspect small traders. MSMEs may also be asked to provide cash or cash-equivalent securities when there are disagreements with customs, which again disadvantages them.</p> <p>Also, MSMEs generally know little about keeping records, do not follow internal accounting guidelines and often cannot afford to hire professional accountants, which might lead to more interventions, delays and costs in audit-based customs control. (ITC toolkit)</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> Develop digital systems and tools to process applications and maintain records for risk management. Develop combined multiple indicators to evaluate traders on the basis of past compliance, not just the value and frequency of transactions. Optimize border processes and allow pre-arrival filing to accelerate the release of goods for MSMEs. Check regularly to verify the efficiency and effectiveness of border processing. 	<p>[N/A]</p>

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<p>Article 7.7: Trade Facilitation Measures for Authorized Operators</p> <ul style="list-style-type: none"> • §7.2 The specified criteria to qualify as an authorized operator shall be related to compliance, or the risk of non-compliance, with requirements specified in a Member's laws, regulations or procedures (...) <i>(b) Such criteria shall not: (ii) to the extent possible, restrict the participation of small and medium-sized enterprises.</i> • §7.3 The trade facilitation measures provided pursuant to paragraph 7.1 shall include at least three of the following measures: <ul style="list-style-type: none"> <i>(a) low documentary and data requirements, as appropriate;</i> <i>(b) low rate of physical inspections and examinations, as appropriate;</i> <i>(c) rapid release time, as appropriate;</i> <i>(d) deferred payment of duties, taxes, fees, and charges;</i> <i>(e) use of comprehensive guarantees or reduced guarantees;</i> <i>(f) a single customs declaration for all imports or exports in a given period; and</i> <i>(g) clearance of goods at the premises of the authorized operator or another place authorized by customs.</i> 	<p>Authorized Operators (AEO)</p>	<p>MSMEs are often excluded from trusted party schemes, such as authorized economic operator (AEO) arrangements because of inadequate records and accounting practices and are unable to meet security and guarantee requirements. (ITC toolkit)</p> <p>In practice, many AEO schemes do not work properly for MSMEs according to UK FSB. (June 2019 workshop)²⁵</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> • Take MSME needs on board when setting criteria and build criteria on measurable and reasonable requirements. • Offer MSMEs cost-effective, alternative security requirements to achieve authorized status and explain the benefits. • Design capacity-development programmes for MSMEs as part of proactive and informed compliance management plans, including specific accounting guidelines and training for MSMEs. <p>FIATA presentation:</p> <ul style="list-style-type: none"> • Government can create special AEO Programmes for MSMEs that require less stringent criteria for MSMEs to qualify for AEO status, or access to at least some AEO capabilities. • FIATA and its members could help with the burden of identifying those MSMEs which could fit the profile of an AEO special services applicant in order to reduce costs and help facilitate customs clearance. 	<p>1) Hong Kong, China Customs AEO programme:</p> <ul style="list-style-type: none"> • HKC formulated a two-tier free and voluntary accreditation programme open to local companies engaging in business principally related to the international supply chain. Companies applying for a lower tier must meet certain basic criteria, and additional criteria are required for a higher tier. • The AEOs recognized so far, including MSMEs, could meet the accreditation criteria without making major changes or investments. Recognizing that the extent of compliance depends on the size, nature and model of the business, HKC exercises flexibility in the accreditation process. (ITC toolkit)

²⁵ https://www.wto.org/english/tratop_e/msmes_e/fsb_presentation.pdf.

TFA provisions	TFA measures	MSME pain points	Relevant recommendations from external studies or presentations to MSME IWG ¹	Good national/regional practices ²
<p>Article 7.8: Expedited Shipments</p> <ul style="list-style-type: none"> • §8.2(a) Members shall <i>minimize the documentation required for the release of expedited shipments</i> in accordance with paragraph 1 of Article 10 and, to the extent possible, <i>provide for release based on a single submission of information on certain shipments</i>; • §8.2(b) provide for expedited shipments to <i>be released under normal circumstances as rapidly as possible after arrival</i>, provided the information required for release has been submitted; • §8.2(d) <i>provide, to the extent possible, for a de minimis shipment value or dutiable amount for which customs duties and taxes will not be collected</i>, aside from certain prescribed goods. Internal taxes, such as value added taxes and excise taxes, applied to imports consistently with Article III of the GATT 1994 are not subject to this provision. 	<p>Expedited Shipments</p>	<p>MSMEs can benefit from e-commerce if they have access to efficient, reliable logistics services that they can afford. Postal systems are, by definition, not focused on profit, and aim to fulfil citizen and business needs. They can help MSMEs by providing more choices and services that are competitive with what MSMEs receive from express couriers. (ITC toolkit)</p>	<p>ITC toolkit:</p> <ul style="list-style-type: none"> • Strengthen postal services to meet the needs of MSMEs – invest in logistics facilities and cross-border solutions with efficient procedures. <p>FIATA presentation:</p> <ul style="list-style-type: none"> • Governments should lessen or waive superfluous fees, inspection procedures and paperwork for MSMEs that satisfy a minimum shipment value or volume criteria, aimed at giving preference to the expedition of MSME shipments in particular. 	<p>1) Canada Post Solutions for Small Business²⁶</p> <ul style="list-style-type: none"> • A savings program created for small businesses which offers discounts of up to 34% on shipments within Canada and up to 47% internationally. It also provides marketing tools to target and reach new customers through direct mail.

²⁶ <https://www.canadapost.ca/cpc/en/business/small-business.page>.