

CHAPTER 4 CUSTOMS ADMINISTRATION AND TRADE FACILITATION

Article 4.1: Customs Cooperation

1. The Parties shall cooperate in order to ensure 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 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 and Rules of Origin as set out in this Chapter.

3. The Parties, through their respective Customs Authorities, shall provide each other with mutual assistance in customs matters in accordance with the provisions of Annex 4A (Mutual Assistance in Customs Matters) in order to ensure the implementation of this Chapter.

Article 4.2: Customs Procedures

1. The Parties shall ensure that their customs procedures are applied in a manner that is predictable, consistent, fair and transparent.

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

the Parties recognize that electronic filing in trade and in the transfer 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 the reduction of cost and time. Therefore, the Parties shall cooperate with a view to implementing and promoting paperless customs procedures.

Article 4.3: Release of Goods

1. Each Party shall endeavor to ensure that its Customs Authority 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;
 - (b) provide for advance electronic submission and processing of information before the physical arrival of goods to enable their release upon arrival; and
 - (c) allow goods to be released at the point of arrival, without temporary transfer to warehouses or other facilities.

Article 4.4: Risk Management

1. In administering customs procedures and to the extent possible, each Customs Authority shall focus resources on high-risk shipments of goods.
2. The above shall not preclude a Party from conducting control which may require more extensive examinations.

Article 4.5: Transparency

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.

Article 4.6: Advance Rulings

1. In accordance with its domestic law, each Party shall endeavor to provide, through its Customs Authority or other Competent Authority, for the expeditious issuance of written advance rulings as follows:
 - (a) the Customs Authority in the importing Party shall endeavor to issue advance rulings concerning the classification of goods and the appropriate method or criteria, and the application thereof to be used for determining the customs value under a particular set of facts; and
 - (b) the Customs Authorities in the exporting Party shall endeavor to issue advance rulings concerning compliance with the rules of origin as set forth in Chapter 3 (Rules of Origin).
2. 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.

3. 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.

4. Each Party shall provide that advance rulings shall be in force from the date of issuance, or another date specified in the ruling. Subject to paragraph 1 to paragraph 3, 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 Party that provided the ruling.

Article 4.7: 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 4.8: 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 such information 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 information mentioned in paragraph 1 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 in accordance with the relevant applicable domestic law of the Party who received the information.

Article 4.9: Subcommittee on Customs and Rules of Origin

1. The Parties agree to establish a Subcommittee on Customs 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 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 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 Viet Nam.

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