



*National Confederation of Industry*

CNI. THE STRENGTH OF THE BRAZILIAN INDUSTRY

# ATA CARNET



## ATA CARNET AND THE COMMERCIAL AGREEMENTS

POSITION PAPER

Brasília  
2018

# ATA CARNET AND THE COMMERCIAL AGREEMENTS

## POSITION PAPER

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**CNI. THE STRENGTH OF THE BRAZILIAN INDUSTRY**

# ATA CARNET AND THE COMMERCIAL AGREEMENTS

## POSITION PAPER

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National Confederation of Industry.

ATA CARNET and the commercial agreements: POSITION PAPER /  
National Confederation of Industry. – Brasília : CNI, 2018.  
35 p. : il.

1. ATA CARNET 2. Commercial Agreements. 3. International Conventions  
I. Title

CDU: 658.7

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The graphic shows a dark blue ATA CARNET cover tilted diagonally over a world map. The cover has the text 'ATA CARNET' in large, gold, serif capital letters. Below the text are two overlapping circular gold frames, each containing a black and white map of the world. The world map in the background is color-coded by continent: North America is orange, South America is yellow, Europe is light blue, Africa is orange, Asia is yellow, and Australia is red.

# ATA CARNET

## EXECUTIVE SUMMARY

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Countries are increasingly adopting measures to facilitate international trade, such as international conventions, within the framework of the World Customs Organization (WCO), to simplify and harmonize customs regimes for temporary admission of goods.

The two main conventions are the 1961 ATA Convention and the 1990 Convention on Temporary Admission, known as the Istanbul Convention. These agreements establish the ATA CARNET, a “passport” for goods exported and imported for no more than 12 months and with suspension of taxes and fees on importation, as a temporary admission certificate. Currently, 61 countries are signatories to the ATA Convention and 58 of the Istanbul Convention.

Although the two instruments serve the same purpose, they are different in scope. The ATA Convention is more restrictive in the purposes for which it accepts the ATA CARNET, while the Istanbul Convention has 13 annexes specifying the use of the document. It is important to note that, by being a signatory to the Istanbul Convention, the ATA Convention is repealed and replaced. Brazil is a signatory to the Istanbul Convention, which has been in force since 2011 in the country.

## ATA CARNETs and trade agreements

In view of the increasing issuance of ATA CARNETs by Brazil and in the world, and the resumption of negotiations on trade agreements in Brazil, the National Confederation of Industry (CNI) believes that the inclusion of the subject in the agreements will facilitate international trade and contribute to increase the number of operations and user countries.

Large document issuers and Brazil's trading partners, such as the United States and Japan, signatories to the ATA Convention, already have this type of provision in their trade agreements.

The US agreements have clauses on temporary admission in the market access chapter, but there is no mention of the ATA CARNET or any specific convention. The text is standard and the variances occurring according to the partners are the purposes of temporary admission, guarantees and time for re-export.

In the agreements that Japan generally enters into, there is a provision in the customs and trade facilitation chapter for temporary admission to be made in accordance with the ATA Convention, and there is also a provision for cooperation between the parties to disseminate the ATA CARNET.

Based on these analyzes, the CNI believes that the topic must be included:

1. In Mercosur agreements, through the negotiation of a Protocol among the countries of the block, especially in the region where there are several countries that are not members of the Conventions;
2. In the agreements being negotiated by Brazil and Mercosur, including a clause providing for temporary admission, preferably by mentioning the ATA CARNET, and encouraging cooperation to disseminate the document benefits; and
3. Upon the initiation of a multilateral trade discussions on the benefits of the ATA CARNET.

The image shows a dark blue book cover for an ATA CARNET. The title "ATA CARNET" is printed in large, white, serif capital letters, slanted upwards from left to right. Below the title, there are two overlapping white circles, each containing a stylized map of the world. The book is positioned diagonally over a background that is a colorful world map with various countries in different shades of orange, yellow, and brown.

# ATA CARNET

## 1 ATA CARNET OPERATION

Foto: Shutterstock

In order to facilitate international trade, there are international conventions to simplify and harmonize customs regimes for temporary admission and establish the ATA CARNET as a temporary admission certificate.

The main conventions on this subject are the ATA Convention and the Convention on Temporary Admission, known as the Istanbul Convention, both of which are signed within the framework of the World Customs Organization (WCO).

The ATA CARNET is a “passport” for goods exported and imported temporarily. With the document, products and assets of individuals or legal entities can circulate through more than 75 countries, over 12 months, with suspension of taxes and import taxes.



Some examples of goods subject to temporary circulation supported by the ATA CARNET<sup>1</sup> are:

- Goods used in exhibitions, fairs, congresses or similar events;
- Professional materials;
- Goods for educational, scientific or cultural purposes;
- Personal goods and devices.

The ATA CARNET was developed from the business necessity of transporting products to international fairs or exhibitions as samples for potential buyers or for transporting professional equipment, for example. This need is confirmed by the growing participation of entrepreneurs in international fairs in recent years.

## 1.1 International Conventions

In total, 80 countries are signatories of the Conventions dealing with the ATA CARNET, as per the table below.

**Table 1 – Countries signatories to the ATA and Istanbul Conventions**

Country	Conventions		
	ATA	Istanbul	Other
South Africa	x	x	x
Albany		x	
Germany	x	x	x
Andorra	x	x	
Algeria	x	x	x
Australia		x	x
Austria	x	x	x
Bahrain		x	
Belarus	x	x	
Belgium	x	x	x
Bosnia Herzegovina	x	x	
Brazil		x	
Bulgaria	x	x	x

<sup>1</sup> Istanbul Convention, 1990.

Country	Conventions		
	ATA	Istanbul	Other
Canada	x		x
Kazakhstan		x	
Chile		x	
China	x	x	x
Cyprus	x	x	x
Singapore	x		x
Korea	x		x
Ivory Coast	x		x
Croatia	x	x	x
Denmark	x	x	x
United Arab Emirates		x	
Slovakia	x	x	x
Slovenia	x	x	x
Spain	x	x	x
United States	x		x
Estonia		x	
Finland	x	x	x
France	x	x	x
Gibraltar	x		x
Greece	x	x	x
Holland	x	x	x
Hong Kong		x	
Hungary	x	x	x
India	x		x
Indonesia		x	
Iran	x		x
Ireland	x	x	x
Island	x		x
Israel	x		x
Italy	x	x	x
Japan	x		x
Latvia		x	
Lebanon	x		x
Lithuania		x	
Luxembourg	x	x	x
Macao	x		x
Macedonia	x	x	x

Country	Conventions		
	ATA	Istanbul	Other
Madagascar		X	
Malaysia	X		X
Malta	X	X	X
Morocco	X		X
Mauritius	X	X	
Mexico	X		X
Moldavia	X	X	
Mongolia		X	
Montenegro	X	X	
Norway	X		X
New Zealand	X		X
Pakistan		X	
Peru		X	
Poland	X	X	X
Portugal	X	X	X
Qatar		X	
United Kingdom	X	X	X
Czech Republic	X	X	X
Romania	X	X	X
Russia	X	X	
Senegal			X
Serbia	X	X	X
Sri Lanka	X		X
Sweden	X	X	X
Switzerland	X	X	X
Thailand	X	X	X
Taiwan			X
Tunisia	X		X
Turkey	X	X	X
Ukraine	X	X	

Source: ICC. CNI Elaboration.

The 1961 ATA Convention has 61 signatories and authorizes the use of the ATA CARNET to: 1) professional equipment, and 2) goods for display or use in exhibits, fairs, encounters or similar events. Other international conventions were also established in the period to cover other types of activities, such as trade shows, teaching materials, tourism and means of transport.

The Istanbul Convention has 58 signatories and was signed in 1990 to bring together, in a single instrument, the existing conventions on temporary admission with the aim of simplifying and harmonizing existing customs regimes and thereby increasing international trade. In addition to the ATA CARNET, the Convention also established a title for the temporary admission of means of transportation: the CPD CARNET.

The list of countries that are signatories to at least one of the Conventions is very diversified in regional terms and includes the large developed economies as well as the largest developed ones.

However, in South America, only Brazil, Chile, and Peru have signed one of the conventions, and Peru is still internalizing the Istanbul Convention; and there is room to expand the use of trade benefits in Brazil with these countries.

Unlike the ATA Convention, the Istanbul Convention contains annexes specifying the use of the ATA CARNET, and by adhering to the Convention, countries can select to which annexes they accept the document. In total, there are 13 annexes, as detailed in the table below.

**Table 2 – Istanbul Convention Annexes**

Annex	Title
A	Annex relating to temporary admission papers (ATA CARNETs, CPD CARNETs)
B1	Annex on goods intended to be presented or used in exhibitions, fairs, congresses or similar events
B2	Annex on professional material
B3	Annex on containers, pallets, packages, samples and other goods imported under a commercial operation
B4	Annex on goods imported in connection with a production operation
B5	Annex for goods imported for educational, scientific or cultural purposes
B6	Annex relating to travelers' personal effects and goods imported for sporting purposes
B7	Annex on tourist advertising material
B8	Annex on goods imported in cross-border trade
B9	Annex on goods imported for humanitarian purposes
C	Annex on means of transport
D	Annex on animals
E	Annex on goods imported with a partial relief from import duties and taxes

*Source: Istanbul Convention. CNI Elaboration.*

It is noteworthy that in cases of adherence to Annex A of the Istanbul Convention by a member country of the ATA Convention, the ATA Convention is repealed and replaced.



Another breakthrough of the Istanbul Convention is the establishment of a management committee to administer and check the implementation of the agreement, besides proposing improvements to the text. There is also a dispute settlement clause, which states that any dispute over the interpretation or application of the agreement will be settled by a direct negotiation between the parties. If this is not possible, the management committee will make recommendations, which may or may not be accepted by the parties.

### Brazil and the ATA CARNET

Brazil is a signatory to the Istanbul Convention and has internalized annexes A (with reservation), B1, B2, B5 and B6 through Presidential Decree No. 7,545, from August 2, 2011. The reservation in Annex A is the non-acceptance of the ATA CARNET for postal traffic.

The export or import operations supported by the ATA CARNET are fully guaranteed by a single business entity selected by the customs of each country. In Brazil, CNI is the entity bidden by the Federal Revenue of Brazil (RFB) for the issuance and guarantees of the ATA CARNETs in the country.

The Confederation works in partnership with the Brazilian Network of International Business Centers (CIN Network) to assist entrepreneurs throughout the country to issue the ATA CARNET. The International Business Centers (CINs) are gathered in 27 federations of industries in the states and in the Federal District to promote the internationalization of Brazilian companies through a set of services offered to entrepreneurs.

Therefore, the Istanbul Convention has a broader scope and new provisions in its text, such as the creation of a management committee to administer the agreement and possible solutions to conflicts. In the meantime, the Convention has fewer signatories than the ATA Convention.

**Table 3 – Comparison between ATA and Istanbul Conventions**

	ATA	Istanbul
<b>Signature</b>	1961	1990
<b>International Organization</b>	WCO	WCO
<b>Signatory</b>	61	58
<b>ATA CARNET Validity</b>	12 months	12 months

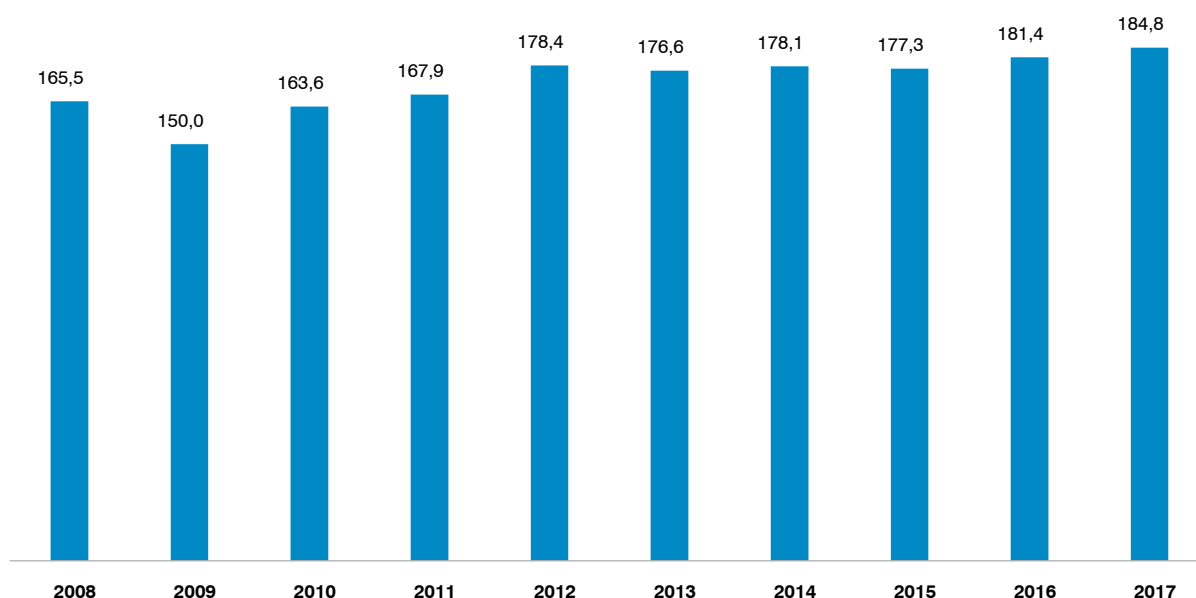
	ATA	Istanbul
<b>Temporary Admission Titles</b>	ATA CARNET	ATA CARNET CPD CARNET
<b>Scope</b>	1. Professional Equipment; 2. Exhibits, fairs, congresses or similar manifestations.	1. Exhibits, fairs, congresses or similar manifestations; 2. Professional Material; 3. Containers, pallets, packaging, sample and other goods imported under a commercial operation; 4. Goods imported in connection with the operation of a product; 5. Educational, scientific or cultural purposes; 6. Personal effects of travelers and sports purposes; 7. Tourist advertising; 8. Goods imported in the context of cross-border traffic; 9. Goods imported for humanitarian purposes; 10. Means of transport; 11. Animals; 12. Goods imported with partial exemption from import duties and taxes.

Source: ATA and Istanbul Conventions CNI Elaboration.

## 1.2 ATA CARNET Issuances

In the last 10 years there has been an increase of 11.7% in the issuance of ATA CARNETs worldwide. Between 2016 and 2017, the growth was lower, at the range of 1.9%. It is important to note that there is no product limit for the ATA CARNET, that is, it is not a “passport” for each merchandise, and it is possible to cover several products in a single document.

**Graph 1 – Development of the ATA CARNETs issuance per year worldwide (thousand)**



Source: ICC. CNI Elaboration.

As per the table below, large economies are the main issuers of the ATA CARNET. In 2017, the twenty major countries issuing the document accounted for 88.3% of the world's emissions from the ATA CARNET. Switzerland, Germany, the United States, France and the United Kingdom were the countries that issued the document the most.

**Table 4 – Ranking of the main issuers of the ATA CARNET in 2017**

#	Issuing Country	ATA CARNET Issuance		Ranking 2017	
		No. of Issuances	Share	Destination of Brazilian Exports	Worldwide Exporters
1	Switzerland	28,189	15.3%	42 <sup>nd</sup>	19 <sup>th</sup>
2	Germany	27,206	14.7%	7 <sup>th</sup>	3 <sup>rd</sup>
3	U.S	19,866	10.7%	2 <sup>nd</sup>	2 <sup>nd</sup>
4	France	13,980	7.6%	29 <sup>th</sup>	7 <sup>th</sup>
5	UK	9,618	5.2%	14 <sup>th</sup>	10 <sup>th</sup>
6	Italy	9,457	5.1%	11 <sup>th</sup>	9 <sup>th</sup>
7	China	9,101	4.9%	1 <sup>st</sup>	1 <sup>st</sup>
8	Japan	8,157	4.4%	5 <sup>th</sup>	4 <sup>th</sup>
9	Spain	4,883	2.6%	10 <sup>th</sup>	16 <sup>th</sup>
10	Serbia	4,331	2.3%	120 <sup>th</sup>	72 <sup>nd</sup>
11	Canada	3,908	2.1%	17 <sup>th</sup>	12 <sup>th</sup>
12	Hong Kong	3,641	2.0%	18 <sup>th</sup>	6 <sup>th</sup>
13	Croatia	3,454	1.9%	100 <sup>th</sup>	73 <sup>rd</sup>
14	Netherlands	3,317	1.8%	4 <sup>th</sup>	8 <sup>th</sup>
15	Austria	2,884	1.6%	84 <sup>th</sup>	30 <sup>th</sup>
16	South Korea	2,385	1.3%	13 <sup>th</sup>	5 <sup>th</sup>
17	Israel	2,366	1.3%	54 <sup>th</sup>	49 <sup>th</sup>
18	Sweden	2,310	1.2%	53 <sup>rd</sup>	32 <sup>nd</sup>
19	Denmark	2,078	1.1%	64 <sup>th</sup>	37 <sup>th</sup>
20	Turkey	2,066	1.1%	31 <sup>st</sup>	31 <sup>st</sup>
57	Brazil	99	0.1%	-	26 <sup>th</sup>
<b>Subtotal</b>		<b>163,296</b>	<b>88.3%</b>	-	-
<b>Total</b>		<b>184,836</b>	<b>100.0%</b>	-	-

Source: ICC, MDIC and Trade Map. CNI Elaboration.

Some of the main issuers of the ATA CARNET in 2017 were also the main destinations of Brazilian exports in the year. This is the case of China, the United States and several European countries that are part of the European Union. In addition, the list includes countries with which we have trade agreements, such as Israel, and countries with which we are negotiating, such as Canada, South Korea, as well as European Union and European Free Trade Association (EFTA) countries.

Other countries that also issue the ATA CARNET, but are not on the list of main issuers are: Mexico and Singapore, countries in negotiation with Brazil/Mercosur, South Africa and Chile, countries that have agreements with Brazil/Mercosur.

In addition, of the 20 main destinations of Brazilian exports in 2017, only Argentina, Paraguay and Saudi Arabia are not signatories of any of the conventions on the ATA CARNET, as shown in the table below.

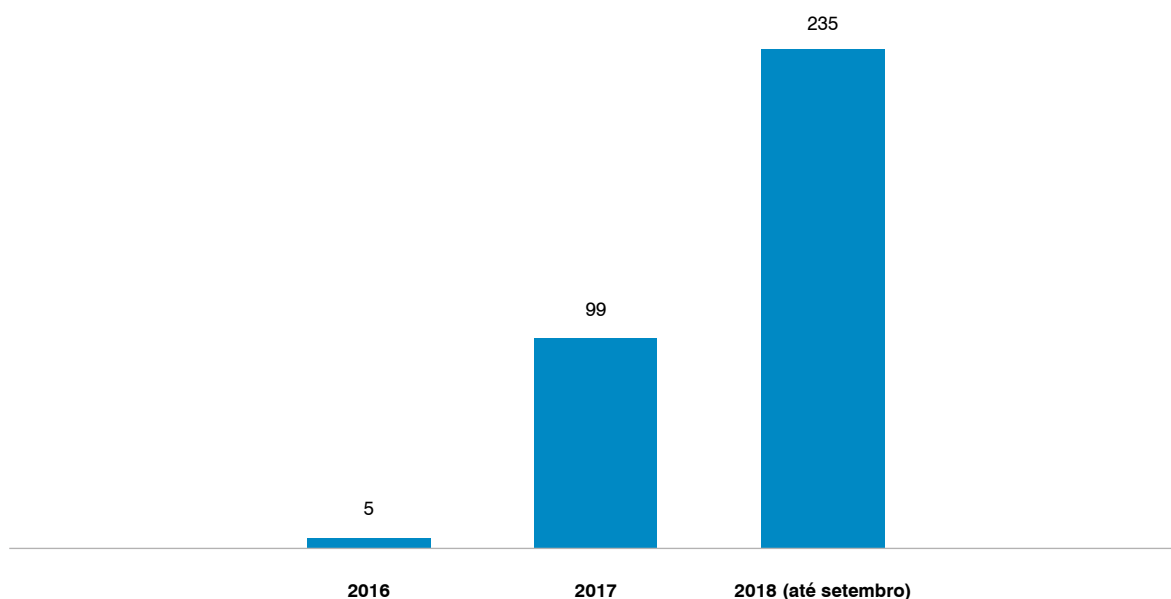
**Table 5 – Main destinations of Brazilian exports in 2017 (US\$ billion)**

Descriptions	2017
<b>China</b>	47.5
<b>U.S</b>	26.9
Argentina	17.6
<b>Netherlands</b>	9.3
<b>Japan</b>	5.3
<b>Chile</b>	5.0
<b>Germany</b>	4.9
<b>India</b>	4.7
<b>Mexico</b>	4.5
<b>Spain</b>	3.8
<b>Italy</b>	3.6
<b>Belgium</b>	3.2
<b>South Korea</b>	3.1
<b>UK</b>	2.8
<b>Russia</b>	2.7
<b>Singapore</b>	2.7
<b>Canada</b>	2.7
<b>Hong Kong</b>	2.7
Saudi Arabia	2.7
Paraguay	2.6

Source: MDIC. CNI Elaboration.

Although Brazil has promulgated the Istanbul Convention in 2011, the country began issuing ATA Carnet in 2016. In 2017, Brazil ranked 57<sup>th</sup> in the ranking of countries issuing the document and issued 99 ATA CARNET, as shown in the chart below, against only 5 in 2016.

**Graph 2 – Number of ATA CARNETs issued by Brazil per year**



*até setembro = up to September*

*Source: ICC. CNI Elaboration.*

The increase in ATA CARNETs issuance between 2016 and 2017 can be explained mainly by the increase in the issuances of the document by Brazil, followed by countries in Latin America, such as Chile and Mexico. Although these countries are not the main issuers of the ATA CARNET in 2017, they recorded the highest increase in their emissions in the last two years (Annex A), in comparison with the other countries.

In view of the increasing issuance of ATA CARNETs by Brazil and other countries, as well as the resumption of negotiations on Brazilian trade agreements, CNI defends the inclusion of the subject in the agreements, with the objective of facilitating and expanding international trade and the number of operations and user countries. Large document issuers, such as the United States and Japan, already have this kind of provision in their agreements.

A dark blue ATA Carnet book is shown at an angle, partially covering a world map. The map uses a color-coded system where different regions are shaded in various colors like orange, yellow, green, and red. The book has the words 'ATA CARNET' printed in large, gold, serif capital letters. Below the title, there are two circular gold-colored frames, each containing a black and white image of a globe showing the Americas.

# ATA CARNET

## 2 ATA CARNET IN COMMERCIAL AGREEMENTS

Foto: Shutterstock

Two major trading partners in Brazil have provisions on the ATA CARNETs in their trade agreements: United States and Japan, both signatories to the ATA Convention. To verify how these countries handle the ATA CARNETs in their trade agreements, CNI analyzed the texts of trade agreements:

- United States-Australia;
- United States-Colombia;
- United States-Chile;
- Unites States-South Korea;
- North American Free Trade Agreement (NAFTA);
- Transpacific Partnership (TPP);
- Japan-Singapore;
- Japan-Switzerland;

- Japan-India;
- Japan-European Union.

The US agreements have clauses on temporary admission in the market access chapter, but there is no mention of the ATA CARNET or any specific convention. The text is standard and the variances occurring according to the partners are the purposes of temporary admission, guarantees and time for re-export.

In Japan agreements, in its turn, there is a provision in the customs chapter for temporary admission to be made in accordance with the ATA Convention, and there is also a provision for cooperation between the parties to disseminate the use of the ATA CARNET. However, in the agreement with the European Union, there is no mention of a specific convention dealing with the ATA CARNET, since the block is not a joint signatory of any of the conventions.

**Table 6 – Summary of the main provisions on temporary admission in the agreements of the United States and Japan**

Agreements features	United States	Japan
<b>Agreement chapter</b>	Access to markets	Customs and trade facilitation
<b>ATA CARNET</b>	No	Yes
<b>ATA or Istanbul Convention</b>	No	ATA Convention
<b>Requisites for temporary admission</b>	Yes	No
<b>Cooperation</b>	No	Yes

Source: CNI Elaboration.

## 2.1 United States

In the agreements under review in the United States, there is an obligation in the chapter on national treatment and access to goods markets that the Parties should grant a duty-free concession for the temporary admission of certain goods imported for certain purposes, according to table below.

In general, US agreements have a pattern and vary in the goods and purposes of temporary admission, time for re-export, and warranties. The agreement with Australia, for example, is the most limited in the requirements of temporary admission, but allows the product to stay in the country for up to three years, unlike other agreements that allow only one year.

In relation to guarantees, the agreements provide that the value should not be 110% (in the case of NAFTA and the agreement with Korea) or higher than the charges that would be charged on imports (in the agreements with Australia, Chile, Colombia and TPP).

It is important to note that, although the United States is a signatory to the ATA Convention, there is no mention of the ATA CARNET or other international convention on the subject in its agreements. However, all purposes for temporary admission laid down in the ATA Convention (professional equipment and exhibits, fairs, among other similar events) are covered by the agreements, as well as samples and equipment for sports activities.

Other standard clauses state that the quantity imported from the good must not be more than reasonable for the intended purpose, that the product cannot be sold or consumed and that it must be under the supervision of a national or resident of the other activity.



**Table 7 – Main clauses on temporary admission of goods in the Japan agreements**

Chapter		Article	Requisites for temporary admission	Other clauses
Australia	National treatment and market access for goods	Temporary admission	Each Party shall grant <b>duty-free temporary admission</b> for the following goods, <b>imported by or for the use of a resident of the other Party</b> for: a) <b>Professional equipment</b> , including software and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade or profession of a person who qualifies for temporary entry pursuant to the laws of the importing Party; b) Goods intended for <b>display or demonstration</b> at exhibitions, fairs, or similar events, including commercial samples for the solicitation of orders and advertising films and recordings; and c) Goods temporarily admitted for <b>sports purposes</b> , regardless of their origin.	Neither Party may condition the duty-free temporary admission of a good referred to (...), other than to require that such good: a) <b>be used solely by or under the personal supervision of a national or resident of the other Party</b> in the exercise of the business activity, trade or profession of that person; b) <b>not be sold, leased, or consumed while in its territory</b> ; c) be accompanied by a security in an <b>amount no greater than the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good</b> ; d) be capable of <b>identification when exported</b> ; e) be exported on or before the departure of that person or within such other period as is reasonably related to the purpose of the temporary admission, not to exceed <b>three years</b> after the date of importation; f) be imported in <b>no greater quantity than is reasonable for its intended use</b> ; and g) be otherwise admissible into the Party's territory under its laws.
			Each Party shall grant <b>duty-free temporary admission</b> for the following goods, regardless of their origin: a) <b>Professional equipment</b> , including equipment for the press or television, software and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade or profession of a business person who qualifies for temporary entry pursuant to the laws of the importing Party; b) Goods intended for <b>display or demonstration</b> ; c) <b>commercial samples</b> and advertising films and recordings; and d) goods admitted for <b>sports purposes</b> .	Neither Party may condition the duty-free temporary admission of a good referred to (...), other than to require that such good: a) <b>be used solely by or under the personal supervision of a national or resident of the other Party</b> in the exercise of the business activity, trade, profession or sport of that person; b) <b>not be sold, leased, or consumed while in its territory</b> ; c) be accompanied by a security in an <b>amount no greater than the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good</b> ; d) be capable of <b>identification when exported</b> ; e) be exported on the departure of the person referenced in subparagraph (a), or within such other period, related to the purpose of the temporary admission, as the Party may establish, or within <b>one year</b> , unless extended; f) be admitted in <b>no greater quantity than is reasonable for its intended use</b> ; and g) be otherwise admissible into the Party's territory under its laws.
Chile, Colombia, TPP	National treatment and market access for goods	Temporary admission of goods	Each Party shall grant <b>duty-free temporary admission</b> for the following goods, regardless of their origin: a) <b>Professional equipment</b> , including equipment for the press or television, software and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade or profession of a business person who qualifies for temporary entry pursuant to the laws of the importing Party; b) Goods intended for <b>display or demonstration</b> ; c) <b>commercial samples</b> and advertising films and recordings; and d) goods admitted for <b>sports purposes</b> .	Neither Party may condition the duty-free temporary admission of a good referred to (...), other than to require that such good: a) <b>be used solely by or under the personal supervision of a national or resident of the other Party</b> in the exercise of the business activity, trade, profession or sport of that person; b) <b>not be sold, leased, or consumed while in its territory</b> ; c) be accompanied by a security in an <b>amount no greater than 110% of the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good</b> ; d) be capable of <b>identification when exported</b> ; e) be exported on the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within <b>one year</b> , unless extended; f) be admitted in <b>no greater quantity than is reasonable for its intended use</b> ; and g) be otherwise admissible into the Party's territory under its laws.
			Each Party shall grant <b>duty-free temporary admission</b> for the following goods, regardless of their origin: a) <b>Professional equipment</b> , including equipment for the press or television, software and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade or profession of a business person who qualifies for temporary entry pursuant to the laws of the importing Party; b) Goods intended for <b>display or demonstration</b> ; c) <b>commercial samples</b> and advertising films and recordings; and d) goods admitted for <b>sports purposes</b> .	Neither Party may condition the duty-free temporary admission of a good referred to (...), other than to require that such good: a) <b>be used solely by or under the personal supervision of a national or resident of the other Party</b> in the exercise of the business activity, trade, profession or sport of that person; b) <b>not be sold, leased, or consumed while in its territory</b> ; c) be accompanied by a security in an <b>amount no greater than 110% of the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good</b> ; d) be capable of <b>identification when exported</b> ; e) be exported on the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within <b>one year</b> , unless extended; f) be admitted in <b>no greater quantity than is reasonable for its intended use</b> ; and g) be otherwise admissible into the Party's territory under its laws.
Korea	National treatment and market access for goods	Temporary admission of goods	Each Party shall grant <b>duty-free temporary admission</b> for the following goods, regardless of their origin: a) <b>Professional equipment</b> , including equipment for the press or television, software and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade or profession of a business person who qualifies for temporary entry pursuant to the laws of the importing Party; b) Goods intended for <b>display or demonstration</b> ; c) <b>commercial samples</b> and advertising films and recordings; and d) goods admitted for <b>sports purposes</b> .	Neither Party may condition the duty-free temporary admission of a good referred to (...), other than to require that such good: a) <b>be used solely by or under the personal supervision of a national or resident of the other Party</b> in the exercise of the business activity, trade, profession or sport of that person; b) <b>not be sold, leased, or consumed while in its territory</b> ; c) be accompanied by a security in an <b>amount no greater than 110% of the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good</b> ; d) be capable of <b>identification when exported</b> ; e) be exported on the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within <b>one year</b> , unless extended; f) be admitted in <b>no greater quantity than is reasonable for its intended use</b> ; and g) be otherwise admissible into the Party's territory under its laws.
			Each Party shall grant <b>duty-free temporary admission</b> for the following goods, regardless of their origin: a) <b>Professional equipment</b> , including equipment for the press or television, software and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade or profession of a business person who qualifies for temporary entry pursuant to the laws of the importing Party; b) Goods intended for <b>display or demonstration</b> ; c) <b>commercial samples</b> and advertising films and recordings; and d) goods admitted for <b>sports purposes</b> .	Neither Party may condition the duty-free temporary admission of a good referred to (...), other than to require that such good: a) <b>be used solely by or under the personal supervision of a national or resident of the other Party</b> in the exercise of the business activity, trade, profession or sport of that person; b) <b>not be sold, leased, or consumed while in its territory</b> ; c) be accompanied by a security in an <b>amount no greater than 110% of the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good</b> ; d) be capable of <b>identification when exported</b> ; e) be exported on the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within <b>one year</b> , unless extended; f) be admitted in <b>no greater quantity than is reasonable for its intended use</b> ; and g) be otherwise admissible into the Party's territory under its laws.

Chapter	Article	Requisites for temporary admission	Other clauses
NAFTA	National treatment and market access for goods Temporary admission of goods	<p>Each Party shall grant <b>duty-free temporary admission</b> for the following goods, regardless of their origin:</p> <p>a) <b>Professional equipment</b>, including equipment for the press or television, software and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade or profession of a business person who qualifies for temporary entry pursuant to the laws of the importing Party;</p> <p>b) Goods intended for <b>display or demonstration</b>, including their component parts, ancillary apparatus and accessories;</p> <p>c) <b>commercial samples</b> and advertising films and recordings;</p> <p>d) goods admitted for <b>sports purposes</b>, admitted from the territory of another Party, regardless of their origin and regardless of whether like, directly competitive, or substitutable goods are available in the territory of the Party.</p>	<p>No Party shall condition the duty-free temporary admission of a good referred to (...), other than to require that the good:</p> <p>a) <b>be imported by a national of another Party who seeks temporary entry;</b></p> <p>b) <b>be used solely by or under the personal supervision of a national of another Party</b> in the exercise of the business activity, trade, profession, or sport of that person;</p> <p>c) <b>not be sold, leased, or, for commercial samples and advertising films and recordings, not to be put to any use other than exhibition or demonstration</b>, while in its territory;</p> <p>d) be accompanied by a security in an <b>amount no greater than 110% of the charges that would otherwise be owed on entry or importation, reliable on exportation of the good except that a bond for customs duties shall not be required for an originating good;</b></p> <p>e) be capable of <b>identification when exported;</b></p> <p>f) <b>be exported on the departure of the person referenced in subparagraph (a), or within any other period reasonable related to the purpose of the temporary admission as the Party may establish, unless extended;</b></p> <p>g) be admitted in <b>no greater quantity than is reasonable for its intended use;</b> and</p> <p>h) be otherwise admissible into the Party's territory under its law.</p>

## 2.2 Japan

Japan in its agreements with Singapore, India, Switzerland and the European Union mentions the international conventions on the ATA CARNET in the customs chapter. With the exception of the agreement with the European Union, the other agreements analyzed provide for temporary admission to be made in accordance with the ATA Convention, in addition to encouraging efforts to disseminate the ATA CARNET, according to the following table.

In agreements with Singapore and India, temporary admission is in the customs procedures chapter, while in the agreement with Switzerland the text is in customs procedures and trade facilitation. Like Japan, all three countries are members of the ATA Convention and Switzerland is also a signatory to the Istanbul Convention.

However, contrary to US agreements, temporary admission to such agreements may be exempted wholly or partially from customs duties. Other clauses stipulate that the product must be imported for a specific purpose, intended to be re-exported after a specific period and cannot undergo transformations, except normal depreciation.

In the case of the recent agreement between Japan and the European Union, there is no mention of the ATA Convention, but rather of the international conventions on the ATA CARNET. This can be explained by the fact that the countries from the European block can adhere individually to any of the conventions and the European Union, as a block, is not a signatory of any of them.

Temporary admission of goods is dealt with in two chapters of the agreement: on trade in goods and on customs procedures and trade facilitation. In the chapter on trade in goods, the Parties shall ensure exemption from tariffs for the temporary admission of goods that do not undergo transformation, except normal depreciation, are re-exported after a certain period, and for specific purposes, as listed in the table below. In the chapter on customs and trade facilitation, there is a mention of the ATA CARNET and the conventions on the document in general, forcing the Parties to accept the document.

The Japan-European Union agreement, unlike others in the Asian country, has no clause to stimulate cooperation activities to disseminate the benefits of ATA CARNET.

**Table 8 – Main clauses on temporary admission of goods in the Japan agreements**

	Chapter	Article	Requisites for temporary admission	Other clauses
<b>Singapore, India</b>	Customs procedures	Temporary admission and goods in transit	Each Party shall continue to facilitate the procedures for the temporary admission of goods traded between the Parties in accordance with the Customs Convention on the ATA Carnet for the Temporary Admission of Goods ( <b>ATA Convention</b> ).	<p>1. The Parties shall endeavour to promote, through <b>seminars and courses</b>, the use of ATA Carnets pursuant to the ATA Convention for the temporary admission of goods and the facilitation of customs clearance of goods in transit in non-Parties.</p> <p>2. The term "temporary admission" means customs procedures under which certain goods may be brought into a customs territory conditionally, <b>relieved totally or partially from the payment of customs duties</b>. Such goods shall be imported for a <b>specific purpose</b>, and shall be intended for <b>re-exportation</b> within a specified period and without having undergone any change except <b>normal depreciation</b> due to the use made of them.</p>
<b>Switzerland</b>	Customs procedures and trade facilitation	Temporary admission and products in transit	Each Party shall continue to facilitate the procedures for the temporary admission of products traded between the customs territories of the Parties in accordance with the <b>A.T.A. Convention</b> .	<p>1. The Parties shall endeavour to promote, through <b>seminars and courses</b>, the use of ATA Carnets pursuant to the ATA Convention for the temporary admission of goods and the facilitation of customs clearance of goods in transit in non-Parties.</p> <p>2. The term "temporary admission" means customs procedures under which certain goods may be brought into a customs territory conditionally, <b>relieved totally or partially from the payment of customs duties</b>. Such goods shall be imported for a <b>specific purpose</b>, and shall be intended for <b>re-exportation</b> within a specified period and without having undergone any change except <b>normal depreciation</b> due to the use made of them.</p>

Chapter	Article	Requisites for temporary admission	Other clauses
European Union	Trade in goods	<p>Temporary admission of goods</p> <p>Each Party shall grant <b>duty-free temporary admission</b> into its customs territory for the following goods in accordance with its laws and regulations, provided that such goods do not undergo any change except <b>normal depreciation due to the use made of them</b> and that they are <b>exported within the time period set by each Party</b>:</p> <ul style="list-style-type: none"> <li>a) goods for <b>display or use at exhibitions, fairs, meetings or similar events</b>;</li> <li>b) <b>professional equipment</b>, including equipment for the press or for sound or television broadcasting, cinematographic equipment, ancillary apparatus for such equipment and accessories thereto;</li> <li>c) <b>commercial samples</b> and advertising films and recordings;</li> <li>d) <b>containers and pallets</b> in use or to be used in the shipment of goods in international traffic, accessories and equipment therefore;</li> <li>e) <b>welfare materials for seafarers</b>;</li> <li>f) goods imported exclusively for <b>scientific purposes</b>;</li> <li>g) goods imported for international <b>sports</b> contests, demonstrations or training;</li> <li>h) <b>personal effects owned by temporarily visiting travellers</b>; and</li> <li>i) <b>tourist publicity materials</b>.</li> </ul>	—
	Customs matters and trade facilitation	<p>Temporary admission</p> <p>For the temporary admission of goods referred to in Article 2.10 and regardless of their origin, each Party shall, in accordance with the procedures laid down in international agreements concerning temporary admissions and applied by the Party, <b>accept A.T.A. carnets</b> issued in the other Party.</p>	—



The image features a dark blue ATA CARNET logo with two circular globe icons, overlaid on a stylized world map. The map uses a color palette of orange, yellow, green, and brown. A blue banner at the bottom contains the title of the section.

# ATA CARNET

## 3 RECOMMENDATIONS FOR BRAZIL AND MERCOSUR NEGOTIATIONS

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Considering the increasing adhesion of the countries to the Istanbul Convention, the growing issue of ATA CARNETs, mainly by Brazil, and the intensification of the negotiation agenda of Brazil and Mercosur, both from the point of view of the thematic extension of the agreements and new agreements, the CNI has listed below proposals to include provisions on the ATA CARNET in trade agreements:

**1. Stimulating adherence to the ATA CARNET to the other Mercosur countries:** encouraging the adherence of the Istanbul Convention and the greatest possible number of annexes by Argentina, Paraguay and Uruguay, which are not signatories to any of the conventions dealing with the ATA CARNET.

It is important to note that Article 18 of the Convention stipulates that countries, which form a customs union, may also be considered as a single territory. Thus, an alternative to Mercosur is the adherence to the Convention as a block.

Therefore, one is recommended to:

- a. Negotiate a Protocol including the obligation for the temporary admission of goods in transit to be made in accordance with the Istanbul Convention and the annexes internalized by the parties to reduce the costs of such activity;
- b. Provide for technical cooperation, between governments and the private sector, for the implementation of the Istanbul Convention and the procedures required for issuing the ATA CARNET; and
- c. Promote initiatives, jointly with the private sector, to disseminate the benefits of the ATA CARNET to greater adherence of companies from all sizes of Mercosur.

**2. Insert clauses on the ATA CARNET in the trade agreements being negotiated by Brazil and/or Mercosur:** to discipline, in the trade facilitation chapters, that the temporary admission of goods should be made through the ATA CARNET, in accordance with the international conventions on the document, for reducing the costs of this activity and stimulating bilateral business.

Alternatively, if the countries or blocks that Brazil is negotiating with show resistance to include ATA CARNET, it is suggested that a note on temporary admission is included with the list of purposes for the most comprehensive operation possible, according to the example of the agreements entered into force by the States United.

Also, one should also add a note for cooperation between the parties, so that they:

- a. Adhere to the largest possible number of Annexes to the Istanbul Convention.
- b. Provide for technical cooperation, between governments and the private sector, for the implementation of the ATA CARNET and the procedures required for its issuance.
- c. Promote initiatives, jointly with the private sector, to disseminate the benefits of the ATA CARNET, for greater company adherence.

**3. Creation of a specific working group in the multilateral system:** promoting discussions within the WTO Trade Facilitation Committee, in conjunction with the WCO, on the benefits and enhancements of the ATA CARNET and temporary admission schemes worldwide.

Moreover, one should promote cooperation, through the International Trade Center (ITC) and countries, to disseminate the benefits of the ATA CARNET to companies of all sizes.





# ATA CARNET

## ANNEX

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### ANNEX A – QUANTITY OF ATA CARNETS ISSUED IN 2017 BY COUNTRY

Countries	2017	2016/2017 Variation
<b>Total</b>	<b>184,836</b>	<b>1.9%</b>
Switzerland	28,189	-3.7%
Germany	27,206	-0.7%
United States	19,866	0.8%
France	13,980	-2.5%
United Kingdom	9,618	6.4%
Italy	9,457	3.8%
China	9,101	7.6%
Japan	8,157	4.1%
Spain	4,883	8.3%
Serbia	4,331	3.5%
Canada	3,908	7.0%
Hong Kong	3,641	-1.0%
Croatia	3,454	52.2%



Countries	2017	2016/2017 Variation
Netherlands	3,317	4.1%
Austria	2,884	-0.4%
South Korea	2,385	-2.4%
Israel	2,366	4.9%
Sweden	2,310	-3.7%
Denmark	2,078	-8.8%
Turkey	2,066	7.1%
Norway	1,853	3.2%
Poland	1,801	14.7%
Belgium/Luxembourg	1,608	-5.2%
Australia	1,477	8.4%
Bosnia Herzegovina	1,434	2.6%
Slovenia	1,122	-4.4%
Finland	862	61.1%
Hungary	829	5.7%
Czech Republic	792	4.1%
Russia	771	27.0%
Ukraine	708	-7.3%
Greece	638	12.3%
Singapore	601	-7.3%
India	581	5.8%
Portugal	533	-0.6%
New Zealand	508	2.0%
Macedonia	493	4.9%
Bulgaria	446	27.8%
Malaysia	350	29.2%
South Africa	335	-10.7%
Romania	316	-36.4%
Thailand	293	23.6%
Montenegro	282	8.9%
Sri Lanka	277	-22.2%
Taipei	254	-3.8%
Slovakia	224	-7.8%
Lebanon	207	-7.2%
Belarus	195	39.3%
United Arab Emirates	188	-4.1%
Ireland	176	-6.9%
Tunisia	156	-22.4%

Countries	2017	2016/2017 Variation
Morocco	140	38.6%
Estonia	120	-8.4%
Algeria	118	19.2%
Chile	110	139.1%
Lithuania	106	26.2%
Brazil	99	1880.0%
Moldavia	98	50.8%
Island	94	0.0%
Mexico	78	66.0%
Latvia	70	14.8%
Mauritius	62	-22.5%
Andorra	61	0.0%
Cyprus	47	30.6%
Albany	38	-5.0%
Malta	19	280.0%
Indonesia	19	-40.6%
Mongolia	15	50.0%
Ivory Coast	11	-8.3%
Gibraltar	8	-38.5%
Iran	7	0.0%
Madagascar	3	200.0%
Pakistan	3	-50.0%
Kazakhstan	2	100.0%
Senegal	1	100.0%
Bahrain	0	-100.0%
Macao	0	-100.0%

Source: ICC. CNI Elaboration.

**CNI**

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