**Binding Tariff Information**

**Introduction**

Binding tariff information (BTI) is a commodity tariff classification information provided by the authority in written terms based on international rules of classification to the importer. BTI has an acceptance on the face of the law and binding effect on the authority for a specific period of time. (BTI) can be issued to any legible importer when the request for this particular information is presented by the importer or his/her legal proxy.

 **Why it’s Called Binding.**

When the commodity which the BTI issued for is imported in to the country, the HS classification would remain the same and binding as it was issued previously on the BTI. Even if customs finds out that the tariff Classification information provided in BTI is erroneous, at the time of importation nothing would be subjected to change and it will remain binding. However, if customs finds out the fault before the importation of the commodity, it has to inform the importer the cancelation of the (BTI), otherwise it will remain binding.

This contract is enforcing for both the importer to pay the duties and taxes according to the information issued in the BTI and Customs to calculate the same as per the BTI information.

BTI Would only be effective for three years since the it is issued. However, if the information is not placed in use for one year after issuance, the information will not be binding.

**Benefits.**

 Prior to any purchase of the commodity, the importer will be able to have a credential information to calculate the payable duties and taxes thereby enhancing certainty and mutual trust between customs and importers.

 Based on the information provided by the authority, the importer will be able to make a rational purchase decision.

 It can avoid disputes arising from tariff classification and minimizes delays in customs clearance.

 It can save the time spent in handling tariff classification dispute and minimizes litigation expenses thereof.

**Pre-conditions of the Service.**

 The applicant must be an importer

 The BTI request must be presented prior to any purchase of the commodity.

 A BTI request has to be submitted in an ***application form*** which is to be prepared by the Valuation and Tariff Classification Procedures and Support Directorate, and shall be filled in English or Amharic Language.

 Having professional commodity classification assistance while following the international rules, the importer or proxy must place his arguable classification code of the commodity in the application.

 Provide any materials or documents (Video, Samples, Catalogue, Pictorial illustrations) which could support the proper classification of the commodity.

 Making sure that the commodity which the BTI requested for is ambiguous and not clearly stated in the Harmonised System of the Tariff Book.

 Making sure that the commodity physically exist in the international trade in goods.

 **Rights and Obligations of the Importer.**

 When the **BTI application** is rejected, when an issued BTI is cancelled, and when the authority demand additional information on the commodity, the importer has the right to be informed due in the specified time.

 When there is a complain up on the BTI decision issued by the directorate, the importer has the right to present the grievance hierarchically.

 The importer or his/her proxy must insure the correctness of the information filled in the application .

 The importer must be cooperative with the directorate by providing a prompt response whenever additional information is required in the process of preparing the BTI..

**BTI Directive Number 121/2009**

The Directive for **BTI** is Directive Number **121/2009**. The Importer who is Eligible for requesting a BTI is suggested to read and understand contents of the directive prior to submission of the application. ***Any interpretative and legal frame consultations can be offered by*** Valuation and Tariff Classification Directorate at the Head Quarter of ERCA.

**Where and By Whom BTI is Issued ?**

BTI will only be issued by The Valuation and Tariff Procedure and Support Directorate at the Head Quarters of ERCA around Megenanga, Addis Ababa.

**Prepared by:- Ethiopian Customs Commission-Tariff Classification and origin Directorate**