This is the public version of the report document on the 203rd/204th sessions of the permanent technical committee (17 to 21 March 2014).

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WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES
Established in 1952 as the Customs Co-operation Council
Créée en 1952 sous le nom de Conseil de coopération douanière

PERMANENT TECHNICAL COMMITTEE	PC0374E1a

PERMANENT
TECHNICAL
COMMITTEE
-
203rd/204th
Sessions
-
17 -21 March 2014

Brussels, 28 April 2014.

**REPORT TO THE CUSTOMS CO-OPERATION COUNCIL ON THE
203RD/204TH SESSIONS OF THE PERMANENT TECHNICAL COMMITTEE**

(17-21 March 2014)

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	• Ms. Hanne MELIN, Policy Strategy Counsel & Head of eBay Inc. Public Policy Lab EMEA
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EXECUTIVE SUMMARY

At its 203rd/204th Sessions (17 to 21 March 2014), the Permanent Technical Committee (PTC):

Item I - Opening and adoption of the Agenda

a) Opening of the Meeting

b) Introduction by Mr. Gaozhang ZHU, Director of Compliance and Facilitation

- acknowledged the introductory remarks made by Mr. Gaozhang Zhu, Director of Compliance and Facilitation who, among other things, highlighted the focus of the PTC on the WTO Agreement on Trade Facilitation (ATF), as the full implementation of the ATF will contribute to economic growth and recovery, improved revenue collection and alleviation of poverty. He then added that a Working Group on the ATF had been set up by the WCO Policy Commission in December last year, whose main objective was to advise the Policy Commission, the Permanent Technical Committee, the Capacity Building Committee, and the Secretary General on the full range of issues concerning the ATF. He highlighted some of the main messages coming out of this meeting which was held in the week before the PTC. Finally, he invited the delegates to have in mind the implications of the ATF for all topics under the PTC discussions, such as Coordinated Border Management, Customs-to-Business Partnership, IT and others.

c) Adoption of the Draft Agenda and the Summary Document

- adopted the draft Agenda (Doc. PC0346E1c), and the PTC Summary Document (Doc. PC0347E1b);

Item II - WTO Agreement on Trade Facilitation (ATF)

a) WTO Agreement on Trade Facilitation and its implications on Customs and the WCO, panel discussion

- took note of the panel discussion moderated by Mr. Mark Dillon from UK, joined by the representatives from Swaziland, China, EU, Philippines and the International Chamber of Commerce on the important role of WCO and its Member Administrations, but also the role of the private sector, in the implementation of the WTO Agreement on Trade Facilitation. Discussions highlighted the useful guidance, instruments, tools supported by technical assistance and capacity building programs that the WCO provide to its Members, and how the regional coordination in implementation of the Agreement supports the multilateral obligations. It also showed that the overall objective was progress with the implementation of trade facilitation measures in as many developing countries as possible, which would attract FDI, hence generate additional income and jobs. Customs was in a unique position to assist with implementation and was encouraged to cooperate with all other relevant stakeholders, including other governmental agencies. The Philippine Trade Attaché explained how Customs is taking the lead as regards national implementation, based on the example of the Philippine Inter-disciplinary Committee tasked with preparations for the ATF implementation and

chaired by Customs. Some Panelists underlined that Customs was far ahead of other agencies as regards implementation of a number of ATF provisions, and should thus encourage the other agencies to make progress and move towards trade facilitation.

b) Working Group on WTO ATF

- took note of the presentation on the WCO's role as regards the WTO ATF by the WCO Coordinator for the WTO ATF, Deputy Director for Facilitation and Procedures Ms. Susanne Aigner. The standard presentation has been published on the Members' website and can be used by interested Members.

  - ■ **Outcomes of discussions from the 1st Meeting of the Working Group on WTO ATF**

- took note of the oral report made by the Chairperson, Ms. Gugu Treasure DLAMINI-ZWANE of Swaziland on the first meeting of Working Group on WTO ATF (WGATF) which was held in Brussels from 11-12 of March, 2014. She reported to the meeting that participants hope for WCO involvement in the WTO Preparatory Committee's work at an early stage and will be proposing observer status for WCO to ensure proper contribution from the Customs community.

  - ■ **Terms of Reference**

- took note of the report by the Secretariat as regards the Draft TOR (PC0348E1a) and, subject to some amendments, endorsed the ToR.

  - ■ **Roadmap**

- Took note of the WCO Roadmap (PC0349E1a) presented by the WCO Secretariat as well as of the information that the WGATF has set up a small virtual drafting group to develop a work programme for the WGATF. Delegates welcomed the transparency and welcomed also the decision by the WGATF to develop a proper work programme with a time table.

c) Analysis of trade facilitation measures in Section I based on WTO TF Toolkit

  - ■ **Article 7.7 on Authorized Operators**

- took note of the Analysis of Section I of the ATF developed by the WCO Secretariat to provide relevant information and guidance for implementation of its provisions by using WCO as well as other instruments and tools to ensure a harmonized approach by Members. The Analysis served as a starting point of WCO's activities in supporting its Member administrations in implementing the ATF. Further work to clarify the concepts of "AO" and "AEO" was needed. One Member emphasized the importance of special assistance to meet the needs of Least Developed Countries when implementing the SAFE AEO.

d) Analysis of Section II - Technical assistance and capacity building

- took note of the necessary cooperation within the Secretariat in providing guidance related to the results of the Analysis of Section II of the ATF with purpose of exploring the WCO approach and strategy for the technical assistance and capacity building, including the WCO Project Map Database. It was noted that particular attention should be paid to this matter at the 5th Session of the Capacity Building Committee.

e) Break-out session
f) Plenary Session

- took note of the reports of the break-out sessions where participants discussed a potential further update of the Analysis of Section I of WTO ATF, Members' expectation of WCO technical assistance and capacity building, sharing Best Practices and the way forward.

- expressed their appreciation for the Analysis of Section I Document as a good starting point, indicating how ATF provisions are covered by WCO Instruments, e.g. the RKC, and Tools and where gaps between the WCO instruments, tools and the text of WTO Agreement on Trade Facilitation exist. Members further expressed that the Analysis of Section I is a useful tool and a living document for fine tuning based on the ongoing legal work on ATF in the WTO. They further suggested that it be made usable for other border agencies and to engage other stakeholders as well. This would involve introducing the National and/or Regional Facilitation Committees, and/or making them work.

- took note of the comments and suggestions by Members on ATF Article 7.7 Authorized Operators, the concerns raised specifically on the definition of different concepts and the possibility to harmonise the concepts. Delegates expressed strong support for the SAFE Framework of Standards to Secure and Facilitate Global Trade, the SAFE Package and the standards developed for the Authorised Economic Operator, also with a view to mutual recognition, and asked the WCO Secretariat to continue its promotion. The delegate from EU announced that the EU will submit its position in writing to the WCO Secretariat.

- took note of the suggestion by a Member that WCO Technical Assistance and Capacity Building efforts should first focus on the mandatory provisions of the ATF rather than the best endeavour provisions to make sure that these provisions could efficiently be implemented. Members also suggested that it is necessary to define the scope of "Member" in dealing with the situation of how the WCO can provide assistance to non-WCO members.

- took note of the suggestion to start the collection of national practices by searching the Members web sites, a number of which already provide ample information which could be used.

- took note of another Member's view that Performance Indicators could be used for individual Member administration to evaluate its trade facilitation improvement annually. Further suggestion was made to introduce a discussion on Performance Indicator in the upcoming capacity building meeting.

- took note of the responses made by Deputy Director for Facilitation and Procedures Ms. Susanne Aigner that the WCO will continue to promote the SAFE AEO since it has been widely adopted and implemented by Members. She further commented that suggestions by Members will be followed up and agreed on the suggestion that the discussion of Performance Indicator will be addressed in the capacity building meeting.

Item III – <u>Postal Traffic</u>:

a) Panel discussion on growth of E-commerce and its impact on Customs

- took note of the panel discussion on the topic of E-commerce growth and its impact on Customs. The panel was consisted of representatives of the Australian Customs and Border Protection Service (ACBPS), Universal Postal Union (UPU), eBay and Belgium Post who presented the same topic from the different perspectives.

- took note of the need for Customs to work with the Posts and to take the necessary actions to adapt their procedures to the requirements of the trading environment which is significantly changing with the growth of e-commerce and internet purchases.

b) Report of the 33rd Meeting of the WCO/UPU Contact Committee

- endorsed the Report of the 33rd Meeting of the WCO/UPU Contact Committee.

c) Issues arising from the WCO/UPU Contact Committee

- endorsed the revised ToR. It further took note of the need to have a fair approach in the rotation of additional observers to the WCO/UPU Contact Committee (CC). It also took note of the interest of Netherlands to participate in its meetings and of the need for the African Members to be represented in the CC.

- endorsed the EMS version of the CN 23 Customs declaration.

- took note of the developments related to the RKC Chapter J.2 on Postal Traffic.

- took note of the objectives included under the first draft Work Programme of the CC.

d) Preliminary results from the Virtual Working Group on Customs/post interface
e) Draft WCO/UPU Postal Customs Guide

- provisionally endorsed the Joint WCO/UPU Postal Customs Guide to be submitted to the June 2014 Council Session, subject to its review by the Virtual Group established under the WCO/UPU Contact Committee in January this year and open to PTC Members.

- took note of the suggestions made by US for inclusion of additional text;

f) Draft WCO/UPU MoU Guidelines

- provisionally endorsed the Joint WCO/UPU MoU Guidelines to be submitted to the June 2014 Council Session, subject to its review by the Virtual Group established under the WCO/UPU Contact Committee in January this year and open to PTC Members.

Item IV - Update and reports

a) Inter-sessional developments

- took note of the inter-sessional developments other than those covered under other agenda items, especially on the outcomes of the WCO Origin Conference (January 2014) and the WCO event on Pre-shipment inspection and destination inspection companies (March 2014).

b) Executive Summary of the 7th Meeting of the Technical Experts Group on Air Cargo Security
c) Outcomes of discussions under the SAFE Working Group sub-groups
d) Report from Data Quality Expert Group
e) Outcomes of discussions from the eATA Working Group Meeting
f) Report of the 12th Meeting of the RKC Management Committee
g) Report from 9th Meeting of the Counterfeiting and Piracy Group
i) Report of the IRG Correspondence Group

- took note of all the reports of the different working bodies under the sub-items b) to g) and i).

h) Situation Regarding Acceptances of WCO Recommendations

- agreed with the suggestion made by the US to place the "Situation Regarding Acceptances of WCO Recommendations" (item IV.h)) on the agenda of the Joint PTC/EC Meeting.

- further agreed with the suggestion made by Japan to make the related document available on the WCO Members' web site.

Item V - Economic Competitiveness Package

a) ECP progress report

- took note of the progress report on the ECP Action Plan presented by the Secretariat.

- took note of comments on the Performance Indicators including concerns on the relationship with other existing tools of performance measurement or needs assessments. The updated Performance Indicators reflecting the comments will be discussed at the next PTC.

b) Model Business Lens Checklist

- noted comments from some delegates on the model Business Lens Checklist for Small and Medium sized Enterprises (SMEs) including proposals for new items such as quality assurance review, feedback from private sector and services standards. The PTC noted that the Business Lens Check List would link to but should not duplicate with the guidance on Customs and Business Consultation and Partnership;

- confirmed that the revised Model Business Lens Check list would be discussed at the next PTC.

~~c) Transit~~
   - ~~System 'TIM' – The Central American transit information management system (tbc)~~

d) Update of ECP Toolkit

- took note of the revised ECP Toolkit. The PTC reaffirmed that the ECP Toolkit would be updated on a regular basis to reflect comments from participants and maintain the consistency with the analysis on the Agreement on Trade Facilitation.

- agreed to revise the ECP Action Plan. The Secretariat will draft the revised Action Plan and submit it to the next PTC.

Item VI - <u>Regional integration</u>

- **The Role of Customs in Regional Economic Integration**

- the PTC was tasked by the Policy Commission to oversee the work on Customs roles in regional economic integration. The Policy Commission decided that this work should focus on the eight priorities identified by Members. During discussions, several Members suggested to add legal framework, free movement of people and audit for future work. Considering the importance and interest of Members, these items could be taken up afterwards, while focusing first on the eight priorities. Other Members took the floor to share their experiences with Coordinated Border Management, Single Window, risk management and AEO programs nationally but also in the context of regional integration. The PTC took note of the work so far undertaken regarding Customs roles on regional economic integration, and approved the future work on the eight priorities identified by Members. Kenya, Italy and Ivory Coast asked to address Regional Integration also at the next Capacity Building Committee. The Secretariat undertook to inform the Capacity Building Directorate accordingly.

Item VII - <u>Customs-Business Partnership</u>

a) Draft Guidance for Customs-Business Partnership
b) Break-out session
c) Plenary session

- took note of the presentation made by the Secretariat on document PC0362 relating to the draft Customs – Business Partnership Guidance.

- discussed in two break-out groups the Draft Guidance for Customs-Business Partnership, having three parts: Part 1 – Guiding Principles, Part 2 – Phased approach on how to develop Customs- Business Consultation mechanisms and Part 3 – Customs-Business consultation/engagement/partnership initiatives/best practices and reported to the plenary. The PTC provided a strategic approach to the document by making a number of valuable suggestions/comments ranging from change of mindset and mutual respect to a more structured trust based regular consultative mechanism between Customs and Business.

- the key outcomes/suggestions included multi stakeholders engagements including SMEs, informal trade, sectoral approach wherever needed, engagements at different levels (strategic/policy, tactical and operational), identifying benefits for society, sharing of more experiences, lessons learnt and best practices and more importantly a simple and flexible multi-model approach with a regular review mechanism to keep it dynamic and relevant. Some changes in the overall structure of the Draft Guidance were also suggested. All the inputs received from the PTC will be fed into the drafting group, for suitably incorporating in the text, to further develop it. The Secretariat also informed the Members that they can make any further contributions including their experiences and best practices to the drafting group on CLiKC platform and/or the Secretariat.

Item VIII - <u>Coordinated Border Management</u>

- **Draft Compendium on Coordinated Border Management**

- took note of the new chapter drafted for the Coordinated Border Management (CBM) Compendium and ongoing developments on the new e-learning package. Work on the CBM Compendium was on track and the first full draft would be available for PTC's review in the autumn session.

- took note of suggestions from delegates on possible areas of improvements, particularly in ensuring that the strategic concepts mentioned in Chapter 1 and 2 were linked to the new Chapter 5, as well as the possibility of introducing hyperlinks into the document, so that WCO tools and instruments referenced can be easily assessed.

- took note of interventions made by members on national experiences in CBM and asked members to get in touch with Secretariat if they would like to provide more information for the purpose of featuring their national experiences in the CBM compendium.

Item IX - <u>Globally Networked Customs</u>

a)   Developments in the proof-of-concept for GNC

- took note of the paper presented by Secretariat, re-surfacing Annex F of the Final Report of the Ad Hoc working group for Globally Networked Customs (GNC), describing a proposed "Conformance and Certification process", and outlining the steps that could be taken by the PTC to ensure that GNC progressed in an orderly fashion.

- took note of suggestions from the floor on the need to establish a more structured review process, as well as concerns that the process highlighted may be too onerous and risked exceeding the "light touch" mandate given to the PTC on the management of GNC.

- took note of views that the PTC will remain the forum in charge of managing GNC; Members developing GNC UBs would be able to direct the IMSC and the DMPT to provide technical inputs on GNC where appropriate but attention should be paid on not imposing additional burden on the regular work of the IMSC/DMPT; work done in regard to GNC should remain Members driven, including as regards the potential development of a UB under Article 12 of the WTO ATF.

b)   Presentations of proof-of-concept pilot projects and draft Utility Blocks

- ■   **Presentation by EU and Switzerland**

- took note of the Control Mutual Agreement Utility Block which had been jointly developed by the EU and Switzerland.

Item X - <u>Information Management</u>

a)   Executive Summary of the 66th Meeting of the IMSC

- took note of the executive summary of the 66th meeting of the Information Management Sub-Committee (IMSC).

b)   Report from the 65th Meeting of the IMSC

- adopted the draft report of the 65th Meeting of the IMSC;

c)   Compendium Single Window on How to Build a Single Window Environment – Key areas to be covered in the update

- took note of the proposal to update the WCO Compendium on How to Build a Single Window Environment, wherein the Secretariat highlighted the need for contribution from Members regarding the latest developments concerning Single Window. Took note of suggestions made by Members on national experiences in Single Window and invited Members to get in touch with Secretariat if they would like to provide more information for the purpose of featuring their national experiences in the proposed update to the Compendium.

Item XI – Advance Passenger Information/Passenger Name Record (API/PNR)

a)   Report of the 7th Meeting of the API Committee

- endorsed the draft report of the 7th meeting WCO/IATA/ICAO API Contact Committee;

b)   API Contact Committee - Update of the Terms of Reference

- endorsed the proposed update to the Terms of Reference of the WCO/IATA/ICAO Contact Committee for Advance Passenger Information. As a consequence of this update, this Committee will be known as *The WCO/IATA/ICAO Contact Committee for Advance* Passenger *Information*(API) *and Passenger Name Record (PNR)*. The update includes changes to the mandate and scope of the Committee, covering reporting standards for API and PNR data.

c)   Adoption of the updates to PNRGOV Guidelines & PNRGOV XML Specifications

- endorsed the updates to the *"PNRGOV Principles Functional & Business Requirements, Version 13.1"*, and the *"EDIFACT Implementation Guide PNR Data Pushed to States or Other Authorities: PNRGOV Message Version 13.1"*

- endorsed the "*XML Implementation Guide for PNR Data Pushed to States or Other Authorities: PNRGOV Message Version 13.1".*

Item XII – Rules of Origin

- ■ **Draft Guidelines on Certification of Origin developed under the Revenue Package Action Plan Phase II**

- adopted the Guidelines including the comments made by the delegates. The virtual drafting group might revise and confirm the comments after the PTC.

- the final version of the Guidelines incorporating the changes will be annexed to the report of the PTC. The Guidelines as adopted will be forwarded to the Council in June for endorsement.

Item XIII – PTC Management

a)   PTC Work Programme 2013-2016

- agreed to include e-commerce and follow-up regarding RKC Correspondence Group into the Work Programme. For new suggested topics, the Secretariat suggested that discussion paper(s) be submitted to the PTC for consideration.

- took note of some of the priorities raised by Members such as data quality and exchange of information. It also took note of the need to review the implementation of the Work Programme on a regular basis.

- took note of the comment by US to change the deadline for completion of the Customs-Business Partnership Guidance to June 2014.

b) Making publicly available history documents

- agreed to refrain from making publicly available history documents, as it was agreed to be resource consuming for both the Members and the Secretariat and the added value was under question.

- agreed that the PTC delegates would be asked each time for approval to publish the list of PTC documents from the meeting, after the meeting has taken place. The Secretariat should also seek approval from bodies which are not sub-ordinate to the PTC regarding publishing their reports which have been placed on the PTC agenda. The same approval procedure should be practiced for publishing presentations by WCO Observers or external partners.

c) Items on the agenda for the next meeting

- agreed to have at the next PTC meeting the following topics: a panel and a strategic discussion on the Future of Customs; GNC and the legal framework; and data quality and compliance framework. It was also noted that the work on the Business Lens Checklist for SMEs should be completed at the next PTC, if not before.

Item XIV – Other business

- ◼ **Update on upcoming events**

- Took note of the upcoming WCO events including: ICAO-WCO Air Cargo Security and Facilitation Conference (Bahrain, 16-17 April), 2nd Global AEO Conference (Madrid, 28-30 April), 2014 WCO IT Conference (Brisbane, 5-7 May), Revenue Conference (30 June-1 July), Knowledge Academy (2-11 July) and PICARD Conference (Mexico, 16-18 September).

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I. OPENING AND ADOPTION OF THE AGENDA

a) Opening of the Meeting
b) Introduction by Mr. Gaozhang ZHU, Director of Compliance and Facilitation

1.   Mr. P. Francois ABOUZI (Togo), Chairperson of the Permanent Technical Committee (PTC), opened the meeting and welcomed all delegates. The list of participants is set out at the Annex I hereto.

2.   Mr. Gaozhang ZHU, Director of Compliance and Facilitation, also welcomed the delegates stressing that the PTC has invested special efforts to make this Committee's work more responsive to the requirements of the business and has been practicing enhanced transparency by making available to the public its recent reports and documents. A special welcome was in that respect communicated to the Observers and an invitation for their active participation and contribution to the meeting.

3.   The Director stressed that the focus of the Meeting ahead will be the WTO Agreement on Trade Facilitation (ATF). Full implementation of the ATF will contribute to economic growth and recovery, improved revenue collection and alleviation of poverty.

4.   The ATF was concluded in December 2013 after more than nine years of negotiations. This is an important step forward for the trade facilitation agenda which has been the key focus of the PTC. All those who have been in the previous meetings will remember the continuous discussions on WTO trade facilitation negotiations. Engagement of Customs in the negotiating process has ensured that the WTO Agreement is consistent with WCO tools and programmes on trade facilitation and compliance, which the Customs community has developed and implemented in the past years.

5.   The Customs administration will play a key role in the implementation of the ATF. Furthermore, the ATF highlights the role of the WCO in implementation and administration of the Trade Facilitation Agreement. It is therefore essential that the WCO and its Membership collectively ensure smooth and effective implementation of the ATF.

6.   The WCO Policy Commission which met in December 2013 welcomed the ATF by issuing the Dublin Resolution and decided to set up a Working Group on the ATF to take up the practical aspects of meeting the expectations arising from the ATF.

7.   The purpose of the Working Group is to advise the Policy Commission, the Permanent Technical Committee, the Capacity Building Committee, and the Secretary General on the full range of issues concerning the ATF. Specific work will be carried out by the Group and brought forward to the appropriate committees for endorsement or further direction.

8.   Even though most of the WCO working bodies will have a role to play in examining the implications of ATF articles, the PTC will play a key role in dealing with the technical aspects of trade facilitation provisions in Section I of the Agreement.

9.   The Working Group on the ATF had its first meeting in the previous week and was very well attended by both Members and Observers. A significant number of Geneva based WTO negotiators also joined the meeting, which was very much welcomed. There were a number of key messages coming out of this meeting.

10.   Firstly, delegates confirmed WCO's role in the implementation of the ATF, coming out of the strengths of the WCO, which include the standard setting activities resulting in relevant instruments and tools, the cooperation with other international organizations, the existing network of experts, the WCO's ATF communications strategy, as well as the expertise in technical assistance and capacity building.

11.   During the meeting it was stressed that, having in mind the key role of the Customs administrations in the implementation process, that they should take the leading role in the National Trade Facilitation Committees which will be the national focal points for all matters relating to the ATF.

12.   Furthermore, it was confirmed that the WCO should play an active role in the WTO Trade Facilitation Committee which will administer this Agreement. The importance of a multi-stakeholder approach was also underlined. It was recognized that the global Customs community was well organized, but that it was not always the case for other border agencies, and that the scope of the ATF needed clarification regarding other border agencies' responsibilities.

13.   The ATF would also be addressed during the Joint Day when Article 12 on Customs Cooperation would be discussed. However, he invited the delegates to keep in mind the implications of the ATF in all discussions which relate to the ATF topics, such as Customs-Business partnership, Coordinated Border Management, Information Management including Single Window and others.

14.   He also asked for delegates' active engagement and contribution to a number of guidance tools and topics such as e-commerce on Day II. E-commerce is considered to be one of the emerging issues for Customs which was especially stressed at the June 2013 Council. This is considered to be an area where Customs can make a significant impact in terms of supporting SMEs and contributing to economic growth.

c)   **Adoption of the Draft Agenda and the Summary Document**

Document: PC0346 and PC0347

15.   In line with the proposal put forward by the 199th/200th Sessions of the PTC, the Secretariat had, alongside with the Agenda, prepared a Summary Document, the objective of which is to provide the delegates with clear and concise information on the substance of agenda items and to provide guidance on the actions required from the PTC.

16.   The PTC adopted the draft Agenda (Doc. PC0346E1c), and the PTC Summary Document (Doc. PC0347E1b).

II. WTO AGREEMENT ON TRADE FACILITATION (ATF)

a) WTO Agreement on Trade Facilitation and its implications on Customs and the WCO, Panel discussion

Document: PC_WTO_ATF

Background

17.   The 70th Session of the WCO Policy Commission which was held in Dublin, Ireland, from 9 to 11 December 2013, discussed the outcomes of the WTO Bali Ministerial Conference, especially the Agreement on Trade Facilitation (ATF). The adoption of Dublin Resolution at the meeting welcomed the ATF and committed pragmatic support to Members in the implementation process.

18.   The PTC has regularly monitored and was updated on the WTO trade facilitation since the launching of the negotiations. The Policy Commission decided to establish a WCO Working Group on the WTO ATF in responding to the new requirements and commitments stemming from the ATF, while technical matters, especially trade facilitation measures in Section I of the Agreement will be dealt with by the PTC and other technical committees and WCO bodies consistently.

Discussion

19.   A panel discussion moderated by a representative from UK, joined by the representatives from China, EU, Philippine and International Chamber of Commerce discussed the newly concluded ATF and its implications related issues.

20.   The panel discussed the leading role of Customs in the national trade facilitation committees which is required to be established by the WTO ATF. Panellists made a clear point that the rationale of the important role of Customs in coordinating the national implementation is its advantages in border management
.
21.   The issue of national needs assessments is crucial for WTO Members for developing their implementation plans. Regional Customs organizations and national Customs administrations should coordinate at different levels before efficient technical assistance and capacity building projects could be made. The advantage of WCO regional structure could be a useful base for the coordination and implementation of the WTO ATF.

22.   Regarding the wide range of the WTO ATF, Customs should not work alone but coordinate with other government agencies like agriculture and SPS authorities aiming at the fulfilment of the different level provisional commitment of the Agreement.

Conclusion

23.   PTC took note of the interactive debate and highlighted the important role of the WCO and its Member Customs Administrations for the implementation of the WTO Agreement on Trade Facilitation, the useful WCO guidance, instruments, tools, capacity building programs that the WCO provides to Members, and how the regional coordination in implementation of the Agreement affects the multilateral obligations.

b) **Working Group on WTO ATF**

Documents: PC0348 and PC0349

Background

24.   The WCO Policy Commission Meeting in December 2013 decided to establish a WCO Working Group on WTO ATF (ATFWG). The purpose of the WGATF is to advise, as appropriate, the Policy Committee, the Permanent Technical Committee, the Capacity Building Committee and the Secretary General on the full range of issues concerning the WTO ATF. The first meeting of the Working Group on WTO ATF was held in Brussels from 11-12 of March 2014.

Discussions

25.   The Chairperson of the Working Group, Ms. Gugu Treasure DLAMINI-ZWANE of Swaziland reported on the first meeting of the ATFWG. She stressed that participants have high expectations as regards the WCO involvement in the WTO Trade Facilitation Committee's (TFC) work at an early stage; she urged Member Customs Administrations to suggest observer status at the WTO TFC for the WCO to ensure proper contributions from the Customs community.

26.   She suggested discussing the Draft ToR (PC0348) and WCO Roadmap (PC0349), which were considered as a good starting point for discussions and would be further amended based on the suggestions from Members in PTC.

Conclusion

27.   PTC discussed the Draft ToR and WCO Roadmap. The Secretariat will work on the improvement of the texts upon Members suggestions and shall report back as soon as possible.

c) **Analysis of trade facilitation measures in Section I based on WTO TF Toolkit**

■ **Article 7.7 on Authorized Operators**

Document: PC0350 and PC0351

Background

28.   The purpose of the Analysis of trade facilitation measures in Section I was developed to provide relevant information and guidance in terms of implementation of ATF provisions by using WCO instruments and tools, to ensure a harmonized approach by Customs administrations. The Analysis also contains remarks regarding Article 13 on institutional arrangements. It will serve as a starting point of WCO's activities in terms of supporting Customs administrations in implementing the ATF, as well as a basis for an interactive Implementation Guidance web tool, which the Secretariat is currently developing. It was discussed at the first WGATF meeting.

Discussion

29.   Participants were invited to comment and make suggestions on the Analysis. The current text was therefore discussed and Members considered it to be a good start. It is a living document as intensive study of the textual provisional of the WTO ATF was still ongoing.

30.   One Member commented on the specific need for guidance to be given to Least Developed Countries as to how to implement the SAFE AEO.

31.   The Secretariat responded that new WCO instruments are being developed to cater Member's needs for implementing the new binding provisions of WTO ATF.

Conclusion

32.   PTC took note of the briefing by the Secretariat that the Analysis serves as a starting point of WCO's activities in supporting its Member administrations in implementing the AFT. Proposals made by Members to update the Analysis will be considered and necessary updates to the text will be included in a revised version. Members' experiences and Best Practices would also be explored.

33.   PTC took note of the comments and suggestions made by Members that further work was needed to clarify the difference between the concepts of "AO" and "AEO". The Secretariat highlighted that in practice, it was likely that Members would use the criteria and conditions as laid down for the SAFE AEO for the implementation of Trusted Trade Partnership programmes, including under "AO" as laid down in Article 7.7.

d)   Analysis of Section II - Technical assistance and capacity building

Document: PC0352

Background

34.   It was the first time for the WTO Agreement that stimulates that Its Member capability of implementation be secured by compulsory provisions of providing technical assistance, financial support for the developing countries before their acquisition of such capability. It reflected as the special and different treatment for WTO developing Member countries and LDCs in the second section of the Agreement on Trade Facilitation. Needs assessment would be conducted first to identify their needs and priority and then the different provisions will be categorized into different groups that required to implement immediately after entry into force of the Agreement, transitional period and technical assistance provided for enhancing the implementation.

35.   The WCO Secretariat has already taken steps to support the needs assessment that are likely forthcoming, and is in dialogue with the donor community to identify possible funding sources for capacity building projects.

Discussion

36. The representative of WCO Capacity Building Committee briefed the participants that the WCO has the Capacity Building methodology, standards, tools and practices in place to support Members in the implementation of the ATF.

37. It was recommended that the WCO needed to further promote the Project Map Database as a co-ordination tool for ongoing and envisaged Capacity Building projects. The WCO Members were encouraged to share information on Customs and TF-related projects with the WCO Secretariat and their respective ROCBs.

38. Suggestions were made for the involvement of private sectors in the future of work of ATFWG that it would be a positive factor for successful implementation.

Conclusion

39. PTC took note of the necessary cooperation within the Secretariat in providing guidance relates to the results of the Analysis of Section II of the ATF with purpose of exploring the WCO approach and strategy for the technical assistance and capacity building.

    e)   **Break-out session**
    f)   **Plenary session**

Background

40. Participants from Member administrations and WCO partners from private sector agreed that the ATF would be a "game changer", not only to Customs but to all government agencies involved, in providing facilitation to international trade. Customs should take necessary and immediate approach to meet this challenge.

Discussions

41. Participants discussed the potential revision of the Analysis of Section I of WTO ATF, Members' expectations as regards WCO technical assistance and capacity building, sharing Best Practices and the way forward.

42. Members considered the Analysis of Section I Document to be a good starting point to assess the potential gaps between the WCO instruments and tools on the one hand, and the text of WTO Agreement on Trade Facilitation, on the other hand. Members stressed that the Analysis of Section I was a useful tool and a living document for fine tuning based on the ongoing legal work on ATF in the WTO.

43. Members made comments and suggestions on ATF Article 7.7 Authorized Operators, which the concerns raised specifically on the definition of different concepts and the possibility to harmonise the concept.

44. Suggestions made by Members that WCO TA/CB efforts should first be focused, because of the different level obligations in the WTO ATF, on the mandatory provisions for the developing countries to make sure that these provisions could efficiently be implemented. Members also suggested that it is necessary to define the scope of

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"Member" in dealing with the situation of how the WCO can provide assistance to non-WCO members.

45.   One Member indicated the importance of Performance Indicators which could be used for individual Member administration to evaluate its trade facilitation improvement annually. Further suggestion was made to introduce a discussion on Performance Indicator in the upcoming capacity building meeting.

Conclusion

46.   PTC Chairman welcomed Member contributions to improve the Committee's work and took note of the suggestion by Members that priority must be considered when utilizing the capacity training resources efficiently.

47.   The Committee also took note of the responses made by Deputy Director for Facilitation and Procedures Ms. Susanne Aigner that the WCO will continue to promote the SAFE AEO since it's been widely in use by Members. She further commented that suggestions by Members will be follow up and agreed on the suggestion that the discussion of Performance Indicator will be addressed in the capacity building meeting.

III. POSTAL TRAFFIC

a)   Panel discussion on growth of E-commerce and its impact on Customs

Background

48.   Under this item, a panel was envisaged to discuss the implications of e-commerce growth on Customs, posts the private sector. This is considered to be an emerging issue for Customs, which was stressed at the June 2013 Council Sessions after the keynote speech of the UPU Director General Mr. Bishar Hussein. It has also been dealt with in more detail at the last WCO/UPU Contact Committee meeting in November 2013.

49.   Enhancing cooperation with the posts on national level is one step in facing the new challenge, but exchange of data between Customs and posts is another important step.

50.   The panel discussion was set to provide an opportunity to raise awareness of these emerging issues and the new challenges. The PTC delegates were expected to contribute actively to this discussion and provide their experiences in terms of overcoming the obstacles especially in facilitating clearance of goods purchased through internet and at the same time reducing the risks of illegal activities.

Discussion

51.   The panel was composed of the following speakers:

-     Mr. Dean CHURCH, Counsellor, Australian Customs and Border Protection (ACBPS), Australian Embassy, Brussels (WCO Spokesperson in the WCO/UPU Contact Committee),
-     Mr. Akhilesh MATHUR, Supply Chain Coordinator, UPU

- Ms. Hanne MELIN, Policy Strategy Counsel for Europe, Middle East and Africa, eBay, and
- Mr. Richard REVYN, Customs Expert, Belgium Post.

and was moderated by Mr. Church.

52. The moderator and first speaker emphasized the growth of E-commerce in all parts of the world, both in developing and developed economies. He further underlined its support for the development of MSMEs. However, with the growth of internet sales and huge number of parcels, Customs was facing a number of challenges, especially having in mind that in the past years, the postal traffic was not always a priority for Customs administrations in terms of introducing automated and risk management systems.

53. After the Yemen incident in 2010, the security concerns have drawn attention to the potential risks in the postal supply chain. Ever since, the efforts of Customs, posts and aviation authorities have been growing in this area. Furthermore, the Customs has recognized the growing risks in terms of drug trafficking through postal traffic. Operation Skynet carried out in late 2012 had confirmed the extremely high level at which the postal chain was being abused for trafficking drugs and precursors.

54. It is however important to keep in mind the impact that can be achieved by facilitating cross-border movements of parcels and as such supporting trade and economic growth. The responsibility of Customs in that regard is important and cooperation with posts at national level should be encouraged.

55. A growing interest of WCO Members in matters regarding the postal supply chain has been observed in the last years, which is reflected in a growing attendance at the WCO/UPU Contact Committee. The Contact Committee has launched the MoU Guidelines to support cooperation between Customs and posts at national level. There is also a lot of effort invested into progressing electronic exchange of data between Customs and posts.

56. In presenting his Administration's experience, Mr. Church talked about the estimations for increase of e-commerce in the year to follow and the concerns which tremendous number of parcels pose for Customs controls, especially having in mind that information on goods in postal traffic was arriving only with the arrival of the goods, as opposed to sea and air traffic where pre-arrival information was being received 96 hours and 2-4 hours in advance of arrival of the goods.

57. He drew attention to some of the vulnerabilities of e-commerce such as large volumes of parcels, limited controls over the supply chain, absence of electronic reporting, increased access to restricted goods, increased trade In undeclared dutiable goods, etc. He presented a case study regarding detection of drugs in letter class mail which has increased dramatically in the last years. In terms of mitigating the mentioned vulnerabilities, cooperation has been intensified with the Australian post and discussions have taken place on considering electronic reporting for some categories of items.

58. Mr. Akhilesh stressed that e-commerce was growing by 20% per year. Increase in mobile usage and internet users has made this possible. Supporting MSMEs is a priority as they contribute greatly to the national economy. Trade facilitation and economic

development is one of UPU's key missions. MSMEs have global markets available and use the posts to ship their goods.

59.	Some of the key challenges for posts in terms of e-commerce growth include: Customs/post interface, security, delivery costs, returns handling, etc. Some effective solutions entail: alternate delivery locations including via parcel lockers, SMS notification of arrivals, return solutions, end-to-end track and trace, various payment options, landed cost calculators, development of .post top-level domain etc. He further emphasized that posts Endeavour to support Customs work by publishing information on restricted and prohibited items, by introducing the Customs Declaration System (and integrating it with the ASYCUDA system) etc.

60.	Ms. Melin talked about the changing trade conditions. An economic research program was initiated two years ago at eBay to look at MSMEs and how their trading through internet can be facilitated. Research showed that internet helps small business overcome the distance on global level. In some countries small businesses reach around 20 to 40 countries through internet. These numbers apply to developed, developing and emerging markets. In facilitating trade it is necessary to keep in mind the new trading patterns created by small businesses.

61.	Mr. Revyn explained the Belgium postal clearance process and presented the ways in which further growth of e-commerce via post could be facilitated. He stressed the need to reduce clearance time by capturing electronic data at origin, by having e-tailers acknowledged by Customs and clearance and inspection based on pre-departure data. Single Window would have a positive impact on lead time. There was a growing need to increase transparency by applying the track and trace system. Delivery options could also be improved to increase potential customers.

62.	The PTC appreciated the panel and confirmed the importance of e-commerce as a tremendous growth generator for all economies. The topic should be kept on the PTC agenda and best practices exchanged. E-commerce was changing the landscape of Customs, though it seemed that the Customs procedures in the postal traffic had not changed significantly in the past three or even more decades.

63.	A delegate raised the issue of trade in expensive software through internet without disclosing information to Customs, which was making a great loss of revenue for governments.

64.	A member (Canada) shared its experience in modernizing its postal operations, including automation and receiving advance information from vendors from five countries, allowing risk assessments to take place before arrival of goods. It offered to share more information on its work at the next PTC meeting.

65.	Another delegate stressed that the current model in the postal stream could not work anymore with the growth of e-commerce. There was a need for Customs, posts, the express couriers and the internet industry to work together to increase the knowledge on cross border commerce of small businesses trading through internet.

66.	An observer stressed that it should be kept in mind that e-commerce was taking place also outside the postal world. He emphasized that the WCO Immediate Release Guidelines (IRG) should receive more attention in that context. A delegate confirmed the

importance of the IRG and the need to ensure its wider and more consistent implementation by Members.

Conclusion

67.   The PTC took note of the panel discussion on the topic of E-commerce growth and its impact on Customs. It also took note of the need for Customs to work with the Posts and to take the necessary actions to adapt their procedures to the requirements of the trading environment which is significantly changing with the growth of e-commerce and internet purchases.

b)   Report of the 33rd Meeting of the WCO/UPU Contact Committee

Document: PU0098

Background

68.   The 33rd meeting of the WCO/UPU Contact Committee took place on 18 and 19 November 2013 in Bern, Switzerland. The PTC was invited to adopt the Report of this meeting (doc. PU0098). However, specific issues arising from this meeting were dealt with separately under sub-items III. c), III.e) and III.f).

Conclusion

69.   The PTC endorsed the Report of the 33rd Meeting of the WCO/UPU Contact Committee.

c)   Issues arising from the WCO/UPU Contact Committee

Document: PC0353

Background

70.   The WCO/UPU Contact Committee (CC) had its 33rd Meeting on 18 and 19 November 2013 in Bern. The outcomes of the meeting were contained in the Report of the meeting in doc. PU0098, which was made available to PTC delegates under item III. b) of the PTC Agenda.

71.   The 33rd Meeting generated a lot of discussion on many of the topics on the agenda, a number of which required follow-up actions, i.e. endorsement and/or guidance from the PTC.

Discussion

72.   The PTC delegates were invited to:

- endorse the revised ToR and consider participation in the CC as Observers;

- endorse the EMS version of the CN 23 Customs declaration;

- take note of the developments related to the RKC Chapter J.2 on Postal Traffic and consider participation in the Virtual Group on the RKC Guidelines;

- take note of the objectives included under the first draft Work Programme and provide guidance;

- consider participation in the Virtual Group on the interface between Customs and posts and provide guidance;

- share national experiences and provide guidance regarding issue of undelivered/unclaimed goods.

73.   Two other important matters discussed in the 33rd Meeting of the Contact Committee were to separately covered under items III. e) Draft WCO/UPU Postal Customs Guide (doc. PC0354) and item III. f) Draft WCO/UPU MoU Guidelines (doc. PC0355).

74.   The delegates were in favour of the revised ToR of the Contact Committee, especially in terms of increasing the number of observers to the CC. It was stressed that a balanced and fair approach was needed when inviting the Members (also to include the African regions currently not represented) and that international organizations and the private sector representatives should not have a permanent representation, but that there should be a rotation of the interested parties. A Member expressed an interest of taking part in the work of the CC.

75.   A delegate supported the EMS version of the CN23 Customs declaration, while an Observer questioned the grounds on which the EMS was receiving the same privileges as other postal items.

Conclusion

76.   The PTC endorsed the revised ToR. It further took note of the need to have a fair approach in the rotation of additional observers to the WCO/UPU Contact Committee (CC). It also took note of the interest of a Member to participate in its meetings and of the need for the African Members to be represented in the CC. The PTC also endorsed the EMS version of the CN 23 Customs declaration.

77.   The PTC took note of the developments related to the RKC Chapter J.2 on Postal Traffic and of the objectives included under the first draft Work Programme of the CC.

d)   ~~Preliminary results from the Virtual Working Group on Customs/post interface~~
e)   Draft WCO/UPU Postal Customs Guide

Document: PC0354

Background

78.   In view of a pressing need for a mechanism to allow the UPU to keep informed its Members and designated operators about Customs-related issues in an effective and efficient manner, the UPU International Bureau recommended, to lead countries of the

UPU Customs Group, the establishment of a Postal Customs Guide that would be developed in collaboration with the World Customs Organization.

79.	The WCO Secretariat fully welcomed the development of the Joint WCO/UPU Customs Postal Guide (Guide) to be managed by the WCO/UPU Contact Committee. The Contact Committee at its meeting in November 2013 fully supported the draft Guide.

Discussion

80.	The PTC was now invited to examine the draft Guide and provisionally endorse it, subject to its review by the Virtual Group established in January 2014 on the Click and working under the WCO/UPU Contact Committee in the intersession (group "Postal Traffic", sub-group "Review of the MoU guidelines and Postal Customs Guide").

81.	The PTC delegates were encouraged to take part in this Virtual Group in order to progress the work on finalizing the Guide for submission to the Council in June 2014.

82.	The UPU Secretariat presented the background of the draft Guide, which was initiated with the as a result of a growing interaction between Customs and posts, especially in the light of growth of e-commerce. One of the objectives of the Guide would be to have it used by the Customs and post training centers. It is considered to be a living document and to be updated continuously.

83.	The PTC and supported the development of the Guide. A Member suggested an additional text be inserted into the Guide.

Conclusion

84.	The PTC provisionally endorsed the Joint WCO/UPU Postal Customs Guide to be submitted to the June 2014 Council Session, subject to its review by the Virtual Group established under the WCO/UPU Contact Committee in January this year and open to PTC Members. It also took note of the suggestions made by a Member for inclusion of additional text.

**e)	Draft WCO/UPU MoU Guidelines**

Document: PC0355

Background

85.	Arrangements between Customs administrations and designated postal operators on national level are often informal in nature rather than being established under a Memorandum of Understanding (MoU). It is desirable for Customs administrations and postal operators to consider formalizing these arrangements in a more business-oriented manner.

86.	The drafting of an MOU would help Customs administrations and designated operators (DOs) examine and clarify their practical obligations and responsibilities as regards the Customs clearance of postal items, ensuring more efficient procedures and timely delivery of postal items.

Discussion

87.   The PTC was invited to examine the draft WCO/UPU MoU Guidelines and provisionally endorse them, subject to their review by a Virtual Group established on the Click in January 2014 and working under the WCO/UPU Contact Committee in the intersession (group "Postal Traffic", sub-group "Review of the MoU guidelines and Postal Customs Guide").

88.   The PTC delegates were encouraged to take part in this Virtual Group in order to progress the work on finalizing the Guidelines for submission to the Council in June 2014.

89.   The PTC appreciated the development of this useful document. It was stressed by a Member that both this tool and the Postal Customs Guide will address some of the concerns which were raised in terms of capacity building in a regional Customs/Postal Workshop held in Johannesburg in August 2013.

90.   An Observer stressed that increasingly EMS items were treated as a matter of course in the same manner as postal items covered under the UPU Convention. EMS was an optional (and competitive) service and as such not covered by the universal service obligation. He questioned whether other competitors could also benefit from this privileged treatment.

Conclusion

91.   The PTC provisionally endorsed the Joint WCO/UPU MoU Guidelines to be submitted to the June 2014 Council Session, subject to its review by the Virtual Group established under the WCO/UPU Contact Committee in January this year and open to PTC Members.

IV. UPDATE AND REPORTS

a) **Intersessional developments**
   Oral report
b) **Executive Summary of the 7th Meeting of the Technical Experts Group on Air Cargo Security**
   Document: PC_TEGACS_Executive_Summary_E.pdf
c) **Outcomes of discussions under the SAFE Working Group sub-groups**
   Document: PC_SAFE_subgroups_E.pdf
d) **Report from Data Quality Expert Group**
   Document: PC_Data_Quality_EG_E.pdf
e) **Outcomes of discussions from the eATA Working Group Meeting**
   Document: PC_eATA_E.pdf
f) **Report of the 12th Meeting of the RKC Management Committee**
   Document: PO0069
g) **Report from 9th Meeting of the Counterfeiting and Piracy Group**
   Document: TR0029
h) **Situation Regarding Acceptances of WCO Recommendations**
   Document: PC0356
i) **Report of the IRG Correspondence Group**
   Document: PC0357

Background

92.   In line with the suggestion made at the 199th/200th Sessions of the PTC to reduce the time allocated to report back items in order to allow more time for discussions on key technical issues, a new approach has been taken at the November 2013 PTC meeting, and in line with the suggestions put forward by the Correspondence Group on the Future of the PTC. The same practice was now continued.

93.   Report back items include discussions of the work of the various sub-groups and committees reporting to PTC, as well as on work undertaken by the Secretariat. The discussion on these items is intended to be a short process. The agenda items are supported by the respective papers of the various sub-committees, committees and working groups of the PTC, as well as papers produced by the Secretariat or oral reports. Members were expected to have read through the papers and would be given an opportunity to pose any questions or to launch a relevant discussion.

Discussion

94.   Under IV. a), the WCO Secretariat provided more information on some of the discussions of the Policy Commission in December 2013, including discussions on emerging issues, Customs Cooperation under the ATF, Globally Networked Customs and how tax evasion and avoidance could be tackled through exchange of information. Other issues which were raised include the growth of e-commerce, and how new technologies and API/PNR can facilitate the movement of travellers.

95.   The Secretariat provided more information on WCO Origin Conference (January 2014) and the WCO event on Pre-shipment inspection and destination inspection companies (March 2014). It also mentioned that the Revised Kyoto Convention now had 92 contracting parties, with Papua New Guinea acceding in January 2014.

96.   In relation to item IV. h) and the Situation Regarding Acceptances of WCO Recommendations, a delegate suggested that having in mind that the document included recommendations relating to enforcement, that it should be discussed at the Enforcement Committee and at the Joint PTC/EC Meeting.

97.   Another Member thanked the Secretariat for preparing the table of acceptances of recommendations and expressed its belief that it will encourage Members to accept more recommendations. This Member suggested that the table be updated periodically and published on the Members' web site.

Conclusion

98.   The PTC took note of the inter-sessional developments other than those covered under other agenda items, especially on the outcomes of the WCO Origin Conference (January 2014) and the WCO event on Pre-shipment inspection and destination inspection companies (March 2014).

99.   It also took note of all the reports of the different working bodies under the sub-items b) to g) and i).

100.	The PTC agreed with the suggestion made by a Member to place the "Situation Regarding Acceptances of WCO Recommendations" (item IV.h)) on the agenda of the Joint PTC/EC Meeting. It further agreed with the suggestion made by another Member to make the related document available on the WCO Members' web site.

V. <u>ECONOMIC COMPETITIVENESS PACKAGE</u>

### e)	ECP progress report

Background

101.	The ECP Action Plan had been endorsed at the Policy Commission's 68th Session in December 2012. It set out 21 Actions, indicating deadlines where appropriate, and the bodies responsible for the specific actions, and required the Secretariat to make a report to the PTC regularly.

102.	The Secretariat had produced a table to show the progress made in 2013 in respect of each Action, such as regional workshops, publication of useful materials, collection of innovative practices and development of new tools and instruments. The PTC was invited to take note of the progress made in the implementation of the ECP Action Plan.

Discussion

103.	Regarding the Performance Indicators, one Member asked that it be noted that the Johannesburg Convention had not come into effect.

104.	One delegate stated that some of the WCO Recommendations referred to in the Performance Indicators had not been accepted by any of the Members. The Secretariat replied that the WCO Recommendations had been adopted at the WCO Council as desirable practices, and that Members were encouraged to accept them.

105.	The Secretariat stressed that the Performance Indicators aimed to help Members' self-assessment, and therefore that Members did not have to use all of the Indicators.

106.	One delegate stated that it would be difficult to collect necessary information or data for several Performance Indicators. Several delegates were of the opinion that the objective of the Performance Indicators should be clearly defined because the WTO published a needs-assessment tool for the implementation of the Agreement on Trade Facilitation (ATF), and other international organizations also developed tools for performance measurement. The Secretariat explained that the objective of the Performance Indicators was to help Members to conduct a quick self-assessment of their readiness to implement the ATF so that there would not be any conflicts with tools developed by other organizations. He also added that Members did not have to use all of the Indicators if the data was not available.

107.	Taking "Advance Rulings" and "Penalty Disciplines" as examples, an observer pointed out that more detailed quantitative indicators should be developed to measure the performance of Customs administrations. He also said a mechanism was needed to reflect Members' views in the Performance Indicators.

Conclusion

108.   The PTC took note of the Progress Report on the ECP Action Plan presented by the Secretariat and the comments on the Performance Indicators, including concerns about the relationship with other existing tools for performance measurement or needs assessment.

109.   The updated Performance Indicators reflecting the comments would be discussed at the next PTC sessions.

f)   Model Business Lens Checklist

Background

110.   At the last PTC sessions, the development of a Model Business Lens Checklist for Small and Medium-sized Enterprises (SMEs) had been proposed, and the Delegate of Canada had given a presentation to share its experiences in this regard.

111.   The Model Business Lens Checklist for SMEs was a tool that assisted Members to develop their own business lens checklist, which might allow more input from SMEs in the process of designing, modifying and reviewing policies and procedures.

112.   Based on the contribution from Canada and discussions at the PTC, a first draft Model Business Lens Checklist for SMEs had been developed. Members were invited to examine the first draft of the Model Business Lens Checklist for SMEs and to make any relevant comments with a view to improving it.

Discussion

113.   The Secretariat gave a brief explanation on the first draft of the Model Business Lens Checklist for SMEs and stressed that the creation of a universal definition of SMEs at the WCO was not feasible. It was also confirmed that the Model would not have any binding legal effect.

114.   A delegate suggested taking into consideration three different levels in Customs administrations: management level, senior-officer level and the operational level, based on experiences from the ASEM meeting. He emphasized the importance of training for Customs officers to enhance communication with stakeholders. A Member stated that it should be ensured that SMEs would benefit from the simplification, including as regards possible regulatory costs. She considered impact assessment and trade dialogues to be an effective way of taking account of the concerns of SMEs. It was pointed out that the Model Business Lens would potentially link to the development of a Customs-Business Partnership Guideline.

115.   The Delegate of Canada recalled that the Business Lens Checklist aimed to ensure that policymakers considered the perspectives of SMEs when designing Customs procedures, and that it had been developed with the private sector with the aim of reducing its burden. The Delegate of Canada suggested that "quality insurance" be included in the "compliance" category, and that a "Service standards" section be added to the Model.

116.　　One delegate recommended updating the text to explicitly state that this Checklist should be consulted when a new or amended policy or programme was first under consideration. She also pointed out that consultation and communication should be ongoing during the review of policy and the implementation of new or amended policy. Other recommendations on the Model from the delegate would be provided on paper after the meeting. Another delegate suggested adding a private sector feedback step as point 2.7 of the Model.

117.　　Several delegates expressed their concerns about the accuracy of data defining SMEs by number of employees. The Secretariat replied that more detailed information on the data was available on the International Finance Corporation (IFC) Web site.

Conclusion

118.　　The PTC noted comments from a number of delegates on the Model Business Lens Checklist for SMEs, including proposals for new items such as quality assurance review, feedback from the private sector, and service standards. The PTC noted that the Business Lens Check List would link to, but should not duplicate, the guidance on Customs and Business Consultation and Partnership.

119.　　The PTC confirmed that the revised Model Business Lens Check list would be discussed at the next PTC.

g)　　Update of ECP Toolkit

Background

120.　　Based on the ECP Action Plan, the Secretariat had developed the ECP Toolkit with the objective of raising awareness of the links in trade facilitation measures between the WCO instruments/tools and the proposed WTO TF Articles. The June 2013 Policy Commission had concluded that the PTC would be invited to review and improve the ECP and WTO Trade Facilitation Toolkits.

121.　　At the last PTC sessions in November 2013, Members had welcomed the development of the ECP toolkit and reaffirmed that it should be revised in order to correspond to the ATF. The update might help Customs administrations to contribute to their countries' economic competitiveness as well as implement the ATF adequately, based on the existing WCO tools and instruments. The following major changes had been incorporated into the updated ECP Toolkit.

　　a)　The WTO TF negotiating text had been replaced by Articles of the ATF.
　　b)　The Customs Laboratory Guide had been listed as a tool for Test Procedures.
　　c)　The Johannesburg Convention had been listed as a tool for Customs Cooperation.

122.　　Members were invited to review and improve the revised ECP Toolkit.

Discussion

123.　　One delegate said that, as a living document, regular updates of the ECP toolkit were necessary, and welcomed the progress in implementing the ECP Action Plan. He asked the Secretariat to draft the revised ECP Action Plan for the next PTC sessions. If the revised Action Plan was approved at the PTC, it would be sent to the Policy Commission for endorsement.

124.　　An observer said that Chapter 4 of the General Annex to the Revised Kyoto Convention might be added as a tool for expedited shipment. A Member asked that links be provided to Members' best practices in order to find the information easily.

Conclusion

125.　　The PTC took note of the revised ECP Toolkit. The PTC reaffirmed that the ECP Toolkit would be updated on a regular basis to reflect comments from participants and maintain consistency with the analysis of the ATF.

126.　　The PTC agreed to revise the ECP Action Plan. The Secretariat would draft the revised Action Plan and submit it to the next PTC sessions.

VI. <u>REGIONAL INTEGRATION</u>

○　**The Role of Customs in Regional Economic Integration**

Document: PC0361

Background

127.　　The Chair introduced the work so far undertaken regarding Customs roles on regional economic integration in accordance with the document SP0361E1a. This agenda item had been discussed at the Policy Commission since 2012. The PTC was tasked by the Policy Commission in December 2013 to oversee the work on Customs roles in regional economic integration. The Policy Commission decided that this work should focus on the eight priorities identified by Members. The eight priorities are: origin certification and verification for preferential tariff treatment; Coordinated Border Management involving other governmental agencies; regional risk management, regional AEO systems; regional Single Window; trade facilitation measures (general); free zones, and Customs dispute settlement.

Discussion

128.　　During discussions, several Members suggested adding legal framework, free movement of people and audit for future work. Considering the importance and interest of Members, these items could be taken up afterwards, while focusing first on the eight priorities. One Member was interested in regional AEO systems, and another Member stressed the importance of capacity building and infrastructure for the Members' implementation on the priorities. The United States took the floor to share its experiences with Coordinated Border Management, Single Window, and risk management, and

Uruguay introduced its AEO program nationally but also in the context of regional integration.

Conclusion

129.   The PTC took note of the work so far undertaken regarding Customs roles on regional economic integration, and approved the future work on the eight priorities.

130.   A number of Members asked to address Regional Integration also at the next Capacity Building Committee. The Secretariat undertook to inform the Capacity Building Directorate accordingly.

VII. CUSTOMS-BUSINESS PARTNERSHIP

a)   Draft Guidance for Customs-Business Partnership

Document: PC0362E

b)   Break-out session
c)   Plenary session

Background

131.   At the 121st/122nd Sessions of the WCO Council held in Brussels from 27 to 29 June 2013, the Council endorsed the proposal that the WCO should develop guidance to assist Members with the development of a process for regular consultation of and robust partnership with trade, with the objective of strengthening Customs-Private Sector engagement. The 201st/202nd Sessions of the PTC held in November 2013 has endorsed the outline of the contents.

132.   A virtual sub-group of interested Members from Customs and PSCG was formed on CLiKC platform, which along with Secretariat prepared a draft text (Annex to the doc. PC0362).

Discussion

133.   The Chair introduced the agenda item with a remark that this is a very important file, as the WTO ATF also covers closer cooperation with as well as consultation of and partnership with private sector stakeholders, and all relevant facets of consultation, cooperation and partnership need to be taken into consideration when developing a guidance tool.

134.   The Secretariat provided the background to the document (Doc. PC0362), especially the discussions held at the Policy Commission in December 2013 and invited the PTC to review and discuss the draft text in two break-out sessions and provide feedback and comments on the content of the document, as well as further guidance on how to develop the Guidance based on the experiences and examples shared by Members and private sector.

135.   The PTC discussed in two break-out groups the Draft Guidance for Customs-Business Partnership, having three parts: Part 1 – Guiding Principles, Part 2 – Phased approach on how to develop Customs- Business Consultation mechanisms and Part 3 – Customs- Business consultation/engagement/partnership initiatives/best practices and reported to the plenary.

136.   The delegates shared their best practices in developing consultations/partnership with business and emphasized that political will is must for developing and sustaining a robust consultative mechanism.

137.   The key suggestions coming of the discussions included multi stakeholders engagements including SMEs, informal trade, sectoral approach wherever needed, engagements at different levels (strategic/policy, tactical and operational), identifying benefits for society, sharing of more experiences, lessons learnt and best practices and more importantly a simple and flexible multi-model approach with a larger industry wide outreach and regular review mechanism to keep it dynamic and relevant. Some changes in the overall structure of the Draft Guidance were also suggested.

138.   The delegates felt that the rationale of the Guidance document is purely to provide a reference or guideline to Customs Administrations in how to address the establishment of their C2B model and how they could commence the process. The document does not endeavor to provide a single model. Each administration would come up with their own methodology and process, keeping in view their specific circumstances and peculiarities.

Conclusion

139.   The PTC acknowledged and appreciated the initiative of developing Customs – Business Partnership Guidance.

140.   The PTC provided a strategic approach to the document by making a number of valuable suggestions/comments ranging from change of mindset and mutual respect to a more structured trust based regular consultative mechanism between Customs and Business.

141.   All the inputs received from the PTC will be fed into the drafting group, for suitably incorporating in the text, to further develop it. During the intersession, the virtual sub-group will continue working on the text with to improvise it. The Members can make any further contributions including their experiences and best practices to the drafting group on CLiKC platform and/or the Secretariat.

VIII. COORDINATED BORDER MANAGEMENT

o   **Draft Compendium on Coordinated Border Management**

Document: PC0363

Background

142.   The first draft of chapters 1 and 2 of the proposed CBM Compendium was tabled at the November 2013 PTC. In the intersession, the Secretariat commenced work on

Chapter 5 (Other WCO Tools & Instruments) of the Compendium, while Chapter 3 (Planning & Implementing CBM) and 4 (the RKC and CBM) were held in abeyance.

143.　　This was done due to the need to divert resources to take advance of ongoing developments, namely, the availability of funding from the World Bank to develop an e-learning module on CBM, as well as the anticipated need for materials to support capacity building across all trade-facilitation subjects in view of the anticipated conclusion of the WTO ATF.

144.　　Chapter 5 was chosen to be developed first because the issues can create synergies in bringing awareness to CBM, as well as relevant WCO tools and instruments through the e-learning module, and because this chapter was least likely to be affected by substantive changes as it was mainly a compilation of existing tools and instruments.

Discussion

145.　　Secretariat also updated that the fictional narrative proposed during the last PTC had been used in the e-learning and provided a varied and engaging way to present key CBM concepts to learners from member administrations. The PTC expressed satisfaction with the progress of the Compendium, particularly in how Chapters 1 and 2 had communicated a strong conceptual vision that showed great potential. However, it was suggested that the organization for Chapter 5 could be improved by positioning the "value preservation role of CBRAs" as the overall objective while "CBRA regulations" and "information alignment" as strategies to achieve this objective, while WCO tools and instruments were "mechanisms" to bring about the objective. The use of WCO instruments and tools to achieve CBM should also be reiterated in the concluding paragraphs of the chapter to bring about a neater closing to the chapter. It was also suggested that the document should also include web-links to the key WCO tools and instruments, so that readers could easily navigate between the Compendium and other online resources.

146.　　Members also raised potential difficulties in undertaking CBM domestically, as Customs was not always the lead agency and there were issues were strictly under the purview of other agencies that Customs could not easily influence. The Secretariat agreed with this observation, noting that the Compendium ultimately aimed to serve as a useful reference that contains information and guidance for members to undertake CBM, both as the lead-agency, if called upon to do so, or as a valued participant, as the case may be.

Conclusion

147.　　The PTC took note of the new chapter drafted for the Coordinated Border Management (CBM) Compendium and ongoing developments on the new e-learning package, noting that work on the CBM Compendium was on track and the first full draft would be available for PTC's review in the autumn session.

148.　　It also took note of suggestions from delegates on possible areas of improvements, particularly in ensuring that the strategic concepts mentioned in Chapter 1 and 2 were linked to the new Chapter 5, as well as the possibility of introducing hyperlinks into the document, so that WCO tools and instruments referenced can be easily assessed. The PTC further took note of interventions made by members on national experiences in CBM and asked members to get in touch with Secretariat if they would like to provide more

information for the purpose of featuring their national experiences in the CBM compendium.

IX. <u>GLOBALLY NETWORKED CUSTOMS</u>

a) Developments in the proof-of-concept for GNC

Document: PC0364

Background

149.   The PTC had been designated as the forum for discussion on all technical matters associated with GNC while Members would work bilaterally, multilaterally or regionally on the design of new Utility Blocks (UBs) and/or Proof-of-Concept Projects, and update the PTC when they are ready. Over the last few PTCs, several UBs had been surfaced and Secretariat noted that there was a need to revisit the issue of the GNC Compliance and Certification Process that was raised in the Final Report of the Ad Hoc Working Group on GNC, so that the GNC can be progressed and matured in an orderly manner.

150.   Members were asked to review the proposed process outlined in the document and considers if the mechanisms proposed were adequate to enable PTC to provide the guidance necessary to steer the development trajectory of GNC, as well as whether it would like to direct other working bodies that reports to the PTC, namely, the IMSC and DMPT to take on a more defined role in supporting the technical aspects of GNC.

Discussion

151.   Diverse comments were received from members, who were split between sentiments that the proposed measures were consistent with the "light-touch" mandate set by the Policy Commission and Council for the governance of GNC, and more cautious views that the measures proposed appeared "heavy" and resource intensive, particularly since Annex F of the "Final Report of the Ad Hoc Working Group for GNC", which the current proposals were based on, pre-dated the "light-touch" mandate decided by the Policy Commission and Council.

152.   A member raised the need to have a structured and inclusive review process to allow members to provide questions and comments, as well as for administrations that were developing the UB to provide responses and clarifications within a designated time-frame. It was also raised that the 3 certification processes proposed, namely, (i) UB certification, (ii) legal certification and (iii) proof of concept certification, should be kept separate and should not be dependent on each other. It was also noted that based on the experience of members, the UB phase and the proof-of-concept phase were typically parallel, rather than consecutive processes. This allowed both processes to interact and enriched each other.

153.   It was also noted that no administration had yet submitted its legal agreements for Secretariat to review for conformance with the GNC legal toolkit and this pointed to a possible need for review.

154.   Members noted that it could be useful to involve other WCO working bodies, such as the IMSC and DMPT, or even the SAFE Working Group, so as to receive technical inputs and to enhance harmonization of UBs between different WCO tools and instruments. It was cautioned however, that the extensive workload of other working bodies should be considered and discussions on GNC should not come at the expense of other Groups' extensive agenda items and that the PTC would direct such discussions to take place, where appropriate.

155.   A member also suggested that in view of the recent conclusion of the WTO ATF, an "Article 12 Utility Block" looked to be the most useful way to implement the provision on Customs Cooperation. While some members agreed that this was a good idea, the meeting agreed that the development of Utility Blocks should be members' driven.

Conclusion

156.   The PTC took note of the views raised by members on the Secretariat's proposals. The Secretariat would undertake consultation with members in the inter-session to gain a better understanding of concerns raised so that that mechanisms for ensuring that GNC was progressed in an orderly fashion would be in line with the "light-touch" approach.

b)   Presentations of proof-of-concept pilot projects and draft Utility Blocks

- *Presentation by EU and Switzerland*

157.   The PTC took note of the EU's presentation of the Control Mutual Agreement Utility Block which had been jointly developed by the EU and Switzerland.

158.   The Utility Block for Control Mutual Recognition would be made available to the Secretariat and published online in the WCO Members' website after translation. The Secretariat will leverage on the discussion forum functionality of the WCO CLIKC Website to receive inputs and generate discussions on the Utility Block. Details will made available to PTC delegates subsequently.

X. INFORMATION TECHNOLOGY

a)   Executive Summary of the 66th Meeting of the IMSC

Document: PC_Executive_Summary_IMSC66

b)   Report from the 65th Meeting of the IMSC

Document: PM0340

c)   Compendium Single Window on How to Build a Single Window Environment – Key areas to be covered in the update

Document: PC0365

Background

159.   The Secretariat provided a brief overview of the background to the update of the Compendium on 'How to build a Single Window Environment'. The update is largely based on feedback and contribution by Members. Since the last publication of the Compendium in 2011, a significant number of Members have embarked upon projects to implement Single Window systems which have produced a wide range of information about good practices on different aspects of a Single Window facility. Besides, a number of other instruments and guides have been developed by other international organizations, which point to recent developments in the enabling legal environment and technology. Members would prefer to see more examples in the documentation. The Secretariat has collected several examples and was preparing to introduce them in the update of the Compendium. The Secretariat would however seek to receive confirmation from the concerned Members before using them in the update of the Compendium.

Discussion

160.   The PTC welcomed the effort made by the Secretariat to update the Compendium. Some delegates offered to submit contributions. A Delegate sought clarification on whether the Secretariat had considered the possibility of overlap between the Compendiums dealing with Single Window and Coordinated border management. The Secretariat informed that care was being taken to ensure that there are no overlaps in content between the two documents. The Delegate advised against making large-scale changes since the two volumes of the Compendium already provided considerable material. The Secretariat looked forward to receiving contributions from Members regarding examples of best practice in Single Window and case stories.

Conclusion

161.   The PTC took note of the executive summary of the 66th meeting of the Information Management Sub-Committee(IMSC). The PTC adopted the draft report of the 65th Meeting of the IMSC.

162.   The PTC took note of the proposal to update the WCO Compendium on How to Build a Single Window Environment, wherein the Secretariat highlighted the need for contribution from Members regarding the latest developments concerning Single Window. The PTC took note of suggestions made by Members on national experiences in Single Window and invited Members to get in touch with Secretariat if they would like to provide more information for the purpose of featuring their national experiences in the proposed update to the Compendium.

XI. ADVANCE PASSENGER INFORMATION/PASSENGER NAME RECORD

a) Report of the 7th Meeting of the API Committee

Document PS0039

163.   The Chairperson briefly recalled the role of Advance Passenger Information (API) and Passenger Name Record (PNR) data in improving facilitation and the overall security of international air transport. The WCO IATA ICAO Contact Committee is concerned with the electronic means of reporting API and PNR Data. The highlights of the 7th meeting of the Contact Committee were reported in the 201st -202nd sessions of the PTC.   The draft report of the 7th meeting of the Contact Committee (document PS0039) is placed before the Committee for its endorsement. There were no comments from the floor.

Conclusion

164.   The PTC endorsed the report of the 7th meeting of the API Contact Committee.

b) API Contact Committee - Update of the Terms of Reference

Document PC0366

Background

165.   The Chairperson invited the Secretariat to introduce Document PC0366 containing a proposal to update the Terms of Reference of the WCO/IATA/ICAO Contact Committee. This proposal arose from guidance received by the Secretariat from the 201st -202nd PTC to examine the possibility of renaming the API Contact Committee to API/PNR Contact Committee. Introducing the proposed changes to the Terms of Reference of the Contact Committee, the Secretariat explained that the Contact Committee has been deliberating on issues related to PNR since the 2010 and has already been mandated by the PTC to work towards the maintenance of the PNRGOV message.

Discussion

166.   The Chairperson in his introductory remarks had stated that the proposed changes to the Terms of Reference were along the lines agreed at an earlier meeting of the PTC, and sought views from the floor on the proposal. Delegates supported the proposed changes. There were no further suggestions from the floor to the Secretariat's proposal. Although the Terms of Reference allow up to four WCO Members to participate in the meeting of the Contact Committee, IATA and ICAO have welcomed the participation of additional Members in the meetings of the Contact Committee. Therefore, Members who are interested in participating in the meeting of the API Contact Committee may contact the Secretariat for receiving further information.

Conclusion

167.   The PTC endorsed the proposed update to the Terms of Reference of the WCO/IATA/ICAO Contact Committee for Advance Passenger Information. As a consequence of this update, this Committee will be known as The WCO/IATA/ICAO Contact Committee for Advance Passenger Information(API) and Passenger Name

Record (PNR). The update includes changes to the mandate and scope of the Committee, covering reporting standards for API and PNR data.

c)   Adoption of the updates to PNRGOV Guidelines & PNRGOV XML Specifications

Document PC 0367 (along with PC_367_AnnexI, PC_367_AnnexII and PC_367_AnnexIII)

168.   The API Contact Committee is responsible for the updating the information exchange standards for the reporting of Passenger Name Record by carriers to governments. The Chairperson invited Secretariat to introduce document PS0367 and its Annexes. The Secretariat recalled that last year, the PTC had endorsed the 'PNRGOV' standards and these standards have been published jointly by the WCO IATA and ICAO. Based on feedback received from participating Members and airlines, these standards have been updated. The update has not resulted in any change to the message structures but has improved the notes for implementers.

169.   Likewise, at its 7th meeting, the API Contact Committee endorsed a new draft XML specification for PNRGOV, which was developed by the PNRGOV Working Group (an IATA body). The Secretariat however stated that these drafts were developed in anticipation of a demand for XML based reporting of PNR data. The availability of PNRGOV XML standards would greatly facilitate users seeking XML based solutions, especially for the stakeholders belonging to the general and commercial aviation sectors.. The Secretariat briefly outlined the contents of the two annexes. Delegates welcomed the proposed changes to the PNRGOV EDIFACT standards and the development of the XML specifications for PNRGOV.

Conclusion

170.   The PTC endorsed the updates to the "PNRGOV Principles Functional & Business Requirements, Version 13.1", and the "EDIFACT Implementation Guide PNR Data Pushed to States or Other Authorities: PNRGOV Message Version 13.1". (PC_367_AnnexI, PC_367_AnnexII)

171.   The PTC also endorsed the "XML Implementation Guide for PNR Data Pushed to States or Other Authorities: PNRGOV Message Version 13.1". (PC_367_AnnexIII)

XII. RULES OF ORIGIN

o   **Draft Guidelines on Certification of Origin developed under the Revenue Package Action Plan Phase II**

Document: PC0368

Background

172.   The Chairperson recalled that the Council at its session in June 2013 endorsed the Phase II of Revenue Package Action Plan which includes a task to develop a new guidance material on origin certification by June 2014. The virtual drafting group, formed

at the last PTC session in November 2013, prepared a draft of the Guidelines on Certification of Origin which appears as the Annex II to this document.

173.　　The Secretariat (Origin Sub-Directorate) briefly presented Document PC0368 on the draft Guidelines on Certification of Origin. The guidelines refer to origin certification in both preferential and non-preferential origin areas. One of the key features is that the document does not only provide the guidelines but also comprehensive explanations to support each guideline, so that anyone can read and capture the related practical information on why each guideline is of importance. What the Guidelines aim for is not to make a standard set of procedures but to introduce more fundamental principles to be honored by the stakeholders when putting the requirements into practice.

Discussion

174.　　A Member commended the work of the virtual drafting group and stressed the importance of the development of the Guidelines, which would contribute to trade facilitation and appropriate collection of revenue. It had participated in the virtual drafting group and submitted a number of inputs and comments through the drafting process, and was therefore basically satisfied with the current draft. However, since there were some changes from the last version distributed to the virtual drafting group, this Member would like to submit further comments for increased accuracy.

175.　　Another Member indicated that it had also participated in the virtual group, however, had a proposal to add the following guideline just after the Guidelines 18:

"*Where it is necessary to provide evidence on the non-preferential origin of the goods to the customs authority of the importing country, it should preferably be provided by other means than the presentation of a certificate of origin.*"

176.　　She emphasized that it was derived as a logical consequence of the last paragraph leading into the guideline, which begins with "With a result of this asymmetry, …".

177.　　One delegate asked for clarification with regard to the definitions provided in Guideline 1. The question was on the difference between "certification of origin"/"self-certification of origin" described in Guideline 1 (a)/(b) and "certificate of origin"/"self-certificate of origin" in Guideline 1 (c) (i)/(ii). The Secretariat explained that certification of origin and self-certification of origin referred to a series of procedures for proving the origin of goods to the Customs authority of the importing country. On the other hand, a certificate of origin and self-certificate of origin both referred to a documentary evidence. The former was a wider concept which covered a sequence of actions but the latter meant a document.

Conclusion

178.　　The PTC adopted the Guidelines including the comments made by the delegates. The virtual drafting group would review and confirm the comments after the PTC. As the development of the Guidelines is a part of the Revenue Package Action Plan, the Guidelines as adopted will be forwarded to the Policy Commission and Council in June for endorsement.

XIII. PTC MANAGEMENT

a)   PTC Work Programme 2013-2016

Document: PC0369

Background

179.   On the occasion of its 201st/202nd Sessions of the PTC held in November 2013, the PTC discussed the Work Programme and agreed that the Correspondence Group would continue to work in the intersession to draft the performance indicators and timelines to the topics and activities included. The updated Work Programme would then be submitted to the March 2014 PTC meeting for adoption.

Discussion

180.   The PTC was now invited to examine the PTC Work Programme 2013-2016 updated by the Correspondence Group in the intersession and to suggest further improvements with a view to adopting it.

181.   The PTC delegates supported the PTC Work Programme. It was considered that the Work Programme has many actions for implementation and that some priorities needed to be identified. In that context a number of Members flagged the topics which they considered to be of high priority: exchange of information in the context of Customs Cooperation as defined under the ATF, security issues, data quality, compliance and enforcement policy and framework, strategic exports, e-commerce. Regarding some of the topics which were suggested for inclusion in the Work Programme, the Secretariat recommended that discussion papers be put forward to the PTC and for the Joint PTC/EC meeting for issues which were considered as cross-cutting, such as instance export controls.

182.   A Member suggested that the PTC should consider how the Customs should look like in the future, having in mind the implications of new innovations and technologies, such as 3D printing, for example. There was general agreement that the PTC should try to articulate the vision of the Customs in the Future. A suggestion was put forward to have a panel discussion on this topic at the next PTC meeting, which was also supported by the Secretariat.

183.   A Member suggested a change to the deadline for completion of the Customs-Business Partnership Guidance to June 2014.

184.   Regarding the introduction to the Work Programme, an Observer had made suggestions for changes in terms of the priorities of the PTC. It was however explained that this text had been taken from the ToR of the PTC and that if it was felt that this needed to be changed, the PTC Correspondence Group could be mobilized for this discussion.

Conclusion

185.   The PTC agreed to include e-commerce and follow-up regarding RKC Correspondence Group into the Work Programme. For new suggested topics, the Secretariat suggested that discussion paper(s) be submitted to the PTC for consideration.

186.   The PTC took note of some of the priorities raised by Members such as data quality and exchange of information. It also took note of the need to review the implementation of the Work Programme on a regular basis.

b)   Making publicly available history documents

Document: PC0370

Background

187.   Making publicly available PTC documents has been examined by this Committee at a number of sessions, and it forms part of the WCO policy of transparency and accountability.

188.   Members were now invited to consider the proposal of making publicly available documents from previous meetings of the PTC, i.e. from the 197th/198th and 199th/200th Sessions of the PTC, as described in paragraph 7 of doc. PC0370. The Secretariat made a proposal that this practice be continued in the future to gradually increase the number documents available to the public.

Discussion

189.   The Members firstly supported Secretariat's initiative in relation to this proposal. However, after extensive discussions on the manner in which history documents should be made publicly available, Members raised the question of the benefits of this exercise which would entail a lot of attention from both the Members/Observers and the Secretariat. Concerns and questions raised were around the following points: providing permission from Observers and other external stakeholders for making their presentations publicly available, providing permission of other WCO bodies for making publicly available their reports which had been placed under the PTC agenda, checking documents for sensitive data, etc.

190.   It was stressed by a number of delegates that it was necessary to look into the future and make publicly available the documents of the future meetings.

Conclusion

191.   The PTC agreed to refrain from making publicly available history documents, as it was agreed to be resource consuming for both the Members and the Secretariat and the added value was under question.

192.   The PTC agreed that the PTC delegates would be asked each time for approval to publish the list of PTC documents from the meeting, after the meeting has taken place. The Secretariat should also seek approval from bodies which are not sub-ordinate to the

PTC regarding publishing their reports which have been placed on the PTC agenda. The same approval procedure should be practiced for publishing presentations by WCO Observers or external partners.

c) Items on the agenda for the next meeting

Background

193. At the 199th/200th Sessions of the PTC in March 2013, during the discussions on its future, it was concluded that the Members will be given more opportunity to contribute to the shaping of the agenda.

194. The PTC was invited to propose items for the next meeting of the PTC.

Conclusion

195. The PTC agreed to have at the next PTC meeting the following topics: a panel and a strategic discussion on the Future of Customs; GNC and the legal framework; and data quality and compliance framework. It was also noted that the work on the Business Lens Checklist for SMEs should be completed at the next PTC, if not before.

XIV. OTHER BUSINESS

o **Update on upcoming events**

196. The WCO Secretariat updated the PTC on the upcoming WCO events including: ICAO-WCO Air Cargo Security and Facilitation Conference (Bahrain, 16-17 April), 2nd Global AEO Conference (Madrid, 28-30 April), 2014 WCO IT Conference (Brisbane, 5-7 May), Revenue Conference (30 June-1 July), Knowledge Academy (2-11 July) and PICARD Conference (Mexico, 16-18 September).

197. The PTC took note.

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