



Brussels, 17 September 2014.

INFORMATION MANAGEMENT

(Item X (b) on the Agenda)

1. The 67th Information Management Sub-Committee took place from 12 to 13 June 2014. As with previous IMSC meetings, there were discussions on important emerging issues in the field of information technology.
2. An executive summary of these discussions can be found in the Annex I of this document. The key issues arising from the discussions is highlighted in this document, for the Permanent Technical Committee's information and necessary decision.

Update on the IMSC Work Programme

3. The IMSC reviews its work program annually to account for the work that had been done, and the new work areas that would be undertaken. The detailed work program can be found in document PM0362E/F. Delegates are invited to take note and provide comments to this document.

Status of Adoption of the WCO Data Model

4. The Secretariat presented on its survey on the status of adoption on the WCO Data Model that was conducted in early 2014. A total of 48 members had responded to the survey. The results of this survey can be found in document PM0355. The document will be published on the WCO website and updated annually. Members are encouraged to inform the Secretariat of new developments in their national IT systems, especially concerning the use of the WCO Data Model, so that the correct status can be reflected in this compilation. Delegates are invited to take of this document.

Product Identification Code

For reasons of economy, documents are printed in limited number. Delegates are kindly asked to bring their copies to meetings and not to request additional copies.

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5. The work on Product Identification had its origins in discussions about the strategic direction for the Harmonised System (HS) Nomenclature. It was deliberated at the 203rd / 204th PTC and efforts were made to explore ways in which product identification could be used in making border processes more effective and efficient.
6. It was noted ultimately that while Customs do not typically require traders to declare Product Identification codes for commodities that were being imported or exported, other government agencies require this information for regulatory purposes. In previous discussions at the PTC, Members who were actively using product identification numbers in co-operation with other government agencies had reported certain benefits.
7. Product identification also helps users from government and trade in accessing pre-stored product information, resulting in the reuse of reliable data in the supply chain and in reducing costs and errors in data entry. The Secretariat referred to a particular example from one Member, where the use of product identification numbers helped reduce data entry by about 35 percent. The Secretariat also referred to case studies presented by Members where the presence of product identification information helped in improving the quality of referrals and in speeding-up release decisions. The WCO tool "Interface Public-Member" which depends on information accessible through product identification numbers, helps Customs officers in determine whether goods are genuine or counterfeit.
8. The issue was deliberated once again during the 67th IMSC and a delegate had stated that product identification in goods declaration and supporting documents should not be made obligatory due to the administrative burden that it would incur, both for the trade in providing it, and for Customs to verify it. The primacy of the HS code was also reiterated.
9. On the other hand, it was also raised that if other government agencies required product identifiers, the trader would have to provide them anyway. In such cases, these identifiers could serve as the basis for sharing product information between government agencies. In general, product identifiers allowed the creation of better quality information concerning valuation as opposed to information collected at 6 digit level of HS code.
10. An Observer also noted that while Customs can always benefit from having additional information, the business justification for product identification comes mainly from other government agencies. If product identification numbers were provided in declarations on a regular basis, the facilitation benefits would have to be clearly established to justify the investment requirements in order to reap operational benefits for industry and government.
11. As no proposals to produce a recommendation for product identification was received, Secretariat had produced a '*frequently asked questions*' document that can be found under document PM0356 to support further discussions on this topic in the future. Secretariat will continue to monitor and study the developments and usage of Product Identification in trade. Delegates are invited to take note and provide further information and guidance to Secretariat, particularly in the types of Product Identification that were used by different industries and countries, and their applications in enhancing regulatory control and trade facilitation.

Electronic Payment

12. The IMSC also deliberated on the topic of electronic payment, in view of its relevance to the WTO Trade Facilitation Agreement. The WTO TFA required Members to adopt or maintain procedures to allow for the option of electronic payment for duties, taxes, fees and charges collected by customs incurred upon importation and exportation, to the extent practicable. The document can be found under document PC0360E1a and its related annex.
13. The issue would be revisited during future updates to the Kyoto ICT Guidelines. Delegates are invited to take note and provide comments on this future work.

WCO Recommendation on the Use of World Wide Websites by Customs Administrations

14. The WCO Recommendation on the use of WWW Websites by Customs was issued in 1999 and the IMSC considered it timely to revisit the recommendation in view of the fact that technology had evolved since that time, and to ensure its alignment to future developments, such as the WTO TFA. The document can be found under PM0359E1a and its related annex.
15. The Recommendation was found to be still valid. Minor updates might be required to ensure alignment of the final text to the TFA provisions in the future but the meeting considered that more could be done to study new trends and developments to ensure that it remained a useful guidance for Customs administrations.
16. In this regard, the IMSC considered the use of interactive functions both within Customs websites as well as the use of social networking sites, such as Facebook and Linked-In by Customs to engage economic operators. The popularity, ubiquity and cloud-based nature of such non-government made them a useful complement to other more common channels, such as the official Customs website and email.
17. Areas for future exploration on this topic included:
- Ensuring the accuracy and timely nature of updates when using diverse internet channels for communicating with the public;
 - Understanding the resources and competencies necessary for the effective use of social networking sites by Customs administrations;
 - Ensuring privacy and information security.
18. The IMSC is invited to take note and provide comments on this future work.

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EXECUTIVE SUMMARY of 67 IMSC

- The Information Management Sub-Committee (IMSC) held its 67th meeting from 12 June 2014 to 13 June 2014 under the Chairpersonship of Ms. Gordana VIDANOVIC (Serbia).
- The IMSC adopted the report of the 66th meeting.
- Took note of the developments in WCO Committees and working groups and in other external forums between the 66th and the 67th sessions of the IMSC, in particular, discussions held at the PTC meeting, principally in relation to Globally Networked Customs and developments in relation to API and PNR, eATA, SAFE and UN Recommendation 14 on Authentication methods
- Received a status report on the work of the DMPT.
- Welcomed the Secretariat's compilation on the present status of adoption of the WCO Data Model. Some members provided updates and suggested corrections to their respective status reports. This will be published on the WCO website in this month.
- Noted with appreciation the efforts of the Secretariat in preparing a document on Product Identification, and agreed that the format of the document was useful. Advised that product identification numbers should not be a mandatory element in goods declarations and other supporting documents. IMSC advised the Secretariat to continue its work on (i) Cost-benefit studies on the use of product identification (ii) Provide particular examples where product Identifiers are used by other government agencies (iii) Make a tabulation of industry practice on the use of product identifiers for different industry sectors, along with scenarios of use of product identifiers by Customs or other Government Agencies.
- Took note of the update from the Secretariat on trader identification which is pending discussion at the next session of the SAFE WG. IMSC will provide technical guidance on the subject after the discussion at SAFE WG, if necessary.
- Adopted key decisions and updated the "List of Key decisions". This list of decisions acts as a guide the Data Model Project Team.
- Welcomed the Secretariat paper on regarding the Role of ICT in the implementation on the Trade Facilitation Agreement. Key points from this paper will be incorporated into the future editions of the online WCO Guide on ATF. Members welcomed the online WCO Guide on TFA.
- Took note of the document by Secretariat on the WCO Recommendation concerning the use of World Wide Web sites by Customs Administrations. Agreed on the need to explore new issues brought about by changes in the use of information and communication technology, such as the use of social networking sites for engaging economic operators, the ethical use of information provided to Customs through WWW sites, data protection

including the need to protect the privacy of site users and the risks of cyber crimes, such as hacking and “phishing”.

- Welcomed the Secretariat’s note on methods of Electronic Payment.
 - Welcomed the work being done to update the Compendium on How to Build a Single Window Environment. Several Delegates offered to provide national practice for the Compendium update. Work on this will be concluded by the end of this year.
 - Received presentations from the Secretariat on IPM and CliKC – especially how these can be integrated into the national IT infrastructure. Members expressed keen interest on the new mobile IPM application. Received presentations on Single Window from Mexico and Senegal.
 - Took note of the action undertaken for the 2013-2014 work items, as well as the new work items listed for 2014-2015.
 - Ms. Gordana VIDANOVIC from Serbia and Mr. John NIGHTINGALE of the UK were re-elected as Chair and Vice-chair respectively.
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