



Brussels, 6 March 2017.

UPDATE AND REPORTS

Inter-sessional developments

(Item III. (a) on the Agenda)

Introduction & Background

1. The Committee is invited to take note of developments of the other areas since the last PTC sessions and to consider their potential impact on the PTC's future work. Thus, this document aims to compile intersessional developments which would be of relevance to the PTC, but which have not otherwise been covered under any other PTC agenda item.

Revenue Package

2. Following the conclusion of Phase I and II, the Secretariat had prepared a draft proposal for Phase III of the Revenue Package. This proposal was submitted to the Working Group on Revenue Compliance and Fraud (WGRCF) which has the mandate for supporting the implementation. The Phase III Revenue Package Action Plan was updated and finalized based on the input and guidance provided by the WGRCF and was endorsed by the Policy Commission and the Council in July 2016.
3. The Action Plan for Phase III is divided into two parts with Part 2 aimed at enhancing Customs-Tax cooperation.

Part 1- Assisting Members in effective use of Revenue Package tools developed under Phases I and II; and
Part 2 - Development of new materials and initiatives, which includes Origin, Post Clearance Audit (PCA), Fragile Borders, Control of Mineral Resources and Customs Laboratories.
4. Work on Phase III has already commenced and the WCO is cooperating with the OECD and IMF to ensure that Customs remains functional, well-resourced and has an effective cooperation mechanism in place.

Economic Competitiveness Package (ECP) Action Plan

5. At its 213th/214th Sessions, held from 11 to 14 October 2016, the PTC discussed the draft Action Plan for Phase III of the ECP for the period from January 2017 to December 2018. At the last Policy Commission held in December 2016, the Policy Commission took note of the progress made with the implementation of the Phase III of the ECP Action Plans as well as endorsed it.

A. Transit Guidelines

6. The Transit Guidelines will set out clear guiding principles and recommend practices in respect of transit. A launch event (Global Conference on Transit) is planned for 2017, with the aim of raising awareness of the newly developed WCO Transit Guidelines. The draft Guidelines will be discussed at the 215th/216th Sessions of the PTC.

B. Guidelines on Customs Broker

7. Recently, the WCO published a 'Study Report on Customs Brokers' providing an overview of Customs brokers' role in the international supply chain. One of the key recommendations of the Study Report is that Customs brokers' licensing/regulatory regimes should be optional, transparent, and non-discriminatory. The PTC will discuss the outline of the draft Guidelines on Customs Brokers which is envisaged to be developed under the Action Plan for Phase III of the Economic Competitiveness Package.

C. Review of the Time Release Study

8. The current Time Release Study (TRS) Guide (Version 2) was issued in 2011 and has supported a number of national and regional TRS. Based on discussions at the joint session of the TFA Working Group and the PTC in October 2016, the TRS Guide is being updated. The Virtual Working Group for reviewing the TRS Guide (Version 3) has been established to review and update the TRS Guide and enhance it with Members' experiences.

D. Guidelines on Special Customs Zones

9. Many countries establish and manage such special zones, providing facilitation benefits for cross-border trade, including Free Zones and Inland Container Depots. Their importance for economic competitiveness has been increasing, alongside growing supply chain management and global value chains. The ECP Action Plan invites discussion on the possible development of an instrument for Special Customs Zones at the PTC or other relevant WCO Committees or Working Groups. The Secretariat is planning to organize several regional workshops to collect Members experiences on their Special Customs Zones to develop a new instrument.

E. Global Value Chains and Guidance on Inward/Outward Processing Procedures

10. At its 213th/214th Sessions in October 2016, the PTC discussed the issue of Global Value Chains (GVCs) from the procedures point of view - how Customs can contribute to better connectedness to GVCs, in particular by SMEs and developing countries. In that respect, inward/outward processing procedures were identified as a key component together with the need for Members' to share experiences. The PTC agreed to continue the work on GVCs under the Virtual Working Group on the Future of Customs and to

develop a Handbook on inward and outward processing, which will be submitted to this PTC meeting.

Customs Capacity Building

11. On the basis of the document SP0577, the December 2016 Policy Commission took note of progress in respect of Capacity Building delivery and related projects, including : the Mercator Programme, the Accreditation and Use of Experts; the Leadership and Management Development Programme; Customs Professionalism and the WCO Learning Programmes; the Fellowship, Career Development and Scholarship Programme; the Executive Programme in Customs and Business Administration; Integrity; Regionalization; and Capacity Building Projects.
12. Since the last CB Delivery Report, and in response to increased requests by Members, some 330 capacity building missions in Mercator Programme and the others have been carried out across all the WCO Regions. This delivery has resulted in an increase of about 20 % more missions per month compared with the last reporting period and 110 Members have benefited from this increased support.
13. The Capacity Building delivery activities focused on providing support related to all four packages of the WCO strategic plan that include the economic competitiveness package, revenue package, compliance and enforcement package and organizational development package. The support also extended to areas relating to the building blocks of WCO strategic plan which include digital customs, e-commerce, information exchange and expert accreditation events aimed at raising the performance and profile of Customs.
14. During the period, a number of achievements have been recorded in almost all areas where support is provided to Members. The activities that have been most successful are where Members have committed significant resources to make sure that there is systematic transfer of knowledge and skills from the WCO experts and consultants. Highlights of reported key achievements are Strategic Advisory Support, Technical Assistance, Mercator Programme – Tailor-made Track, Expert Mobilization and Management, Integrity, Stakeholder Engagement, Gender Equality and Diversity.

Compliance and Enforcement Package

15. The Compliance and Enforcement (CEP) Action Plan for 2016/2017 stipulates tangible actions that will contribute to the accomplishment of the CEP goals. It indicates deadlines where appropriate and shows the bodies responsible for the implementation of specific actions. Twenty-one actions have been included, divided into the four main components consistent with the CEP toolkit. An additional cluster of detailed operational activities and projects was also added.
16. Concerning the protection of society and combating crime and terrorism, which is supported by the CEP, the Illicit Trade Report for 2015 is now available in English on the WCO Members Website. The Global Counter-Terrorism Strategy is a key component of the CEP. The use of API/PNR, which is of great interest to the membership, is being promoted by the WCO.

17. In the area of environmental protection, the WCO was making its CEN tools available to the transport sector to help that sector ensure compliance with Customs regulations in the environmental sphere, especially where the protection of endangered species is concerned.
18. The Secretariat will continue assisting CEP Action Plan comprising 4 components – Tools, Networks and Technology, Partnerships, Operations (Projects and Operational Activities)

Role of Customs in natural disaster relief

19. The Customs Administrations of a number of disaster prone countries and the WCO Secretariat participated in this year's Humanitarian Networks and Partnerships Week (HNPW) held from 6 to 10 February 2017 in Geneva and co-chaired by the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the UK's Department of International Development (DFID).
 20. Several Customs related sessions were held during the HNPW, where the WCO presented its tools and initiatives in the area of natural disaster relief. The participating Customs administrations, humanitarian actors and private sector representatives discussed the challenges faced in disaster relief operations and the potential solutions.
 21. Information about the C-RED (Customs for Relief of Epidemic Diseases) project funded by the Dutch Ministry of Foreign Affairs and implemented by the WCO was also provided to a wide range of stakeholders attending the HNPW. Information about the project can be accessed at the following link:
<http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/natural-disaster/wco-c-red-project.aspx>.
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