SUMMARY DOCUMENT
(Item VII. (b) on the Agenda)

Introduction

1. This Summary Document (SD) provides an overview of the subjects to be discussed and the actions expected from the Permanent Technical Committee (PTC) and the Working Group on the WTO Trade Facilitation Agreement (TFAWG). The objective of the SD is to provide more predictable guidance to the delegates on topics of focus and where input from Members is expected.

2. In line with the above mentioned, the Secretariat produced an SD for this meeting’s sessions, based on the draft agenda and taking into account the proposal of the Correspondence Group on the Future of the PTC to have the items/sub-items classified into four different categories:

A. Report Back on Work in Progress;
B. Decision and Guidance;
C. Exploration and progression of Key Technical Issues; and
D. Fostering Innovation in Customs Practice.

A. Report Back on Work in Progress
The report back items include discussion of the work of the various sub-groups and committees reporting to PTC, as well as work undertaken by the Secretariat. The discussion on these items will be a short process. The agenda items will be supported by the respective papers of the various sub-committees, committees and working groups of the PTC, as well as other papers produced by the Secretariat or oral reports. Members will be expected to have read through the papers and will be given an opportunity to pose any questions or to launch a relevant discussion.

VIII. UPDATE AND REPORTS

a) Inter-sessional developments
   Documents: PC0481

b) Report from the 72nd Meeting of the Information Management Sub-Committee (18-19 May 2017)
   Document: PM0426

c) Report from the 77th meeting of the Policy commission (3-5 July 2017)
   Document: SP0612

d) Report from the 129th/130th Sessions of the Council (6-8 July 2017)
   Document: SC0166

e) Report from the 11th Meeting of the Technical Experts’ Group on Air Cargo Security (22-23 February 2017)
   Document: FA0061

f) Report from the 8th Meeting of the WCO working Group on the WTO Trade Facilitation Agreement (16-18 October 2017)
   Oral report

g) Report from the 17th Meeting of the Istanbul Convention and 14th Meeting of the Contracting Parties to the ATA Convention (6-7 April 2017)
   Document: PA0118

h) Report from the 16th Meeting of the Revised Kyoto Convention Management Committee (6-7 April 2017)
   Document: PO0097

i) Research on Global Value Chains
   Document: PC0482
4. All reports of WCO working bodies relevant for the PTC or from the Secretariat have been grouped under A items and an opportunity will be provided to the delegates to raise any questions or concerns, if required, but at the same time to avoid consuming time on items which would not require much discussion.

5. The PTC will be invited to take note of the reports from meetings, Inter-sessional developments and research on Global Value Chains. It will also be invited to adopt the Report from the 72nd Meeting of the Information Management Sub-Committee.

X. E-COMMERCE

6. The WGEC has been set up for the purpose of addressing cross-cutting issues in relation to growing E-Commerce, from both facilitation and control perspective. The WGEC is guided by and reports to the PTC, the Enforcement Committee and the Policy Commission.

7. A special day devoted to E-Commerce exclusively at the last meeting, allowed the PTC delegates to provide substantial inputs and interim recommendations in the context of the four sub-groups of the WCO Working Group on E-Commerce (WGEC).

8. The PTC will now be updated on the outcomes of the 2nd Meeting of the WGEC which will be held in the week preceding the PTC sessions.

XVIII. ANY OTHER BUSINESS (PTC meeting)

9. The Secretariat will provide an update on the WCO events and meetings. Delegates are encouraged to share any information on upcoming workshops, seminars, conferences or other relevant meetings of interest to the PTC. Delegates will have an opportunity to suggest and decide on topics for discussion that are not covered elsewhere in the agenda.
B. Decision and Guidance

10. These items will include discussions on the work of the various sub-groups and committees reporting to PTC, and on work undertaken by the Secretariat. The aim of this section will be to facilitate the provision of guidance and/or the delivery of decisions that will enable this work to progress.

11. This will include adoption of the Draft Agenda, this Summary Document itself and proposals for the next meeting to be discussed under Any Other Business.

12. Topics that will be discussed under B items include Customs-Post Cooperation, Customs-Tax Cooperation, Glossary of International Customs Terms and Customs’ Treatment of Return-Refill Containers. Under the Joint Meeting with the TFAWG, the delegates will under Any Other Business discuss requests to publish TFAWG working documents and reports on the WCO public website.

V. (item XIV. of the TFAWG agenda) Any Other Business (Joint PTC/TFAWG meeting)

13. The WCO received requests to publish TFAWG working documents and reports on the WCO public website, similar to e.g. the PTC. Under AOB the TFAWG will be asked to consider the request and take a decision.

VII. OPENING AND ADOPTION OF THE AGENDA

b) Adoption of the Draft Agenda and the Summary Document

14. The Secretariat has in consultation with the Chairperson prepared a Draft Agenda. The Secretariat has also 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 guidance on the actions required from the PTC.

15. The PTC is invited to adopt the Draft Agenda (Doc. PC0479) and the Summary Document (Doc. PC0480).

XI. Customs-Post Cooperation

16. According to the recently revised Terms of Reference of the WCO/UPU Contact Committee, the WCO is represented by experts from eight Member Customs administrations and the UPU by experts from eight designated operators. Each of the two organizations may further invite up to five observers.
17. Following the four-year cycle, the Contact Committee is being reconstituted. The PTC will be invited to approve the WCO Membership in the Contact Committee for the next 4-year period and provide guidance on the way forward, whilst taking stock of the progress made by the Contact Committee thus far.

18. The PTC will be invited to:

- approve the WCO membership of the reconstituted Contact Committee;
- take note of the UPU membership of the Contact Committee; and
- take note of the progress made to date and key achievements concerning the work being carried out by the Contact Committee and provide guidance on the way forward, noting some of the current and emerging priorities.

XIII. Customs-Tax Cooperation

a) Draft Guidance on Customs’ role in the collection of indirect taxes

b) Presentation by IOTA

19. At its sessions in April 2017, the PTC discussed the topic of Customs-Tax cooperation including a preliminary research on joint approaches/activities between Customs and Tax authorities and provided suggestions on future work in this domain, including a more detailed study of Members’ practices.

20. Discussing additional cooperation opportunities between two authorities, the July 2017 Policy Commission tasked the PTC to develop a Guidance on Customs’ role in the collection of indirect taxes on imported goods, while approving its broad outline.

21. The PTC will be invited to discuss the preliminary draft Guidance and provide thoughts on advancing the work on its further development by involving Members and relevant stakeholders.

22. The PTC will be invited to:

- discuss and provide suggestions (including those relating to the structure and potential content) for advancing the work on the development of the Guidance;
- consider and, if appropriate, establish a group of interested Members and other stakeholders for carrying out further work; and encourage Members and stakeholders to share related resource materials and practices.

23. In addition, a representative of the Intra-European Organization of Tax-Administrations (IOTA) will provide some insights on Customs-Tax cooperation from IOTA point of view.
XVI. Glossary of International Customs Terms

- **New proposed terms for inclusion in the Glossary**

24. The April 2017 PTC approved a number of new terms for inclusion into the Glossary and decided that the work on the rest of the terms would be taken forward to the next PTC, based on the work to be done during the intersession by volunteers from Member Customs administrations and the Secretariat.

25. The PTC will be invited to discuss and potentially approve another group of terms and definitions that will be put forward to the PTC as a result of intersessional work.

XVII. Custom’s Treatment of Return-Refill Containers

- **Customs’ Treatment of Return-Refill Containers**

26. As a result of a suggestion put forward by a Member, an item on Customs’ treatment of return-refill containers was included on the agenda of the PTC in April 2017. Awareness was raised on the concerns of the business in terms of facilitating the use of return-refill container systems in cross-border trade and Members were invited to join the Virtual Group to progress the work in this area.

27. In May 2017 the ICC issued a news release titled “ICC calls for global guidance on return-refill container systems”. The news release contains a link to a set of business recommendations on the issue released by the ICC and calling on the WCO to develop international guidelines on return-refill container systems in close cooperation with the private sector.


29. In the intersession the WCO Virtual Group developed a progress report, which is being submitted to the PTC for consideration.

30. The PTC will be updated on the progress within the Virtual Group and invited to provide guidance.

XVIII. ANY OTHER BUSINESS (PTC meeting)

- **Proposals for agenda items for the next PTC meeting**
31. The PTC will be provided with an opportunity to suggest agenda items for the next PTC meeting. The delegates are encouraged to put forward non-paper(s) which will give more detail on the background of the topic.

C. Exploration and Progression of Key Technical Issues and Customs Practice and D. Fostering Innovation in Customs Practice

32. These items will allow primarily for discussion of key (technical) issues, which Members and observers are facing, ideally common across a number of Members and/or regions. It will also include a number of Members’ innovative practices. The time allotted to these items will be sufficient to allow for active participation by all delegates in fully exploring the issues raised.

33. The PTC Meeting will discuss Future of customs, E-commerce, cooperation with Railways, Special Customs Zones and Integrated Supply Chain Management (ISCM) under C and D items, while the Joint Meeting with the TFAWG will discuss Border Agency Cooperation, the Time Release Study, Customs Brokers and Transit. More guidance on the individual agenda items is provided below.

I. (item X. of the TFAWG agenda) NCTFs and other Border Agency Cooperation

Document PT0072

   a) Update on OIE-WCO Joint Workshop
   b) Project between India and Benelux involving Customs and (phyto) sanitary cooperation
   c) National Committees on Trade Facilitation (NCTF) – Action Plan, including presentation by India

34. Coordinated Border Management is a cornerstone of efficient and effective procedures at the border. In today's trading environment, electronic exchange of information is equally important.

35. This item will update the TFAWG about the OIE-WCO Joint Workshop regarding Veterinary Service-Customs cooperation and it will showcase a project between India, Belgium, Netherlands and Luxembourg that involves Customs and (Phyto) Sanitary Services working together to facilitate trade in plant and dairy products.

36. Furthermore, the issue of National Committees on Trade Facilitation (NCTF) will be addressed. Article 23.2 of the TFA calls for the National Committee on Trade Facilitation (NCTF) to facilitate both domestic coordination and implementation of the provisions set out of the TFA. Articles 15 to 19 of the TFA set out the time frame for the implementation of the Agreement by developing and least developed countries.

37. It is evident from the aforementioned Articles that implementation of the provisions of the TFA must be coordinated and facilitated by the NCTFs by a specific date. In this regard, the implementation clock has already been ticking since February 2017, meaning that countries should by now have established their NCTFs and put in place a plan of action for the implementation of the TFA. It is within this context that India will give a presentation.
38. The Joint Session of the PTC and TFAWG will be invited to:

- Take note of the update on the OIE-WCO Joint Workshop;
- Take note of the project between India and the Benelux;
- Take note of the presentation by India regarding their NCTF;
- Exchange experiences on setting up an NCTF and potential challenges and solutions;
- Share case studies on the successful establishment of NCTFs;
- Take note of the WCO tools that support NCTFs; and
- Provide input on the updating of the NCTF Guidance.

II. (item XI. of the TFAWG agenda) Time Release Study

   Document: PT0068 and PT0069

   a) Update TRS Guide
   b) Analysis of TRS outcomes submitted to the WCO Secretariat

39. The WCO TRS is specifically mentioned in the TFA as a tool for Members for measuring and publishing average release time of goods. The TRS not only measures the performance of border clearance processes but also helps Members identify bottlenecks in their border management procedures, giving them the opportunity to determine the causes and rectifying them through appropriate measures. The TRS might therefore also drive their development needs, not only for Customs but also for stakeholders. The TRS is also an excellent tool for NCTFs to use in monitoring the implementation of the TFA.

40. Noting the growing importance of TRS internationally, the October 2016 Joint Session of the Permanent Technical Committee (PTC) and the WCO Working Group on the WTO Trade Facilitation Agreement (TFAWG) considered the WCO Secretariat’s proposal to update the TRS Guide based on experiences gained during TRS technical assistance missions and feedback received from Members.

41. In general, delegates to the Joint Session welcomed the Secretariat’s proposal, and agreed to establish a Virtual Working Group (VWG) to update the TRS tools including the TRS Guide to reflect new developments and opportunities without changing the core methodology.

42. In addition, the Secretariat will share the collective findings from the gathering and analysis of the outcomes of Members TRS exercises submitted to date.

43. The Joint Session of the PTC and TFAWG is invited to:

- Take note of, and discuss, the new features incorporated in the proposed preliminary version of the updated TRS Guide;
- Examine holistically the content and structure of the draft updated Guide and, if appropriate, approve it, which could be further enriched with additional good practices of Members;
- Share their working experiences and lessons learned with respect to TRS;
- Take note of the preliminary analysis of the TRS reports submitted to the Secretariat, and provide further guidance on what potential information or aspects may be included for enriching the document;
• Share their TRS reports with the Secretariat by 30th October 2017 and thereafter on a continual basis, to enable the Secretariat in carrying out a detailed analysis including regional and sub-regional analysis.

III. (item XII. of the TFAWG agenda) Customs Brokers

44. At its December 2015 Session, the Policy Commission endorsed the draft ‘WCO Study Report on Customs Brokers’. The Study Report has since been finalized and published on the WCO website. It provides a general background and overview of Customs brokers’ role in the international supply chain together with some suggested policy and organizational considerations on Customs broker regimes and a model checklist for licensing/regulating brokers.

45. One of the key recommendations of the Study Report is that Customs brokers’ licensing/regulatory regime should be optional, transparent, and non-discriminatory. The Study Report is being extensively used by Members and the private sector including Customs brokers and their associations in their respective activities.

46. The Permanent Technical Committee (PTC), at its 213th/214th Sessions held in October 2016, further discussed the topic of Customs brokers including changing roles of brokers in the evolving supply chain especially in the E-Commerce environment and provided a few suggestions in terms of the future work that included developing further guidance on the ‘optional’ use of brokers’, compliance management and related processes, and capacity building in terms of education and professional development. Concerning new guidance on Customs brokers, it was also suggested to bear in mind the different practices and requirements among Members as well as brokers’ perspectives and related initiatives undertaken by them.

47. The Economic Competitiveness Plan (ECP) Action Plan for Phase III (January 2017 to December 2018) as endorsed by the December 2016 Policy Commission also included the development of an additional guidance on Customs Brokers topic as one of the action items.

48. The Joint Session of the TFAWG and PTC is invited to:

- Examine the draft Guidelines on Customs brokers and provide suggestions for potential enhancement thereof with a view to finalize them;
- Encourage delegates to share their working experiences and best practices concerning Customs brokers regimes for further enriching the Guidelines as a “living document”; and
- Discuss potential opportunities for enhancing cooperation between Customs and Customs brokers, in the context of new and emerging developments in the international supply chain.
IV. (item XIII. of the TFAWG agenda) Transit

49. The establishment by Members of efficient and effective transit regimes in their territories is a major trade facilitation measure. The Revised Kyoto Convention (RKC), Article V of the General Agreement on Tariffs and Trade (GATT), and Article 11 of the World Trade Organization Agreement on Trade Facilitation (WTO TFA), frame the nature of transit by prohibiting the application of any duties and taxes for goods in transit and ensuring their free flow. For Customs administrations, however, transit still causes concerns vis-à-vis the cases of diversion of transit goods to home consumption and the associated revenue implications, as well as other illicit activities involving goods in transit.

50. In addition to the international legal instruments, which are subject to implementation by their respective contracting parties, such as the WTO TFA, transit is outlined as a key element in United Nations (UN) strategy papers like the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014 - 2020. Both the WTO and the UN highlight the role of transit for developing countries, especially landlocked developing countries (LLDCs), which face much higher trade costs due to their greater distances from the main markets, additional border crossings, cumbersome transit procedures and inadequate infrastructure.

51. Against this background, the need to develop clear steps for transit facilitation cannot be overestimated. To help meet this need the WCO developed a new tool – the WCO Transit Guidelines and organised its first Global Transit Conference.

52. The Global Transit Conference was held on 10-11 July 2017 at the WCO Headquarters in Brussels. The Conference was attended by over 200 delegates from more than 80 countries, including heads of Customs administrations, representatives of international organisations, development partners, the private sector and academia. Among the attendees were high-level guests such as the Minister of Finance of Zambia, the UN High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the Minister in Charge of Customs Cooperation of the Eurasian Economic Commission and the Deputy Executive Secretary of the United Nations Economic Commission for Europe.

53. Following the launch of the Transit Guidelines in July 2017, the WCO would now put the focus on the implementation of the guidelines and the collection of best practices. In this context the organisation of a series of regional workshops is envisaged with a view to promoting the Transit Guidelines and collecting best practices of their implementation. Future plans include also the publishing, in a separate publication, of a compilation of national and regional best practices in the area of transit and organising a second Global Transit Conference in 2020.

54. The Joint Session of the TFA WG and PTC is invited to:

- Take note of the information outlined in document PT0071;
- Call on Members to implement the Transit Guidelines;
- Call on Members to submit their practices on transit facilitation, and
- Provide any further suggestions for the way forward in supporting Members improve their transit capabilities.
IX. Future of Customs

a) Disruptive technologies

b) Break-out session on disruptive technologies

55. The PTC had at its last sessions provided guidance on the way forward for the Virtual Working Group on the Future of Customs (VWG FC) and agreed that it will focus mainly on two different areas: i. Exploring disruptive technologies while focusing on their benefits, risks and role in the supply chain, as well as taking into consideration the interlinkages between them; and ii. Exploring strategic foresight as a means of better addressing the ‘Future of Customs’ agenda.

56. Bearing in mind the importance of exploring new and emerging trends for successful policy making, the PTC decided that the VWG FC would focus on exploring disruptive technologies which are gradually becoming part of our lives. However, the benefits for Customs and border management, have not yet been fully explored. Therefore, it was found relevant to carry out further exploratory work and research on these topics and provide more information on their use, benefits, risks, their role in the supply chain etc. The aim is also to take into consideration the interlinkages between the different disruptive technologies and have a more holistic approach to how latest technologies can support Customs business.

57. The PTC will now have an opportunity to discuss in more detail the exploratory work done by members of the Virtual Working Group in respect of disruptive technologies and to discuss through a break-out session how they could be further explored and used in border and supply chain management.

58. After a comprehensive panel discussion which will set the scene and provide food for thought, the PTC delegates will be invited to discuss the following questions in a break-out session and report back in the plenary:

- What are the benefits of disruptive technologies and how are they used in Customs and border management today?
- What can we envisage for their future use and what would be the recommendations to policy leaders?

X. E-Commerce

b) Draft Recommendations for the Policy Commission

c) Potential WCO Communication on E-Commerce to the 11th WTO Ministerial Conference
d) Update of the Immediate Release Guidelines (IRG)

59. The PTC will be invited to provide its suggestions on the draft Recommendation to be put forward to the Policy Commission in December 2017.

60. Based on the work carried out by the WGEC and its four Sub-Groups, a draft Recommendation has been developed by a group (comprising the WGEC Co-Chairs and the Sub-Group Co-Leads) led by the EU with the support of the Secretariat.

61. The draft Recommendation will be discussed by the 2nd Meeting of WCO Working Group on E-Commerce (WGEC) to be held from 10 to 13 October 2017 (the week prior to the PTC meeting). The outcomes of the WGEC will be presented at the PTC. PTC Delegates are requested to coordinate with their respective WGEC delegates in advance of the meeting.

62. Based on the discussions and additional inputs provided by the PTC, the draft Recommendation will be further refined and presented to the December 2017 Policy Commission and the Council for their respective consideration and potential adoption.

63. The Eleventh WTO Ministerial Conference (MC11) will take place from 10 to 13 December 2017 in Buenos Aires, Argentina (the week following the WCO Policy Commission meeting in Egypt). The Ministerial Conference, which is attended by trade ministers and other senior officials.

64. At this stage, it is difficult to predict whether and which aspect of E-Commerce will be discussed at the MC11. However, the picture will be clearer once the MC11 Agenda is available. Nevertheless, E-Commerce will be one of the topics of the side events which will be taking place on the sidelines of the MC11.

65. Given the global attention to exponentially growing E-Commerce and the work currently being done by the WCO in partnership with relevant stakeholders, it is considered to be an opportune moment for the Policy Commission to reflect on global developments in the international supply chain driven by E-Commerce, take stock of the work undertaken by the WGEC in terms of developing practical solutions, and share its thoughts on ECommerce with the MC11 through a Communication from the International Customs Community.

66. The PTC will be invited to discuss, provide suggestions and, if appropriate, approve the Communication from the International Customs Community on Cross-Border E-Commerce on the occasion of the Eleventh WTO Ministerial Conference.

67. The Secretariat will also inform the PTC on the work done so far in the area of Immediate Release Guidelines (IRG). A preliminary draft updated IRG has been developed by the Secretariat to incorporate the specific elements supporting the growing E-Commerce. It has been submitted to the recent meeting of the WGEC for inputs and recommendations. Following the discussions at the WGEC, the draft updated IRG is submitted to the PTC for further inputs and comments. The finalized updated version of the IRG is expected to be presented to the WGEC during the April 2018 Meeting and to be endorsed by the PTC during its April 2018 sessions.
The delegates are invited to:

- consider the preliminary draft updated IRG adapted to the E-Commerce environment and suggest areas for further enhancement;
- examine the data elements and provide suggestions on their potential adjustments in accordance with the WCO Data Model; and
- share national experiences for their possible inclusion in the final version of the updated IRG.

XII. Cooperation with Railways

- Panel discussion on Customs-Railway cooperation

A growing portion of goods in international trade, especially in some regions and countries, is being transported by railway and thus crossing borders, which implies the need for cooperation between railway companies and Customs administrations. The WCO has not held extensive discussions on Customs-Railway cooperation recently, in either the PTC or other WCO meetings. However, some initial steps have been taken to strengthen cooperation with international organizations dealing with railways, specifically on transit-related matters.

This item will be introduced by a panel discussion that will provide more insight on current projects and initiatives with a view to improving facilitation and control of cross-border movement of goods transported by rail. The panel will set the scene for a discussion that aims to explore challenges and opportunities of Customs-Railway cooperation at both national and regional levels.

The PTC is expected to discuss Customs-Railway cooperation in terms of exploring opportunities for improved trade facilitation and controls of goods moving across borders by rail. The discussion will be kicked off by a panel, after which the PTC delegates will be invited to share:

- national and regional experiences and railway-related projects;
- the main challenges faced and opportunities for improvements at national and regional levels; and
- the way cooperation at international level between WCO and railway organizations can best support progress in this area.

XIV. Special Customs Zones

- Progress report on potential guidance on special Customs zones

The Action Plan of the Economic Competitiveness Package invites discussion on the possible development of an instrument for Special Customs Zones (SCZs). The WCO actively joined events on Free Zones and exchanged views on potential benefits and risk factors of Special Zones. The WCO is in the process of preparing to organize regional
workshops to learn about experiences of Members, which will enable the WCO to take an informed decision about the actual need for revision of instruments, amendment of existing guidance material or the need to draft completely new guidelines.

73. The PTC will be updated on the progress to date and invited to:

- share experiences with SEZs in their countries;
- provide feedback on the objective and scope of the regional workshops;
- prioritise issues that need to be resolved in relation to SEZs, if any;
- volunteer their country as host for the regional workshops;

XV. Integrated Supply Chain Management (ISCM)

- **Update of the ISCM Guidelines**

Document: PC0491

74. After extensive discussions and inputs put forward by the PTC at its last sessions, the work on the update of the ISCM Guidelines has been launched under the SAFE Mini Group led by the Netherlands.

75. The PTC will now be updated on the work carried out so far and will be invited to provide further guidance.

76. The PTC will be invited to:

- take note of the work carried out so far and the suggested approach with the future work and eventual integration of the ISCM Guidelines into the SAFE Framework of Standards; and
- provide further guidance including suggestions with regard to specific areas of the ISCM Guidelines that needed to be enhanced/adjusted during the current update process.