



PERMANENT
TECHNICAL
COMMITTEE

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-
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18 – 20 May 2020

Brussels, 24 March 2020.

E-COMMERCE
FRAMEWORK OF STANDARDS - UPDATE/MAINTENANCE MECHANISM

(Item IX. (c) on the Agenda)
(“C” Item on the Agenda)

SUMMARY

Purpose of document

This document deals with the possible update/maintenance mechanism of the E-Commerce Framework of Standards (FoS) and suggests the PTC's examination and potential endorsement of the draft document on a PTC decision on the E-Commerce FoS update/maintenance mechanism, which was discussed and endorsed by the Working Group on E-Commerce (WGEC) at its 6th Meeting.

Action required of the Permanent Technical Committee

The Permanent Technical Committee is invited to :

- discuss the governance arrangements for e-commerce and the E-Commerce FoS, and as appropriate, agree that such governance, as well as the review process, should be conducted mainly by the PTC, and the EC as necessary;
- examine the draft document on a PTC decision on the E-Commerce FoS update/maintenance mechanism endorsed by the WGEC, as appended in the Annex hereto;
- consider the WGEC's recommendation to pinpoint the annexes on “Reference datasets for cross-border E-Commerce” and “Possible Approaches for Revenue Collection” as the documents subject to the first annual review; and,
- further develop the draft document on a PTC decision as appropriate and potentially endorse it.

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I. Introduction

1. At its March 2019 sessions, when considering the E-Commerce Package, the Permanent Technical Committee (PTC) recognized the need to define a mechanism for maintaining the Framework of Standards on Cross-Border E-Commerce¹ (E-Commerce FoS) and associated documents. A robust maintenance mechanism is required as certain aspects might need to be refined, reviewed and amended in the future, given that E-Commerce is a dynamically evolving environment.
2. To that end, the PTC invited Members to submit proposals with regard to the maintenance process to the Secretariat, by 1 September 2019, for further discussion at the Autumn 2019 PTC sessions.
3. Based on the proposals submitted by four Members, namely Australia, the European Union, the Netherlands and the United States, the PTC, at its October 2019 sessions, discussed the need for a maintenance mechanism for reviewing/updating the E-Commerce FoS and suggested that the experience of the SAFE Framework maintenance process be leveraged to inform this process.
4. At its 82nd Session, held in December 2019, the Policy Commission took note of Members' keen interest in holding a face-to-face meeting in order to finalize the outstanding work and to ensure a proper maintenance and update mechanism was established. The Policy Commission agreed to hold a face-to-face meeting by March 2020 to enable presentation of the completed work to the PTC in April 2020, and subsequently to the June 2020 Policy Commission and Council Sessions.
5. This document deals with the possible update/maintenance mechanism of the E-Commerce FoS and suggests the PTC's examination and potential endorsement of the draft document on a PTC decision on the update/maintenance mechanism of the E-Commerce FoS, which was discussed and endorsed by the Working Group on E-Commerce (WGEC) at its 6th Meeting held in February 2020.

II. Possible maintenance mechanism

6. Based on the above-mentioned four Members' proposals for possible future maintenance mechanisms as summarized in doc. PC0573E, as well as the discussions in the October 2019 PTC and in the 6th Meeting of WGEC, a possible maintenance mechanism for the E-Commerce FoS can be summarized as follows:

a) Review structure

7. Underlining the importance of giving sufficient time starting from the adoption of the Framework and to develop sufficient implementation experience to inform future amendments, the PTC, at its October 2019 meeting, agreed in principle with a review cycle of no more than four years, with provision for nearer term reviews as deemed necessary for several annexes.
8. The PTC also suggested that the experience of the SAFE Framework maintenance process, which is currently conducted under a two tiered process – three year periodic review and ad hoc review, be leveraged to inform this process. With this in mind, Australia proposed a two-tier review mechanism, which is similar to the SAFE's two-tiered process. Australia proposed a four-year periodic review, which could provide appropriate lead time for Members to implement the existing E-Commerce FoS and to gather experiences and case studies that could be used to

¹ <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/frameworks-of-standards/ecommerce.aspx>

inform the next review. Secondly, Australia and the United States also suggested an annual review for at least two annexes, as determined by the PTC that could provide regular opportunities to update annexes in response to emerging and/or time-critical E-Commerce issues.

9. Thus, based on these proposals described above, as well as the SAFE Framework's review process, the possible review cycle period/timing for E-Commerce FoS could be as follows:

- a) *Annual review* of at least two annexes each year, as determined by the PTC, which provides regular opportunities to update annexes in response to emerging and/or time-critical E-Commerce issues; and,
- b) *A four-year periodic review of the Framework*, to provide for the comprehensive review of the entire Framework, including those annexes that have not been considered as part of the annual review.

b) The timing of the first review

10. At its October 2019 Sessions, the PTC agreed that the review cycle timing be based on a start date of 2018, when the E-Commerce FoS was endorsed by the Policy Commission and Council.

11. Thus, the first periodic review of the Framework could be completed in financial year 2021/2022, four years after the adoption of the Framework in 2018, with the intention to provide appropriate lead time for WCO Members to implement the existing Framework and to gather experiences and case studies that could be used to inform this review. The first annual review of at least two annexes could commence in financial year 2020/2021.

c) Governance process and operating body

12. The review mechanism should take into account best practice governance arrangements, to ensure that any changes to the E-Commerce FoS are done in a periodic, orderly and transparent manner.

13. The 2019 June Policy Commission and Council decided to keep the E-Commerce topic as a standing item on the PTC and Enforcement Committee (EC) agendas. In principle, such governance, as well as review process, should be conducted by the PTC, which has two meetings annually, and the EC as necessary. In addition, some Members suggested maintaining the existing virtual setting and the concept of sub-groups, as well as possibly holding a physical meeting once a year at the WCO, preferably after the PTC Meeting to discuss important topics such as business and governmental developments and best practices to feed into a possible review.

III. The way forward

14. With all of the above in mind, in order to facilitate the discussion on the possible update/maintenance mechanism of the E-Commerce FoS, the Secretariat developed a draft document to describe possible PTC's decision on the E-commerce FoS update/maintenance mechanism, and the WGEC at its 6th Meeting in February 2020 developed it further to reflect comments and input from delegates and endorsed the draft document on a PTC decision, as appended in the Annex to this document. The finalized document on a PTC decision will be submitted to the Policy Commission and the Council in June 2020 for their consideration and potential endorsement.

15. As the WGEC agreed that the first annual review of at least two annexes could commence in financial year 2020/2021, the two annexes that could be subject to the first annual review were also discussed in the WGEC at its 6th Meeting. The Group decided to recommend to the 227th /228th Sessions of the PTC to consider the annexes on “Reference datasets for cross-border E-Commerce” and “Revenue Collection approaches” as the documents subject to the first annual review.

IV. Action required

16. The PTC is requested to :
- discuss the governance arrangements for e-commerce and the E-Commerce FoS, and as appropriate, agree that such governance, as well as the review process, should be conducted mainly by the PTC, and the EC as necessary;
 - examine the draft document on a PTC decision on the E-Commerce FoS update/maintenance mechanism endorsed by the WGEC, as appended in the Annex hereto;
 - consider the WGEC’s recommendation to pinpoint the annexes on “Reference datasets for cross-border E-Commerce” and “Revenue Collection Approaches” as the documents subject to the first annual review; and,
 - further develop the draft document on a PTC decision as appropriate and potentially endorse it.
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