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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
-
205<sup>th</sup>/206<sup>th</sup> Sessions
-
27 – 31 October 2014

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Brussels, 9 January 2015.

### REPORT TO THE CUSTOMS CO-OPERATION COUNCIL ON THE
### 205<sup>TH</sup>/206<sup>TH</sup> SESSIONS OF THE PERMANENT TECHNICAL COMMITTEE
### (27 - 31 October 2014)

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# I. OPENING OF THE MEETING AND ADOPTION OF THE AGENDA

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

1.      Ms. Heike Barczyk, the new Deputy Director of Compliance and Facilitation, opened the meeting and welcomed all delegates. The list of participants is set out at the Annex hereto.

2.      The PTC acknowledged the opening remarks made by Mr. Gaozhang Zhu, Director of Compliance and Facilitation who, among other things, highlighted the focus of the PTC discussions on the Mercator Programme and trade facilitation, including the WTO Trade Facilitation Agreement (TFA), Regional Integration, Customs-Business Partnership, Time Release Study and Data Quality.

3.      He invited the PTC to think more about what should be discussed in the next year and beyond and to use the discussions during the week as food for thought on the PTC's future endeavours.

4.      The Director explained in more detail the few areas that the PTC will be focusing on during the meeting, such as the WTO Trade Facilitation Agreement (TFA) and how to use the momentum created after the adoption of the TFA to push the trade facilitation agenda forward, especially through the WCO Mercator programme launched in June 2014. Both the Policy Commission and Council had provided full support for this strategic initiative. The Working Group on the TFA, end of September 2014, concluded that, despite the current impasse in Geneva, the Customs community should continue its efforts on trade facilitation in general, not just the TFA. A panel at the start of the meeting was to discuss in more detail how exactly this can be achieved through the Mercator programme.

5.      He further mentioned regional integration as another very important topic. The Policy Commission in December tasked the PTC to monitor and research this topic, bearing in mind the specific priority areas identified by Members. In the break-out session, the delegates would be invited to share their views and collect inputs that will guide and support WCO's further work.

6.      Taking into account that efficient transit systems can improve regional economic integration, he made reference to the first draft of the Transit Handbook that would be presented during the week. Equally, the PTC would see a few examples of Globally Networked Customs utility blocks which have a strong regional component, and can present a significant asset to the regional integration agenda.

7.      E-commerce has been identified as one of the priority areas for the PTC. The discussions on this topic would provide more focus to the future efforts to overcome challenges Customs are facing with the tremendous growth of internet purchases.

8.      Mr. Zhu stressed that the Time Release Study was not new, but a very important tool, the benefits of which he believed have not yet to the full extent been utilized by Members. At a time when results-based management is critical for many administrations, a performance measurement tool such as the TRS Guide is becoming indispensible. A number of Members would be sharing their case studies and providing insights on how the TRS had helped them improve performance.

9.    He mentioned some of the instruments and tools that were lined up for adoption by the Meeting, such as the Customs-Business Partnership Guidance, Model Business Lens Checklist for Small and Medium Sized Enterprises, Compendium on Coordinated Border Management and others.

10.    In addition, only a couple of weeks before, the SAFE Working Group had approved the WCO Recommendation on Data Quality, and was now looking for endorsement by the PTC. The Director shared his belief that this Recommendation will present a milestone in achieving better quality of data used by Customs.

11.    As his last remark, the Director mentioned that the previous PTC meeting had suggested to have a strategic discussion on the Future of Customs and to try to envisage some of the emerging challenges. He hoped that this would help the PTC be more forward looking and to be addressing any potential issues at an early stage. He further stressed that the involvement of Members in preparing this particular discussion is very important and invited the delegates to share with the Secretariat their suggestions and contributions for this discussion, in the intersession.

### c)    Election of the Chair and the Vice-Chair

12.    The PTC elects a Chairperson and a Vice-Chairperson each year. The Chairperson and Vice-Chairperson are elected for a period of one year and are eligible for re-election. The PTC was now invited to elect the Chairperson and Vice-Chairperson amongst its delegates, for the 2014/2015 calendar year.

13.    The PTC unanimously re-elected Mr. Francois ABOUZI (Togo) as Chairperson and unanimously elected Mr. Jan ZRALEK (Poland) for Vice-Chairperson of the PTC.

### d)    Adoption of the Draft Agenda and the Summary Document

14.    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.

15.    The PTC adopted the Draft Agenda (PC0375) and the Summary Document (PC0376).

## II. WTO TRADE FACILITATION AGREEMENT (TFA)

### a)    Panel discussion on "The Mercator programme and priorities and challenges in TF implementation"

### Background

16.    A panel on the Mercator programme and the priorities and challenges in implementation of trade facilitation (TF) was planned with the objective of bringing together speakers from WCO Members and international organizations to discuss and try to identify the TF-related areas which will pose the biggest challenge in preparing for implementation in the future, as well as to identify how Members can prioritise implementation of commitments also related to the WTO Trade Facilitation Agreement (TFA).

17.     The PTC was invited to come prepared to actively contribute to the discussions, to share their national practices during the plenary and share their views on how the Mercator Programme can support Members effectively.

**Discussion**

18.     The Deputy Director provided some background information on the current developments in Geneva and the work of the WCO in the area of TFA, explaining that the WCO Working Group on the WTO Trade Facilitation Agreement (TFAWG) had discussed the future of the Mercator programme during its September meeting and agreed that momentum to implement trade facilitation measures existed at present, regardless of the current situation at the WTO, and that the focus should be on trade facilitation in general, not just the TFA.

19.     She further provided more information on the Mercator programme and its dual-track approach, including the overall track and the tailor-made track, explaining how this work fits into the overall WCO Capacity Building methodology including the use of the WCO pool of accredited national experts, donor coordination, promotion, maintenance and development of WCO instruments and tools, organization of regional and national awareness raising events with other government agencies and stakeholders, etc.

20.     Coordination efforts by development partners and by administrations themselves at national level, should be maintained and even enhanced in order to find synergies and avoid duplication. Other preconditions for successful implementation of trade facilitation measures were political will, ownership, results-based management and the use of global standards, such as the RKC, at national, regional and global levels.

21.     The Deputy Director further stressed that the Policy Commission would at its meeting in December discuss trade facilitation matters, too.

22.     The panel was composed of the following speakers:

Moderator:
- Mr. Roy Skårslette, Senior Customs Representative of Norway in Brussels

Speakers:
- Mr. Guillermo Villarrazo, Head of Department, Argentinean Revenue Service

- Mr. Xiangyang Sun, Customs attaché of China in Brussels

- Dr. Gasper Konneh, Senior Inspector of Customs, Research Officer at the International Co-operation Unit, Cameroon Customs

- Mr. Yann Duval, Chief, Trade Facilitation, Trade and Investment Division, UN/ESCAP

23.     Mr. Skårslette underlined that the discussions in the panel were meant to build on the outcomes of the discussions which had taken place to that moment and potentially support discussions at the Policy Commission in Brazil. The PTC, as the key strategic WCO body responsible for procedures and trade facilitation, was well positioned to determine which trade facilitation measures are the most challenging to accomplish and what have been key factors of success in the past.

24.      In his introduction, the Moderator explained that the countries of his region were facing different challenges. Europe is the biggest region with 52 Members at different levels of compliance with the TFA. He envisaged that 28 Members will be supported by the European Union, while others will be standing on their own, some of which will be requiring support from the Mercator programme and the WCO. He also felt that the European ROCB could play an important role in that respect.

25.      Putting on his Norwegian hat, the Moderator underlined that his country also had some homework to do in terms of complying with the provisions of the Agreement, mainly in terms of amending the legislation, as most of the procedures envisaged by the TFA were already practiced, but some were not included in the legislation.

26.      After introducing the speakers, Mr. Skårslette conveyed regrets from the WTO Secretariat for not being able to respond to the invitation to speak at the panel, but the WTO had sent a message in which it expressed its full support for the WCO's TFA-related work so far, as well as for the Mercator programme.

27.      The panel consisted of two rounds of questions. The first round consisted of questions with a broader scope:

- What are the key opportunities and what are the most important implementation challenges that you expect?
- Have implementation priorities changed with the adoption of the TFA in December 2013 and at the time when the TFA Protocol had encountered some difficulties at the WTO?

28.      Mr. Villarazzo (Argentina), provided information on what the ROCB in Argentina had done to that point in relation to the TFA and what regional priorities existed in the Americas and Carribean region. He explained that there were a number of facilitation measures that were being pursued on regional level, such as authorized economic operators (AEOs) and risk management. In addition, two other regional initiatives had been on-going, such as the Indira system for exchange of information (that would be in detail presented under item XII.a)) and the ISTA transit security initiative including the use of e-seals.

29.      Very soon after the TFA was concluded, the ROCB in cooperation with Argentina Customs developed an e-learning module for the officers in the region to get acquainted with the TFA provisions. To that date, 300 officers had gone through this course which was available in English and Spanish language. The ROCB was willing to make this course available also on the WCO CLICK! platform.

30.      Mr. Sun (China) explained that despite the difficulties with the Protocol, his Administration was continuing preparations for TFA implementation, including amendments to the legislation and notifications of category A commitments.

31.      He further stressed that the TFA provided a broad framework for trade facilitation, which enabled China Customs to continue with the ongoing modernization efforts. One of the biggest challenges was achieving harmonized implementation across all 40 regions in China, which had therefore been placed high on the list of priorities.

32.       He felt that the key opportunity provided by the conclusion of the TFA was the high-level political will that was now present to implement trade facilitation measures that are already available in WCO instruments and tools. The political will allowed securing a uniform approach by Customs and other border agencies.

33.       Dr. Konneh (Cameroon) confirmed the importance of political support and awareness of trade facilitation on national, regional and global level, which provided momentum for on-going Customs modernization programmes. The key challenges, he felt, were unavailability of means and ways of implementation, such as infrastructure and technology. Many measures required IT support for proper implementation and this presented a challenge.

34.       He further mentioned informal trade as a serious obstacle for his whole region, for example in terms of implementing post-clearance audit. Nevertheless, he stressed that the priorities in terms of implementing TFA provisions have not changed with the impasse in Geneva, and that Cameroon was well on its way of preparing for implementation.

35.       Mr. Duval (UN/ESCAP) felt that the TFA was able to boost trade facilitation in two ways, by: 1. moving TF to a very practical level by providing a list of concrete TF measures to implement, and 2. connecting developing countries with the appropriate technical assistance and capacity building. There were many programmes in place for supporting the TFA and the challenge was appropriate coordination: "who is going to do what and how?" Coordination between Annex D+ organizations and further coordination with regional development banks was essential.

36.       He felt that another challenge was that many of the existing programmes for TF were Customs-focused, but needed to be broader to bring into scope other parties in the supply chain such as other regulatory agencies, transport, logistics etc. In that context, it would be important that TF programmes developed post-TFA adoption not be strictly limited to measures included in the TFA.

37.       The Moderator concluded the first round of interventions by stressing the importance of political will and ownership for implementation, the need for support for the ongoing modernization projects, making use of the tailor-made assistance provided by the Mercator programme and the need for coordination at different levels.

38.       He further mentioned the importance of involving the private sector, which was agreed by all the panelists. China, for example, mentioned that it was putting in place a mechanism which would allow the private sector to submit comments before and during the TFA implementation, in order to evaluate results.

39.       The second round consisted of more specific questions, taking into consideration the different backgrounds of the panel speakers:

- What are the latest trends in the Americas and Caribbean region and how have regional integration projects been reflected in that respect? From the perspective of Argentinean Customs, what trade facilitation measures have proved to be most effective?
- China has generously committed substantial financial support to the Mercator programme. What would be the key for successful Capacity Building to implement global standards, from the perspective of China? What do countries need to do to keep the momentum going?

- Cameroon Customs has benefited from WCO technical assistance and Capacity Building in the past years? Which type of assistance has shown best results and what would be some potential quick wins? How did Cameroon determine the priorities and the right sequencing of activities, including trade facilitation measures?
- UN/ESCAP has been involved in supporting Members in various trade facilitation projects in the Asia/Pacific region. Based on that experience, what are the key success factors for mitigating the gap between determined priorities and results achieved?

40.     Mr. Villarazo elaborated more on the priorities that have been identified as key in the Americas and Caribbean region, such as the regional approaches to risk management and AEO programmes.

41.     Mr. Sun explained that China's substantial contribution committed to the WCO for TA/CB activities in developing and least developed countries (LDCs) would not be a benefit only for those countries, but also for China as one of the biggest trading nations in the world.

42.     He underlined that awareness of WCO standards was very important, but not only on central/Headquarters level, but also on operational level. Therefore, he felt that it was important to have in place a good platform for dispersing knowledge of WCO tools on that level as well.

43.     Dr. Konneh reiterated how Cameroon Customs has benefited from WCO TA/CB support and that substantial improvements have been experienced in the development of strategic plans.

44.     He felt that the quick wins could be achieved in implementing performance measurement, such as the Time Release Study and Performance Contracts, as well as in improving integrity. Cameroon has benefited from a number of needs assessments, including the WTO self-assessment, but he felt that the Diagnostic mission received through the Columbus programme was most comprehensive and beneficial.

45.     Mr. Duval elaborated on what he felt were the important factors of success: political will at ministerial level; including the private sector into the reform process and into the National Committees on Trade Facilitation; funding, for which the adoption of the TFA has provided important opportunities. Monitoring implementation and measuring results was also critical, and he mentioned that ESCAP, ADB and WCO were collaborating in establishing trade and transport facilitation monitoring mechanisms in several LDCs in Asia, with TRS as one of the important tools being promoted.

46.     The panel discussions generated a lot of interventions from the floor. There was general agreement that the Mercator programme was a useful initiative to support trade facilitation specifically and it was confirmed that it was built on the WCO Capacity Building methodology developed over many years, but had a specific focus on trade facilitation.

47.     A delegate suggested that the Mercator programme needed to be results-based and that the WCO needed to have its own performance measurement, so as to rely less on third party measurements, which was later supported by another delegate.

48.     Regarding the question on how to continue if the TFA does not enter into force, a panelist reminded that there were many regional trade agreements in place around the world that included trade facilitation measures existing under the TFA. Therefore, these

trade facilitation measures were still priorities for many countries. Despite the impasse in Geneva, there seemed to be continued and full support for the TF agenda.

49.    A number of delegates reconfirmed the importance of political will and ownership for successful TFA implementation, as well as the need for the private sector to get closely involved.

50.    A Member stressed the important role that the TFAWG was playing and the close cooperation with the WTO in that regard.

51.    It was felt by a number of delegates that it was important to ensure full visibility of the Mercator programme. One delegate emphasized that support to regional groups was also important and recommended reaching out to Customs Unions and Regional Economic Communities directly.

52.    A delegate enquired on whether an assessment was made to identify to what extent the 40+ trade facilitation measures in the TFA have been implemented so far, as this would provide guidance in terms of prioritizing TA/CB activities.

53.    In response, the Deputy Director explained that performance measurement was currently under discussion in all WCO Directorates, had been a long-standing item in the Capacity Building Committee and would be discussed in detail at the upcoming Policy Commission in Brazil. The WCO had produced a list of performance indicators for the TFA, with the objective of supporting Members via a self-assessment approach in the annual WCO Capacity Building needs collection. Related to showing results, she referred Members to the WCO Capacity Building Progress Report that is updated twice a year and individually shows activities and results per Member that has worked with the WCO in the Capacity Building context. Mr. Duval also informed that TF implementation surveys have been conducted annually by UN/ESCAP since 2012 and that a Global TF implementation survey was now on-going in cooperation with other UN Regional Commissions and several Annex D organizations.

**Conclusion**

54.    The PTC took note of Secretariat's introduction on the scope of the Mercator programme and its different components.

55.    The PTC took note of the panel discussion. There was agreement that the adoption of the WTO TFA (including the current stalemate) has not drastically changed the priorities of Members in the TF area. However, it was felt that the TFA has generated a political momentum which provided an opportunity for ensuring the necessary level of political will to push the trade facilitation agenda forward, including bringing more closely together all relevant stakeholders (for instance through the national trade facilitation committees). Norway indicated that even in the developed world there were still steps that needed to be taken (for instance aligning legislation) to achieve full compliance with the TFA. Some of the regional priorities regarding work on TF measures that the panel mentioned included AEOs, RM and transit. Further identified challenges included: harmonization of procedures even on national level, lack of IT support and infrastructure, informal trade practices and lack of coordination amongst all stakeholders (not only different governmental agencies, but also the transport and logistics providers and others); the role of the private sector and their early involvement was felt to be pertinent.

56.        The PTC agreed that key factors for successful implementation include: political will and ownership, support to ongoing modernization projects and tailor-made assistance, monitoring and performance measurement, coordination at different levels and funding.

57.        The PTC agreed that it was important both for the WCO Secretariat and Members to ensure full visibility of the Mercator Programme.

      **b)**     **Inter-sessional developments**
             Document: PC0396

      **c)**     **Outcomes of the 2nd Meeting of the TFAWG**
             Document: PC_TFA2b

**Background**

58.        Sub-items b) and c) were taken up together.

59.        Sub-item b) served to provide information on the main outcomes of discussions relating to the WTO Trade Facilitation Agreement (TFA) in WCO meetings and events which took place in the intersession (other than in the TFA Working Group), including meetings with other international organizations.

60.        Sub-item c) was meant to update delegates on the key outcomes from the 2nd Meeting of the TFAWG which took place on 29 and 30 September 2014. The Executive Summary had been provided to the PTC.

**Discussion**

61.        The Deputy Director provided an update on TFA-related intersessional developments, as elaborated in document PC0396, while the Chairperson of the TFAWG Ms. Gugu Treasure Dlamini (Swaziland) reported on the outcomes of the 2nd Meeting of the TFAWG, which can be found in the Executive Summary on the WCO web site[1].

62.        A number of Members used this opportunity to confirm their support for the ongoing efforts of the WCO in terms of supporting TFA implementation such as: the Mercator programme; the TFAWG; development of the Analysis of Section I and the TA/CB work already carried out. A delegate reiterated the need for working closely with the private sector.

**Conclusion**

63.        The PTC took note of the TFA-related inter-sessional developments and decisions taken by the Policy Commission and Council.

64.        The PTC took note of the outcomes of the 2nd Meeting of the Working Group on the TFA presented by the Chairperson of the TFAWG, Ms. Gugu Treasure Dlamini (Swaziland).

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[1] http://www.wcoomd.org/en/media/newsroom/2014/october/iind-meeting-of-the-tfa-working-group.aspx

**d) Update of the Analysis of Section I**
Document: PC0377
Document: PC_377_Annex

**Background**

65.　The Analysis of trade facilitation measures contained in Section I was developed to provide relevant information and guidance in terms of implementation of TFA provisions by using WCO instruments and tools, to ensure a harmonized approach by Customs administrations. The Analysis also contains remarks regarding Article 23 on institutional arrangements, which is now part of Section III of the TFA, after the legal scrubbing of the text had been carried out by the WTO Preparatory Committee.

66.　The Analysis of Section I was discussed at the last PTC meeting, when recommendations for improvements had been raised by Members. These recommendations, but also the work carried out on the different articles in a number of WCO working bodies and within the Secretariat, are reflected in the Update of the Analysis of Section I.

67.　Delegates were invited to carefully examine the Analysis Rev.1 and provide guidance in terms of possible improvements and its further use.

**Discussion**

68.　The Secretariat presented the updated version of the Analysis, with a special focus on the improvements made to reflect the remarks put forward by the TFAWG at its 1st Meeting and the Permanent Technical Committee at its 203rd/204th Sessions.

69.　Some of the key changes in the updated Analysis include: indication of relevant authorities for all provisions, links between the TFA and a number of other related WTO agreements (i.e. Agreement on the Application of Sanitary and Phytosanitary Measures and Agreement on Technical Barriers to Trade), ICT considerations etc. It was also meant to pull together the outcomes of all relevant discussions which took place in different WCO working bodies during the intersession.

70.　The PTC was invited to provide guidance for possible improvements and further use of the Analysis, but also to identify high-priority measures to be carried out in terms of developing/updating WCO instruments/tools/projects (based on a list developed under document PC0377), with a view to further supporting preparations for TFA implementation.

71.　A number of delegates complimented the Secretariat on the excellent work in updating the Analysis, which was felt to be a good way of promoting the WCO instruments and tools and their role in implementing the TFA.

72.　It was also felt important to share the discrepancies which were identified between the TFA and RKC provisions at the RKC Management Committee meeting.

73.　There was also a question around the similarities and differences between the provisions on Authorized Operators (TFA Article 7.7) and the Authorized Traders (RKC) and Authorized Economic Operators (SAFE). The Secretariat explained that the three concepts were not the same, but that they were not in conflict either. Namely, the WTO TFA takes into consideration different models of the WCO: both Special Procedures for Authorized Persons (RKC - Transitional Standard 3.32) and the Authorized Economic

Operator (AEO) in the SAFE. For example, in the WTO text, the specified criteria for Authorized Operators (AO) are very similar to a number of criteria specified in the SAFE text (i.e. an appropriate record of compliance, a system of managing records, financial solvency, supply chain security). However, none of these requirements are mandatory in an AO scheme which may include only few of the specified criteria. Fundamental difference between AEO and AO is that in AEO there is thrust on supply chain security with consequent facilitation, whereas in AO the main thrust in on compliance or the risk of non – compliance with laws. In conclusion, implementation of the SAFE AEO programme, being comprehensive, could also fulfill the TFA requirements in terms of implementation of the AO scheme.

## Conclusion

74.　　　The PTC took note of the Secretariat's presentation on the Update of the Analysis of Section I of the TFA and further acknowledged the work on the Analysis which provided more visibility to WCO instruments and tools.

75.　　　The PTC agreed that the RKC/MC will be informed about the minor discrepancies between the TFA provisions and the RKC, which are reflected in the Analysis. There was no particular measure identified from the list in document PC0377 as high priority related to developing/updating WCO instruments/tools/projects.

## III. ECONOMIC COMPETITIVENESS PACKAGE

a)　**Progress report of the ECP Action Plan**
　　Document: PC0378

b)　**Revised ECP Action Plan**
　　Document: PC0379

c)　**The Update of ECP Toolkit**
　　Document: PC0380

## Background

76.　　　The Economic Competitiveness Package (ECP) comprises existing WCO tools and instruments which contribute to economic growth.  The Revised Kyoto Convention (RKC) is recognized as the core of the ECP. The ECP also includes all other WCO tools that strengthen trade facilitation.  In this respect, the ECP might provide practical implementation guidance for the WTO Trade Facilitation Agreement (TFA).

77.　　　The ECP Action Plan was endorsed at the Policy Commission's 68th Session in December 2012, with the objective of implementing and developing the Package. The Secretariat  had produced a table to show the progress made, including the development of new tools and instruments, such as the CBM Compendium, Transit Handbook, Model Business Lens Checklist for SMEs and Customs-Business Partnership Guidance.

78.　　　Since the current ECP Action plan had been adopted two years ago, it was time  for a new Action Plan to be developed for Phase II to cover the period from January 2015 to December 2016.  Based on the progress made by the WCO on the ECP to date, the Secretariat drafted an ECP Action Plan for Phase II.  Members were invited to examine the

draft ECP Action Plan for Phase II and to make any relevant comments with a view to improving it.

79.        The Secretariat had also 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 TFA Articles. The mentioned documents clearly showed the scope and progress of the ECP and formed a basis for discussions on the revised Action Plan.

**Discussion**

80.        The Secretariat presented on the progress report on the ECP Action Plan, the draft revised Action Plan and the updated ECP Toolkit. It highlighted the main points of the revised Action Plan such as the continuation of awareness-raising activities, Capacity Building delivery, development or elaboration of tools and instruments and organization of high-level or regional events on regional integration.

81.        Several delegates pointed out that the progress report on the ECP Action Plan should highlight achievements of Members and assess their impact. For instance, the recent increase in Contracting Parties to the RKC and the effect of national workshops on accession to RKC needed to be assessed. In response to this suggestion, the Secretariat replied that the style of the ECP progress reports would be looked at while also again hinting at the already existing WCO Capacity Building Progress Reports. Another delegate said that the progress report itself would encourage developing countries.

82.        A delegate appreciated the progress made under the current ECP Action Plan including the development of new instrument and tools. She also welcomed the revised ECP Action Plan which would have a positive impact on economic recovery and sustainable economic growth.

83.        Delegates shared their experiences of activities relevant to the ECP, including regional donor coordination events. The importance of awareness-raising activities was highlighted and several suggestions for the revised ECP Action Plan such as utilization of WCO regional structures, developing a newsletter or setting up a portal on the WCO website, were made by delegates.

**Conclusion**

84.        The PTC took note of the progress report on the ECP Action Plan and of the updated ECP Toolkit presented by the Secretariat. The PTC endorsed the revised ECP Action Plan for Phase II with inputs provided by Members.

## IV. <u>UPDATE AND REPORTS</u>

a)   **Inter-sessional developments**
     Document: PC0381
b)   **Report of the 13<sup>th</sup> Meeting of the Administrative Committee on Istanbul Convention/10<sup>th</sup> Meeting of the Contracting Parties to the ATA Convention**
     Document: PA0091
c)   **Report of the 10<sup>th</sup> Meeting of the Counterfeiting and Piracy Group**
     Document: TR0031
d)   **Air Cargo Security**

- **Report of the 8<sup>th</sup> Meeting of the Technical Experts Group on Air Cargo Security**
  Document: FA0038
- **Outcomes of the 1st meeting of the ICAO-WCO Joint Working Group on Advance Cargo Information**
  Document: PC_ICAO-WEO1
e) **Outcomes of the 13th Meeting of the SAFE Working Group**
  Document: PC_SAFE13
f) **Situation Regarding Acceptances of WCO Recommendations**
  Document: PC0394

## **Background**

85.     In line with the suggestion made at the 199<sup>th</sup>/200<sup>th</sup> 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 was introduced at the November 2013 PTC meeting, according to the proposals put forward by the Correspondence Group on the Future of the PTC.

86.     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. Comparable to so-called "A-items" at the Policy Commission, topics can be taken note of without any longer presentation. 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 are expected to have read through the papers and would be given an opportunity to pose any questions or to launch a relevant discussion, should they feel a need for those.

## **Discussion**

87.     In relation to sub-item a) and the establishment of the Working Group on Revenue Compliance and Fraud as mentioned in document PC0381, a Member shared a suggestion to keep the discussions on consumer health and safety, as well as on environmental crime out of the Working Group's scope.

88.     With regard to sub-item b), a delegate was enquiring about when the amended version of the Istanbul Convention would be uploaded on the WCO web site.

89.     In relation to sub-item f) regarding acceptances of WCO recommendations, a Member stressed that they had sent a letter to the Secretariat informing them of their acceptance of seven additional recommendations, which they believe would be included in the next version of the relevant document.

## **Conclusion**

90.     The PTC took note of the listed written reports.

91.     It further took note of the support of a Member for the newly established Working Group on Revenue Compliance and Fraud and of the suggestion to keep the discussions on consumer health and safety, as well as on environmental crime out of the Working Group's scope. The Secretariat clarified that, as instructed by the 71<sup>st</sup> Session of the Policy Commission, these topics had been included in the agenda of the 1<sup>st</sup> Meeting. The Policy

Commission had tasked the Enforcement Committee to prepare a recommendation on the appropriate WCO bodies to deal with these topics in the future.

92.	The PTC took note of the clarification that the amendments to the Istanbul Convention will be in force as of 3 November when the integrated version of the Convention will be uploaded on the WCO web site.

93.	Lastly, the PTC took note of a Member's update on the situation regarding its acceptance of WCO recommendations to be included in the next update of the relevant document.

## V. <u>CUSTOMS - BUSINESS PARTNERSHIP</u>

**a)	Customs-Business Partnership Guidance**
	Document: PC0382

## <u>Background</u>

94.	At its 121st/122nd Sessions held in 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.

95.	The 201st/202nd Sessions of the PTC held in November 2013 had endorsed the outline of the contents, while the 203rd/204th Sessions discussed in detail the draft text in a break-out session providing valuable inputs/comments.

96.	The Draft Guidance had since been reviewed and further developed and was now presented for the consideration and, if appropriate, endorsement by the PTC.

## <u>Discussion</u>

97.	Highlighting the significance of Customs-Business partnership, the Chair introduced the topic and informed delegates that the final draft Customs-Business Partnership is now being submitted to the PTC for endorsement and further guidance in terms of possible improvements as a living document, before its presentation to the Policy Commission in December 2014. He mentioned that the Guidance is also expected to assist Members in preparation for the implementation of the relevant provisions of the WTO TFA which foresees closer cooperation and partnership with, as well as consultation of private sector stakeholders.

98.	The Secretariat provided further background on the development of the Guidance engaging Customs and private sector together, and future ways forward. It was explained how this tool will be helpful in preparing Members not only for implementation of WTO TFA provisions, but also in developing a robust and sustainable Customs-business engagement mechanism that will be able to address any other issues of mutual concern, including engaging SMEs.

99.	The Secretariat also informed that, as directed by the Policy Commission and Council in June this year, an advanced pillar is being developed for Members which already have well-developed partnership arrangements with Business in place, but wish to

advance even further. The PTC was invited to review and endorse the draft text as well as provide guidance and contributions for developing the advanced pillar.

100.      In a wide ranging discussion, delegates underlined that strong partnership between Customs and Business was essential for moving forward the trade facilitation and compliance agenda. The PTC provided a number of valuable suggestions on engagement with business that included significance of political will, commitment at DG level and stressing benefits to the government and economy at large, as well as engaging businesses of all sectors and sizes, especially SMEs which may need greater support.

101.      Delegates stressed the need for a multi-layered engagement/consultation/partnership process (strategic, tactical and operational/functional level). It was suggested that to ensure effective engagement also at the operational level, Customs administrations may appoint client managers (or client coordinators), who need to be aware of the regular business of the company/companies concerned and act as front line contact points for the company/companies for practical questions or any Customs related problems encountered by the company/companies.

102.      Delegates felt that the Guidance in its current form provides a range of possibilities and Members may adapt it to their respective national context.

103.      Responding to the comments and suggestions by delegates, the Secretariat welcomed any further contributions which could be submitted in writing, and informed to suitably incorporate them in the revised version of the Guidance.

**Conclusion**

104.      The PTC took note of the presentation by the Secretariat on document PC0382 related to the development of the Customs – Business Partnership Guidance.

105.      The PTC discussed the revised draft Guidance and provided a number of valuable suggestions on engagement with business that included significance of political will, commitment at DG level and benefits to the government and economy at large, as well as engaging businesses of all sectors and sizes, including SMEs which may need greater support.

106.      The PTC endorsed the Customs-Business Partnership Guidance with some suggested changes by individual Members who will provide them in written to the Secretariat as soon as possible for submission for consideration of the December Policy Commission.

b)      **Business Lens Checklist for SMEs**
Document: PC0383

**Background**

107.      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. The Model Business Lens Checklist for SMEs is a tool that assists 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. A first draft Model Business

Lens Checklist for SMEs had been discussed at the last PTC meeting at which relevant comments had been made.

108. The draft Model Business Lens Checklist for SMEs had been revised to reflect comments made by Members at the last PTC sessions, including proposals for new items such as quality assurance review, feedback from the private sector and a new section on service standards.

**Discussion**

109. The Secretariat described the revised Model Business Lens Checklist for SMEs, which reflected inputs from Members at the last PTC sessions. In response to a comment by participants, the Secretariat reaffirmed that WCO Members may develop their own checklist which could include amendments/adjustments for their own objectives.

110. A delegate highlighted the importance of training for Customs officers. Another delegate thought that although impact assessment of trade consultations from his perspective might be a better way to work with SMEs, the Model Business Lens Checklist would be useful for Members. A Member recalled the significant role played by SMEs in economic growth. It shared its national experience of using checklists and stated that a checklist was an effective way of reducing regulatory burdens on SMEs.

**Conclusion**

111. The PTC endorsed the revised Model Business Lens Checklist for SMEs.

**c)   Guidelines for Transparency and Predictability**
Document: PC0384

**Background**

112. Transparency and predictability of regulations and procedures at borders are widely recognized as an essential element of trade facilitation and the fight against corruption. The WTO TFA foresees related provisions in its Articles 1 and 2. The WCO addresses those topics in various instruments and tools, especially in its integrity work (the Revised Arusha Declaration and others). The Secretariat's Analysis of Section I of the TFA includes the suggestion that the WCO consider developing comprehensive WCO Guidelines on Transparency and Predictability.

113. The PTC was invited to consider ways forward in supporting Members further in the area of transparency and predictability.

**Discussion**

114. A delegate stated that it would be helpful to gather up relevant WCO documents, but sounded a cautionary note that the establishment of enquiry points could place significant burdens on Customs administrations due to "information shopping", requests for information from students, etc.  The Delegate of Japan expressed willingness to share his country's experience with respect to enquiry points, such as the Customs Counsellor system.

115. Another Member welcomed the initiative to develop Guidelines and said that these might include webpage content and ways to communicate with trade.

116. Several participants were of the opinion that the scope of these Guidelines needed to be carefully considered, as transparency and predictability are very broad subjects and go beyond the scope of the TFA. In this regard, Members needed a clear outline of what would be specifically covered by the Guidelines. Another participant commented that the relationship between Customs-Business Partnership Guidance and the Guidelines for Transparency and Predictability needed further clarification.

117. A delegate pointed out that re-packaging existing WCO tools might be too resource-consuming. Another delegate proposed that the Integrity Sub-Committee look into the issue and provide comments and/or further guidance.

**Conclusion**

118. The PTC agreed that this item would be discussed at the next sessions and that the Secretariat and interested Members would develop a working document based on existing tools and Members' experiences, taking into consideration the comments and suggestions made by the PTC.

## VI. **E-COMMERCE**

**a)** **Issues arising from the increase in e-commerce**
Document: PC0385

- **Presentation by Korea**

**b)** **Goods return service**

- **Presentation by TNT**
- **Presentation by UPU**

**c)** **Electronic exchange of data between Post and Customs**

- **Presentation by UPU**
- **Presentation by EU**
- **Presentation by GEA**

**Background**

119. The PTC had at its last meeting identified e-commerce as one of its high priority topics to be dealt with in more detail in the future. In the ever changing requirements of the global trading environment with the growth of e-commerce, Customs and Post/Express service providers need to realign and adopt their processes. The objective of this sub-item was to bring forth some of the key issues concerning Customs and Post/Express industry for discussion and guidance by the PTC.

120. The issue of goods return service was raised by the UPU at the 33rd Meeting of the WCO/UPU Contact Committee in November 2013. It had been suggested that a practical solution and a set of recommendations should be developed for refunding duties paid after the return of goods to the supplier.

121.     With the rapid growth in e-commerce, there is an increasing thrust on electronic exchange of advance information between Posts/express industry and Customs for carrying out risk analysis and facilitating legitimate consignments.

**Discussion**

122.     The Chair introduced the topic and highlighted the significance of growing e-commerce and the need for Customs and other stakeholders to look into the adoption of their related processes. The Chair invited delegates to actively contribute to the discussion, share their experiences and best practices and provide guidance on the way forward as well as input on the tasks to be included under the topic of e-commerce within the PTC Work Programme 2013-2016.

123.     The Secretariat presented the document PC0385 bringing forth some of the key issues such as dematerialization of supporting documents, growing number of 'faceless traders', *de minimis*, electronic exchange of data and goods return service, concerning Customs and Post/Express industry. It further explained about various WCO instruments and tools (including the Baku Declaration on e-commerce, WCO Immediate Release Guidelines, the RKC – ICT Guidelines, Recommendation on Dematerialization of Supporting Documents and Compendium on How to Build a Single Window Environment) which support and promote e-commerce and recognize the importance of advance electronic exchange of information and robust risk analysis to address potential security and fiscal concerns.

124.     The representative from Korea Customs Service (KCS) made a presentation on their experiences in addressing issues they face with growing e-commerce including their clearance and risk management processes besides their approach towards *de minimis* and potential revenue loss. Currently, the *de minimis* threshold in Korea (USD 200 under US-Korea FTA and USD 100 for others) is applicable only for goods meant for personal use and commercial samples. He also explained how KCS has adapted and modified their clearance procedures including their new export system for e-commerce and express cargo logistics centre, and also highlighted growing concerns about smuggling of illegal products through e-commerce.

125.     Thanking the presenters, delegates mentioned that e-commerce offers many positive opportunities for all Members, as it drives economic competitiveness, development and employment. But, delegates also mentioned a few challenges in processing and compliance.  An observer underlined that there was a clear differentiation between express and postal business models.

126.     A delegate mentioned, *inter alia*, that a part of e-commerce is not included in trade statistics, because it goes through simplified Customs procedures, post and baggage which are generally difficult to capture, and stressed the need for Customs to be more electronic and information technology oriented, in order to facilitate and regulate e-commerce and to make controls effective.  Another delegate stated that current Customs practices pre-date e-commerce, thus, need to be evaluated, updated and adapted to the new realities.

127.     One delegate expressed concern on loss of revenue due to *de minimis*, as it leads to avoidance of duties/VAT. Another delegate expressed concern about increasing trends of drugs, counterfeited goods, smuggled goods, undervalued goods moving through e-commerce channels. He emphasized that risk management, "knowing your customer" and

data integrity were not just Customs issues, but a joint responsibility also of express carriers and other operators.

128.    In this context, an observer explained quality checks and due diligence approaches carried out by express service providers. He stressed that industry conducts its own risk assessments on a daily basis and presents risky consignments to Customs. He expressed their willingness to cooperate with Customs on risk assessment and even support joint risk assessment within their limitations.

129.    The representative from TNT presented the experience of express service providers on return goods, and how it could be improved in the e-commerce business environment. Sharing historical context of the WCO Recommendation (1957) Concerning the Repayment or Remission of Duties on Goods Refused by the Importer as not Conforming to Contract, as well as of the principles of the RKC on re-importation, relief of duties and taxes on returned goods, he underlined the importance of a recognizable and visible system along with clear evidence and audit trail connecting two transactions (original import and re-export) to support refund of duties on returned goods. He also expressed his views that e-commerce is a facilitator of the supply chain and that there is no need to overregulate it. Considering that the return service process from his perspective had been working quite well, he consolidated that there was apparently no need to completely redesign respective procedures.

130.    The UPU representative explained their working models on goods return service and the re-importation and identification process of Merchandize Return Service (MRS). He explained, *inter alia*, that one of the considerations customers have when buying online is how to return the item if they are not satisfied with it. Responding to customer requirements and considering that return services are of strategic importance to e-commerce, the UPU Congress 2012 prioritized the development of a simple and efficient MRS, wherein the distant seller provides the e-customer with a return label and the e-customer simply needs to drop the unwanted purchase at a post office with the return label on without any postage payment. For Customs, he concluded, the most important issue was identifying the items as return items to avoid taxing them again.

131.    In the following discussion, delegates generally felt that existing procedures and guidelines related to return services were working well and did not need much adjustment, but may need a bit of adaptation and fine-tuning to address concerns, in terms of automation of processes, data quality and data integrity.

132.    Regarding electronic exchange of data between Posts and Customs, another UPU representative made a presentation elaborating on how UPU's Customs Declaration System (CDS) works on the basis of the WCO-UPU joint messaging standards (ITMATT, CUSITM and CUSRSP). He explained how the information flows from origin post to destination post and then from destination post to destination Customs and vice versa, while maintaining complete segregation of Post and Customs data, with one not being able to access another's data, except what is exchanged. ITMATT is used for Customs data interchange between Postal Operators, whereas CUSITM is the electronic version for the forms CN22/23 and CP72. CUSRSP is the electronic response/referrals from Customs. Individual customers can lodge data/declaration at home using Internet, mobile device or at the Post Office or a postal agent using a kiosk.

133.    Emphasizing the need for a robust and standard electronic exchange of data between Post and Customs, he explained his views of how the CDS will address and support the Posts' and Customs' intended objectives of speedy delivery and risk

management respectively. It would also facilitate the assessment and collection of duties and taxes in advance in addition to reducing handling and processing time and cost. He added that the CDS was capable of interfacing with other systems, as may be suitable in a local environment.

134.     The EU representative made a presentation on their 'pre-loading Advance Cargo Information (ACI)' pilot with postal operators involving 8 EU Member States (Belgium, Germany, Denmark, Spain, France, Italy, Sweden and UK), as well as postal operators, air carriers and the International Post Corporation (IPC), as mandated under the 'EU Aircargo Security Action Plan'. Pilots established that review was feasible and CN 23 was sufficient for security risk analysis, and it could potentially be also used for Customs clearance purposes.

135.     She also informed the meeting about the EU's new Union Customs Code (UCC) and its Implementing/Delegated Act which will make it mandatory to provide 'pre-loading ACI' in respect of airmails (except for letters and postcards) with effect from 1 May 2016. This practice is expected to commence with 'phased-in' implementation starting with Express Mail Service (EMS) and Parcels (later on other postal products) using CN 23 data and foresees two level of data filing - CN23 data by Posts and conveyance data by Air carriers ('*Which postal item is in which receptacle and on which plane*').

136.     The representative from GEA shared working experiences of the express industry on advance electronic exchange of information including 'pre-loading ACI', for security risk profiling. He mentioned, *inter alia*, that e-commerce has to be supported by automation, integration and standardization, as well as electronic exchange of data. Advance electronic exchange of data through robust and inter-operable IT systems was not only important from a regulatory point of view, but also from business perspective ensuring competitive advantages, in terms of tangible process improvements and timely decisions when goods arrive.

137.     During the following discussion, delegates stressed the importance of quality of data to make the whole process of advance electronic exchange of information effective for timely risk analysis. One delegate also shared his administration's experience in sharing information with other Customs administrations and other government agencies, as well as signing an MoU with courier services.

138.     All presentations can be consulted at the WCO Members' website.

**Conclusion**

139.      The PTC took note of the positive impact of the increase in e-commerce and issues emanating therefrom as detailed in document PC0385 such as dematerialization of supporting documents, growing number of 'faceless traders', *de minimis*, electronic exchange of data between Post and Customs and goods return service.

140.     It discussed the significance of growth in e-commerce and the potential need for Customs and Post/Express service providers to realign and adopt their processes to meet emerging issues more efficiently and effectively, recognizing the uniqueness of respective business models of Post and Express industry. The discussions focused on the links between e-commerce and facilitation, with particular reference to the supply chain. The issue of the regulation of e-commerce was also discussed.

141.     The PTC took note of the presentation by Korea Customs Service on their experiences in addressing issues they face with the growth of e-commerce including their clearance and risk management processes.

142.     It also took note of the presentations by TNT and UPU on their working models on goods return service and acknowledged that existing procedures and guidelines were working well, but could be fine-tuned to address issues, if any, from growing e-commerce.

143.     The PTC took note of the presentations by UPU, EU and GEA on advance electronic exchange of information, in terms of regulatory requirements, processes, working experiences and ways forward. It re-affirmed the need to promote advance electronic exchange of information for efficient risk analysis and enhanced facilitation.

144.     The PTC also underscored the need for greater collaboration between Customs and Post/Express service providers in terms of due diligence, better data quality and faster clearance.

145.     The PTC agreed to continue the work in the area of e-commerce and to provide further inputs on specific tasks to be included under this topic within the 'PTC Work Programme 2013-2016'.


## VII. CUSTOMS COMPLIANCE AND DATA QUALITY


### a)     Outcomes of the Expert Group on Data Quality
Document: PC0386

### Background

146.     The Expert Group on Data Quality was set up by the SAFE Working Group in 2013 and worked on four different areas:

- Guiding principles for data quality with the view of it becoming a WCO resolution/recommendation.
- Guidelines on acceptable and unacceptable terms for the description of goods.
- Extend the current data mapping exercise by Data Model Project Team (DMPT) to include information about who is delivering the data elements to Customs.
- Determine other areas/topics regarding data quality for consideration by other committees and/or groups in WCO after the sunset of the Expert Group.

147.     The Expert Group met for the third time on 9 September 2014. The third meeting was initially scheduled to take place in the spring of 2014, but especially due to the cancellation of the April 2014 SAFE Working Group, the meeting was postponed until September 2014. The Expert Group presented its results to the SAFE Working Group in October 2014, prior to the PTC. The consolidated outcomes of discussions were put forward to the PTC for any further guidance/discussion and endorsement. The delegates to the PTC had been requested to confer and coordinate with their colleagues that attend the SAFE Working Group to facilitate the discussions in the PTC.

**Discussion**

148.     The Customs Co-Chair of the Expert Group on Data Quality, Mr. Roseingrave, New Zealand (Counsellor (Customs) Embassy of New Zealand in Brussels), informed the meeting about the work of the Expert Group in general and the discussions that took place in the SAFE Working Group in October 2014 regarding the outcomes of the Data Quality Expert Group. He referred to the SAFE Working Group's Executive Summary and its annexes. They contained the documents that were submitted and the amendments that were agreed in the SAFE Working Group.

149.     One delegate thanked Mr. Roseingrave for his presentation and asked for a two-week comment period concerning the draft Recommendation, given the weight that WCO Recommendations carry, the breadth of the topics and the importance that data quality has in all WCO Members. He suggested that the WCO Secretariat and interested Members would review the additional comments to ensure that the best version possible would be submitted to the WCO Council in June 2015.

150.     Another delegate remarked that the draft Recommendation had been drafted in cooperation and coordination between Customs and the trade community. He said that the industry members that he represented would have a meeting soon after the PTC and that data quality was high on the list of topics to be discussed. He assured the meeting that follow-up measures would be taken to ensure the quality of data.

151.     Yet another delegate underlined the importance of data quality and the work carried out by the Expert Group. He announced that from his perspective the draft Recommendation could be endorsed. This was supported by another delegate who thanked the US for having led the work on the draft Recommendation.

152.     The PTC agreed to a two-week comment period to create the opportunity to further improve the quality of the draft Recommendation.

153.     Turning to the Guidelines on Acceptable and Unacceptable Terms for The Description of Goods, Mr. Roseingrave remarked that it was a living document and that the SAFE Working Group suggested to include it in the SAFE Framework of Standards so that it would go through the regular review cycle of the SAFE Framework.

154.     A delegate remarked that there were some discrepancies between the English and French language versions of the list. Another delegate requested a change for the sake of clarity. A delegate from the private sector provided his view on the amendments that were agreed in the SAFE Working Group. In his view the SAFE Working Group had wanted to remove all references to formal declarations so as to include all kinds of data submissions to Customs by the private sector.

155.     The PTC agreed to a two-week comment period for the Guidelines on Acceptable and Unacceptable Terms for The Description of Goods so that the Recommendation and Guidelines could move in tandem.

156.     Mr. Roseingrave then addressed the future work regarding data quality. He explained that the main conclusion coming out of the SAFE Working Group was for the PTC to take up the future work as it was much broader than the SAFE Working Group mandate.

157.     The PTC agreed that the future work should be carried out by the PTC in cooperation with interested private sector representatives. Ms. Barczyk informed the

meeting that the role of the PSCG would be discussed at the Policy Commission in December 2014, including the question of potential private sector involvement in WCO meetings, including the PTC.

## Conclusion

158.    The PTC endorsed the draft Recommendation of the Customs Co-Operation Council on The Guiding Principles for Data Quality, giving delegates a 14-day comment period after which the WCO Secretariat and interested Members would review the additional comments, if any.

159.    The PTC decided to also grant a 14-day comment period concerning the Guidelines on Acceptable and Unacceptable Terms for The Description of Goods to include the latest views and to reconcile the English and French texts.

160.    The PTC decided that the future work regarding Data Quality would be carried out by the Permanent Technical Committee and in cooperation with interested private sector representatives.

**b)    Customs Compliance Framework including Voluntary Disclosure and Data Quality**
Document: PC0387

## Background

161.    At the 201st/202nd Sessions of the PTC in November 2013, the strategic importance of voluntary disclosure in a compliance strategy was discussed and Members agreed to develop a tool that provided general principles and guidelines as well as insights on voluntary disclosure. A delegate then remarked that voluntary disclosure had to be seen in the context of a voluntary compliance framework.

162.    Article 12 of the WTO Trade Facilitation Agreement (TFA) stresses the importance of ensuring that traders are aware of their compliance obligations, encouraging voluntary compliance to allow importers to self-correct without penalty in appropriate circumstances. Article 6 of the WTO TFA contains provisions on voluntary disclosure in relation to penalty disciplines.

163.    At the Joint Session of the PTC and the Enforcement Committee (EC) in March 2014, the first draft document on the Customs Compliance Framework (document PC0372) was provided and discussed. During the discussion there, delegates welcomed the development of the document and several Members suggested adding more incentives for voluntary compliance and more practices regarding voluntary disclosure to the document. The PTC decided to further develop the document.

164.    An updated second draft document regarding the Customs Compliance Framework was presented (document PC0387).

## Discussion

165.    During the discussion, a delegate stressed the importance of cooperation between Customs administrations and Tax administrations, especially in the area of information exchange.

166.    Another delegate also mentioned several ways of increasing compliance such as training Customs officers and economic operators and using marketing and communication skills to raise awareness.

## Conclusion

167.    The PTC decided to further develop the document for the next PTC meeting and encouraged Members to submit written and concrete text proposals, if not yet expressed, as well as to submit further national experiences.

## VIII. TIME RELEASE STUDY

### a)    Introduction by the Secretariat – results of the survey
Document: PC0388

## Background

168.    Establishment and publication of average release times has been introduced as a best endeavor obligation in the WTO TFA (Article 7.6). WTO Members are encouraged to use the WCO Time Release Study (TRS) to implement these provisions. A recent WCO survey on the use of TRS was carried out to provide an overview of the current situation.

## Discussion

169.    The Chairperson introduced the agenda item outlining the importance of TRS, and emphasized that it has been used by Customs for several years. He then invited the Secretariat to introduce document PC0388.

170.    The Secretariat made a presentation on the survey on TRS, circulated amongst Members to share information concerning their results, benefits and challenges in the area of TRS. This information is expected to be used to develop a WCO database on TRS to assist Members, particularly those exploring the possibility of conducting a TRS, to obtain all relevant information. The Secretariat explained the methodology of the survey which contained six questions, including an authorization request allowing the Secretariat to share information with other WCO Members.

171.    The Secretariat further provided details of the preliminary analysis of the survey responses received from 52 Customs administrations. The analysis indicates that some Customs administrations already share their TRS report(s) with the public through websites and TRS has not only been useful in improving Customs clearance process, but also the work of other border agencies. Several initiatives such as compliance programmes, post clearance audit, risk management, Authorized Economic Operator programmes, as well as automation have been introduced by Members as a result of TRS. Challenges included desired level of cooperation among border agencies, drafting a questionnaire and analysis of data. Concerning sharing of TRS results, some Members informed that they were in a position to share their experience with other Members, through the Secretariat.

172.    In the following discussion, delegates shared their experience in conducting TRS. A delegate informed about their recently conducted TRS and expressed the desire to share its experience at the next PTC meeting.

173.    Concerning the WCO TRS database, one delegate mentioned that information captured there should include challenges faced by countries, particularly with regard to how to engage other stakeholders, how to distribute the questionnaire, and how to release TRS results. It should not be used as a tool to compare Members' TRS situations.

174.    Some delegates commented that several TRS results have shown that Customs takes less time in the clearance process, and Customs should be the leading agency in implementating the TRS. A Delegate recommended the Secretariat to continue its efforts in building capacity at national level in order for countries to ensure sustainability in the area of TRS.

175.    An observer commented that looking at the number of countries that had responded to the questionnaire (in document PC0388), there was a need to further encourage WCO Members who have conducted TRS to share relevant information.

176.    Delegates generally agreed that Customs should be the leading agency in the implementation of TRS. Concerning the need to enhance Capacity Building in the area of TRS at national level, the Secretariat informed that in June this year an accreditation workshop had been organized for English speaking countries, with the possibility of six experts being fully accredited, and soon there might be another accreditation workshop for the French speaking countries.

**Conclusion**

177.    The PTC took note of the presentation made by the Secretariat on results of the TRS survey, aiming particularly at obtaining Members' views on whether they wish or not to allow the Secretariat to share their TRS-related national experiences/information through a potential WCO database on TRS.

178.    The PTC acknowledged the contribution made by some delegates with regard to certain aspects that should be taken into account when designing a WCO database on TRS.

**b)    Panel discussion on Time Release Study**

**Background**

179.    The panel discussion was aimed at bringing together a number of Members to present their experiences in implementing the TRS on national and regional level, involving other border agencies and the private sector.

180.    The panel discussion included presentations from Côte d'Ivoire, Lao PDR and the East African Community (EAC) Secretariat.

181.    Delegates were invited to provide guidance on the future steps, including those related to preparations for TFA implementation and to contribute actively to these discussions.

**Discussion**

182.        The Chairperson welcomed the speakers in the panel:

        Moderator:

- Ms. Ye Ding, Customs Office, China Mission to the EU in Brussels
  Panellists:
- Mr. Masse Dosso, Deputy Director of Economics, Côte d'Ivoire Revenue Authority
- Mr. Arnold Nkoma, Border Management Expert, East African Community Secretariat
- Mr. Sompasong Amphaengphai, Assistant of Director General, Customs Department, Lao People's Democratic Republic  (PDR)

183.        The Delegate from Côte d'Ivoire made a presentation on his country's experience with regard to the implementation of the TRS, by using the WCO TRS Guide-2. He stressed that the TRS has been accepted by several stakeholders in his country as an important tool to measure the time between the arrival and the release of goods.

184.        The Delegate also mentioned that the WCO Secretariat had participated in the national workshop dedicated to the implementation of the TRS in 2013, which had played a very important role.  He explained the various activities that took place in order for the study to be carried out, including awareness raising and training to make sure that the questionnaire had been filled with the right information and the process to draft the TRS report.

185.        The Delegate from the EAC Secretariat indicated in his presentation that for a long time in the EAC region several actions and instruments had been introduced to foster regional integration, including trade facilitation measures, but there had never been a tool to assess the effectiveness of those actions or measures. It was only in 2011, with the assistance of the WCO and other international organizations, that the first TRS study was conducted for the EAC "northern corridor", resulting in significant reduction of time between the arrival and release of goods.

186.        Furthermore, he mentioned that in 2014 a new TRS was done for the road mode of transport along the "central corridor" in the context of a single Customs territory for the region, and it had covered import and export Customs procedures for three countries,  Tanzania, Burundi and Rwanda.  He also mentioned the challenges that arose during the TRS such as lack of cooperation, and recognized that political will was very important for the implementation of TRS. As the final report of the study had already been concluded, he added that an inception workshop was scheduled for November to validate the TRS report which is expected to be presented to the EAC Summit in the future.

187.        The Delegate from Lao PDR in his presentation provided background, methodology, scope and results of his country's TRS conducted in 2012, at 11 check points having a trade flow of approximately 80% of the total volume of trade. He mentioned that the primary objective of the study was to measure the performance of Customs and trade facilitation measures/initiatives. He added that import, export and transit goods had been selected for the study. Through the study it had been possible to measure the time in different moments or intervals, including the moment when Customs authorities issued the release note until the time when goods had been placed under free circulation, taking into account that between the referred moments there was, amongst others, time required for warehouse procedures to be completed.

188.     His administration could compare the TRS results that had been obtained during the 2009 TRS with the one done in 2012, and could prove significant improvement in terms of clearance time.

189.     Responding to a question on difficulties that they had encountered in ensuring that other stakeholders joined the TRS in their respective countries or region, the delegate from Lao People's Democratic Republic stressed that as Customs had received the mandate to do the TRS from the Government, it had been easy to ensure the participation of other stakeholders. The Delegate from Côte d'Ivoire explained that sensitization and awareness, more particularly on what the other stakeholders could achieve from the TRS, had been useful in influencing them to participate in the TRS. The delegate from the EAC, pointed out that in their case some stakeholders such as Customs brokers had been involved from the beginning of the Study, and as result of their involvement it had been more easy to obtain the participation also of others.

## Conclusion

190.     The PTC took note of the panel discussion moderated by the China Customs attaché to Belgium, and joined by representatives from Cote d'Ivoire, the East African Community (EAC) Secretariat and Lao PDR in conducting TRS. The presentations covered aspects related to the work carried out to ensure proper implementation of the study, challenges and acquired and expected benefits.

191.     The PTC confirmed that the TRS was a useful tool to improve and promote the role of Customs and, to make it an even more powerful tool, be it on a national or regional level. It should be repeated on regular basis, with the involvement also of other stakeholders engaged in the clearance process.

192.     The PTC highly appreciated the WCO's assistance for Members in implementation of TRS.

### c)     Benefits of using the TRS software, presentation by Angola

## Background

193.     The presentation under this sub-item was intended to shed more light on the benefits of using the WCO TRS software.

194.     The PTC was invited to take note.

## Discussion

195.     The Delegate from Angola gave a presentation on his country's experience with regard to the use and benefits of using the TRS software. He pointed out that the country had used the TRS software for four main purposes, namely to: design a TRS questionnaire (based on the national flow of goods) that had been developed during a meeting with all stakeholders; to store data with the aim to use it whenever needed; to analyse the data; and to generate the clearance time report.

196.     He also provided his experience with the features of the software, stressing that the software was user-friendly allowing one to obtain significant statistical reports. It had been possible to import excel data from other IT systems into the platform in an automatic manner, not needing much human intervention. He thanked the WCO for respective

support by an IT expert. He concluded his presentation by encouraging WCO Members to make use of the software.

197.    In the discussion that followed, a delegate asked for further clarification on why the support of a WCO IT expert was required, having in mind that the TRS software was considered to be user-friendly. The Delegate from Angola explained that the assistance received was for the purpose of incorporating an option of collecting certain statistical information which initially the software had not been able to provide. During the first national TRS workshop, the WCO experts had explained how to use the software and it had been well understood by the Angolan Customs officers in charge.

## Conclusion

198.    The PTC took note of the presentation delivered by Angola on the benefits of using the TRS software, which indicated that the country used the software for designing the questionnaire, storing and analysing data, as well as for generating the clearance time report.

199.    The PTC encouraged Members to perform TRS exercises, and to use the WCO TRS software.

## IX. REGIONAL INTEGRATION

**a)    Break-out session**
Document: PC0395

**b)    Plenary session**

## Background

200.    International trade is a fundamental part of national growth and development strategies. In order to boost intra- and inter-regional trade, countries seek associations with other countries and take steps to achieve regional economic integration (REI). Sometimes the physical, economic and political geography poses many challenges to economic development and many countries are landlocked or small island nations. National economies and populations may be quite small, but cover large geographic expanses with poor connective infrastructure. Regional integration and cooperation offers means to overcome these obstacles and to become more competitive in the regional and global marketplace. Customs plays and is supposed to continue playing a key role in this process.

201.    In the break-out session, the PTC was asked to explore the following questions:

- What is the role that the WCO should play in REI?
- How could the WCO assist Members involved in REI?
- Would a mapping of WCO standards and common Customs methods to different REIs offer support to Members?
- What strategic approach should be taken, having in mind the number of priority topics voiced by Members?

202.		The results from the break-out session were to be reported to the plenary session of the PTC for further discussion and the PTC delegates were requested to contribute actively to these discussions.

**Discussion**

203.		The rapporteur of the first break-out group reported from her group that the strategic approach for regional economic integration should be a regional one as differences existed between the different regional integration projects. The group had addressed the first two questions together as they were closely linked. The group felt that the WCO had a key role to play in assisting Members that were involved in regional economic integration by means of its instruments and tools, especially in the area of trade facilitation and the harmonization of Customs procedures. It also felt that there was a need to review what had already been done by the WCO in the framework of regional integration and identify what has proved to be useful to Members.

204.		The group had pointed out that the regional structures of the WCO (ROCBs and RTCs) had an important role to play in assisting Members at regional level as donors usually also reached out to regional entities. The WCO should continue to promote its instruments and tools and make regional integration projects aware of the existence of those regional structures. The WCO should distinguish between a political approach and a more technical approach, depending on the situation. Another idea for the WCO was the creation of a network between regional entities to exchange experiences and create synergies. The group also felt that Capacity Building at regional level was an important aspect in supporting Members. The group agreed that the WCO had a continued role to play in coordinating Members' needs and in coordinating with the donor community in order to deliver tailor made assistance.

205.		The second break-out group reported that they found they did not have enough time to fully address all relevant issues. This group had also discussed the first two questions in tandem. This group also concluded that the WCO should interact with regional bodies. The discussion had centered on questions such as whether the role of the WCO should be advisory, technical or standard setting. The group had agreed that the WCO should remain the global standard setting body for Customs, also in the regional context. In that regard, the group had said that in the standard setting process, the WCO should take into account national practices, for instance in the form of case studies (compendium approach).

206.		Concerning WCO Capacity Building, this group also felt that the regional structures of the WCO were important and should play a role in assisting Members involved in regional integration. The delivery of assistance should take into consideration the specific regional issues, as this might impact the implementation of standards. The WCO should consider taking an active role in Capacity Building also for regional entities.

207.		The discussion in this group had also focused on the role of the WCO in the sense of where does the WCO involvement start and where does it end? Which regional bodies should the WCO be engaging and how - individual Members or the regional body itself? What does that mean for WCO resources? Unfortunately there had not been enough time to finalise that conversation in the break-out group.

208.		One delegate remarked that the global and the regional dimension of this agenda item required careful reflection as it could have implications for the positioning, the function and structure of the organization and its related resources. Other delegates agreed that this was an important issue that needed to be addressed also in future PTC meetings. A

delegate said that the WCO should consider having a global conference on regional integration and cooperation, bringing together regional integration bodies to discuss several aspects of regional integration.

209.    Ms. Barczyk remarked that regional integration was a topic of strategic importance that clearly fell within the remit of the PTC. She informed the PTC that this topic would be on the agenda of the June 2015 Policy Commission and she invited interested Members to contribute intersessionally and approach the Secretariat with ideas.

## Conclusion

210.    The PTC welcomed the opportunity to discuss the topic of regional integration in two break-out groups.

211.    The PTC discussed the role of the WCO in regional integration, how it could assist Members in that respect and what strategic approach should be taken. Delegates agreed that the WCO should maintain its current core role as global standard setting body in Customs matters. They also agreed that the WCO has a continued role to play in delivering support to regional integration projects, in matching needs and resources, promoting its instruments and tools and potentially developing new ones in support of regional integration.

212.    The PTC decided that regional integration was a strategic issue which needed further discussion at the next PTC and that interested Members should support the WCO Secretariat inter-sessionally by sharing experiences and providing further guidance. The discussions which followed addressed (but did not conclude on): further exploring what has already been done by the WCO and Members in support of regional integration and what has worked or has not worked; the role of WCO regional structures; cooperation with/support for the Secretariats of RECs; and the potential organization of a WCO event for/with RECs.

**c)    Transit handbook**
Document: PC0389

## Background

213.    Transit is a procedure which allows goods to move under Customs control from the Customs office of departure to the Customs office of final destination. Cumbersome Customs transit procedures increase costs of transportation and constitute an obstacle to international trade. There has been considerable discussion in the international community around transit and how to ensure a secure and efficient transit system.

214.    At its 201st/202nd Sessions, the PTC agreed to develop a WCO Transit Handbook. It was also agreed that innovative practices on cooperation with other government agencies in the transit area would be shared through this tool. Members were encouraged to provide the Secretariat with their national experiences on transit to make the Handbook more informative.

215.    The current first draft was presented to the PTC for discussion and further guidance. Members were invited to examine and endorse the draft Transit Handbook.

### Discussion

216.     The Secretariat described the contents of the draft Transit Handbook. The WCO representative explained that the draft Transit Handbook provides information on international frameworks including the TFA and the RKC, relevant WCO tools and instruments and experiences of WCO Members. All of this information had been categorized along the following 8 topics: (1) Effective information sharing, (2) Guarantee system, (3) Simplification of Customs formalities, (4) Risk Management, (5) Customs seals and other security measures, (6) Border infrastructure, (7) Coordinated Border Management and (8) Performance measurement. He also mentioned that the Transit Handbook would be dealt with as a living document.

217.     A delegate appreciated the draft as a living document and pointed out that a deep analysis on the role of regional economic communities for Landlocked Developing Countries (LLDCs), Customs-Business partnership and regional Single Window might be interesting topics for its further development.  A delegate from the European Union expressed willingness to share their experience on transit.

218.     A participant from the International Road Transport Union (IRU) said that the IRU would provide further information regarding the TIR Convention and its recent progress such as the eTIR.

### Conclusion

219.     The PTC endorsed the Transit Handbook as a "living document", and encouraged Members and other delegates to provide further contributions over time.

## X. IMFORMATION MANAGEMENT

### a)     Report of the 66th Meeting of the Information Management Sub-Committee Document: PM0351E

### Background

220.     The Draft Report of the 66th Meeting of the Information Management Sub-Committee (IMSC) had been adopted at the 67th Meeting of the IMSC and the report had been made available on the WCO website subsequently.

### Discussion & Conclusion

221.     No proposals to amend the report were received. The PTC adopted the report of the 66th Meeting of the IMSC.

**b) Highlights from the 67<sup>th</sup> Meeting of the Information Management Sub-Committee**

- **Update on the IMSC Work Programme**
- **Product Identification Codes (PIC)**
- **Electronic payment**

Document: PC0390

## **Background**

222. The Chairman invited the Secretariat to introduce document PC390 on the salient issues raised during the 67th IMSC Meeting that took place on 12 to 13 June 2014. Secretariat highlighted the following: (i) the progress made on the IMSC Work Programme and the Data Model Project Team (DMPT), (ii) the tracking of the adoption status of the Data Model; (iii) the development of an Frequently Asked Questions (FAQ) for Product Identification Codes and the need for the Secretariat to continue to monitor developments and update the PTC in the future and (iv) the work done on electronic payment and for the WCO recommendation on the use of the world wide web by Customs.

## **Discussion**

223. A Member referred to the potential usefulness of Product Identification in the Customs work and agreed that the Secretariat should continue to monitor developments in this area. Another Member added that the use of Product Identification Codes should be carefully examined in the postal area as postal users were typically not as familiar with the HS code and Product Identification could potentially lead to better data quality. The PTC also expressed appreciation for the development of the FAQ for Product Identification Codes.

224. Another Member reminded that the PTC had expressed previously that the HS code remained the cornerstone of Customs work and any attempts at making provision of PICs obligatory should be carefully examined due to the possible resource and cost implications on both Customs and Trade. The Secretariat responded that this issue was indeed carefully looked into as both WCO Member administrations as well as the private sector had raised concerns on this issue.

225. The Director of Compliance and Facilitation Directorate expressed that, deployed effectively, PIC was potentially a very powerful tool that could enhance IPR enforcement, give Customs greater insights into the types of commodities that they were dealing with and in some cases, could enhance track-and-trace over commodities.

## **Conclusion**

226. The PTC took note of the key highlights of the 67<sup>th</sup> Meeting of the Information Management Sub-Committee.

**c) Updated Single Window Compendium and Repository**
**Document: PC0391E, PC _SW2014_VOL1_E.pdf, PC_SW2014_VOL2_E.pdf**

**Background**

227.	The 203rd/204th PTC Sessions had reviewed the updates done to the Single Window Compendium. The finalized version of the updated volume was now presented for the PTC's adoption before being tabled to the Policy Commission.

**Discussion**

228.	The Secretariat explained that the updated Compendium had incorporated numerous editorial changes to improve general clarity and language, inclusion of case studies provided by countries (including Nigeria, Mexico, the United Arab Emirates, Mauritius, Singapore, Kenya, New Zealand and Korea), as well as elaborations on new areas, including tools to support business cases, continuous process improvement and post implementation assessment of performance in a Single Window environment, combined risk assessment in the Single Window context, legal enablement and innovations in business processes.

229.	The Secretariat also noted that Single Window was a rapidly evolving field and frequent updates to the Compendium would be necessary to ensure that it remained relevant. Additionally, while the Compendium served as a good reference for practitioners, there was a need for a more concise document/training material to support Capacity Building efforts. The Secretariat would be working on a condensed "supplement" for this purpose.

**Conclusion**

230.	The PTC took note of the revised WCO Compendium on How to Build a Single Window Environment and adopted the document. The document will be be put forward to the Policy Commission.

**d) Report from the 39th Meeting of the IMO FAL Committee**
Oral report

**Background**

231.	During the 201st/202nd Sessions, the Secretariat had raised the possibility of the Data Model Project Team (DMPT) undertaking the technical maintenance of the IMO FAL Compendium, since this fits in with the core activities of the DMPT. The PTC had agreed that this was a positive development and provided in-principle approval, provided that the IMO FAL Committee would agree.

**Discussion**

232.	The Chairman invited the Secretariat to provide an update on the developments relating to this item. The Secretariat updated that the 39th IMO FAL Committee had made the decision to move ahead with the proposal for the DMPT to perform the task of maintaining the IMO FAL Compendium on its behalf. The IMO FAL Compendium shall subsequently be renamed as the WCO IMO FAL Compendium. This maintenance work would be purely focused on the technical aspects and the IMO FAL Committee would remain the body for determining related policy issues.

233.	A Member remarked that this was indeed a positive development as WCO standards and guidelines like the SAFE Framework of Standards and the WCO Data Model would be referenced in the WCO IMO FAL Compendium. Such collaboration enhanced standardization and thus trade facilitation as a whole.

**Conclusion**

234.	The PTC took note of and reaffirmed the decision of the 39th IMO FAL Committee for the WCO to take over the technical maintenance for the IMO FAL Compendium.

## XI. ADVANCE PASSANGER INFORMATION/PASSENGER NAME RECORD(API/PNR)

**a)	Outcomes of the 8th Meeting of the WCO/IATA/ICAO API/PNR Contact Committee**
Document: PC_API8

**b)	Update of the Recommendation concerning the use of API/PNR**
Document: PC0392

**Background**

235.	The 8th WCO / IATA / ICAO API/PNR Contact Committee Meeting took place from 9 to 10 October 2014. The Chair invited the Secretariat to provide an update on this recent meeting.

**Discussion**

236.	The Secretariat concentrated its intervention on the fact that among many other items, the 8th WCO/IATA/ICAO API/PNR Contact Committee Meeting sought PTC's guidance specifically on the proposal received from the UN Security Council to amend the "Recommendation of the Customs Co-operation Council concerning the Use of Advance Passenger Information (API) and Passenger Name Record (PNR) for Efficient and Effective Customs Control", to make more explicit the potential use of advanced information received on passengers in enforcing UN travel bans.

237.	Several Members noted that the proposed phrasing recommending that Members should "effectively implement UN travel bans against sanctioned individuals", was problematic for Customs administrations that had no legal authorities to enforce UN travel bans against passengers – this could be under the jurisdiction of police, or agencies other than Customs.

238.	A delegate proposed that to accommodate such administrations, the phrasing could read "effectively support the implementation of UN travel bans against sanctioned individuals" instead. Several Members also supported this wording.

239.	The Secretariat took note of the proposals and interventions, and also informed the meeting that the revised proposed text would be circulated in writing to Member administrations that had already accepted the Recommendation for their acceptance.

**Conclusion**

240.        The PTC took note of the outcomes of the 8th WCO/IATA/ICAO API-PNR Contact Committee Meeting.

241.        The PTC supported the proposal received to amend the Recommendation of The Customs Co-Operation Council concerning the Use of Advance Passenger Information (API) and Passenger Name Record (PNR) for Efficient and Effective Customs Control – subject to minor text proposals. The Secretariat took note of the proposals and interventions, and also informed the meeting that the revised proposed text will be circulated in writing to member administrations that had already accepted the Recommendation for their acceptance.

242.        The PTC took note of the process for the amendment of WCO Council Recommendations.

## XII. GLOBALLY NETWORKED CUSTOMS

**a)    Presentation Utility Blocks**
  • **Presentation by Serbia**
  • **Presentation by Argentina**

**Background**

243.        The PTC has the mandate to serve as the forum for discussion on all technical matters associated with Globally Networked Customs (GNC). Specifically, the PTC will hold discussions on all technical aspects of 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.

244.        The PTC was requested to take note of the developments and to provide comments on the Utility Blocks presented by two Members.

**Discussion**

245.        Serbian Customs updated the PTC on the SEED (Systematic Electronic Exchange of Data) Utility Block and Argentina Customs updated on the INDIRA Utility Block. Both Utility Blocks had been developed as part of the proof-of-concept phase for GNC.

246.        Both of these Utility Blocks reflect an ongoing trend in our operating environment, that of regional integration, where like-minded countries are coming together to seek ways to share data, improve processes and work closer together.

247.        Numerous members expressed support and interest in the Utility Blocks developed by Serbia and Argentina, with questions raised on the legal basis for the exchange, the motivation behind the developments, the challenges encountered, the types of data shared, and their respective use and effectiveness.

248.        In response, Argentina noted that the INDIRA system had been developed with regional integration among MERCUSOR countries in mind, and the challenges encountered had been mainly technical as the legal enablers were available. Access to the

data-set was available to partner countries via pull mode. This contrasted with the SEED system where data was available to participating countries via push mode, and the entire data-set was pushed to the countries receiving the goods. Argentina further noted that INDIRA was mainly for query. A different system was used by MERCUSOR countries for transit and this system provided for a much larger data set to facilitate transit transactions.

249.　　　Serbia shared that the initial motivation behind the development of the SEED system was to tackle enforcement issues and the legal enabler was done through bilateral agreements with each individual country. The sharing of data between countries in the Balkans had enhanced border efficiency and trade facilitation, as well as improved the detection of high-risk shipments through better analysis and risk management.

250.　　　A Member enquired about the governance of such GNC Utility Blocks being developed, recalling that during the 201$^{st}$/202$^{nd}$ Sessions of the PTC, no conclusive agreement was reached on the governance structure for GNC.

251.　　　The Secretariat replied that this was indeed the case and that it was also necessary for the PTC to prepare for a thorough discussion at the next session, so that it could adequetly inform the June 2015 session of the Policy Commission on GNC.

252.　　　 A Member noted that the active discussions heard during this session provided clear indications that the "light-touch" for GNC, as recommended by Council, was working.

253.　　　The Secretariat shared that to further prepare for the next sessions and the June 2015 discussion at Policy Commission, it would be getting in touch with Members who had developed Utility Blocks to consolidate the learning points and possible ways forward for GNC.

### Conclusion

254.　　　The PTC took note of the presentations from Serbia on the SEED Utility Block and from Argentina on the INDIRA Utility Block.

255.　　　The PTC took note of the need to update the June 2015 Policy Commission on the future of GNC and the need for delegates to come prepared for discussions on this matter at the next PTC.

### b)　　Report from the eATA Working Group (September 2014)
Document:PC_eATA_09b

256.　　　The Secretariat provided an update on the eATA Working Group and its meeting held on 3 September 2014. It also provided information on the ongoing efforts in developing an eATA Utility Block with its drafing partners, China, Switzerland and Turkey.

### Conclusion

257.　　　The PTC took note of the progress made on the development of the eATA Utility Block being developed jointly by Istanbul and ATA Convention contracting parties.

## XIII. <u>COORDINATED BORDER MANAGEMENT</u>

- o **Revised CBM Compendium**
  Document: PC0393

### Background

258.     At the 197<sup>th</sup>/198<sup>th</sup> Sessions of the PTC held in November 2012, delegates had indicated that the revised Coordinated Border Management (CBM) Compendium should be helpful for WCO Members in their attempts to develop and implement CBM in their countries by incorporating best practices on different areas of CBM that Members could take reference from. A draft outline of the Revised CBM Compendium was subsequently presented during the March 2013 Joint Session of the Enforcement Committee / Permanent Technical Committee and Chapters 1, 2 and 5 of the proposed new Compendium was reviewed over the past two PTC meetings (Chapters 1 and 2 during the 202<sup>nd</sup>/203<sup>rd</sup> Sessions and Chapter 5 during the 204<sup>th</sup>/205<sup>th</sup> Sessions respectively).

### Discussion

259.     The Chair invited the Secretariat to introduce document PC0393 and its Annex. The Secretariat updated that the Annex contained the first draft of the full 6-chapter CBM Compendium. It covered the essential concepts and applications of CBM, its relations to WCO tools, instruments and guidelines, as well as references to the standards of sanitation and phyto-sanitation (SPS) bodies like the International Plant Protection Convention, the World Organization for Animal Health and Codex-Alimentarius. In view of the fact that it was a relatively new tool, the Secretariat considered that it would be updated annually during its first years of existence, as more Members practices would be submitted, the essential framework elaborated and made more sophisticated.

260.     A Member proposed that the Secretariat might consider greater coverage on the strategic benefits of Coordinated Border Management under Chapter 3, to support Members in persuading executive decision makers to support CBM in their respective countries, as well as to consider making a clearer segregation between domestic CBM and international CBM. Secretariat in response noted that it would indeed be beneficial to enhance coverage on the strategic benefits of CBM and agreed that more distinct coverage between domestic and international CBM was a good idea and would be looked at for the next update.

261.     Another Member felt that the coverage on SPS standards was too extensive and enquired if it could be streamlined. The Secretariat replied that it considered such coverage to be important, as CBM could only come about through greater mutual understanding and recognition that border regulatory work, due to its complex nature, often involved many government agencies.

262.     Several Members expressed their satisfaction with the Compendium and expressed their interests to submit their best practices to this Compendium.

### Conclusion

263.     The PTC endorsed the revised CBM Compendium, noting its nature as a "living document" subject to regular reviews as more Members' practices and content became available.

# XIV. <u>OTHER BUSINESS</u>

### a)   Update on upcoming events

264.      The PTC took note of an update by the Secretariat on upcoming WCO meetings that were related to the work of the PTC, including: Policy Commission (Brazil, 8-10 December 2014), Information Management Sub-Committee (22-23 January 2015), Agreement on Trade Facilitation Working Group (12-13 February 2015) and the next Permanent Technical Committee (2-6 March 2015).

### b)   Topics to be proposed for the agenda of the next meeting

265.      At the 199th/200th Sessions of the PTC in March 2013, during the discussions on its future, it was agreed that Members would be given more opportunities to contribute to the shaping of the agenda.

266.      On the topic of "Future of Customs", delegates were invited to put forward written proposals to support related discussions at the next PTC meeting in March 2015.

267.      The PTC took note of suggestions for topics to be included on the agenda of the next meeting, such as: integrated supply chain management, regional integration and e-commerce.

268.      The PTC further agreed to encourage Members in putting forward proposals for discussion, based on a written non-paper.

### c)   Ebola Virus Disease (EVD) outbreak and challenges faced by Customs

269.      The Deputy Director provided an update on information available on the WCO website regarding Ebola, the role of Customs in natural disaster relief and in potentially assisting the fight against the Ebola Virus Disease.

270.      The PTC took note of updates related to the EVD outbreak, provided by the Secretariat. The Secretariat maintained close communication with Customs administrations of the affected countries/regions and concerned international partner organizations such as UN OCHA and IFRC to exchange updates on the situation and to seek opportunities for providing support and assistance. Additional information was published on the WCO website with links to the WCO instruments and tools concerning Natural Disaster Relief and Humanitarian Aid.

271.      The Delegate from one Member indicated that his country is now free from the disease. Only one case was found with a person traveling from a heavily affected country. The patient had been fully cured. Sanitation programs were carried out to raise awareness on prevention of infection and spread of the EVD for the officers working at borders. To support the fight against the EVD, the borders shared with heavily affected countries were kept open to facilitate transshipment of relief consignment (sanitary equipment, medicines and medical equipment) coming from abroad and passing through his country. Another measurement was enhancement of coordination and collabolation among control agencies and stakeholders to facilitate the clearance of relief consignments as a top priority. He also suggested that a number of WCO tools and instruments such as the Revised Kyoto Convention can be used to facilitate the clearance of relief consignments.

272.     The Delegate from another Member also confirmed that her country is now free from the EVD. Measurements were applied in the attempt to control suspicious cargo and passengers. The body temperature was being checked with all passengers. Gloves were provided  to officers working at the border to protect themselves from infection.

273.     Another Delegate informed the meeting that his Government had been running training programs for Customs officers at five airports accepting flights from the affected region to ensure that the infected travelers, if found, would be treated properly and placed under surveillance. He also indicated that education is crucially important in preventing the spread of the EVD.

274.     The PTC took note of the information and acknowledged the interventions by three countries who shared information on preventive measures taken by Customs and other agencies to combat the spread of the EVD and to support neighbouring countries.

**d)     Possibility of holding a back-to-back meeting with the SAFE Working Group**

275.     The PTC agreed during the 2$^{nd}$ day of these PTC Sessions, to add under item *XIV. Other business*, discussions on holding a back-to-back meeting (potentially including a joint meeting) with the SAFE Working Group. This idea had been mentioned by the Chair of the SAFE Working Group in its previous meeting and had been included in the Executive Summary.

276.     The PTC took note of the support for this suggestion by a number of Members with a view to avoid duplications of very similar topics and discussions. One delegate cautioned that the suggestion put forward should not jeopardize the current calendar of WCO meetings, while another stressed that this should be evaluated after a first pilot.

277.     The PTC took note of the Secretariat's response to explore possibilities, while taking into account the overall picture and bearing in mind the Council's agreement from June 2014 on the schedule of WCO meetings for the current calendar year.

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# EXECUTIVE SUMMARY

## At its 205<sup>th</sup>/206<sup>th</sup> Sessions (27 to 31 October 2014), the Permanent Technical Committee (PTC):

**Item I - <u>Opening and adoption of the Agenda</u>**

**a) Opening of the Meeting**

- acknowledged the introductory remarks made by the new Deputy Director of Compliance and Facilitation, Ms. Heike Barczyk;

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

- acknowledged the opening remarks made by Mr. Gaozhang Zhu, Director of Compliance and Facilitation who, among other things, highlighted the focus of the PTC discussions on the Mercator Programme and trade facilitation, including the WTO Trade Facilitation Agreement (TFA), Regional Integration, Customs-Business Partnership, Time Release Study and Data Quality;

- took note of his invitation to Members to share in the PTC their innovative practices and to contribute inter-sessionally, in writing or otherwise, to the discussions on the topic of "The Future of Customs" which would be addressed in further detail at the next meeting;

**c) Election of the Chairperson and the Vice Chairperson of the PTC**

- unanimously re-elected Mr. Francois ABOUZI (Togo) as Chairperson of the PTC, nominated by Swaziland and seconded by China and Serbia;

- unanimously elected Mr. Jan ZRALEK (Poland) as Vice-Chairperson of the PTC, nominated by the Netherlands and seconded by Japan;

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

- adopted the Draft Agenda (Doc. PC0375E1c/F1c) and the Summary Document (Doc. PC0376E1a/F1b);

**Item II - <u>WTO Trade Facilitation Agreement (TFA)</u>**

**a) Panel discussion : The Mercator Programme and priorities and challenges in TFA implementation**

- took note of the Secretariat's introduction on the scope of the Mercator Programme and its different components;

- took note of the outcomes of the panel discussion moderated by the representative from Norway, joined by the representatives from Argentina, China, Cameroon and UN/ESCAP. There was agreement that the adoption of the WTO TFA (including the current stalemate) had not drastically changed the priorities of Members in the TF area.

However, it was felt that the TFA had generated a political momentum which provided an opportunity for ensuring the necessary level of political will to push the trade facilitation agenda forward, including bringing more closely together all relevant stakeholders (for instance through the national trade facilitation committees). Norway indicated that even in the developed world there were still steps that needed to be taken (for instance aligning legislation) to achieve full compliance with the TFA. Some of the regional priorities regarding work on TF measures that the panel mentioned included AEOs, MRAs and transit. Further identified challenges included: harmonization of procedures, even at national level, lack of IT support and infrastructure, informal trade practices and lack of coordination amongst all stakeholders (not only different governmental agencies, but also the transport and logistics providers and others); the role of the private sector, and in particular its early involvement, was felt to be pertinent in terms of assessing the success of implementing trade facilitation measures;

- agreed that key factors for successful implementation of the TFA included: political will and ownership, support to ongoing modernization projects and tailor-made assistance, monitoring and performance measurement, coordination at different levels and funding;

- agreed that it was important to ensure full visibility of the Mercator Programme, both by the WCO Secretariat and Members;

**b) Inter-sessional developments**
**c) Outcomes of the 2nd Meeting of the TFAWG**

- took note of TFA-related inter-sessional developments and decisions taken by the Policy Commission and Council;

- took note of the outcomes of the 2nd Meeting of the Working Group on the TFA, presented by the Chairperson of the TFAWG, Ms. Gugu Treasure Dlamini (Swaziland);

**d) Update of the Analysis of Section I**

- took note of the Secretariat's presentation on the Update of the Analysis of Section I of the TFA;

- acknowledged the work on the Analysis which provided more visibility to WCO instruments and tools;

- agreed that the RKC/MC would be informed about the minor discrepancies between the TFA provisions and the RKC, which were reflected in the Analysis;

**Item III – Economic Competitiveness Package**

**a) Progress report on the ECP Action Plan**
**b) Revised ECP Action Plan**
**c) Update of the ECP Toolkit**

- took note of the progress report on the ECP Action Plan and on the updated ECP toolkit presented by the Secretariat. The PTC endorsed the revised ECP Action Plan for Phase II with inputs provided by Members;

**Item IV - <u>Update and reports</u>**

- took note of the following written reports;

**a) Inter-sessional developments**

- in addition, took note of the support of a Member for the newly established Working Group on Revenue Compliance and Fraud and of the suggestion to keep the discussions on consumer health and safety, as well as on environmental crime, out of the Working Group's scope. The Secretariat clarified that, as instructed by the 71<sup>st</sup> Session of the Policy Commission, these topics had been included on the Agenda of the 1<sup>st</sup> Meeting. The Policy Commission had tasked the Enforcement Committee to prepare a recommendation on the appropriate WCO bodies to deal with these topics in the future;

**b) Report of the 13<sup>th</sup> Meeting of the Administrative Committee of the Istanbul Convention and the 10<sup>th</sup> Meeting of the Contracting Parties to the ATA Convention**

- took note of the clarification that the amendments to the Istanbul Convention would be in force as of 3 November when the integrated version of the Convention was uploaded on the WCO website;

**c) Report of the 10<sup>th</sup> Meeting of the Counterfeiting and Piracy Group**
**d) Air Cargo Security**
  - **Report of the 8<sup>th</sup> Meeting of the Technical Experts Group on Air Cargo Security**
  - **Outcomes of the 1<sup>st</sup> Meeting of the ICAO-WCO Joint Working Group on Advance Cargo Information**

**e) Outcomes of the 13<sup>th</sup> Meeting of the SAFE Working Group**

- took note of other A items under item IV (c), (d) and (e);

**f) Situation Regarding Acceptances of WCO Recommendations**

- took note of a Member's update on the situation regarding its acceptance of the WCO recommendations to be included in the next update of the document regarding acceptances of WCO recommendations;

**Item V – <u>Customs-Business Partnership</u>**

**a) Customs-Business Partnership Guidance**

- took note of the presentation by the Secretariat on Doc. PC0382 relating to the development of the Customs-Business Partnership Guidance;

- discussed the revised draft Guidance and provided a number of valuable suggestions on engagement with business that included significance of political will and benefits to the government and economy at large, as well as sharing their working experiences;

- endorsed the Customs-Business Partnership Guidance with the suggested changes that Members would provide in writing to the Secretariat as soon as possible for submission for the consideration of the December Policy Commission;

**b)   Business Lens Checklist for SMEs**

- took note of the revised Model Business Lens Checklist for SMEs which reflected inputs from Members at the last PTC. In response to a comment from participants, the Secretariat reaffirmed that WCO Members might develop their own checklist which might be suitable for their own objectives;

- endorsed the revised draft of the Model Business Lens Checklist for SMEs;

**c)   Guidelines for Transparency and Predictability**

- discussed the Secretariat's proposal to develop new guidelines on transparency and predictability. Several participants were of the opinion that the scope of such guidelines needed to be carefully considered because transparency and predictability were very broad subjects. Another participant made an observation that relationships between Customs-Business Partnership Guidance and transparency and predictability should be clarified further. A delegate pointed out that re-packaging existing WCO tools might be too resource consuming. Another delegate proposed that the Integrity Sub-Committee look into the topic and provide comments and/or further guidance;

- agreed that this item would be discussed at the next PTC and the Secretariat and interested Members would develop a working document based on existing tools and Members' experiences, and taking into consideration observations made and suggestions put forward by the PTC;

- in terms of the guidelines, there were three issues which attracted Members' attention because of their relevance to transparency and predictability, namely the improvement of websites, the establishment of enquiry points and the use of ICT;

**Item VI – <u>E-commerce</u>**

**a)   Issues arising from the increase in e-commerce**

**b)   Goods return service**

- **Presentation by TNT**
- **Presentation by UPU**

**c)   Electronic exchange of data between Post and Customs**

- **Presentation by UPU**
- **Presentation by EU**
- **Presentation by GEA**

- The discussions focused on the links between e-commerce and facilitation, with particular reference to the supply chain. The issue of the regulation of e-commerce was also discussed;

- took note of the presentation by the Secretariat on Doc. PC0385 relating to some of the key issues arising from the increase in e-commerce such as dematerialization of

supporting documents, growing number of 'faceless traders', *de minimis*, electronic exchange of data between Post and Customs and goods return service;

- took note of the presentation by Korea Customs Service on its experiences in addressing issues it faced with the growth of e-commerce, including its clearance and risk management processes;

- took note of the presentations by TNT and UPU on their working models on goods return service;

- took note of the presentations by UPU, EU and GEA on advance electronic exchange of information, in terms of regulatory requirements, processes, working experiences and the way forward;

- discussed the significance of the growth in e-commerce and the potential need for Customs and Post/Express service providers to realign and adopt their processes to meet emerging issues more efficiently and effectively, recognizing the uniqueness of respective business models of Post and Express industry;

- underscored the need for greater collaboration between Customs and Post/Express service providers in terms of due diligence, better data quality and faster clearance;

- re-affirmed the need to promote advance electronic exchange of information, for efficient risk analysis and enhanced facilitation;

- agreed to continue the work in the area of e-commerce and to provide further inputs on the specific tasks to be included under this topic within the PTC Work Programme 2013-2016;

## Item VII – Customs Compliance and Data Quality

### a) Outcomes of the Expert Group on Data Quality

- endorsed the draft Recommendation of the Customs Co-operation Council on The Guiding Principles for Data Quality, giving delegates a 14-day comment period after which the WCO Secretariat and interested Members would review the additional comments, if any;

- decided to also grant a 14-day comment period concerning the Guidelines on Acceptable and Unacceptable Terms for The Description of Goods to include the latest views and to reconcile the English and French texts;

- decided that the future work regarding Data Quality would be carried out by the Permanent Technical Committee and in cooperation with interested private sector representatives;

**b) Customs Compliance Framework including Voluntary Disclosure and Data Quality**

- discussed the second draft document regarding Customs Compliance Framework (Doc. PC0387E);

- encouraged Members to submit written and concrete text proposals, if not yet expressed, as well as to submit further national experiences;

**Item VIII – <u>Time Release Study</u>**

**a) Introduction by the Secretariat – results of the survey**

- took note of the presentation made by the Secretariat on results of the TRS survey, aimed particularly at obtaining Members' views on whether or not they wished to allow the Secretariat to share their TRS-related national experiences/information through a potential WCO database on TRS;

- acknowledged the contribution made by some delegates with regard to certain aspects that should be taken into account when designing a WCO database on TRS;

**b) Panel discussion : Time Release Study**

- took note of the panel discussion moderated by the China Customs Attaché to Belgium, and joined by representatives from Côte d'Ivoire, the East African Community (EAC) Secretariat and Lao PDR having conducted a TRS. The presentations covered aspects related to the work carried out to ensure proper implementation of the study, challenges and acquired and expected benefits;

- confirmed that the TRS improved and promoted the role of Customs and, either from a national or regional perspective, it should be done on a regular basis with  involvement of other stakeholders engaged in the clearance process;

- appreciated WCO assistance in implementation of TRS;

**c) Benefits of using the TRS software**

■ **Presentation by Angola**

- took note of the presentation delivered by Angola on the benefits of using the TRS software, which indicated that the country used the software for designing the questionnaire, storing and analysing data, as well as for generating the clearance time report;

- encouraged Members to perform TRS exercises, and to use the WCO TRS software;

**Item IX – <u>Regional Integration</u>**

**a) Break-out session**
**b) Plenary session**

- welcomed the opportunity to discuss the topic of regional integration in two break-out groups;

- discussed the role of the WCO in regional integration, how it could assist Members in that respect and what strategic approach should be taken. Delegates agreed that the WCO should maintain its current core role as a global standard setting body in Customs matters. They also agreed that the WCO had a continued role to play in delivering support to regional integration projects, in matching needs and resources, promoting its instruments and tools and potentially developing new ones in support of regional integration;

- decided that regional integration was a strategic issue which needed further discussion at the next PTC and that interested Members should support the WCO Secretariat inter-sessionally by sharing experiences and providing further guidance. The discussions which followed addressed (but did not conclude on): further exploring what had already been done by the WCO and Members in support of regional integration and what had worked or had not worked; the role of WCO regional structures; cooperation with/support for the Secretariats of RECs; and the potential organization of a WCO event for RECs;

**c) Transit Handbook**

- endorsed the Transit Handbook which, as a "living document", would be updated by contributions from Members and relevant international organizations over time;

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

**a) Report of the 66<sup>th</sup> Meeting of the IMSC**

- endorsed the Draft Report of the 66<sup>th</sup> Meeting of the IMSC;

**b) Highlights from the 67<sup>th</sup> Meeting of the IMSC**

- ■ **Update on the IMSC Work Programme**
- ■ **Product Identification Codes (PIC)**
- ■ **Electronic payment**

- took note of the key highlights of the 67<sup>th</sup> Meeting of the Information Management Sub-Committee, paying particular attention to:

   - the progress made on the IMSC Work Programme and the DMPT;
   - the tracking of the adoption status of the WCO Data Model;
   - the development of an FAQ document on the Product Identification Code (PIC) and the need for the Secretariat to continue monitoring developments and updating the PTC in the future;
   - the work done on electronic payment and related to the recommendation on the use of the world wide web by Customs;

**c) Updated Single Window Compendium and Repository**

- endorsed the new version of the Single Window Compendium;

**d) Report from the 39ᵗʰ Meeting of the IMO FAL Committee**

- took note of and reaffirmed the decision of the 39th IMO FAL Committee for the WCO to take over the technical maintenance for the IMO FAL Compendium;

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

**a) Outcomes of the 8ᵗʰ Meeting of the WCO/IATA/ICAO API/PNR Contact Committee**

- took note of the outcomes of the 8th WCO/IATA/ICAO API-PNR Contact Committee Meeting;

**b) Update of the Recommendation concerning the use of API/PNR**

- supported the proposal received to amend the Recommendation of the Customs Co-operation Council concerning the Use of Advance Passenger Information (API) and Passenger Name Record (PNR) for Efficient and Effective Customs Control – subject to minor text proposals;

- took note of the process for the amendment of WCO Council Recommendations;

**Item XII – Globally Networked Customs**

**a) Presentation Utility Blocks**

- **Presentation by Serbia**
- **Presentation by Argentina**

- took note of the presentation from Serbia on the SEED Utility Block;

- took note of the presentation from Argentina on the INDIRA Utility Block;

- took note of the need to update the June 2015 Policy Commission on the future of GNC and the need for delegates to come prepared for discussions on this matter at the next PTC;

**b) Report from the eATA Working Group (September 2014)**

- took note of the progress made on the development of the eATA Utility Block being developed jointly by Istanbul and ATA Convention Contracting Parties;

**Item XIII – <u>Coordinated Border Management</u>**

■ **Revised CBM Compendium**

- took note of the completion of the CBM Compendium;

- encouraged Members to provide more practices to the Compendium as a "living document";

- adopted the revised CBM Compendium;

**Item XIV – <u>Other Business</u>**

**a) Update on upcoming events**

- took note of upcoming WCO meetings that were related to the work of the PTC, including: Policy Commission (Brazil, 8-10 December 2014), Information Management Sub-Committee (22-23 January 2015), Agreement on Trade Facilitation Working Group (12-13 February 2015) and the next Permanent Technical Committee (2-6 March 2015);

**b) Topics to be proposed for the Agenda of the next meeting**

- took note of the suggestions for topics to be included on the Agenda of the next meeting, such as: integrated supply chain management, regional integration and e-commerce;

- agreed to encourage Members in putting forward proposals based on a written non-paper for discussion;

**c) Ebola Virus Disease (EVD) outbreak and challenges faced by Customs**

- took note of updates related to the EVD outbreak, provided by the Secretariat. The Secretariat maintained close communication with Customs administrations of the affected countries and concerned international organizations such as UN OCHA and IFRC to exchange updates on the situation and to seek opportunities for providing support and assistance. Additional information was published on the WCO website with links to the WCO instruments and tools concerning Natural Disaster Relief and Humanitarian Aid;

- acknowledged the interventions by three countries who shared information on preventive measures taken by Customs and other agencies to combat the spread of the EVD and to support neighbouring countries;

**d) Possibility of holding a back-to-back meeting with the SAFE Working Group**

- agreed, during the second day of these PTC sessions, to add under item *XIV. Other Business* discussions on holding a back-to-back meeting (potentially including a joint meeting) with the SAFE Working Group;

- took note of the support for this suggestion shared by a number of Members. One delegate cautioned that the suggestion put forward should not jeopardize the current

calendar of WCO meetings, while another stressed that this should be evaluated after a first pilot;

- took note of the Secretariat's response to explore possibilities, while taking into account the overall picture and bearing in mind the Council's agreement from June 2014 on the schedule of WCO meetings for the current calendar year.

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