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Public Version



PERMANENT TECHNICAL
COMMITTEE

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209th/210th Sessions

-
14 – 16 October 2015

Brussels, 17 November 2015.

SUMMARY REPORT

Item I - Opening and adoption of the Agenda

a) Opening speech by Mr. Gaozhang ZHU, Director of Compliance and Facilitation

1. The 209th/210th Sessions of the Permanent Technical Committee (PTC) were opened by the newly appointed Chairperson Mr. Rob Van Kuik (Netherlands) who welcomed the delegates and handed the floor to Mr. Gaozhang Zhu, Director of Compliance and Facilitation for his opening remarks.
2. The Director welcomed the delegates to the PTC and mentioned the key topics of discussion at the 209th/210th Sessions. As the PTC had decided to have the autumn sessions dedicated to more future oriented topics, the Secretariat had together with the newly elected Chairperson drafted an agenda mindful of this recommendation and taking into account a good number of agenda item proposals from Members.
3. He stressed that the meeting was to start with the discussions on the Future of Customs and invited any further interested delegates to join this group. He reminded that this item would be very relevant for providing more direction to the way forward, but also as input for related Policy Commission discussions in December 2015.
4. He particularly welcomed the members of the Private Sector Consultative Group (PSCG) who now, for the first time, had the opportunity to participate as official observers at the PTC. A number of PSCG Members would, during the meeting, have an opportunity to share some good examples of Customs-Business partnership together with their Customs counterparts.
5. Mr. Zhu hinted at several more of the agenda items for discussion - Performance Measurement and a related question of better understanding of the business environment Customs was working in; the in-depth analysis of a WCO survey on Customs brokers; and Digital Customs and how Customs could best stay up-to-date on global ICT trends in the cross-border regulatory space.

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6. He also reminded that for the first time this meeting would be held in conjunction with another related meeting, the Administrative Committee of the Istanbul Convention and the Contracting Parties to the ATA Convention. This particular arrangement was felt necessary to reach the required number of delegates in those Committees (the "quorum") to take some long-pending decisions.
7. He concluded by wishing the newly appointed Chairperson much success in his next meetings and by wishing the PTC a very good meeting and fruitful discussions.
8. As this was Mr. Zhu's last PTC meeting in his capacity as Director, Compliance and Facilitation, he thanked Members and Observers for the support provided to this Committee during his mandate. The PTC delegates expressed their high appreciation and gratitude for Mr. Zhu's work in the past five years.
9. In conclusion, the PTC:
 - acknowledged the opening remarks made by Mr. Gaozhang Zhu, Director of Compliance and Facilitation; and
 - thanked Mr. Zhu for his work as Director, Compliance and Facilitation, in the past five years.

b) Adoption of the Draft Agenda and the Summary Document

10. The Chairperson explained the contents of the agenda and the Summary Document, while the Deputy Director, Compliance and Facilitation, Ms. Heike Barczyk invited delegates to the PTC lunch break events, when a few members of the Virtual Working Group on the Future of Customs were to be presenting on Border Management Models (China), Strategic Plan Surveys related to future-oriented topics (US) and the "ABC Border Model" (GEA).
11. In conclusion, the PTC:
 - adopted the Draft Agenda (Doc. PC0420) and the Summary Document (Doc. PC0421).

Item II – Future of Customs

a) Update on the work of the Virtual Working Group on the Future of Customs (VWG FC)

12. The Chairperson introduced the topic of the Future of Customs and gave the floor to the Moderator of the Virtual Working Group (VWG FC) and at the same time the Vice-Chairperson of the PTC, Mr. M. Mathole (South Africa) to moderate this agenda item.
13. Mr. Mathole updated the PTC of the work carried out to date by the VWG FC, such as: developing an overview of the progress on implementation of the ten building blocks of the WCO Customs in the 21st Century (C21) Strategic Document; developing papers on a number of topics by VWG FC members; developing a compilation of all the topics impacting Customs in the Future, including those already discussed under different WCO working bodies; prioritizing topics for research. He also reminded the PTC that the Policy Commission would be discussing the topic of the Future of Customs in December 2015, focusing on three major topics: Customs/Tax cooperation, Coordinated Border Management and Digital Customs. He also reminded that the VWG FC was still open for new participants

and encouraged all delegates, including the PSCG delegates taking part in the PTC now as official Observers, to join the VWG FC.

14. The Secretariat further explained that, as a start of the possible review of the C21 strategic document, progress achieved on the 10 building blocks and short summaries of the related topics provided by VWG FC members had been reflected under the appropriate chapters of the C21 strategic document, as shown in Annex I of doc. PC0422. This aimed to give a better picture of the topics which were potentially missing and might still need to be included in a potential future update of the C21 document. The Secretariat reminded that this was work in progress and invited PTC delegates to further contribute with topics and research to this work. Furthermore, the future-oriented topics, discussed also in other committees, had been collected and provided under Annex II to PC0422.
15. In the following discussions, delegates appreciated the work of the VWG FC and the support provided by the Secretariat. A delegate indicated that the Future of Customs could be determined by looking at some of the key strategic topics today, such as Coordinated Border Management and Single Window, requiring cooperation amongst all relevant stakeholders. Finding means of working with other agencies would remain one of the key priorities for the future. A few other members of the VWG FC emphasized that it was now the time to dwell deeper into some of the topics which have been brought up, and perform research activities.
16. An Observer stressed the importance of these discussions for the express industry and that the C21 strategic document was very much relevant, but that a review and potential update would be useful. It was felt that the outputs would feed into the work of other WCO working bodies as well and *vice versa*.
17. A delegate suggested that another way of determining the strategic direction of Customs would be to take the related building blocks and group them into priorities: i.e. Globally Networked Customs (building block a.) and Coordinated Border Management (building block b.); Implementation of modern working methods, procedures and techniques (building block e.) and Enabling technology and tools (building block f); A professional knowledge-based service culture (building block h.) and Integrity (building block j). However, he suggested that Enabling powers (building block g.) should be the first priority joined by political will, which was a key requirement for most of the work carried out by Customs, especially in terms of cooperation amongst and with relevant stakeholders.
18. In conclusion, the PTC:
 - appreciated the work carried out by the VWG FC understanding that this was work still in progress, and as such work in progress also to be reported to the Policy Commission in December 2015 in an appropriate way, especially related to the topics foreseen to be discussed in break-out sessions there;
 - acknowledged the input on the progress achieved on the 10 building blocks and on the topics provided under the corresponding chapters of the C21 strategic document;
 - encouraged delegates to suggest and work on further important topics and to indicate the level of priority which they require;
 - invited delegates who are interested in joining the VWG FC to contact the Secretariat respectively.

b) 3D printing, presentation by China Customs (member of the VWG FC)

19. 3D printing was a new topic for the PTC. As an introduction to the discussions under this agenda sub-item, China, as the author of a paper on 3D printing submitted to the VWG FC, made a presentation on the topic. China had also developed a paper with questions directed to the PTC which were shared with delegates through Annex III of doc. PC0422.
20. A delegate from China presented on his document on 3D printing and Industry 4.0's likely impacts on Customs and proposed thoughts on solutions. He emphasized that the technology revolution was changing the mode of production with more individuals besides companies becoming economic operators - which itself was having an impact on the logistics mode as well with more printing raw material being traded; all these changes would impact on the future of Customs, including the area of Customs control. Some of the questions which were brought up include: is Customs the proper/legally responsible government agency in the area of 3D printed products that are not imported/exported goods but printed on national level (sometimes designed by an oversea company, though); how to deal with the growing number of new economic operators: the owners of the 3D printers; how to safeguard IPR for 3D printing; how to ensure security etc. The detailed presentation can be found on the WCO Members' web site at the following link: http://www.wcoomd.org/meetings/facilitationprocedures/permanent-technical-committee/permanent_technical_committee/meeting_0209/English/presentations.aspx. (All other presentations from this PTC meeting can currently be found at the same link, and will be publicly available at a later stage, subject to agreement by presenters.)
21. The topic generated a lot of discussion and attracted diverse inputs from delegates. In general, delegates felt that the topic of 3D printing fitted very well into the task of the PTC and the VWG FC to explore what could have significant impact on the role and responsibilities of Customs in the future.
22. Some delegates thought that the enhanced use of 3D printing would probably have more impact on movements on the domestic market rather than across borders and that based on current legislation that might mean, 3D printing could have more implications on other governmental agencies than Customs (e.g. tax administrations, national police, etc.). Questions were raised whether Customs would nevertheless be involved in monitoring the virtual supply chain, and if so, how this could be achieved, including whether existing legal instruments were sufficient to cover such responsibilities. In general, cooperation of Customs with tax and other relevant agencies, maybe a new dimension of Coordinated Border Management, was seen as important in the area.
23. Several delegates also stressed the possible implications of 3D printing on origin, valuation, IPR and security, while a Member underlined that it should not be posing new restrictions in cross-border trade. Other delegates indicated that there might be revenue, especially VAT implications expected and in addition to legal issues already addressed, there might be a need to redefine the term "goods" in the future - which he thought relevant for Customs responsibilities in 3D printing overall.
24. One delegate also raised attention that while 3D printing was a topic to be looked at, it was also important to bear in mind that some countries were still having issues with "industry 3.0", including the use of risk management and IT even today. One other Member proposed that today's use of mobile technologies was also something to look at.

25. Delegates felt that this topic required more research including looking into the existing legal frameworks and tapping into what already exists, i.e. are there comparable experiences already in place, e.g. related to music downloads, that could assist further.
26. In conclusion, the PTC:
- took note of the presentation made by China on 3D printing;
 - agreed that there was a need for more research on the topic, especially regarding the legal implications, including by exploring the coverage of existing legal frameworks (such as those regarding music downloads), as well as by exploring what other international organizations are doing in this regard (OECD, WTO etc);
 - agreed that research on 3D printing within the VWG FC would continue in the inter-session and report to the PTC at its next meeting in March 2016.

Item III - Update and reports

a) The use of API/PNR, including highlights from the 9th Meeting of the WCO/IATA/ICAO API/PNR Contact Committee

27. The WCO/IATA/ICAO API/PNR Contact Committee Chairperson made a presentation on the outcome of the 9th Meeting of the API/PNR Contact Committee.
28. A delegate from the EU updated the meeting on latest developments of the PNR agreement between the EU and Canada. He emphasized the importance for governments to put a legal basis in place in requiring PNR data.
29. Delegates from Korea and Japan shared information on their acceptance of the WCO Recommendation concerning the use of API/PNR for efficient and effective Customs control. The Delegates encouraged other Members to accept the revised Recommendation (2015).
30. A delegate from IATA mentioned that a few countries were not using international standards in developing their API/PNR programmes - which was challenging for carriers to comply with. He therefore encouraged Customs administrations to refer to global standards, especially global standards established by the WCO.

31. In conclusion, the PTC:

- took note of the report of the 9th meeting of the API/PNR Contact Committee presented by its Chairperson;
- encouraged Members to accept the revised WCO Recommendation concerning the use of API/PNR for efficient and effective Customs control (2015).

b) Update on recent developments of work on e-commerce, including Report of the 14th Meeting of the RKC Management Committee

32. The Chairperson of the 14th meeting of the RKC/MC informed about the outcomes of discussions on the '*de minimis*' regime in the context of growing e-commerce, in particular,

the interpretation of the related provisions of Transitional Standard 4.13 and Standard 4.14 of the General Annex to the RKC (see doc. PO0085E). The RKC/MC concluded that the RKC set out broad standards and principles, and did not prohibit the adoption of a flexible approach towards the implementation of its provisions, bearing in mind different national specificities, economic environments and geographical contexts.

33. In conclusion, the PTC:

- took note of the more flexible interpretation of the provisions of Transitional Standard 4.13 and Standard 4.14 of the General Annex to the RKC together with other outcomes of the 14th meeting of the RKC Management Committee.

c) Highlights from the 4th Meeting of the TFAWG, including looking forward to the 10th WTO Ministerial Conference to be held in Nairobi, Kenya, 15-18 December 2015

34. The Chairperson of the WCO Working Group on the TFA (TFAWG) informed about the outcomes of the 4th Meeting of the TFAWG held prior to the PTC. She focused on the discussions around a potential Policy Commission communication regarding the 10th WTO Ministerial Conference to be held in Nairobi. The TFAWG identified key elements which could be included in the potential communication, such as: content and language should remain at general level; urging general advancement of the TFA; importance of the agreement and encouraging Members to ratify the TFA, but reiterating that the final goal is implementation; need for political will and financial resources; need on national level for cooperation and coordination especially under the National Committees on Trade Facilitation (NCTFs); early engagement with donors and assistance providers; no duplication with WTO, but more coordination; emphasizing the benefits of implementation; reiterating the role that Customs and the WCO can play in the TFA implementation and referring to the key role of the RKC; referring to tangible results achieved under the Mercator Programme, the TFAWG, development of the Implementation Guidance and the Guidelines for NCTFs, and others.
35. Delegates thanked the outgoing Chairperson of the TFAWG for her efforts in the past years. One observer from the private sector emphasized that the TFA should come into force as early as possible.
36. In conclusion, the PTC:
- took note of the report of the 4th meeting of the TFAWG including the key elements of a potential Policy Commission communication regarding the 10th WTO Ministerial Conference to be held in December 2015 in Nairobi.

(A-items)

- d) Inter-sessional developments**
- e) ECP progress report**
- f) Report of the 14th Meeting of the SAFE Working Group**
- g) Report of the 14th Meeting of the Administrative Committee of the Istanbul Convention and the 11th Meeting of the Contracting Parties of the ATA Convention**
- h) Report of the 15th Meeting of the Administrative Committee for the Customs Convention on Containers (1972)**
- i) Report of the 11th Meeting of the Counterfeiting and Piracy Group**
- j) Report of the 68th Meeting of the Information Management Sub-Committee**
- k) Report of the 69th Meeting of the Information Management Sub-Committee**

I) Update on WCO Recommendations

37. With regard to update on WCO Recommendations, a delegate suggested that some process to monitor implementation of WCO recommendations should be put in place.
38. In conclusion, the PTC:
- took note of the updates, reports and summary reports under sub-items d), e), f), g), h), i) and l);
 - endorsed the Reports of the 68th and 69th Meeting of the Information Management Sub-Committee (under item j) and k));
 - acknowledged the suggestion made by a Member to put in place a process to monitor implementation of WCO recommendations.

Item IV – Latest developments on Performance Measurement

- a) Latest developments on Performance Measurement
 b) Measurement of the Business Environment for Customs

39. The Secretariat provided information on background and latest developments in the area of Performance Measurement. At the 207th/208th Sessions of the PTC in March 2015, 'Achieving Excellence in Customs (AEC)' had been introduced to the PTC by the WCO Secretariat. Delegates had acknowledged the usefulness of the performance measurement framework in showing management the "big picture" and made a number of suggestions and comments to improve the AEC. The Policy Commission in June 2015 took note of the progress in respect of the AEC performance measurement framework and endorsed the first layer of indicators. The Policy Commission instructed the Secretariat to continue working on the AEC framework, including giving thoughts to the possible aggregation of collected data. It also agreed that the AEC data would not be published or lead to a ranking of countries.
40. The PTC was invited to examine options for the usage and communication of AEC data as well as possible second-layer indicators proposed by the Secretariat. Regarding the usage and communication of AEC data, several Members were of the opinion that data should be obtained through self-assessment and could then be submitted to the WCO Secretariat. The Secretariat could look into publishing a summary, such as an average score, for each indicator. As for possible second layer indicators, several Members supported the idea to develop a set of high-level indicators going beyond the AEC first-layer indicators and suggested the development of more detailed technical guidance/descriptions, with a view to gain a common understanding of such indicators when potentially doing the self-assessment. Another Member stressed the importance of keeping in mind cost-benefit aspects – how difficult/resource intense would it be to collect information regarding the second layer indicators.
41. Furthermore, as part of a global reflection on what determines the performance of Customs administrations, the Secretariat introduced the topic of 'measurement of the business environment' of Customs administrations with the aim to initiate discussions on further background including performance of the private sector that impacts the performance of Customs administrations and to obtain input from experts, before presenting it to the Policy Commission.

42. Several private sector representatives stated that performance measurement would be discussed by the Private Sector Consultative Group in the near future and the results of those deliberations would be shared with the WCO to stimulate the debate on this very important topic. They pointed out that businesses operate in a diverse environment determined by government regulations and that Customs should be interested in the compliance levels of businesses.
43. Some private sector representatives were wondering about the effects of other border agencies performance on the business environment and they noted that their performance had not yet been properly measured.
44. . Members indicated that performance measurement was a strategic tool for Customs, which, according to some, should be moved under the discussions about the Future of Customs. Indicators should be developed that measure the performance of Members regarding the subjects that the Future of Customs Virtual Working Group had identified.
45. In addition, Members pointed out that the results of performance measurement should be meaningful, taking into consideration that Customs administrations vary in the missions they were tasked to perform by their governments, the environment they had to work in, the resources allocated to them and the organizational structures in which they operated. They were also wondering what the administrative burden would be for Members on both topics, second layer indicators of the AEC as well as measurement of the business environment, and whether it would fit in with the priorities of Members.
46. Regarding the measurement of the business environment, some Members felt that they understood the motivation of the approach as supporting Customs in gaining further insights that they could use when talking to relevant stakeholders about Customs performance. Others said that for some indicators it would be difficult to acquire them under the current operating environment for Customs.
47. When responding to the options for the usage and communication of AEC data as well as possible second-layer indicators proposed by the Secretariat in the related document of this agenda item, doc. PC0428, Members preferred option 1 for the collection of data and for the aggregation and publication. Members had diverging views concerning the options for the second-layer indicators.
48. In conclusion, the PTC:
 - discussed the latest developments on performance measurement and initiated the debate on the measurement of the business environment for Customs;
 - agreed to option 1 for the collection of data and for the aggregation and publication as set out in doc. PC0428, but held diverging views on the options for the second-layer indicators;
 - took note of delegates' comments and suggestions on performance measurement;
 - agreed that the PTC deliberations would be captured in a document for the Policy Commission's consideration and further guidance.

Item V - Customs-Business Partnership – experiences and perspectives on the Advanced Pillar of the WCO Customs-Business Partnership Guidance

- **The Brazilian experience on Customs-Business Partnership, presentation by Procomex (Member of the PSCG) and Brazilian Customs**
 - **Centers for Excellence & Expertise in the U.S., presentation by the American Association of Exporters and Importers (Member of the PSCG) and US Customs and Border Protection (CBP)**
49. The American Association of Exporters and Importers and the US Customs and Border Protection jointly presented their Centers of Excellence and Expertise (CEE) initiative which includes creating virtual centralized core competences on ten specific sectors/commodities to promote consistency, uniformity, predictability, transparency and harmonization across various entry/exit points, benefiting trade and Customs alike.
50. Procomex and Brazilian Customs, too, made a joint presentation sharing experiences on their enhanced partnership, based on trust and improved appreciation of each other's roles and responsibilities, engaging a wide range of business sectors and associations.
51. Appreciating the US CBP's CEE initiative, delegates asked a range of questions around selection criteria, requisite qualification/expertise and rotation policy of CEE officers, implementation and delivery challenges, engagement with other government agencies and logistics operators, which were respectively responded by the presenters noting that experts were not located together physically, but rather virtually linked to respective CEE. They were highly trained and motivated staff with a rich job profile to ensure continued effective performance.
52. Delegates equally reflected on Brazilian experience and emphasized the need for a continued collaborative work between Customs and the private sector and, where possible, involvement of other government agencies.
53. In conclusion, the PTC :
- took note of the joint presentations made by PSCG Members and Members sharing their respective experiences on Customs-Business Partnerships;
 - emphasized the need for a continued collaborative work for further consolidating and strengthening Customs-Business relationships at international, regional and national levels;
 - encouraged Members as well as PSCG Members to make use of the WCO Customs-Business Partnership Guidance, where appropriate, and continue providing working experiences and new initiatives to further enrich the Guidance as a living document.

Item VI – Customs brokers

- a) **Draft Study Report on the situation of and cooperation with Customs Brokers**
 - **Outcomes of the WCO survey on Customs Brokers**
- b) **Presentation by Korea Customs**

c) Presentation by the International Federation of Customs Brokers Association (IFCBA)

54. The Secretariat explained the contents of document PC0429, the development of the draft Study Report based on survey responses, invited the PTC to examine the draft Study Report and its key elements, and to provide further guidance, before its presentation to the Policy Commission in December 2015.
55. A representative from Korea Customs presented their legislative framework and working experience on the use of Customs brokers. Among others, he mentioned that Customs brokers in his country were governed by an independent act – the ‘Korea Customs Brokers Act’, and the use of brokers was not a mandatory requirement, though currently over 95% of declarations were processed through certified Customs brokers.
56. The representative from IFCBA shared their experiences on brokers’ scope of service in the changing economic environment and explained the IFCBA’s best practices model for licensing of Customs brokers with a clear focus on knowledge. Echoing a high level of consistency between the findings of the WCO survey based on Members’ responses and their findings from responses provided by IFCBA members, she outlined several areas of work as future steps from their perspective, notably exploring potential partnerships with Customs in Capacity Building and a role for national brokers associations in stakeholder engagement initiatives.
57. Delegates thanked the WCO for having taken the initiative on the topic of Customs brokers and the work done thus far including the draft Study report, and congratulated Members for having responded to the survey in such large numbers which in itself demonstrated the importance of the topic.
58. In view of challenges stemming from digital economy and growing e-commerce, a delegate expressed a need for reinventing the respective roles of Customs and brokers. He equally raised several questions around the role of brokers related to low-value consignments and their future profile (e.g. whether offering any new services) in the emerging international trading landscape. A delegate from the private sector added that in order to remain relevant and progressive, brokers needed to continuously innovate and add value to their services.
59. Another delegate shared his country’s example of collaborative Capacity Building efforts of already licensed brokers and potential future brokers through a dedicated course offered at a university, where experts from Customs and brokers associations imparted respective knowledge. Another Member highlighted the challenge of informal brokers, while acknowledging the cooperation provided by licensed brokers in the successful implementation of Single Window in his country.
60. Several delegates stressed that the use of brokers should be optional as provided in the RKC and the WTO Agreement on Trade Facilitation (TFA) and that licensing criteria, where applicable, should be simple, transparent and non-discriminatory. A delegate also mentioned that in their currently ongoing Free Trade Agreement (FTA) negotiations they even envisaged a stipulation on the optional use of brokers.
61. Delegates also recognized role of brokers as partners in compliance management and in curbing illicit trade and revenue frauds, as well as in the successful implementation of trade facilitation and IT initiatives, mentioning Single Window, Coordinated Border Management (CBM) and Authorized Economic Operators (AEO) as respective examples.

62. Additionally, a number of comments were made to consider for inclusion in the draft Study Report, including :
- Licensing criteria should not have any arbitrary entry barriers;
 - Further work related to Capacity Building of brokers through a partnership approach with other stakeholders to ensure the success of Customs' modernization initiatives;
 - In addition to the information on individuals and companies acting as brokers, further distinction could be made among big, medium and small size brokers and their respective roles in the supply chain.
63. In conclusion, the PTC
- appreciated the work done on the draft Study Report on Customs brokers as well as the presentations made by Korea and the IFCBA on their respective experiences and key thoughts;
 - took note of a wide range of experiences on the usage of Customs brokers as detailed in the draft Study report and further elaborated by delegates;
 - agreed that the draft Study Report with the comments provided by delegates would be presented to the Policy Commission in December 2015 for further consideration;
 - encouraged Members to still respond to the questionnaire, if not yet done so and to provide good practices, for further enrichment of the Study Report.

Item VII – Digital Customs

a) WCO IT Guidance for Executives, presentation by Haiti Customs

64. A delegate from Haiti presented on his experience in participating in the WCO Workshop on strategic leadership in implementing ICT in the margins of the WCO IT Conference in the Bahamas in May 2015. During the workshop he learned the importance of a strategic planning process for any organization or institution including Customs to achieve its mission - including also implementing ICT solutions. Therefore, the new IT Guidance for Executives, that had been developed by the WCO, was of added value to guide decision makers in taking necessary political decisions, managing ICT project risks, as well as in setting up governance structures in ICT implementation. The delegate also shared Haitian Customs' experience in strategic planning when undertaking Customs reform and modernization, which included introducing the ASYCUDA system and an online payment system to support paperless declarations.

65. In conclusion, the PTC:

- took note of the presentation by Haiti on the Workshop on Strategic Leadership in IT that was held in the Bahamas, back-to-back with the WCO IT Conference in May 2015.

b) Digital Customs, presentation by Morocco Customs

66. A delegate from Morocco presented the topic of Digital Customs which she regarded as the way how Customs should organize itself in the digital age where the presence of technology

is ubiquitous. Despite the vast coverage of the topic, she saw the digital age from three main points of view:

- Context: The presence of ICT had influenced global manufacturing methods, promoted e-commerce, brought open market negotiation opportunity, and allowed robotic and intelligent machine technological evolution.
- Implications for Customs: Customs has to react and adapt the way it works. ICT had brought benefits for human life, but also new types of risk that Customs have to be aware of.
- Management consideration: Customs needs to strategically manage IT implementation at national, international and inter-governmental organizational level.

67. She further explained that in responding to the digital age, the WCO should provide leadership for its Members and endeavor to remove barriers for ICT integration. On the other hand, Members should try to achieve cooperation as much as possible among themselves through information sharing.
68. Delegates thanked the presenter for the thought-provoking presentation, noting the challenges of upgrading new ICT capabilities in existing legacy systems, ensuring sustainability in system development, and the need to have more guidance in this area.
69. A delegate pointed out that the international Customs community had already achieved a lot in the area of information exchange, including but not limited to WCO systems like CEN, nCEN, CENComm, as well as bilateral projects like Smart and Secure Trade Lanes (SSTL). Efforts made by administrations in developing Single Window environments, as well as progress made in the WCO Data Model were also noted worthy. Hence, there was a need to create greater levels of understanding of what had been achieved already.
70. Delegates also noted the progress made on the GNC project, and the need for the PTC to continue the work in this area. A delegate expressed the need to clarify the relationship between Digital Customs and GNC.
71. With regard to the leadership in ICT implementation, delegates stressed the importance of strategic planning and project management in order to plan and build sustainable systems that meet Customs' needs.

72. In conclusion, the PTC:

- took note of the presentation on the Digital Customs concept made by Morocco.

c) Cooperation of Customs and the Private Sector in the development of IT systems, presentation by FIATA (member of the PSCG)

73. A representative from the International Federation of Freight Forwarders Associations (FIATA) presented on the cooperation of Customs and the private sector in the development of IT systems. He shared FIATA's experience in the development of global standards with some Intergovernmental Organizations. He drew reference to the Revised Kyoto Convention and the SAFE Framework of Standards, and urged Customs to actively pursue partnership with the private sector when developing ICT systems.

74. Delegates expressed appreciation for the active contribution of FIATA and the private sector in working with Customs. FIATA's representative further noted that the TFA could also serve as an impetus to drive further progress in the area of ICT modernization and exchange of information between Customs administrations.

75. In conclusion, the PTC:

- took note of the presentation on the Cooperation of Customs and the Private Sector in the development of IT systems made by FIATA.

d) Mapping of the WCO IT related instruments and tools, as part of the WCO IT Guidance for Executives

76. The WCO Secretariat presented on the Digital Customs concept envisaged as a strategic approach to bring together the different perspectives in ICT implementation. ICT had made it possible for Customs to improve its work in revenue collection, risk management, as well as human resource management. Referring to the presentation by Morocco which positioned Digital Customs as a digital palette, the Secretariat explained the concept as a strategic map of existing WCO instruments, tools, Guidelines and systems to make ICT implementation cohesive, comprehensible and scalable.

77. A delegate expressed the need to add "sustainable" to the proposed Digital Customs concept. He explained that sustainability was an important factor in determining the cost-benefit analysis for any system implementation. It had an impact on modernization, because every innovation had a cost implication.

78. A delegate also suggested that the Information Management Sub-Committee (IMSC) could undertake further work on the Digital Customs concept. Another delegate suggested that there should be further discussions at regional level on the definition and scope of Digital Customs to accommodate regional perspectives into the concept.

79. In conclusion, the PTC:

- took note of the presentation on Digital Customs made by the WCO Secretariat;
- agreed that the Information Management Sub-Committee (IMSC) should also have a look at the Digital Customs concept and advise on its contents, if felt appropriate;
- recommended that there should be further discussions at regional level on the definition and scope of Digital Customs to accommodate regional perspectives into the concept'
- agreed to submit to the Policy Commission an updated document on Digital Customs in line with the points raised.

Item VIII – Any other Business

a) Proposals for agenda items of the next meeting

80. In line with the PTC's decision to provide Members with an opportunity to contribute to the shaping of the agenda of each meeting, the Chairperson invited the Members to put forward

their proposals. As there were no immediate suggestions, he encouraged delegates to do so in the intersession and inform the WCO Secretariat respectively.

81. In conclusion, the PTC:

- took note of the suggestion made by the Chairperson that any proposals for agenda items of the next meeting could be submitted to the Secretariat in the intersession.

b) Upcoming events

82. The Secretariat provided an update on the upcoming WCO meetings, workshops and events: the regional TFA workshop in Bogota, Colombia (20-22 October 2015); the 5th Technology and Innovation Forum in Rotterdam, the Netherlands (26-29 October 2015); the regional TFA workshop in Lome, Togo (17-19 November 2015); the 74th Policy Commission in the Dominican Republic (7-9 December 2015); the 15th SAFE Working Group (24-26 February 2016), the 5th TFAWG (29 February – 1 March 2016), the 211th/212th PTC including the Joint meeting with the Enforcement Committee (2-4 March 2016); the 3rd Global AEO Conference in Mexico (11-13 May 2016) and the IT Conference in Dakar, Senegal (1-3 June 2016).

83. In conclusion, the PTC:

- took note of the upcoming WCO meetings, workshops and events.

Item IX – Closing

84. The Chairperson, joined by the PTC delegates, expressed his appreciation for the work of Mr. Zhu, Director Compliance and Facilitation, in the past five years. He then repeated the dates of the next PTC meeting which will take place on 2/3 March 2016, with the joint PTC/Enforcement Committee meeting taking place on 4 March 2016, and closed the meeting.
