



PERMANENT
TECHNICAL
COMMITTEE

PC00608Ea

-
227th/228th Sessions

-
18 – 20 May 2020

Brussels, 24 March 2020.

INTER-SESSIONAL DEVELOPMENTS

**(Item IV. (g) on the Agenda)
("A" Item on the Agenda)**

SUMMARY

Purpose of document

This document aims to compile developments primarily under WCO packages since the last PTC sessions, but are not otherwise covered under other PTC agenda items of this meeting.

Action required of the Permanent Technical Committee

The Permanent Technical Committee is invited to:

- take note of the intersessional developments.

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I. Introduction

1. The Committee is invited to take note of developments primarily under WCO packages since the last PTC sessions and to consider their potential influence on the PTC's future work. Thus, this document aims to compile such developments that would be relevant to the PTC, but are not otherwise covered under other PTC agenda items of this meeting.
2. Considering that the Economic Competitiveness Package (ECP) has been included under this PTC (Agenda item - X) and will be discussed in detail, the information regarding that package has been excluded from this document.

II. Revenue Package

3. The Revenue Package, developed in response to Members' concerns over declining revenue returns in the context of the global financial crisis of 2008 and falling duty rates, has the following high-level aim:

To help Members improve the efficiency and effectiveness of revenue collection, in compliance with rules, standards and guidelines laid down in relevant international agreements, conventions and supporting tools and instruments.

4. Following the conclusion of Phase III, the Secretariat prepared a draft proposal for Phase IV of the Revenue Package. This proposal was submitted to the Working Group on Revenue Compliance and Fraud (WGRCF), which has the mandate for supporting implementation. The Phase IV Revenue Package Action Plan was updated and finalized, based on the input and guidance provided by the WGRCF, and was endorsed by the Policy Commission and the Council in June 2019.
5. The Action Plan for Phase IV is divided into two parts. Part I is aimed at assisting Members apply the existing tools, while Part 2 aims to further enhance the package.

Part 1 - Promoting and applying the Revenue Package tools developed under previous Phases by Members;

Part 2 - Development of new materials and initiatives.
6. Under Part 1, the Secretariat has organized and conducted approximately 20 workshops related to the promotion of the tools and instruments developed under the previous Phases of the Revenue Package covering the Harmonized System, Rules of Origin and Customs Valuation. Beneficiaries of these workshops include LDCs. Two sub-regional workshops have been delivered.
7. The update of the Study on Origin Certification is ongoing. Responses to the survey questionnaire on Advance Rulings have been received and are being processed and analyzed.
8. Five topics were identified for the development of new materials and initiatives under Part 2 of Phase IV of the Revenue Package. These are:
 - (i) Illicit Financial Flows;
 - (ii) HS, Valuation and Origin compliance;
 - (iii) Assessing the impact of the Revenue Package Programme;
 - (iv) Revenue Fraud and compliance issues related to e-commerce;

(v) Managing and collecting Customs Debt.

9. Updates on topics (i) and (iv) above are covered in Item III - Compliance and Enforcement Package. As regards to assessing the Revenue Package Programme, the Council at its 132nd Session in June 2018 agreed to establish a new Working Group on Performance Measurement with the mandate to develop a new WCO tool for comprehensive performance measurement covering all Customs competency areas and to review and work with WCO partner organizations to improve existing related tools. The Working Group has already started its work and details are provided under item IV (Update and reports) of the Agenda.
10. Regarding HS, Valuation and Origin compliance, the Secretariat provided the Working Group on Revenue Compliance and Fraud a preliminary analysis which showed that there were good tools on assessing valuation and origin for compliance purposes, but there were no tools available on classification for compliance officers. Delegates were invited to provide further feedback to the Secretariat on what tariff classification, valuation and origin tools may be useful for future development.
11. With reference to the managing and collecting of Customs Debt, the Secretariat has begun making preliminary contact with some Customs Administrations who have informally expressed openness to contributing to this issue. Any administrations who wish to be involved in this work are invited to express their interest to the Secretariat (Tariff and Trade Affairs Directorate) as soon as possible.

III. Compliance and Enforcement Package

12. The Compliance and Enforcement Package (CEP) was developed and subsequently endorsed at the 32nd Session of the Enforcement Committee. It was adopted at the 121st/122nd Sessions of the Council in June 2013.
13. The CEP contains all of the different types of WCO instruments and programmes which currently exist and which aim to address Customs enforcement high-risk areas. The toolkit is composed of four main components: tools, networks and technology, partnerships, and operations. These components have been designed to support the application of modern compliance and enforcement techniques.
14. The development of an Action Plan for the CEP was also agreed by the Enforcement Committee and Council as a vehicle to implement and further develop the CEP. The CEP Action Plan is to be reviewed on a yearly basis by the Enforcement Committee, and subsequently presented to the Policy Commission and Council for endorsement.
15. To date five action plans, dating back to 2014/2015 up to 2019/2020, were endorsed by the relevant sessions of the Policy Commission and Council. All the activities listed have been fully implemented and detailed reports have been provided to the Policy Commission and Council.
16. A new draft Action Plan for 2020/2021 was prepared by the Secretariat and examined by Members at the 40th Session of the Enforcement Committee in February 2020. The Committee endorsed the Action Plan, taking account of the various comments and suggestions made.

17. The CEP Action Plan for 2020/2021 stipulates tangible actions which will contribute to the accomplishment of the CEP goals. It indicates deadlines where appropriate, and shows the bodies responsible for the implementation of specific actions. Thirty-two actions were included, divided into the four main components consistent with the CEP toolkit. An additional cluster of detailed operational activities and projects was also added.
18. The following provides an overall summarized update on progress to date on the implementation of the current CEP Action Plan :

1. Component 1 – Tools

- Promote the CEP toolkit globally, regionally and nationally as part of ongoing WCO enforcement-related activities and collect best practices on compliance and enforcement
- A CEP Regional Workshop for Europe took place 24 – 26 September 2019 in Yerevan, Armenia.
- Develop and publish the WCO Illicit Trade Report - 2018 edition partnered with the Center for Advanced Defense Studies (C4ADS).
- Further develop and implement the COPES Program and related tools in line with its Project Plan. The COPES Programme currently has funding until the end of May 2020, hence the Secretariat is seeking new funding for 2020-2021.
- Finalize the Risk Management Maturity Model to be incorporated into the Risk Management Compendium. The document was approved by the Global Information and Intelligence Strategy (GIIS) Project Group virtually and approved by the 40th Enforcement Committee.
- Develop practical guidance on environmental protection. The practical Environmental Guide is still in development. The tool will be further enhanced as soon as the necessary funding is secured.
- Develop a complete set of Customs Illegal Wildlife Trade (IWT) training materials. Due to late funding, the first draft of these training materials will be available by end of 2020.
- Develop and implement a Single Point of Contact (SPOC) Network on illicit tobacco. TobaccoNET was presented to the 40th Enforcement Committee.
- Develop an IPR Customs Training Handbook. The first draft of the handbook was presented at the 40th EC.
- Develop a self-assessment tool for IPR. The first draft was presented at EC 40.
- Completion of Version 2 of WCO STCE Implementation Guide. The updated STCE Implementation Guide is currently available in English, French, and Spanish, with Arabic and Russian translations expected to be completed before the end of the 2019-2020 financial year.
- Further develop, update and promote Programme Global Shield and its related tools.
- Develop the WCO FinCRIME On-line Library in furtherance of Customs-based money laundering awareness. The FinCRIME on-line library was launched on 21 October 2019.
- Development of FIU-Customs Cooperation Handbook. The handbook has been endorsed by the 39th EC, the December 2019 Policy Commission and the Egmont Group.

2. Component 2 - Networks and Technology

- Develop an IPR CENcomm closed user-group. A first version of the platform is expected to be delivered by May 2020 which will include further developments to be implemented in the next financial year.

- Maintain/improve the WCO Information and Intelligence Centre (I2C). The I2C has recently gained access to Europol's SIENA system and is finalizing its agreement with INTERPOL to gain access to INTERPOL's iARMS database.
- Maintain/improve WCO "Iris" application [Customs information map and database (including seizure notices)]. Various upgrades are expected to be completed before the end of the WCO financial year.
- Maintain the ARCHEO, GTEN and ENVIRONET platforms to enhance their capabilities and promote wider use.
- Implement the CTS application according to Members' needs and in line with the CTS Project plan.
- Promote the implementation of nCEN amongst Members.
- Continue enhancing CENcomm to better support ongoing projects and operations.
- Promote the implementation of API/PNR Passenger Targeting and the Global Travel Assessment System (GTAS). GTAS has been fully implemented in the Maldives, Uganda and Pakistan with implementation in the Democratic Republic of Lao and Cambodia expected to be completed before the end of the 2019-2020 financial year.

3. Component 3 - Partnerships

- Further cooperation with international shipping lines to increase the availability of pre-arrival cargo information for Members' risk assessment activities (through WCO CTS)
- Conduct high-level meetings as required with international law enforcement partners (e.g. INTERPOL, UNODC, etc.) to avoid operational overlaps and further the goal of enhancing coordinated border management
- Involve international law enforcement partners in relevant operational activities organized by the WCO to further operational interagency cooperation

4. Component 4 - Operations (projects and operational activities)

- The Operational phase of both Athena II and Pandora IV took place from 30 September until 11 October 2019 and included the NCPs from Customs and Police of approximately 90 countries from all WCO regions. The final report of the Global Operation Athena II will be available in the first quarter 2020.
- Continue the delivery of regional and national trainings based on the PITCH curriculum. In 2019-2020, in cooperation with OSCE, the WCO delivered a sub-regional PITCH.
- NEPTUNE 2 (targeting the smuggling of bulk cash by terrorists), the second iteration of this operation was conducted from 26 August - 8 September 2019 and also included the support of Frontex.
- JUBILARIAN (targeting the misuse of ATA Carnets), was conducted from 15 November to 15 January 2020. The results of the Operation will be presented at the 7th Working Group on Revenue Compliance and Fraud (WGRCF).
- LANDLOCK, targeting revenue leakage through transshipment of goods, took place from 15 June to 15 September. The Operation was conducted 15 June - 15 September 2019 and involved 70 users from 39 countries. The results of the Operation were presented at the 6th WGRCF in November 2019.
- DOUBLETON (targeting the illicit trafficking of alcohol products).
- Operation TENTACLE (targeting bulk-cash smuggling and trade-based money laundering) was conducted in the Asia region from 25 August - 6 October 2019.
- TRIGGER V - The WCO was not able to participate in the 2019 edition of Operation TRIGGER
- Extension of Project SHOT (analysis of illicit trade in alcohol).

- Project LYNX (targeting cross border smuggling from Western Balkans) - Following this pilot operation, future Operation LYNX activities will be developed in South-East Asia and Middle East, as endorsed by the 6th WGRCF.
- PANGEA XII (an INTERPOL global operation targeting the sale of counterfeit medicines online).
- Balkan Gate 2 (IPR) was planned to take place in March but has been postponed because of Coronavirus related safety issues.
- The funds initially planned for 2019 for Operation COCAIR VIII will not be transferred by UNODC until 2021. Consequently, operation COCAIR VIII is postponed to 2021.
- AIRCOP.
- COLIBRI (targeting the movement of drugs through light aircraft aviation), the Geoportal should be operational in October 2020.
- CCP in the period from 1 July until 31 December 2019, 89 activities, private sector workshops and study visits were implemented by the Container Control Programme on different types of techniques to enhance law enforcement agencies' capacities in the maritime and air cargo domains.
- THUNDERBALL (WCO-INTERPOL operation focused on disrupting IWT shipments and dismantling criminal networks) was conducted from 4 to 30 June 2019. 111 Members participated in this operation, of which 76 Customs administrations
- SSHA 3 (joint Customs enforcement operation for combating smuggling of timber took place from 1 November to 31 December).
- DEMETER V (operation focused on waste, took place from 2 - 30 September 2019).
- INAMA training in support of future illegal wildlife trade enforcement operation.
- Security project for West and Central Africa (PGS).
- Regional operation targeting explosive precursor chemicals and other IED components in the framework of WCO/JICA Project.
- A sub-regional operation targeting PGS in the framework of the Asia Pacific Security Project took place from 16 - 30 May 2019.
- A sub regional PGS operation targeting countries in the West and Central Africa region is scheduled to take place in March 2020.

IV. Action required

19. The PTC is requested to :

- take note of the intersessional developments.
