



**Permanent Technical Committee**

241<sup>st</sup>/242<sup>nd</sup> Sessions  
 24 – 26 October 2023  
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 PC0737Ea

**SUMMARY REPORT**

**THE PERMANENT TECHNICAL COMMITTEE MEETING**

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## ITEM I – OPENING OF THE MEETING

- **Opening remarks by Ricardo Treviño Chapa, Deputy Secretary General, WCO**

1. After the Chairperson’s introduction and welcome to the 241<sup>st</sup>/242<sup>nd</sup> Sessions of the Permanent Technical Committee (PTC), the Deputy Secretary General welcomed delegates and expressed his appreciation for their participation. He mentioned that a large number of participants would benefit from continuing to network and exchange experience. He started the introduction of the Agenda by summarizing the outcomes of the Technology Conference which had taken place from 10 to 12 October in Vietnam. Then, he moved on to various Agenda items, including digital Customs, e-commerce, blockchain, postal issues, transit, Globally Networked Customs, Green Customs, resilience, and inclusiveness. Lastly, he concluded his remarks by encouraging delegates to be actively engaged during the coming three days. The List of Participants is set out in **Annex I** hereto.

2. **In conclusion, the PTC:**

- took note of the opening remarks by Ricardo Treviño Chapa, Deputy Secretary General of the WCO.

## ITEM II – ADOPTION OF THE AGENDA

3. The Chairperson introduced the Agenda item and gave an update on the changes made in versions b, c and d of the draft Agenda, published on the Members' website. He then noted that under Agenda item XV, "Any other business", the Secretariat would inform the PTC of the need for and the approach to updating the Time Release Study (TRS) Guide. The PTC was invited to adopt the draft Agenda as set out in Doc. PC0725E (version d), including this change.
  4. After the Chairperson's introduction of the Agenda, several Members took the floor and made statements regarding the situation in Ukraine. The Chairperson asked delegates who wished to have their statements reflected in an Annex to the Summary Report to submit them in writing to the Secretariat. The statements received by the Secretariat are set out in **Annex II** hereto.
  5. Finally, the Chairperson encouraged delegates to use the Sessions to think about what topics they would like to discuss at future meetings of the PTC and to bring those under Agenda item XIII, "Topics for the next meeting".
- 6. In conclusion, the PTC:**
- endorsed the draft Agenda (PC0725).

## ITEM III – UPDATE AND REPORTS

*(For information only)*

- a. **Report from the 88<sup>th</sup> Session of the Policy Commission, 19-20 June 2023**
- b. **Report from the 141<sup>st</sup> /142<sup>nd</sup> Sessions of the Council, 22-24 June 2023**

*(To take note)*

- c. **Report on the joint WCO/UPU Conference, 6-8 June 2023**
- d. **Oral Report on the Technology Conference, 10-12 October 2023**
- e. **Report from the 67<sup>th</sup> Data Model Projects Team Meeting (DMPT), 28-29 September 2023**

*(For decision)*

- f. **Report from the 5<sup>th</sup> Meeting of the Passenger Facilitation and Control Working Group (PFCWG), 13-14 April 2023**
  - **PFCWG Work Programme 2022-2025**
- g. **Report from the 66<sup>th</sup> Data Model Projects Team Meeting (DMPT), 11-12 May 2023**

- **Updated DMPT Work Programme 2023-2025**
- **Updated WCO Data Model Maintenance Procedure**

*(For guidance)*

**h. Oral Report from the 6<sup>th</sup> Meeting of the Passenger Facilitation and Control Working Group (PFCWG), 4-5 October 2023 and other intersessional developments**

7. The Chairperson introduced this Agenda item, explaining that the update and reports formed a standing PTC Agenda item which grouped all the “A”-items, namely reports from different WCO working bodies or by the Secretariat. Some of these reports (sub-items a and b) were being submitted to the PTC for information only. The reports under sub-items from c to e were being submitted to the PTC to take note of. If required, delegates could raise any issue or launch a relevant discussion. Sub-items f and g required endorsement by the PTC. The PTC would be invited to provide guidance on the oral report provided under sub-item h.

**c. Report on the joint WCO/UPU Conference, 6-8 June 2023**

8. The Chairperson invited the Secretariat to introduce Doc. PC0726Ea. The Secretariat provided a report on the first WCO-UPU Global Conference, which had been held from 6 to 8 June 2023 in Tokyo, Japan, and the Joint Declaration between the two organizations, stating that the Conference had enhanced cooperation and coordination between Customs administrations and Designated Postal Operators at international and national levels, and strengthened security and facilitation of Customs procedures for global postal chains.
9. The Delegates of Japan took the floor and stated that they had been honoured to host the Conference. The Delegates mentioned their recent signing of a Memorandum of Understanding (MoU) with the Designated Operator in Japan. A delegate took the floor and stated that they had recently signed an MoU with their partner Postal Operator to enhance cooperation between the two parties. Several delegates emphasized the importance of enhancing cooperation between Customs and Post by increasing data quality, incorporating innovation and technology, and facilitating the exchange of information in light of the growing global e-commerce market.

**d. Oral Report on the Technology Conference, 10-12 October 2023**

10. The Secretariat provided an oral report of the 2023 WCO Technology Conference that had been held from 10 to 12 October 2023 in Ha Noi, Vietnam, under the theme “Embracing the Digital Age: Leveraging Technology, Fostering

Innovation, and Nurturing the Next Generation of Customs Professionals”. The Conference had gathered over 1,200 registered participants from 95 countries, of which over 800 participants had attended on site. The Conference agenda had included 10 plenary sessions, five keynote speeches, nine break-out sessions and 12 tech-talks, which had benefitted from the insights of 93 speakers from Members of all the WCO regions, the private sector, partner international organizations, and academia.

11. The topics discussed in plenary had included data analytics, Artificial Intelligence and Machine Learning, blockchain, latest innovations in detection technology, Customs-to-Customs exchange of data, Single Window solutions, and cross-border e-commerce. Moreover, for the first time in recent years, the Technology Conference had looked into the topics of cybersecurity, disaster recovery, and business continuity planning in the digital age. The break-out sessions had covered areas such as training for highly specialized skills required in the Customs profession, integrity, gender equality, and Green Customs, as well as federated learning, the Internet of Things (IoT) and deployment of IoT solutions by Customs, cutting-edge detection technology and various solutions for enhancing risk management. With regard to Green Customs, in line with Action 25 of the Green Customs Action Plan, the Conference had discussed the role of technology in promoting Green Customs, and the challenges faced by developing countries in implementing sustainable practices.
12. The Secretariat went on to present some take-aways, among which were the key role of human resources in innovation and technology deployment, and the ensuing need for strong policy frameworks, continuous training, education and the building of technology literacy of staff. Moreover, the Conference sessions had demonstrated an enhanced understanding within Customs administrations of the importance of data governance and of building a data ecosystem, as well as improved understanding and readiness for collaboration between Customs administrations, other government agencies, industry and academia in the innovation and technology deployment areas.
13. A delegate commended the General Department of Vietnam Customs and the Secretariat for an insightful and engaging Conference, and encouraged Members to carefully consider the information shared during the event and the Conference take-aways.

#### **h. Oral Report from the 6<sup>th</sup> Meeting of the Passenger Facilitation and Control Working Group (PFCWG), 4-5 October 2023 and other intersessional developments**

14. The Chair of the Passenger Facilitation and Control Working Group (PFCWG) gave an oral report on the 6<sup>th</sup> Meeting. The Chair noted that the 6<sup>th</sup> Meeting of



the PFCWG had been held as a hybrid meeting on 3 and 4 October. Based on decisions made at the 5<sup>th</sup> Meeting, this meeting had been held in conjunction with the API/PNR Contact Committee (API/PNR CC) under one agenda. The meetings had been tasked to look for synergies between the two groups, and to then propose a recommendation on the future of the PFCWG to the PTC, and then to the Policy Commission for endorsement. The 6<sup>th</sup> Meeting of the PFCWG had had 50 people in attendance in person and 130 online from around the world, including observers from the Cruise Lines International Association (CLIA) and the International Maritime Organization (IMO), International Air Transport Association (IATA) and International Civil Aviation Organization (ICAO).

15. The PFCWG had been updated on the work by the Data Model Projects Team (DMPT) in developing technical data exchange standards and the work under way to request an amendment to the IMO Convention, to include API and BRI/PNR. This had been further assisted by the development of a Message Implementation Guide to give guidance on implementing technical requirements and specifications for electronic message formats. A mini group of interested Members had met between the 5<sup>th</sup> and 6<sup>th</sup> Meetings of the PFCWG to refine and finalize the API and BRI Guidelines for Cruise Ship Operations. While the Guidelines focused on cruise ships, the PFCWG had noted that, in the future, one set of guidelines for the use of API and BRI/PNR for all modes of international travel could be developed. New Zealand and the United Kingdom shared information on their activities as part of the pilot and their work with Australia and France respectively. Princess Cruises also described the work they had done to date. Customs administrations were testing their government systems to ensure they could receive information. In addition, Princess Cruises were testing their systems to ensure they could send messages. Once this analysis was finalized, testing with live data would commence.
16. A mini group of interested PFCWG members had met between the 5<sup>th</sup> and 6<sup>th</sup> Meetings to develop data standards for four modes: Maritime mode (Ferries, Pleasure/Leisure/Small Craft, Commercial Shipping Vessels), Rail mode (Passenger Trains, Freight Trains), Road mode (Bus/Coach, Car, Freight Vehicles/Trucks) and General Aviation mode. The PFCWG Chair noted that defining these data sets = would be a lasting outcome and legacy within the WCO. This would now be submitted to the WCO's Data Model Projects Team for inclusion and alignment with the WCO's Data Model, and the Secretariat would look for international organizations for non-aviation and maritime modes of travel for consultation.
17. With regard to the future of the PFCWG, the PFCWG Chair noted that the Group's initial term was due to end in December 2023. PFCWG members had stated that having one meeting to address all modes of travel provided many efficiencies, and it was important that discussions on traveller facilitation and



control across all modes of travel should continue. The WCO Secretariat informed Members of intersessional work between the WCO, IATA and ICAO Secretariats to present a way forward at this meeting. During the intersessional work IATA and ICAO had asked for any discussions on the API/PNR CC to be held at the formal CC meeting with all members present. The WCO Secretariat had prepared draft Terms of Reference (ToR), intended to show how a new traveller group could work, and how the meeting agendas could be structured with different transport modes for an inclusive and collaborative traveller work arrangement. The draft ToR had been presented to facilitate discussion amongst the API/PNR CC and PFCWG members in a joint session of the two working bodies. The topic had been further discussed in a joint session of the API/PNR CC and PFCWG. The API/PNR CC Chair had briefed the joint session on the conclusion of the API/PNR CC, which called on the WCO, IATA and ICAO Secretariats to review the existing ToR of the Contact Committee during the intersession, to consider inclusion of other modes of transport and relevant stakeholders, and to conclude the review work by December 2023, as well as to find a way to adopt any revisions as soon as practicable.

18. The PFCWG members had been pleased that Contact Committee members IATA and ICAO were willing to engage in considering the addition of other modes of travel and industry partners to the API/PNR CC. However, there had been concerns from PFCWG members that there was no concrete decision on a future group to discuss all modes of travel, and a possibility that a new group would not be in place by December, when the PFCWG term would end. Members had expressed concern that other committees, such as the PTC or Enforcement Committee, were not the appropriate place for this work because they did not have the right member representatives in attendance. Members noted that the success of the PFCWG in a short time had been thanks to having experts at a working group level; however, these committees could be used in the interim until a permanent place was found, to ensure the work continued. The Chair noted that Members had asked the WCO Secretariat what would happen if IATA and ICAO did not act in good faith, as they had had the chance at the meeting to resolve the matter, yet this had not happened. The Secretariat had noted that in the unlikely event that the work of the PFCWG did not continue as part of the API/PNR CC, the WCO could create its own group to address all modes of transport and invite industry partners to participate, but that this was not something that already needed to be decided. The PFCWG Chair noted that members had proposed a recommendation to the PTC and then to the Policy Commission to the effect that the ongoing work of the PFCWG be addressed by another WCO working group, such as the PTC, as a stopgap measure to continue the work on traveller facilitation and control across all modes of travel until a solution was found, and sought agreement from the PTC on this proposal.

19. The PTC delegates discussed the request of the PFCWG and were in agreement that one group for all modes of transport should be pursued by the WCO Secretariat. Delegates noted that the work was important to the PTC but that there was not enough time, or always the experts at the PTC meeting, to discuss detailed traveller-related issues, and encouraged the WCO to consider holding any future traveller meetings twice a year. Delegates also expressed their appreciation to the Chairs of New Zealand and Canada, the WCO Secretariat and PFCWG participants for the hard work and achievements of the Group in a short time. The WCO Deputy Director thanked Australia, New Zealand and Japan for seconding Technical Attachés to complete the tremendous achievements of the PFCWG, noting that the WCO could not have completed this work without their support. The Deputy Director confirmed that the WCO Secretariat would continue to work with IATA, IACO and members of the PFCWG to prepare a report and recommendation to the Policy Commission.

#### 20. In conclusion, the PTC:

- took note of the reports from the relevant meetings and conferences;
- endorsed the report from the 5<sup>th</sup> Meeting of the Passenger Facilitation and Control Working Group (PFCWG), held from 13 to 14 April 2023, including the PFCWG Work Programme 2022-2025;
- endorsed the report from the 66<sup>th</sup> Meeting of the Data Model Projects Team (DMPT), held from 11 to 12 May 2023, including the updated DMPT Work Programme 2023-2025 and updated WCO Data Model Maintenance Procedure;
- provided guidance on the Report of the 6<sup>th</sup> Meeting of the Passenger Facilitation and Control Working Group (PFCWG), held from 4 to 5 October 2023, and other intersessional developments;
- agreed to allow the work of the PFCWG to continue in a mini group, reporting to the PTC as a stopgap measure until a more suitable, permanent home was found for traveller facilitation and control matters; and
- expressed its concern at the difficulties encountered in securing the agreement of all stakeholders for the creation of a single forum covering API and BRI/PNR standards for all modes of transport and travel, and asked the Secretariat to pursue intensive discussions with them and to present a report on these to the December Policy Commission, including revised Terms of Reference for such a group.

## ITEM IV – CROSS-BORDER REGULATORY INTERCONNECTIVITY FRAMEWORK

### a. Update of the GNC Handbook Doc. PC0727Ea

21. The Secretariat invited the PTC delegates to review and potentially update the Globally Networked Customs (GNC)-related instruments and tools (namely, the “GNC Handbook”, the “Strategic Value” flyer, the “Frequently Asked Questions” flyer and the “GNC Repository” with the published Utility Blocks) by establishing an informal mini-group consisting of interested Members and other stakeholders. The Secretariat highlighted that PTC delegates had expressed a desire to update the GNC concept so as to adapt it to current evolving needs, taking into account that GNC had been developed between 2009 and 2012, since which time only a few Members had implemented the GNC methodology and developed Utility Blocks, despite the fact that the volume of Customs-to-Customs data exchange had been increasing.
22. Several Members expressed their support for the review of the GNC by a mini-group during the intersession. Participants stated that different technologies had evolved since the GNC concept was developed, and that an in-depth review of the latter was therefore necessary to allow GNC to act as a modern and globally accepted interconnectivity framework for coordinated border management. Furthermore, a Member raised the wish to highlight the security of networks in the context of data utilization of technology.
23. Another Member emphasized the WCO’s commitment to fostering cooperation among various Members through the trust-based exchange of information. Specifically, the delegate highlighted the automated, real-time exchange of export Customs declarations, such as the SEED+ project. The delegate supported the review of the GNC and suggested enhancing it with more practical content, including a variety of Members’ experiences, recommendations for operational structures, and guidelines for legal, safety and confidentiality issues.
24. A representative from a private sector association stressed the importance, from the industry perspective, of governance systems’ interoperability and technology neutrality. The representative raised concerns as to whether GNC was just a step towards globally networked governments, considering developments among other Cross-Border Regulatory Agencies, such as ePhyto, which were critically important for international trade and needed to be connected as well.
25. The Secretariat expressed gratitude for the support of the review of the GNC and invited all interested Members and stakeholders to participate in the work during the session.

#### **b. Feasibility Study on Interconnectivity Framework for Certificates of Origin**

26. The Secretariat presented the Feasibility Study on Interconnectivity Framework for Certificates of Origin (COs), noting that the Feasibility Study had been initiated following the Council's approval of the Work Programme of the Technical Committee on Rules of Origin (TCRO) in June 2023. To facilitate this effort, an Informal Working Group (IWG) of interested Members had been established, in which the GNC methodology would be used as the primary reference for establishing the interconnectivity framework. The 1<sup>st</sup> Meeting of the IWG had taken place in September 2023, during which the IWG had examined, discussed, and reached consensus on the Action Plan and Concept Note. The 2<sup>nd</sup> Meeting was convened in October 2023, focusing on extensive discussions on the "Business Process Models (Version 1)" and "Common dataset for Certificate of Origin (Version 1)". The IWG had agreed to continue refining the draft's structure by incorporating additional Members' practices and more detailed elements, preparing Version 2 for further discussion at the 3<sup>rd</sup> Meeting, scheduled for November 2023. The Feasibility Study was financially supported under the EU-WCO Rules of Origin Africa Programme and under CCF-China for the enhancement on the deliverables of the Feasibility Study.
27. Several delegates expressed great appreciation to the Secretariat and the IWG for their efforts and for the outcomes regarding the Feasibility Study, and looked forward to seeing its outcomes, with a view to helping Members maximize the benefits of technology and Customs cooperation. One delegate was of the view that cross-border exchange of CO data could significantly contribute to trade facilitation by reducing trade costs and simplifying Customs procedures and would also be a way of implementing Green Customs and policing trade. In addition, the delegate shared national past experience on CO data exchange projects with China, Vietnam, Indonesia, the Association of Southeast Asian Nations (ASEAN) and India, conveying his hope that the Feasibility Study would result in an increase in the exchange of Customs data among WCO Members. A delegate shared national experience in digitalizing COs by providing QR codes to allow importing Customs access to the database to check the authenticity and contents of the CO, and expressed the willingness to contribute to the ongoing activity. Another delegate also described their national practices within the Latin American Integration Association. They expressed their support for the primary focus of improvements in two key areas, specifically, simplification and data alignment. This emphasis was particularly directed towards comparing the data elements of certificates in order to facilitate the standardization of data. One delegate expressed gratitude for the comprehensive update provided by the Secretariat. They highlighted that harmonizing data elements and legal frameworks, typically specified in various free trade agreements, could pose challenges. Consequently, they recommended placing greater emphasis on the technological aspects of this data exchange project. Additionally, the delegate suggested that a careful approach should be taken to the discussion on standardization, as the issuing authority of COs was not always Customs. A delegate acknowledged the progress achieved on the Feasibility Study on

Interconnectivity Framework for Certificates of Origin and extended their congratulations. They mentioned their previously held reservations about certain aspects of the Feasibility Study, which had now become obsolete due to advancements made in this field.

28. The Secretariat expressed gratitude for the encouragement and support given to the Feasibility Study and took note of delegates' concerns and suggestions concerning the Feasibility Study. The Secretariat welcomed Members' sharing of experience, and their active participation in the ongoing activity to enhance the practicality of the deliverables. Addressing concerns regarding dataset harmonization and business process models, the Secretariat clarified that the current focus of the IWG was on business process modelling and dataset harmonization. The alignment of datasets for the Certificate of Origin (CO) was intended to serve as a methodological reference for Members during free trade agreement negotiations or data exchange project implementation. This approach granted Members the flexibility to freely choose datasets for COs in accordance with their specific needs.

### **c. Member's experience on Customs data exchange**

#### **• Presentation by Serbia**

29. The Representative of Serbia Customs shared with the PTC delegates their national experience on Customs data exchange as part of the Systematic Electronic Exchange of Data (SEED+) project.
30. The Representative highlighted the exchange of data, such as Customs declarations (Transit, Export, Import), carnets (TIR, ATA), invoices, money declarations and VAT refunds, triggered by the events "Pre-Arrival", "Exit" and "Entry", in line with the standards of the WCO Data Model. The further scope of SEED+ should enable the exchange of certificates (phytosanitary, veterinary and pharmaceutical), which was built in interconnectivity of the CEFTA TracesNT with the SEED+ Nodes Network.
31. Benefits for the region were enhanced law enforcement (prevention of smuggling, under-valuation and corruption, and improved risk management), improved cross-border and inter-agency cooperation, standardized information, and acceleration of border procedures.

### **d. GNC Utility Block on the transboundary movement of waste and updated version of the CBM Compendium Doc. PC0728Ea**

32. The Secretariat introduced Doc. PC0728, illustrating that business process mapping and the development of GNC Utility Blocks (UBs) for data exchange on



waste trade were included in the WCO Implementation Plan 2022-2023, as well as being reflected in actions 7 and 9 of the PTC Work Programme 2022-2025, and actions 5 and 6 of the Green Customs Action Plan.

33. In this connection, the Secretariat informed the PTC delegates that, following a desk analysis, EAC countries had been identified as volunteers for a pilot. A workshop had been conducted with a focus on e-waste in July 2023, with the support of the Sida-WCO Trade Facilitation and Customs Modernization Programme, involving Burundi, Rwanda, Uganda, Tanzania, Kenya, Malaysia, Pakistan and the EAC Secretariat. The workshop had served as a consultative undertaking to gain a better understanding of current business processes for the import and export of waste (e-waste) between EAC countries and selected exporting countries (ref. Annex III to Doc. PC0728). A diagnostic questionnaire (Annex I to Doc. PC0728) had been drawn up for the business process mapping and the development of a high-level Executive Summary of the GNC UBs for the exchange of PIC data and export data (Annex IV to Doc. PC0728). As a way forward, a recommendation from the workshop had been to set up an intersessional working group to further develop the UBs. The Secretariat informed the PTC delegates that the outcomes of the pilot had been shared with the Basel Secretariat, for consideration under the scope of the small intersessional working group (SIWG) established to improve the prior informed consent procedure, and the SIWG on electronic approaches to the notification and movement documents under the Basel Convention.
34. Lastly, the Secretariat pointed out that another outcome of the workshop had been the update of the CBM Compendium, presented in Annex II to Doc. PC0728. The Secretariat concluded by inviting the PTC to take note of the draft Executive Summary of the GNC UB with respect to the transboundary movement of waste, and to endorse the updated version of the CBM Compendium.
35. No comments were made by the PTC delegates.

### 36. In conclusion, the PTC:

- discussed and agreed to the review of the GNC-related instruments and tools;
- took note of the progress of the Feasibility Study on Interconnectivity Framework for Certificates of Origin;
- took note, with thanks, of the presentation by Serbia;
- took note of the draft Executive Summary of the GNC Utility Block with respect to the transboundary movement of waste; and
- endorsed the updated version of the CBM Compendium (**Annex III**).

## ITEM V – E-COMMERCE

### Doc. PC0733Ea

37. The Secretariat introduced Doc. PC0733 by explaining that it had three objectives. The first one was to set the stage for discussions in the framework of the second periodic review of the E-Commerce Package, which covered 1 July 2022 to 30 June 2026. The discussions during the Meeting would be structured around four of the eight key principles of the WCO Framework of Standards on Cross-Border E-Commerce (E-Commerce FoS) and, in this context, the document outlined the main elements of the respective principles, as well as the tools that provided guidance on the implementation of these principles. After hearing presentations by five Members, under sub-items a to d, the PTC would be invited to identify potential areas of the E-Commerce Package that might need to be amended during the current periodic review and to provide guidance on the way forward. The second objective of Doc. PC0733 was to provide a progress report on the delivery by the Secretariat of three capacity-building workshops, and to report on awareness-raising activities, such as the second Symposium on E-Commerce and Customs Valuation that had been held the previous day. The third objective of the document was to present the first draft outline for a new WCO tool on the implications for Customs of the e-commerce fulfilment process that would be discussed under sub-item e. The outline had been prepared based on the discussions held in February 2023 at the first Symposium on E-Commerce and Customs Valuation, and in the PTC in April 2023.

#### a. Advance Electronic Data and Risk Management

- **Presentation by the United States (US) – updates on the US data pilots**

38. A Representative of United States Customs and Border Protection (U.S. CBP) gave a presentation on two U.S. data pilots – the Section 321 Data Pilot and the Entry Type 86 test. The speaker first provided some background information on the de minimis threshold in the U.S., which initially had been 5 USD, had increased to 200 USD in 2015, and had been further changed to 800 USD in 2016. The de minimis threshold referred to a legal exemption within the U.S. regulations that enabled any individual to import up to 800 USD in goods duty-free each day, as an aggregate value. The raising of the de minimis threshold in 2016 had come along with economic growth and an increase in online shopping. This had led to a huge increase in the volume of low-value (average value around 50 USD) small packages, that typically entered via the postal and express channels, with a trend towards these shipments also being transported through other modes (road and sea). In fiscal year 2022, these shipments had accounted for 85% of the total number of shipments entering the U.S. The number had been constantly increasing and had exceeded 1 billion small



packages per year, with U.S. CBP processing more than two million of these shipments per day.

39. While e-commerce shipments were of low value, they did not necessarily represent low risk, as U.S. CBP had seen multiple attempts to exploit the e-commerce environment for the trafficking of illicit substances, counterfeits and other goods with health and safety risks. A major challenge for Customs was the limited information required for these shipments, for instance, the lack of information on the tariff code. Hence, U.S. CBP did not have much visibility with regard to the parties in the transaction or the goods in the shipment. There were even more challenges in terms of the clearance of e-commerce shipments in Customs offices that had not been accustomed to processing this type of cargo which, in addition to other characteristics, required fast clearance and release.
40. Against this background, the speaker delved into the details of the U.S. Section 321 Data Pilot, which along with the Entry Type 86 test, were the cornerstones of CBP's strategy in tackling the challenges in the e-commerce environment, supplementing the well-established working relations between Customs and the private sector, and the engagement with supply chain stakeholders on compliance issues. The initial goal of the Section 321 Pilot had been to determine what additional data could be obtained from different actors in the supply chain, such as online marketplaces, third-party logistics providers, and carriers. U.S. CBP had initially explored a list of more than 30 data elements and had begun the pilot back in 2019 with nine private sector partners. As a result of the pilot implementation, CBP had been able to limit the number of additional data elements required from these partners and had combined these data elements with the import data, which had been submitted traditionally. This had enabled CBP to more efficiently and effectively segment the e-commerce shipments based on risk. The positive outcomes of the pilot in terms of a list of additional data elements had been tested through 550 million transactions, submitted via the 321 Data Pilot between the start of the pilot in 2019 and 30 September 2023.
41. The speaker went on to present the Entry Type 86 test, which had also started in 2019 and had been primarily focused on obtaining additional information required by other government agencies within the U.S. (e.g. the Food and Drug Administration, and the Environmental Protection Agency). The difference between the Section 321 Data Pilot and the Entry Type 86 test was that the latter required a tariff code and any additional information required by another U.S. agency with border security responsibilities. Currently, more than half of the shipments were filed through the Entry Type 86 test, thus providing a tariff code and certain additional data elements for the shipments. Experience from the two pilots had shown that, based on the tariff code and the small set of very beneficial additional data elements, Customs could build an automated clearance process that would enable Customs to effectively segment risk and provide a faster clearance of e-commerce shipments. Establishing such an automated process for the clearance of e-commerce shipments was the path

forward for U.S. CPB, which was working through the process of preparing the required regulatory changes, undertaking consultations with business and moving forward to implementation.

42. In reply to questions from the floor, the speaker clarified that the tariff code that was required under the Entry Type 86 test and was an optional data element under the Section 321 Data Pilot was a 10-digit tariff code. When other government agencies had requirements around certain commodities, these commodities were matched to the respective tariff codes under an automated process involving prompts for additional data and risk assessment algorithms. Thus, the tariff code was combined with other data elements and with various other techniques, with a view to providing U.S. CBP with a good confidence level as to whether the shipment appeared to be legitimate or if further checks needed to be done.
43. An intervention from the floor reminded delegates that previous discussions on the content of the E-Commerce FoS and the associated package of tools had underscored the importance of first evaluating the outcomes of the U.S. data pilots, before proceeding to the adoption of specific datasets and workflows indicating which party could provide which type of data. In that context, there was a need for greater level of detail in the presentations provided by Members, which, given the sunseting of the Working Group on E-commerce, would enable the PTC to hold in-depth discussions in the area of cross-border e-commerce, an area of interest for all Members.
44. With regard to the request made, the speaker provided specific information on the outcomes of the data pilots in terms of the most beneficial data elements, which were those that provided information on the parties in the transaction and the commodity itself. The list of those data elements included information about the marketplace (name, address), the purchaser (name, address), the seller, the 10-digit tariff code, the country of origin, the advertised product description, the retail price, and the url through which the commodity had been purchased. Another data element was a picture of the product which, with the help of Artificial Intelligence and Machine Learning, could be matched to the X-ray image of the shipment. With regard to the entities that could submit these data elements to Customs, the speaker clarified that these were various parties in the supply chain, but that that the data could also be consolidated by a broker or a logistics service provider and submitted by that party to Customs. To a specific question on the involvement of e-commerce platforms/marketplaces in the pilot, the speaker clarified that four marketplaces were taking part in the Section 321 Data Pilot and were able to provide varying data elements, including product ID, catalogue information, etc. The speaker further explained that the new process, after the necessary regulatory changes, would be optional and that participating entities could provide one or more of the required data elements, but it would not be obligatory to provide all data elements.

45. Reacting to a proposal from the floor to have a discussion on the processes at national level on establishing de minimis thresholds, in view of recent examples of Members reducing or completely removing their respective de minimis thresholds, the speaker clarified that in the U.S., decisions on the de minimis level were taken in Congress, and then CBP enacted them through supporting regulations. In reply to another question on compliance issues, the speaker explained that CBP had different avenues to address those, ranging from the development of proposals and recommendations in the Commercial Operations Advisory Council, through to informed compliance exercises with businesses, and to enforcement actions, such as penalties.

## **b. Facilitation and Simplification**

### **• Presentation by the European Union (EU) on the e-commerce-related aspects of the European Commission's proposals for a comprehensive reform of the EU Customs Union**

46. An expert from the Directorate-General for Taxation and Customs Union (TAXUD) of the European Commission delivered a presentation on the Commission's proposal for reform of the European Union Customs Union, with a focus on Business-to-Consumer (B2C) e-commerce (distance sales of imported goods). The rationale behind the proposal included a number of issues that EU Member States were currently facing. The first group of issues involved undervaluation, artificial splitting of consignments, and hence loss of revenue. The second group of issues concerned poor compliance with non-fiscal requirements, which resulted in compromised protection of society. The third group was related to the administrative burden for business operators and Customs, which in 2022 alone had submitted and processed 1.6 billion declarations items under the super-reduced dataset arrangement (H7) for consignments below the 150 euro de minimis threshold, a number that was recently growing by 25% per year.
47. The Commission proposal outlined a number of solutions that needed to be discussed in the European Parliament and the Council of the EU before being adopted. These solutions included removing the de minimis threshold for Customs duties, which was currently set at 150 euro and entailed compliance effort from businesses, as well as introducing for the distance sales of imported goods simplified calculation of duties, whereby the Customs value would include the transport costs to the destination, it would not be necessary to prove the non-preferential origin, and there would be an option to calculate Customs duties under a limited number of buckets of tariff rates. Other proposed solutions included introducing non-fiscal liability for e-commerce platforms; establishing an EU Customs Data Hub, which would change the various declaration requirements and would introduce the possibility

of data transmission, compiling data from e-commerce platforms, carriers, other business actors.; and introducing risk assessment at EU level through the EU Customs Agency. The Commission proposal would also introduce the “deemed importer”, who would be liable for the fiscal and non-fiscal consequences of declarations. The deemed importer would be anyone who was involved in the distance sale of goods and who was registered for the Import One-Stop Shop (IOSS). In case the deemed importer was established outside the EU, they should appoint an indirect representative established within the EU.

48. The ensuing discussion noted the difference of approach between the U.S. and the EU with regard to small packages, where the focus of U.S. CBP was on health and safety concerns, while the focus in the EU was on both fiscal (revenue loss) and non-fiscal aspects. Another observation was that the U.S. had tested any potential regulatory change through pilots, while the EU was not following the approach of testing and piloting so far, as currently the proposed legislation is under negotiations. In reply to this latter observation, the speaker explained that the secondary legislation within the reform package would be developed in close cooperation with business. When asked whether the removal of the de minimis threshold for Customs duties was in breach of Article 7.8 of the Agreement on Trade Facilitation of the World Trade Organization (WTO TFA), the speaker expressed the opinion that this was not the case, as amongst others, business models had fundamentally changed since the creation of that de minimis threshold 40 years ago and its update in 2008. Nowadays this threshold was leading to additional burdens, both for Customs and businesses. With regard to the potential revenue gains and the costs associated with the implementation of the reform measures, the speaker referred delegates to the European Commission’s impact assessment, which was publicly available.
49. The speaker also elaborated on the challenges brought by the evolving e-commerce business models, amongst others, challenges in relation to the Customs valuation. He went on to explain that the current EU duty relief legislation contained only two references to the intrinsic value related e-commerce consignments, and as a result of the reform proposal, there would no longer be the need for these specific legislative texts and for the notion of intrinsic value.
50. A Member shared information on relevant national experience, which included i) introducing specific supervision methods for the various e-commerce business models; ii) establishing a cross-referencing model with regard to the use of data submitted through a Single Window facility by e-commerce platforms, payment service providers and logistics service providers, as well as applying risk assessment based on big data; and iii) introducing a series of facilitation measures, including measures to facilitate return shipments. Future steps could include enhanced implementation of the Smart Customs concept to promote

information sharing, and closer cooperation between Customs and the private sector.

- **Presentation by Türkiye**

51. Türkiye Customs presented their experience in implementing facilitation and simplification measures related to express cargo. In particular, the Delegate shared Türkiye experience on the Simplified Customs Declaration (SCD), elaborating on its core elements, such as reduced datasets and measures related to authorized express cargo and Postal Operators in air and land transport. Import and export workflows were presented in the context of e-commerce facilitation, highlighting the requirements for submission of the pre-arrival notification by the carrier, risk analysis, inspection and SCD approval procedures.
52. The Delegate then explained revenue collection-related rules and procedures, highlighting the main challenges faced by Customs, especially in the case of online platforms, and increasing textile industry product exports, entailing a growing volume of return shipments. It was mentioned that under the SCD scheme, no brokerage fees or storage fees were collected for the first three days in the Customs warehouse. The presentation continued by highlighting the key elements of the Integrated Export approach, including the E-Invoice and E-Dispatch Note.
53. In terms of access to e-commerce, the measures implemented by Türkiye Customs encouraging women to join e-commerce, as well as guides developed for declarants and exporters, were mentioned.

### c. Fair and Efficient Revenue Collection

- **Presentation by Norway**

54. Norwegian Customs presented their experience on fair and efficient collection of revenue from e-commerce, and abolishment of the de minimis threshold in an environment of massive growth in e-commerce operations, highlighting the key elements of the VAT on E-Commerce (VOEC) initiative, inspired by the experience of Australia and New Zealand Customs. The Delegate described the targets and ambitions of Norwegian Customs under VOEC, explaining the key requirements set for the trading community and the challenges faced by Customs.
55. The Delegate then gave the timelines from development to application, involving a two-phased approach until the final abolishment of de minimis. The Meeting was informed that, starting from 1 January 2024, all low-value consignments (below 300 euro) arriving at the Norwegian border would be subject to taxes and the obligation to deliver a Customs declaration. This will not be the case for

goods imported from Internet platforms registered in the VOEK registry. These goods will be handled in the new system for submitting entry or pre-arrival messages (ENS) with a digital VOEK number and there will be no need for declarations. Other simplifications mentioned were, the simplified return scheme for forwarders for low-value consignments, and a fallback solution for VOEK consignments that fails in the ENS-phase.

56. The Delegate then shared the key lessons learned, such as the importance of not implementing measures which were not part of the overall organization strategy; avoiding reorganization and implementation of new Customs legislation and new systems at the same time; and developing an efficient dialogue with systems developers and systems architects, as well as with traders and economic operators.
57. An observer expressed gratitude to Norway for the presentation and asked whether any impact assessments had been conducted on the opportunities brought by e-commerce, especially in terms of job creation and revenue collection beyond Customs. He then highlighted that the growth of e-commerce might be seen by Customs as something positive, rather than as a threat, given the opportunities it brought. He also asked about the extent to which the Postal Operator of Norway provided Customs with electronic advance data, and how Customs assessed whether its data requirements were satisfied in the context of UPU policies and regulations.
58. In response, the Delegate of Norway explained that the growth in e-commerce did create certain challenges for Customs, but also opened up opportunities for additional revenue collection from the tax authorities' perspective. He then referred to the very good level of cooperation with UPU, pointing out that 90% of all countries were applying ITMATT regulations, though the quality of data varied considerably from country to country.

#### **d. Partnerships**

- **Presentation by Indonesia**

59. Indonesian Customs presented their practices and experience in implementing the WCO Framework of Standards on Cross-Border E-Commerce, in particular, Standard 12, "Public-Private Partnerships". The Delegate explained that Indonesian Customs has seen significant growth in the number of e-commerce users, which was linked to new challenges for Customs, especially in the field of trade facilitation, revenue collection, and safety and security. The most commonly identified problems were misdeclaration of value, incorrect classification and origin, drug trafficking, and counterfeit and pirated goods, as well as limited information on importers and their supply chains.



60. The Indonesian Representative explained that, in order to address these challenges, they had decided to strengthen cooperation with the marketplace by introducing the Delivery Duty Paid (DDP) scheme, which incorporated the concept of partnership in Standard 12 of the WCO FoS on Cross-Border E-Commerce. The Marketplace-Customs partnership consisted in the exchange of e-catalogue and e-invoice data, based on the WCO Data Model, for consignments transacted through the marketplace.
61. The analyses of the effects of introducing the DDP scheme (as mandatory) and of sharing e-catalogue and e-invoice data revealed: (i) more integrated and accurate data collection; (ii) a much faster Customs clearance process; (iii) earlier and faster collection of duties and taxes; and (iv) more effective risk management. Evaluation of the overall results enabled the allocation of the main areas for forthcoming activities, especially those related to further strengthening partnerships with e-commerce stakeholders, enhancing the capacity of Customs officers, and preparing for the further rapid growth in e-commerce.
62. Delegates also shared their experience, practice and initiatives regarding the implementation of the E-Commerce FoS, including introducing pilot projects and development of the new Customs legislation in this area. An Observer shared information about new amendments to the Customs legislation including introducing a special category of goods – e-commerce goods and a new declaration form for these goods, which should be submitted electronically.

#### **e. Outline of a new WCO tool “E-Commerce Fulfilment: Implications for Customs”**

63. The Chairperson invited delegates to provide guidance on the draft outline for a new WCO tool on the implications for Customs of the e-commerce fulfilment process, set out in the Annex to Doc. PC0733, which had been presented by the Secretariat at the start of the discussions on e-commerce.
64. Delegates commended the Secretariat for developing a substantive and comprehensive outline of the future WCO tool and noted that the development of the future guidelines would require a wide range of expertise, both from Members and from stakeholders, on matters such as Customs procedures, Incoterms, and Customs valuation, etc. In this context, several Members and observers re-emphasized the need for an appropriate forum, and sufficient time for discussion of the multi-disciplinary matter of cross-border e-commerce, regardless of whether it concerned the postal stream currently being covered by the WCO/UPU Contact Committee, or the express carriers’ stream. It was important to have on board all relevant stakeholders, especially the e-commerce platforms. Several delegates sought clarification on the process that would be followed for developing the future guidelines, and the United



Kingdom, the United States, the EEC and the GEA expressed their interest in contributing to the drafting of the future guidelines. Another matter where clarification was sought was on how the future guidelines would relate to the E-Commerce FoS and the E-Commerce Package, specifically given that the second periodic review was under way, and the necessary guidance could be incorporated into the existing tools forming part of the E-Commerce Package.

65. Moreover, the presentations delivered under the previous Agenda items had shown a lack of consistency and coherence in the implementation of measures in the area of cross-border e-commerce. This was another argument in support of the plea for a forum that would ensure robust and comprehensive discussions on all relevant matters. Delegates expressed interest in further discussing Members' challenges and experiences in implementing the E-Commerce FoS, both in future PTC sessions and at intersessional meetings, as appropriate. This would enable Members to identify areas of the E-Commerce FoS that might require in-depth consideration and possible revisions under the periodic review of the E-Commerce Package. It was also felt that the case studies forming part of the Compendium of Case Studies on E-Commerce needed to be studied and analysed, and Members needed to be encouraged to submit more case studies to feed into future editions of this useful tool.
66. In addition to the observations made under the previous sub-items, delegates noted the trend of assigning more responsibilities to e-commerce platforms, not only for providing information, but also for acting as the declarant, and for collecting Customs duties and taxes, etc. This trend needed to be explored further in the context of the periodic review of the E-Commerce Package. It was felt that discussions needed to be focused on key elements, rather than structuring them around Members' experiences. One option for focused discussions was through intersessional focus group(s) of interested Members that would report back to the PTC. During the discussion, a Member presented relevant national experience on strengthening risk management of e-commerce goods carried through the postal channel, based on which the Member had put forward a proposal for amendment of the CN22/23 special declaration forms for postal items to enable the distinguishing of B2C e-commerce.
67. The Secretariat thanked delegates for the valuable feedback, which would be taken into account in the future work of the Secretariat. Clarification was provided that the development of the future guidelines would be undertaken through informal online meetings with interested Members and stakeholders, and the tool itself would be aligned with the current content of the E-Commerce Package and become an integral part of it. Members were invited to express their interest in contributing to the guidelines' drafting process. Furthermore, the Secretariat reminded delegates that it had been the PTC and the Policy Commission that had in the past decided to refer the work on e-commerce to the PTC. The Secretariat felt that sufficient time had been

provided for those discussions but that, if required, more time could be allocated in the future to discuss these issues within the PTC. In addition, an informal group could be convened to help stimulate and provide a focus to the discussions. If, at some point, it was felt necessary to establish a formal working group, then Members and the Secretariat could follow the established process for setting up new working bodies.

#### **68. In conclusion, the PTC:**

- took note, with thanks, of the presentations by the United States (U.S.), the European Union (EU), Türkiye, Norway and Indonesia on various aspects of implementation of the E-Commerce FoS;
- based on the presentations by Members, identified potential areas of the E-Commerce Package that might need to be amended during the second periodic review of the E-Commerce Package;
- agreed to continue discussing Members' experiences in implementing the E-Commerce FoS in the future PTC sessions and in intersessional meetings;
- took note of the progress made in the area of cross-border e-commerce;
- discussed the draft outline for a new WCO tool on the implications for Customs of the e-commerce fulfilment process that would be further developed through discussions at intersessional meetings and aligned with the annexes in the E-Commerce Package; and
- provided guidance on the way forward, including on reinforcing the role of the PTC in providing a forum for substantive and robust discussions on e-commerce.

## **ITEM VI – GREEN CUSTOMS**

### **a. Green Customs Action Plan**

### **b. Study Report on the implications for Customs administrations of the transition to a Circular Economy**

### **c. Asia/Pacific Plastic Waste (APPW) Project outcomes**

69. The Secretariat introduced Doc. PC0729 in the context of sub-items a, b and c, and presented the progress made on the implementation of the WCO Green Customs Action Plan (GCAP), the publication of the Study Report on the implications for Customs administrations related to the transition to a Circular Economy, and the outcomes of the WCO Asia/Pacific Plastic Waste (APPW) Project, and its Regional Action Plan (RAP).

70. Concerning the GCAP, Members expressed their appreciation, continued support and interest in advancing the implementation of some pending activities, such as the actions related to awareness raising (GCAP-4), stocktaking (GCAP-3 and GCAP-18) and the identification of common parameters that could lead to

the creation of a Green Customs assessment tool (GCAP-2), considered to be a gateway to the green revision of the performance measurement mechanism (GCAP-1). The EU positively acknowledged the progress made but reiterated its high expectations regarding a timely start of cross-member status taking/awareness building and best practice guidance actions (GCAP 1-4). It was noted that it is worrying that still no time frame is indicated in the GCAP and these actions are still marked as red. In addition, the advancement of the waste related actions and the launch of enhanced cooperation concepts with other environmental and alike bodies was welcomed. In this connection, the Secretariat highlighted that some relevant KPIs were already included in the first version of the Performance Measurement Mechanism (PMM v.1), and informed the PTC delegates that the first assessment phase would be launched soon, encouraging Members' participation. The Secretariat went on to explain that further KPI development might be carried out under the aegis of the Performance Measurement Mechanism Project Team (PMMPT), based on the PMM Maintenance Mechanism. The 1st Meeting of the PMMPT was scheduled for 5 and 6 February 2024.

71. With regard to the activities to green the WCO instruments and Members' practices, China expressed support for the efforts to green the HS (GCAP-10), and interest in the possibility of leveraging domestic tariffs to promote environmental protection, intelligence, capacity building and the exchange of information on waste trade to promote the circular economy, making reference to Operation Demeter. The Republic of Korea highlighted their efforts in simplifying origin certification procedures and providing assistance to several companies exporting carbon-neutral goods for origin management. In relation to the area of "Being" of the GCAP, delegates took the floor to highlight the importance of fostering Customs digitalization to improve Customs efficiency and effectiveness and reduce the carbon footprint of Customs procedures, as well as the importance of promoting eco-friendly infrastructure and logistics in Customs operations, mentioning the actions taken by Canada Border Services Agency to transition towards net zero carbon operations for facilities and reduce paper consumption through digitalization processes.
72. Taking into account the transformative potential of the GCAP, some delegates encouraged deepening discussions with the private sector on Green Customs, as well as collaboration with other regulatory agencies (GCAP-8), suggesting that they provide benefits to AEO companies in order to ensure a return on investment for green practices and the generation of positive **environmental** impacts. In this connection, Canada made the point that strong enforcement and environmental laws, standards and policies were a very important area, sharing their experience of interdepartmental collaboration between CBSA, Public Services and Procurement Canada, and Environment and Climate Change Canada. In this connection, the Secretariat informed the PTC delegates that the topic of environmental compliance under Pillar III of the SAFE FoS would be

discussed during the 29<sup>th</sup> Meeting of the SAFE Working Group, and the relevant working document had been published and was available on the WCO website, including a repository of Members' practices. Moreover, the Secretariat referred to the SAFE FoS provisions, encouraging authorities to work towards harmonization of their respective security programmes and align requirements, enhancing Member benefits and minimizing unnecessary duplication.

73. In connection with actions GCAP-7 and GCAP-17, some delegates highlighted the need to address the disposal of abandoned or seized goods, including return goods in the e-commerce environment, where there was a risk of fraud and misuse of online platforms, and a lack of awareness of de minimis rules. In this respect, the Acting Deputy Director of the Compliance and Enforcement Sub-Directorate clarified that, where this concern pertained to the disposal of chemical precursors used in explosives or radioactive materials seized by Customs or abandoned by shippers, then guidance had been issued. A WCO Secretariat Note outlined existing guidance and best practice, complementing the plan's aims to ensure that the disposal of seized or abandoned goods met criteria both for environmental safety and security. Lastly, a Member suggested improving the structure of the plan to highlight linkages among actions.
74. Concerning the implementation of the waste-related actions in the GCAP and the APPW Project (GCAP-20, and GCAP-21), Members applauded the achievements of the project and the approach taken to the development of a Regional Action Plan, which was to be considered best practice for other regions.
75. Delegates expressed satisfaction with the Climate Change and Customs Workshop held in September, with an invited focus group of key researchers and experts from academia, the private sector, and Members (GCAP-36), and welcomed the publication of the Study on the Circular Economy and the implications for Customs administrations, considering that the results of the study might also influence future updates of the GCAP. In this respect, some Members emphasized the importance of promoting circular economy principles and international cooperation in sharing best practices and sustainable Customs procedures.

#### **d. Customs treatment of return-refill containers and packings**

76. The Secretariat presented Doc. PC0730 by explaining that return-refill containers and packings were containers and packings which were used multiple times for the transportation of goods, rather than being discarded after use. Thus, these containers and packings contributed to sustainable shipping. However, Members often had disparate compliance requirements when it came to the cross-border movement of return-refill containers and packings. In line with Action 19 of the Green Customs Action Plan, and based on previous

discussions held at the WCO, the Secretariat had prepared a draft outline for WCO guidelines on the Customs treatment of return-refill containers and packings. The outline included an introductory section, a section aimed at explaining the devices that fell into the category of return-refill containers and packings, a section outlining the relevant provisions of the international legal framework, and a section with guidelines on the Customs treatment of return-refill containers and packings. Delegates were invited to provide comments and suggestions with regard to the proposed outline, as well as to flag their readiness to contribute to the process of drafting the future guidelines.

77. In the ensuing discussion, delegates thanked the Secretariat for putting forward the suggestion for developing WCO guidelines on the Customs treatment of return-refill containers and packings, and for the work done in drafting the outline of the new tool. Delegates shared information on relevant national procedures. These included the use of advance notice of arrival for risk targeting purposes, the requirement to declare empty containers, and the requirement for re-exportation of those containers within one year, as well as putting in place exemptions allowing foreign vessels to transport empty containers to other ports in the Customs territory, with a view to further facilitating the re-use of empty containers. Other measures outlined during the discussion related to the simplification of the transportation of containers and to the use of electronic seals. A delegate suggested that, when drafting the guidelines, the Secretariat collect Members' experiences and practices in supervising return-refill containers and packings, especially in railway and maritime transportation, and flagged the willingness of her Administration (China Customs) to actively participate in the drafting process and provide relevant practical experience. The Observers for the Global Express Association (GEA) and the World Shipping Council (WSC) also expressed their willingness to contribute to the drafting process.
78. The discussion clarified some of the aspects of the discussions held in the past. When initiating the discussion back in 2017, the private sector had aimed at ensuring that this type of transport equipment was treated consistently by Members, either under a temporary admission procedure, or a duty exemption arrangement. It was commendable that the matter was now being considered from a wider perspective, as it did support the Green Customs agenda, and was not limited to the duty dimension. The past discussion had also aimed to ensure that any work being undertaken did not adversely impact on arrangements and processes, which had been working well for maritime sea-going containers. The interventions made did not intend to pre-empt future discussions as to whether the guidance for the Customs treatment of return-refill containers and packings would be based on the Customs Convention on Containers, 1972 (Container Convention) and the Convention on Temporary Admission (Istanbul Convention). The Secretariat clarified that the focus of the new tool would not be so much on maritime containers, as on containers with an internal volume smaller than one cubic metre.



### **e. Presentation by Asia-Pacific Economic Cooperation (APEC) Sub-Committee on Customs Procedures (SCCP) Chair**

79. The PTC Chair introduced Agenda item e, inviting the Asia-Pacific Economic Cooperation (APEC) Sub-Committee on Customs Procedures (SCCP) Chair, Kristie B. McKinney, Director of the Multilateral Affairs Division, Office of International Affairs, CBP, to give a presentation on the results of a “Green Customs Survey” they had conducted with APEC members on their Green Customs practices.
80. After a brief overview of the APEC and the SCCP goals, the APEC Chair illustrated the focus area dedicated to Green Customs, highlighting the role of Customs in enforcing environmental policy and supporting the development of a more sustainable international trading environment. She continued to present the outcomes of the survey, which had seen robust participation, with 14 APEC economies participating out of 21. Three fundamental themes were emerging from the responses provided:
- i. Under the theme of Greening Customs Agencies’ Own Operations and Facilities, respondents were taking strides in addressing the environmental impact of their operations through the reduction in carbon footprints for their buildings, fleet electricity sources and procurement, including recycling and efficient water use. Respondents were also taking steps to determine measurement methodology and tracking of GHG emissions for further reductions. Most economies responded that they had national-level mandates on Green Customs and had some research ongoing on the impact of climate change on Customs’ mandate. Examples of Members’ practices in this area were:
    1. Chile’s programme to measure the service’s carbon footprint
    2. The Australian Border Force Green Customs Framework
    3. Thailand’s Bangkok Goals on Bio-Circular-Green Economy
    4. Singapore’s Green Plan 2030
    5. The New Zealand Customs Service inquiry on climate change and how it could affect their Customs operations.
  - ii. Under the theme of Incentivizing Green Innovation and Greener Trade Practices through Engagement with Private Industry, respondents agreed on the importance of collaborating with private sector stakeholders to explore potential green trade programmes that incentivize environmental sustainability and compliance and climate-smart innovation. Examples of Members’ practices in this area were:
    1. The support offered by China to AEOs on environmental protection permitting matters, including expedited processing of documents and reduced supervision frequency, and joint activities with the Ministry of Environmental Protection to implement incentive measures to further encourage green trade.

2. Thai Customs measures to exempt duty for battery electric vehicles manufactured or assembled with free zones, as well as the reduction of duty rates and duty exemptions on 54 goods on EGS lists.
  3. Hong Kong Customs' Smart Customs Blueprint, formulated in 2019, employing innovative technologies and data analytics to implement smart initiatives to enhance Customs clearance effectiveness and enforcement capabilities.
- iii. Under the theme of Strong Enforcement of Environmental Laws, Standards and Policy, respondents highlighted that differing definitions of what constitutes an environmental crime, and variations in the focus, could also create challenges in Customs policy and practices. As an example of Members' practices in this area, Indonesia had signed an interagency cooperation agreement in December 2022 as a commitment to synergize environmental and forestry law enforcement efforts.

81. The APEC Chair concluded by mentioning the next steps, which included the final endorsement from SCCP members of the Compendium of Green Customs Practices and the proposal from Peru as the next host for APEC for 2024 to continue the work on Green Customs in the SCCP.
82. Delegates thanked the APEC Chair for the leadership and the presentation, and suggested building on the collected practices to advance in implementing the GCAP. An observer highlighted the importance of ensuring industry involvement and made reference to the discussion held on Green Supply Chains within the APEC Alliance for Supply Chain Connectivity.
83. The Deputy Director of the Procedures and Facilitation Sub-Directorate took the floor to recognize the incubator and accelerator role played by the APEC SCCP, and the opportunity to pick up the work done and build on it to fulfil some of the commitments under the GCAP.

#### **84. In conclusion, the PTC:**

- took note of the updates to the Green Customs Action Plan;
- took note of the Study Report on the implications for Customs administrations of the transition to a Circular Economy;
- took note of the outcomes of the Asia/Pacific Plastic Waste (APPW) Project, commending this work to other regions for their consideration;
- discussed the draft outline for WCO guidelines on the Customs treatment of return-refill containers and packings, endorsed the Secretariat's proposed work in this area and provided guidance on the way forward; and
- took note, with thanks, of the presentation by the APEC SCCP Chair and agreed to pick up and build upon the SCCP's Compendium of Green Customs Practices.



## ITEM VII – WORLD TRADE ORGANIZATION (WTO) TRADE FACILITATION AGREEMENT (TFA)

- **Presentation by Botswana**

85. The Chairperson introduced the item and invited Botswana Customs to deliver a presentation regarding their national practice on the implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA), based on the case studies they had provided for the updated Implementation Guidance for Section I of the TFA.
86. The presentation addressed three key areas: legislative reforms, measures undertaken under Articles 7, 8 and 12, and the benefits and challenges encountered throughout the implementation process. The Delegate highlighted that legislative reform had been concluded with the new Customs Act in 2019, which was aligned with the Revised Kyoto Convention, the SAFE Framework of Standards, the TFA, and other conventions. The primary objective was to establish legislation that streamlined Customs processes, incorporated robust provisions for data automation and electronic records, addressed risk management, and enabled pre-arrival processing and implementation of various TFA measures. In relation to the measures undertaken under Article 7, the Delegate stated that, in 2017, Botswana had introduced the new Customs management system, which provided end-to-end business processes, web-based processes, and simplified several Customs processes. Under Article 8 (Border Agency Cooperation), Botswana Unified Revenue Services (BURS), as a leading agency, had initiated several Memoranda of Understanding (MoUs) and agreements to enhance cooperation and resource sharing. BURS had already established the first One Stop Border Post (OSBP) at the border between Botswana and Mozambique, and the second OSBP with Namibia was in progress. The aim behind these OSBPs was the facilitation of transit movement, shared facilities, alignment of working days and hours, and trade facilitation generally. Regarding Article 12 (Customs cooperation), BURS had signed and reviewed some MoUs with neighbouring countries, primarily focused on enabling automated data exchange using the WCO Data Model as a data exchange model.
87. In conclusion, the Delegate introduced the benefits of implementing these Articles, such as reduced time and cost for traders, increased Customs efficiency and effectiveness, and improved revenue collection. Some of the challenges encountered during the process were the limited expertise and capacity in terms of modern technology, lack of cooperation with the public and private sector, and some technical issues on the legal and regulatory framework to support legislation.

88. Following the discussions, delegates thanked Botswana for sharing their experience on TFA implementation, and addressed some questions concerning data privacy exchange, the BURS electronic system, and the legal base for exchange of information and related matters.
89. In response, the Delegate of Botswana emphasized that the exchange of personal data was a challenge, as most of the MoUs excluded this provision. In addition, he explained that the exchange of various types of data was primarily governed by MoUs and regional agreements. BURS utilized different electronic systems which were distinct from those of other countries and had developed some platforms to support the exchange of data. He also emphasized that the involvement of the private sector and public sector in TFA had changed, and they were part of the National Committee on Trade Facilitation and Customs-to-Business Forum.
90. Several Members also shared their national experiences of implementation of the WTO TFA.
91. In response to the comments by one of the observers and by a Member regarding WCO work on the WTO TFA and the Working Group on the WTO Agreement on Trade Facilitation (TFAWG), the Secretariat briefly informed the delegates that the TFAWG had been established in 2014, and in the same year the WCO had launched the Mercator Programme, to ensure uniform implementation of the TFA by using WCO instruments and tools. The TFAWG had held 13 meetings in total and, as per the Council and Policy Commission decision in 2021, its work had been brought to a close and incorporated in the Permanent Technical Committee and Capacity Building Committee (CBC). The discussions for a tailor-made track of the Mercator Programme had been covered by the CBC, and discussion on the overall track of the Mercator Programme came under the PTC's responsibility. The WTO TFA had a standing item on the PTC Agenda twice a year, at each PTC meeting. In addition, the Secretariat thanked three Members for sharing their TFA implementation experience and informed the delegates that the updated Implementation Guidance for Section I of the TFA was available in three languages. The Secretariat invited all Members to continue sharing their experiences regarding the implementation of the TFA, and this living tool would be updated with the information received on new experiences.

**92. In conclusion, the PTC:**

- took note, with thanks, of the presentation by Botswana and the experiences shared by Members on their implementation of the TFA.

**ITEM VIII – TRANSIT**

- **WCO's support for Landlocked Developing Countries (LLDCs), Doc. PC0734Ea**

93. The Secretariat presented Doc. PC0734 by outlining the WCO's contribution to the implementation of the Vienna Programme of Action (VPoA) for Landlocked Developing Countries (LLDCs) since the Programme's adoption in November 2014. The contribution had been in three broad areas: (i) setting standards for simplified and harmonized border procedures; (ii) capacity building; and (iii) partnerships for implementation of the VPoA. The Secretariat went on to present the preparatory process for the Third United Nations Conference on LLDCs, to be held in June 2024 in Kigali, Rwanda. The outcome of that Conference would be a new holistic action plan for support for LLDCs. In various submissions and interventions, the WCO had already underscored the key role of simplified and harmonized Customs procedures for facilitating trade in LLDCs and transit developing countries and for enhancing Members' economic competitiveness; and had emphasized the importance of digital connectivity, in particular, the automation of Customs processes and the interconnectivity of IT systems and solutions. The PTC was invited to provide guidance on the WCO's input to the preparatory process and outcome document of the Third UN Conference on LLDCs.
94. Delegates commended the Secretariat for the support provided to LLDCs with a view to enabling their participation in global trade through simplification of transit procedures, automation and interconnectivity. Furthermore, it was recommended that LLDCs benefit not only from regional transit systems, but also make efforts towards acceding to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975). The Secretariat re-emphasized the importance of the aspects of the Customs transit regime, which formed the pillars of the TIR system, and highlighted the challenges faced by LLDCs in adhering to the relevant requirements, such as the use of trucks in Africa which did not meet the requirements for carrying goods under Customs seal, and the challenges with transit guarantees in Latin America. Thus, it would be important to address the Customs transit challenges in a holistic manner through efficient implementation of all relevant instruments and tools.

**95. In conclusion, the PTC:**

- took note of the progress achieved in the area of transit and, in particular, the support to LLDCs;
- provided guidance on the WCO's input to the preparatory process and outcome document of the Third UN Conference on LLDCs, emphasizing the importance of the widest possible participation by Customs administrations of landlocked developing countries in the Conference.

## ITEM IX – TECHNOLOGY AND DIGITAL CUSTOMS

### a. Outline of a concept paper on the use of blockchain by Customs

96. Considering the potential benefits of blockchain features for cross-border trade and digitalization of procedures, a concept paper on blockchain was proposed to help untangle and simplify blockchain's complexity and justify the cost of blockchain implementation in view of the identified benefits. The concept paper would serve as a reference guide for Customs administrations when considering adopting this technology, among others. The PTC was invited to discuss the outline of the concept paper, which included the three types of blockchain ecosystem; the types of stakeholder potentially involved in blockchain and their roles; the governance (including data governance) model; processes and services implemented on top of the blockchain solution; data clusters; and the most suitable blockchain technology.
97. PTC delegates welcomed the proposal. A Member shared the challenges in establishing a Government-to-Government (G2G) blockchain due to a lack of interest and support from the partner country. Another Member shared a national practice on a complete, reliable, affordable and standardized platform for data collection secured by blockchain to support micro, small and medium enterprises. Several Members emphasized the importance of addressing data protection and the right to privacy, possibly to be included as part of the data governance topic. A Member suggested that it would be worth checking if Zero-Knowledge protocols could be used with blockchain stating that this could solve many problems with the actual access to data. In addition, it was suggested to address two additional matters i.e. how to deal with data protection and the fact that blockchain is immutable and secondly how to deal with customs operations which are by nature mutable taking into account that blockchain is immutable. In response, the Secretariat stated that even though blockchain records could not be deleted, the key to access the record could be destroyed, making the data inaccessible. Another Member said that blockchain was an expensive and difficult-to-scale technology. The Member suggested a technology alternative, namely, a verifiable credential, which had objectives similar to those of blockchain. In response, the Secretariat stated that the alternative should be given sufficient consideration, and highlighted the difference between both technologies, with verifiable credentials relying on a centralized service and blockchain, in contrast, being based on a distributed architecture.
98. A Member welcomed the proposed outline item on the applicability of blockchain for Single Window and asked for clarification on whether the paper would refer to blockchain specifically, or to the Distributed Ledger Technology (DLT) in general, to which the Secretariat clarified that the use of the term blockchain represented the DLT in general. An observer highlighted the purpose of blockchain technology to enable Customs to obtain data from the sources,

rather than rely on the intermediaries, and emphasized the importance of interoperability and data standardization, either at the technology level or at the data level, where the WCO Data Model would play a crucial role. The observer noted the WCO's cooperation with the International Chamber of Commerce to accelerate supply chain digitalization and data standardization as an effort to ensure end-to-end interoperability. Another observer suggested a balanced approach so as not to oversimplify cross-border trade processes and acknowledge the complexity of supply chain data flows where processes were nonlinear.

99. A Member noted the three elementary ecosystems listed in the outline and suggested bringing different blockchain ecosystems together to allow a seamless flow of information across the supply chain. Another Member expressed the need to examine the implementation of blockchain along with the existing technology. In addition, several Members and observers expressed their interest in contributing to and/or providing relevant information for developing the concept paper.

#### **b. Technology and fragile borders**

100. The Secretariat presented the initiatives and work in progress or completed in the realm of technologies applied to fragile borders. This work built on research on fragile borders since 2018, the publication of a study report in June 2022, and the Global Conference on Fragile Borders, held in Abuja (Nigeria) in February 2023 and its action plan, adopted by the Council in June 2023. The Secretariat presented the two main workstreams related to technology applied to fragile borders. The first was the protection of personnel and infrastructure. The Secretariat stressed the need to adapt the renovation and construction of Customs infrastructures to the security context; bilateral and international cooperation actors should consider this component in their projects. The Secretariat pointed out that information on this matter was already available in the study report. Regarding the protection of mobile teams in insecure borderlands, the Secretariat identified drones as a relatively effective means to this end, while recalling the constraints of mobility in insecure borderlands, which should affect the characteristics of drones, and the fact that drones were merely sensor platforms. In this respect, attention should also be paid to tactical camera-type sensors. An article had recently been published by France on this subject, in cooperation with the Secretariat. The second workstream was the development of intelligence, particularly the fusion of intelligence and improvement of terrain knowledge, to deploy more proactive anti-contraband strategies, combining human intelligence and other information sources. Since 2019, the Secretariat had been conducting research and experiments in several countries and continents on geospatial intelligence (GEOINT) tools. These tools could bring added value to intelligence gathering, analysis and fusion. Articles had been published on the subject, and an online GEOINT training module, in French for the moment, had been elaborated in partnership with the DATAFID



project supported by France on data science applied to Customs. Some field training courses had also been conducted experimentally by the Secretariat. The Secretariat was currently working on several initiatives: (i) two GEOINT projects were currently under discussion with Germany and Japan, (ii) an agreement was under discussion with the European Space Agency, and (iii) discussions were under way to develop open-source intelligence (OSINT) training modules. Finally, the issue of fragile borders was now considered in the development of technological projects, such as the “Smart Customs” project under discussion with China.

101. Delegates congratulated the Secretariat for its work in this area. In particular, the Delegates from Canada, China, Germany and Japan expressed their interest in supporting Members facing situations of fragility and conflict, by extending existing projects, creating new initiatives in line with the action plan, or supporting research activities. A delegate raised two questions about the role of these technologies in post-crisis situations, and the cost of technologies. Another delegate emphasized the stabilizing role of Customs on fragile borders and raised the issue of the movement of people during armed conflicts. One delegate expressed interest in sharing their experience of the role of Customs technologies in conflict situations. The delegates from the WCA region acknowledged that countries in their region were facing fragile border issues and expressed interest in being part of ongoing assistance programmes. A delegate informed participants that a project was under way on the deployment of drones.
102. The Secretariat thanked Members for their support on the issue of fragile borders, as insecurity directly affected many Customs colleagues in the field daily. In particular, the Secretariat thanked Members involved in implementing the action plan on fragile borders for their agility in including innovative technologies in their projects. Indeed, one of the characteristics of fragile borders was that Customs officers often had the same level of equipment as armed groups. Technological innovation therefore had to provide Customs with a strategic and tactical advantage. Regarding the support for the WCA region, the Secretariat pointed out that current projects included the countries of the region, and that initiatives were already under way to provide equipment and training, notably on the detection of IED precursors, the trafficking of light weapons, and the development of intelligence through the use of databases. Regarding research, the Secretariat recognized the importance of activating more research, beyond the issue of armed terrorist groups, beyond the WCA, ESA and MENA regions, on which most of the research to date had concentrated. To this end, research activities had been carried out already with Ukraine and Haiti. Regarding costs, the Secretariat recommended the use of open-source tools and open data, notably in its GEOINT module. However, the Secretariat recognized that some tools, like satellite imagery, could be costly, and solutions were currently being tested. Depending on their cost-benefit ratio,



commercial solutions could be shared, globally or regionally. These issues would be addressed in future projects. Regarding the use of technologies in post-conflict situations, the Secretariat confirmed that these technologies would remain valid, with some adaptation. However, the Secretariat had observed that Customs in fragile or conflict situations were very poorly prepared, strategically speaking, for post-crisis contexts.

### **c. Technology and enhanced data to improve trade facilitation and security**

103. The United Kingdom's HM Revenue and Customs presented the Ecosystem of Trust (EoT) border model pilot projects for frictionless trade, tested from the last quarter of 2022 to the first quarter of 2023, and conducted in cooperation with six industry consortia selected by the Government following a competitive process, and its Evaluation Report. The project was part of the Government's 2025 Border Strategy, with the goal of creating an Ecosystem of Trust, based on enhanced data around the border. The idea of six pilots was to find out how, across border regimes, new technologies and data insights, as well as trust relationships, could help to increase border efficiency. The model was based on the use of innovative technology capabilities, real-time data and trusted relationships.
104. The Delegate presented the results of the EoT pilot Evaluation Report, which was focused on testing the feasibility, scalability and effectiveness of proposals for both industry and Government. He explained the findings on supply chain data, augmenting technology and interoperability and standards within an Ecosystem of Trust-type model. The Evaluation Report stressed the key opportunities, but also indicated some gaps, such as a lack of digitalization of commercial documents, lack of interoperability, and legal barriers to data acquisition.
105. It was found that data and technology capabilities were available, with the potential to meet the Government's assurance needs and provide value to all border users as part of an EoT-type model. Areas that needed to be addressed included enabling data interoperability between Government and industry systems, and catalysing more effective legal and governance arrangements between parties. In conclusion, the Delegate stressed that what was most important was to achieve strong collaboration between the Government and the private sector.

#### **106. In conclusion, the PTC:**

- discussed and provided input on the outline/key topics covered by the concept paper;
- provided guidance on the concept paper, stressing in particular the importance of interoperability and addressing the governance and legal

issues relating to data protection, and invited interested experts from Member administrations or observer organizations to contribute to the development of the concept paper during the intersession;

- took note of the ongoing work on the use of technologies in fragile borders; and
- took note, with thanks, of the presentation by the United Kingdom.

## ITEM X – CUSTOMS-PORT COOPERATION

### • Guidelines on Cooperation Between Customs and Port Authorities, Doc. PC0735Ea

107. At its meeting in April 2023, the PTC examined and endorsed the Guidelines on Cooperation between Customs and Port Authorities, developed jointly by the WCO and the International Association of Ports and Harbours (IAPH) Members in a Mini Group during the intersession in their current format, including the input from Germany and other delegates, and asked that the Secretariat engage in dialogue and work with the World Shipping Council (WSC) and other interested stakeholders to incorporate their perspective and input into the Guidelines for the PTC's consideration at its next meeting. Subsequently, the Council had approved the draft Guidelines at its meeting in June 2023. In addition, at the 239th/240th Sessions of the PTC, an observer suggested that the development of cooperation between Customs and airports could be addressed in a manner similar to that of Customs-Ports cooperation. In that regard, the PTC had been updated on progress in incorporating additional inputs into the Guidelines, and the planned launch of the Guidelines, as well as invited to provide guidance on launching similar initiatives with aviation partners (i.e. airport authorities).

108. The IAPH Representative briefed the PTC on the plan to jointly launch the Guidelines with the WCO at the IAPH World Conference in Abu Dhabi, United Arab Emirates (UAE), from 31 October to 2 November 2023, where the WCO would be represented by the Deputy Secretary General. This was a strategic event, with more than 500 Chief Executive Officers (CEOs) of port authorities globally set to attend. The launch event would take place on the first day and would be followed by a press conference and bilateral meeting between the IAPH and WCO representatives and some selected port authorities' CEOs.

109. The WSC Representatives gave the PTC an overview of the WSC proposal to enrich the Guidelines by addressing the relationship between Customs, port authorities and carriers, and the plan to submit a finalized revision at the next PTC meeting in April 2024. The WSC highlighted three points to be added to the Guidelines, namely: placing a stronger emphasis on the need for port and Customs authorities to cooperate and consult with carriers when developing data exchange strategies; seeking clarification on aspects of the relationship between Customs, port authorities, port community systems, Single Windows

and data providers; and incorporating further lessons from the “Operation TIN CAN” model of enhanced cooperation between ports, Customs and carriers to detect and deter all types of illicit goods trafficking.

110. A delegate raised the potential relevance of addressing vulnerability related to the Undeclared Abandoned Container (UAC) in the Guidelines. The delegate said that containers were often abandoned by criminal entities deliberately or as part of their modus operandi, and sought international best practice relating to UAC treatment. Another delegate welcomed the completion of the work, and the approval and planned launch of the Guidelines, and asked the Secretariat about the plan for disseminating the Guidelines. The delegate generally supported the WSC input but was concerned of adding too much detail on the Single Window aspect to the Guidelines, as this was already covered sufficiently in other WCO tools. The WSC responded that the proposal was not to add a new chapter on Single Window, but to clarify the existing paragraph as necessary. A Member said that information exchange between parties concerned was key to addressing illegal trade, and suggested, as a solution, the need for multilateral exchange of information. A delegate who had contributed to the Mini Group welcomed the WSC proposal and said there was a need to continue discussing the proposal in the intersession.

111. Several Members supported the idea of working on similar initiatives for the aviation environment. Further reflection was needed on whether the proposed initiatives should be incorporated into the existing Guidelines, or as new ones.

**112. In conclusion, the PTC:**

- discussed and took note of the proposals submitted during the intersession for potential incorporation into the Customs-Port Cooperation Guidelines, highlighting the importance of addressing the risk surrounding Undeclared Abandoned Containers; and
- discussed and provided guidance concerning the possibility of addressing the development of cooperation between Customs and airport authorities, noting that further reflection was needed on the correct place for such guidance.

## **ITEM XI – STRENGTHENING CUSTOMS-INDUSTRY RESILIENCE**

- **The draft Concept Note: Strengthening Customs-Industry Resilience prepared by the WCO Asia/Pacific Region and Asia/Pacific Regional Private Sector Group**

113. At the 24th WCO A/P Regional Heads of Customs Administrations (RHCA) Conference in Perth, Australia, in May 2023, Australia, as the WCO Asia/Pacific Regional Vice-Chair (APVC), presented the Concept Note “Strengthening

Customs-Industry Resilience” for WCO A/P Members’ awareness and support to take forward to the WCO. This product was then brought forward to the Dialogue session between the Policy Commission (PC) and the Private Sector Consultative Group (PSCG) in June 2023. The Secretariat introduced this item by outlining the scope of the draft Concept Note. It was mentioned that the draft Concept Note recognized that Customs had been a critical first responder during COVID-19, in the context of uncertainty caused by the rapid closure of borders and the suspension of travel. The Concept Note suggested endorsing a standard definition for resilience and including it in the WCO Glossary of Customs terms. The role of Authorized Economic Operators (AEOs) was highlighted in the Concept Note, emphasizing the AEO contribution to risk assessment. In addition, the Concept Note proposed principles on what AEO 2.0 could comprise in the future. In this connection, the PTC was informed that the draft Concept Note would be the subject of discussion at the 29th Meeting of the SAFE Working Group in November 2023, as well as at the 89th Session of the Policy Commission in December 2023. The draft Concept Note also referenced two papers presented by the PSCG at the Dialogue session between the PC and the PSCG in June 2023. These two papers, “Ensuring Business Continuity in the Face of Trade Disruptions” and “What does facilitation mean to the PSCG?” had also been added as annexes to the draft Concept Note.

114. After the Secretariat’s introduction, Australia presented further details on the draft Concept Note. The presentation emphasized a multi-faceted programme designed to bolster resilience against global disruptions, advocating for enhanced information sharing, advanced technological access, and the digitization of Customs processes. It underscored the commitment to sustainable practices and the expansion of benefits for Authorized Economic Operators, with a particular focus on empowering Small and Medium-Sized Enterprises (SMEs). A pioneering aspect of the initiative was the proposed pilot programme in the Asia/Pacific region, which involved embedding Customs officers within AEOs to scrutinize the end-to-end supply chain, thereby identifying opportunities for improved data exchange. The Australian presentation also highlighted the need for WCO Members to adopt and refine business continuity plans in alignment with the WCO’s disaster management guidelines, and to advance towards a digital Customs environment, eliminating the reliance on paper-based processes. Addressing contemporary challenges such as the COVID-19 pandemic, geopolitical tensions, and emerging security threats, the presentation called for a unified effort to integrate “resilience” into the WCO Glossary of Customs terms, setting the stage for a cohesive and proactive response to future challenges in the Customs domain.

115. A number of delegates expressed their support for the draft Concept Note presented, and endorsed the inclusion of the definition of “resilience” in the WCO Glossary of Customs terms.

116. Some delegates, while showing their support for the paper and the initiative, shared their national experiences related to enhancing supply chain resilience. These experiences covered various aspects, including managing supply chain risks, leveraging intelligence to mitigate the impact of cyber incidents, coordination in responding to attacks, logistics and supply chain management, economic recovery strategies in the event of cyber attacks, and digitalization initiatives in this domain. One delegate mentioned their efforts to explore secure methods for transmitting and exchanging PDF documents while ensuring the authentication of trusted actors. Several delegates expressed their interest in and support for Australia's initiative to embed Customs officers within AEOs.
117. A PTC observer supported the draft Concept Note, emphasizing the importance of endorsing the definition of "resilience" not only in the WCO Glossary of Customs terms, but also in the WCO SAFE Framework of Standards and WCO Framework of Standards on Cross-Border E-Commerce. They also highlighted the significance of accepting scanned copies or PDFs in Customs processing, and stressed the need for continued collaboration in information exchange between Customs and the private sector.
118. One delegate proposed that WCO Members should enhance cooperation among themselves and with the private sector. They emphasized the importance of further promoting Mutual Recognition Agreements/Arrangements on AEO programmes.
119. While supporting the draft Concept Note, one delegate reminded participants of existing WCO tools related to resilience, such as the WCO Guidelines on disaster management and supply chain continuity and the WCO Guide to Stress Tests. They also mentioned digitalization-related instruments and tools. The delegate stressed the need for a more focused and concrete approach to this topic, and the importance of strengthening the partnership and resilience between Customs authorities and industry.

**120. In conclusion, the PTC:**

- discussed the draft Concept Note;
- endorsed a standard definition of "resilience" for inclusion in the WCO Glossary of Customs terms; and
- provided guidance on the way forward, stressing the importance of digitalization and of close partnership between Customs and the private sector.

**ITEM XII – INCLUSIVENESS AND WOMEN IN TRADE**

121. The Chairperson introduced the Agenda item by highlighting that, given the WCO's emphasis on gender equality and diversity, it was important to ensure

that the PTC had the opportunity to discuss how to incorporate this relevant and cross-cutting topic into its work to support trade facilitation.

#### **a. Presentation by the WCO Americas/Caribbean Regional Vice-Chair**

122. Peru Customs, in its capacity as Regional Vice-Chair, had jointly organized the “Women at Borders: Experiences and Challenges” Regional Workshop on 11 and 12 July 2023 with the OAS-CICTE Cargo and Container Security Programme, and with funding from the Canadian Government. Through a pre-recorded video, they presented the outcomes of this event.
123. Some 105 women and men from 23 countries had participated in person in the workshop, including the Directors General of Chile, El Salvador, Jamaica, and Mexico Customs. At the workshop, the Vice-Chair had presented the results of the Regional Gender Survey, which aimed at learning the status of development of gender equality policies in Customs in the region, with questions on personnel composition and wage gap; commitment to equality; mechanisms and plans for gender equality and diversity; internal and external communication; contribution to women in trade; gender studies and research; dealing with sexual harassment in the workplace; and work-life balance.
124. The following conclusions and recommendations had been reached at the end of the workshop: need to know themselves using the power of data; need to build gender architecture in their administrations; need to strengthen and update internal regulations; need to include the gender perspective in the administrations’ strategic planning; permanent communication was key to promoting cultural change; prevention was key to combating gender violence; further development of work-life balance policies was needed; further implementation of measures to attract, retain and promote the talent and leadership of women was needed, marketing the Customs profession as an inclusive, empathetic, diverse, safe, violence-free and discrimination-free, equal opportunity environment. To sum up, all participants had concluded that gaps did not close naturally, and that Customs administrations were agents of change.
125. At the end of the workshop, they had established the “Americas and the Caribbean Regional Community of Women at Borders”.

#### **b. Presentation by the United States (US) on inclusiveness and women in trade**

126. U.S. CBP gave a presentation on efforts taken to promote inclusiveness and women in trade in Customs. The Delegate started her presentation by highlighting their appreciation of the work of the WCO to advocate for the



advancement of women in Customs administrations and the global trade community; it was critical for them to continue collaboration on this important topic and to leverage every opportunity to discuss their collective efforts.

127. She continued by touching on their approach and commitment to building a diverse, equitable and inclusive organization. Their recruitment efforts were focused on addressing retention challenges and their dedication to sharing best practices with their partners. In order to make their organizational culture more accepting of a diverse workforce, they had established a dedicated office, the “Employee Engagement and Organizational Culture Division (EEOCD)”. They had then looked at their demographic data for driving change, raising awareness, and tracking their progress. Their data showed that within the first five years, female officers were quitting their jobs at a rate 2.5 times higher than that of their male counterparts. But through the EEOCD, they were developing tools to help managers become more aware of the gender gaps within their own units. This year, they had adopted the “WCO Gender Equality Organizational Assessment Tool” to help their managers assess their existing policies, practices and procedures on gender equality to identify areas for improvement. The data also helped focus their recruitment efforts. With the aim of increasing the ranks of women in law enforcement agencies to 30% by 2030, they were looking at different initiatives, such as partnering with universities, and encouraging students to consider careers in Customs.
128. The speaker also emphasized that part of their strategy included helping women develop leadership skills and build the confidence to take them to the next step in their career. Each year, they held “Women’s Leadership, Empowerment and Development Training”, where they advanced women across U.S. CBP by giving them the necessary leadership skills to succeed.
129. They also continued to share best practices and work with Customs administrations to diversify the global trade community and ensure the national and economic security of future generations. In February, they had participated in the “Advancing Gender Equality in APEC Customs Administrations Workshop”, where they had discussed the same case study on demographic data. As a follow-on, they had moderated a panel in the August 2023 “APEC Customs Business Dialogue on Women in the Trade Workforce in the 21<sup>st</sup> Century”, emphasizing the need to maximize opportunities for getting women involved in careers in global trade throughout the Asia-Pacific region. In 2023, they had also supported their counterparts in Accra, Ghana, by providing a “Women’s Empowerment Workshop” and “Leadership Training Seminar”. They had also been in discussions with other countries about providing similar training.
130. She noted that they had made concerted efforts to encourage women to pursue leadership roles, and they had more women in senior leadership roles

than ever before. In fact, women now accounted for one third of the senior leadership positions in field operations. They were also working to make it clear to the women coming in the roles behind them that they could follow in their footsteps. It was therefore absolutely critical that women held a seat at the table where decisions were made in Customs administrations to ensure equality and inclusiveness.

131. She concluded her presentation by emphasizing that they remained committed to supporting the WCO and sharing best practices not only in border security and trade facilitation, but also in efforts to share and ensure all Customs administrations had the tools they needed to promote gender equality, and that they looked forward to continued collaboration to improve their efforts.
132. In the ensuing discussion, a delegate shared his administration's experience on diversity networks and consultation groups. Another delegate presented the "Multi-Year Equity Diversity and Inclusion Action Plan" implemented by his administration, focusing on three priority areas. A delegate referred to an institutional inclusion programme, for which they supported continued proof to promote inclusiveness in his administration. In addition, a delegate highlighted "Boost Her Track" as one of the initiatives that had been taken in recent years, which aimed to break the glass ceiling by encouraging their female talent to apply for positions with more responsibility. The delegate also informed the Meeting that they would give a presentation regarding various national initiatives on diversity during the WCO Virtual Working Group on Gender Equality and Diversity in November 2023. Another delegate noted that, in his administration, nearly half of Customs staff were women, and that in these difficult days, female Customs officers stood shoulder to shoulder with men.
133. Responding to a number of comments, the presenter thanked all delegates for their support and efforts in this area and stated the importance of sharing experiences and lessons learned. She also appreciated the data with respect to 50% of the women in the workforce shared by a Member, and said that they hoped to be there one day too.

**134. In conclusion, the PTC:**

- took note, with thanks, of the presentations by the Vice-Chair's Office of the WCO/Americas Caribbean region and the United States; and
- took note of contributions by delegates from the floor.

## ITEM XIII – TOPICS FOR THE NEXT MEETING

135. The Chairperson introduced the item by explaining that delegates would be invited to suggest Agenda items for the next PTC meeting(s).
136. A number of topics were suggested by Members. A delegate, referring to the archived technical working groups which had been set up to address specific emerging issues with the potential to impact on international trade, such as the Passenger Facilitation and Control Working Group (PFCWG), Working Group on the WTO Agreement on Trade Facilitation (TFAWG) and E-Commerce Working Group, suggested reconsidering the resuscitation of these committees and working groups, perhaps with updates to the Terms of Reference, in order to continue to address emerging challenges associated with their mandate.
137. Another topic suggested by a delegate included the national Single Window, which was one of the provisions of the WTO TFA notified in category C by many countries. The delegate also expressed his administration's willingness to share their national experience in this area. In addition, a delegate expressed their interest in discussing the WTO TFA state of play in the work of the WCO, its implementation from the policy point of view, and also GNC implementation, including the use of blockchain for this purpose. Another delegate suggested three topics to be discussed at the next meeting: sharing experiences of cooperation between Customs and trade and transport companies; the national Single Window; and e-commerce, including the WTO "Joint Statement Initiative". One of the proposals put forward by delegates was to have a flexible fourth day of the PTC meeting in a hybrid format, with that day potentially being dedicated to a specific topic, such as e-commerce. An observer suggested that e-commerce remain a robust and substantive item on the PTC Agenda, with sufficient time provided, and that break-out sessions be considered for in-depth discussions. He highlighted that they would like to discuss e-commerce case studies and to explore specific topics, for example, drop shipping and Incoterms DDP. With reference to the TIR Convention, transit and TFA, he said that the WCO should continue to discuss any aspects that were useful for Customs administrations in their development and modernization, as well as for their addressing the challenges they face. He also referred to TFA, along with e-commerce, in terms of in-depth discussions and break-out sessions, and expressed willingness to contribute to these sessions with presentations and white papers.
138. The Secretariat, regarding the reconstitution of working groups, reminded participants that it was the PTC, along with the Policy Commission and ultimately the Council, which had agreed these and recommended that many of these working bodies be dissolved and rolled into either the PTC or the CBC. It was also explained that there was an established process for creating new working bodies, involving the development of a business case which then went to the Finance Committee and so on for approval. Therefore, if there was an overwhelming majority and very strong feeling that a new working body should

be created for a particular reason, the Secretariat would work with Members to develop such a business case. However, the Council had made it quite clear to the Secretariat that it needed to find efficiencies in the way that it worked and also in light of the reality that having a working body required a tremendous amount of logistical support and work from the Secretariat; reconstituting and bringing on even more working bodies was a resource drain on a very under-resourced Secretariat. With reference to the PFCWG, the Secretariat highlighted that the only reason it had been possible to accomplish such a tremendous amount of work in such a short period of time was because Members had come forward to offer Technical Attachés to do that work. Therefore, if Members would like to offer additional Technical Attachés, the Secretariat would be able to expand the capabilities of work that it was able to do.

139. In terms of the length of the PTC meeting, the Secretariat stated that, during the planning period, they blocked five days for the PTC and then looked at the Agenda, adjusting the number of days in light of that. It was therefore possible to add additional days and to have a day dedicated to particular topic. However, there was again a need to consider the financial implications of this.

140. In regard to other proposals by delegates, the Secretariat took note of them for consideration for the next meeting(s).

**141. In conclusion, the PTC:**

- took note of the topics suggested to be addressed at the next meeting(s).

## ITEM XIV – UPCOMING EVENTS

142. The Chairperson introduced the Agenda item, aimed at providing an update on the WCO's upcoming events and meetings which were of relevance to the PTC, and invited the Secretariat to provide an update.

143. Delegates were encouraged to share any information they had on upcoming workshops, seminars, conferences, or other relevant meetings of interest.

144. The Deputy Director in charge of Procedures and Facilitation, Brendan O'Hearn, provided an update on WCO events and meetings through a PowerPoint Presentation. He informed the PTC of the relevant upcoming meetings and events and, in particular, invited delegates to take part in the WCO Global Origin Conference in Chile (8-9 November 2023), and the AEO Global Conference in China (8-10 May 2024).

145. With regard to the upcoming events, the Delegates of Chile and China took the floor and stated that they were looking forward to welcoming the delegates

to the third WCO Global Origin Conference and the AEO Global Conference, respectively.

**146. In conclusion, the PTC:**

- took note of the update on WCO events and meetings.

## **ITEM XV – ANY OTHER BUSINESS**

147. The Secretariat informed the PTC that the Secretariat intended to start a new work stream to update the current Time Release Study (TRS) Guide (Version 3, 2018). It was clarified that the rationale for this proposed initiative was the large number of Time Release Studies conducted annually by Members; several suggestions and new input received by the Secretariat from WCO-accredited experts and Members; and the noting of potential areas to be updated.

148. The Secretariat further stated that during the intersession, and until the next PTC meeting, the Secretariat would reach out to Members and relevant stakeholders concerning this initiative. Thus, the delegates and representatives were encouraged to provide the necessary support and cooperation by sharing new ideas, practical experiences, and best practices in order to have a substantial update to the current guide.

**149. In conclusion, the PTC:**

- took note of and supported the need for and the approach to updating the TRS Guide, version 3, dated 2018.

## **ITEM XVI – CLOSING**

150. In his closing remarks, the Secretary General, Dr. Kunio Mikuriya, thanked the Chairperson, the Secretariat, and the delegates. He recollected the PTC and his work with the delegates. He then emphasized that the Members had ownership when it came to leading the PTC, which was the technical core of the WCO. He highlighted the importance of the Members' contribution to the work of the PTC, such as passenger facilitation and control, Green Customs, and e-commerce. Finally, he asked for continued dedication not only to the global Customs community, but also to the world.

151. The Chairperson expressed his gratitude to the Secretary General, both for his remarks, and for his commitment to the PTC since 2002 as the Deputy Secretary General and then since 2009 as the Secretary General.

152. The Director of Compliance and Facilitation, Pranab Kumar Das, thanked the Secretary General for his devotion to the PTC for more than 20 years. He

also expressed his gratitude to all delegates for their dedication and proactive engagement, which had resulted in such a successful Meeting. He mentioned that a range of issues, including environment, digitization, innovation, technology, gender equality and diversity, had been covered at the Meeting. He then thanked the Chairperson for guiding the three-day discussion, and the Vice-Chairperson for her support. He extended his gratitude to the Deputy Director, Brendan O’Hearn, and the Secretariat. He concluded his remarks by emphasizing the value of trust building, information sharing, cooperation, inclusiveness, engagement and diversity.

153. In his closing remarks, the Chairperson expressed his gratitude to all delegates for their participation. He pointed to the high level of participation and the progress made on key topics, including the cross-border regulatory interconnectivity framework, e-commerce, technology, and women in trade. He said that it had been an honour to serve for a second year as the Chair of the PTC. Then, he expressed his thanks to the interpreters, the Secretariat and the Vice-Chairperson. He noted that the next meeting of the PTC was currently scheduled for 23 to 25 April 2024.

154. The Chairperson then closed the Meeting.

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