



**Asia-Pacific
Economic Cooperation**

BLUEPRINT 2016

APEC Sub-Committee on Customs Procedures



Lima, 17 august 2016

“Quality Growth and Human Development”



APEC PERU
— 2016

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**APEC PERU
2016**

FOREWORD

The 2016 APEC PERU theme 'Quality Growth and Human Development' seeks to facilitate quality and equitable growth in the region, and enhance its strategies that place social and individual progress as core to this effort. This statement is based on the framework of free market policies and openness to trade, which provides sustainability and legitimacy to related processes.

Since the roles of Customs are expanding in response to increased demands for trade security and facilitation, while reflecting the rapidly and ever changing environment, the Sub-Committee on Customs Procedures (SCCP) has been working to address the priorities identified by our Leaders, Ministers and Senior Officials, which comprises the Agenda for the SCCP, focusing on the following areas:

- Advancing Regional Economic Integration and Quality Growth
- Enhancing the Regional Food Market
- Towards the Modernization of MSMEs in the Asia-Pacific
- Developing Human Capital


As SCCP Chair, it was a pleasure to participate in the different scheduled sessions and it was extremely rewarding to collect the best practices from each Member Economy, sharing invaluable experiences and mutual assistance that are reflected in this Blueprint, highlighting the outcomes of the SCCP activities in 2016.

The SCCP has closely cooperated with other APEC fora and international organizations such as the World Customs Organization and the private sector. I would like to thank Member Economies and the APEC Secretariat for their continued contribution throughout the year.

This Blueprint, handed out to Customs Administrations and international business communities in the APEC region, highlights the outcomes on SCCP activities, including ACBD held during 2016.

Gustavo Romero Murga
2016 APEC SCCP Chair


ABOUT THE SCCP




The Sub-Committee on Customs Procedures (SCCP) was established in 1994 under the Committee on Trade and Investment (CTI). Since then, the SCCP has been working to address priority issues for Customs administrations, with objectives such as to simplify and harmonize regional customs procedures to ensure that goods and services move efficiently, effectively and safely through the region, and to reconcile and facilitate border control.




SCCP GUIDING PRINCIPLES




Facilitation: While ensuring proper enforcement of customs laws and regulations, APEC Customs administrations should strive to improve facilitation of customs clearance procedures.




Accountability: Customs administrations should be accountable for their actions through a transparent and easily accessible process of administration and/or judicial review.



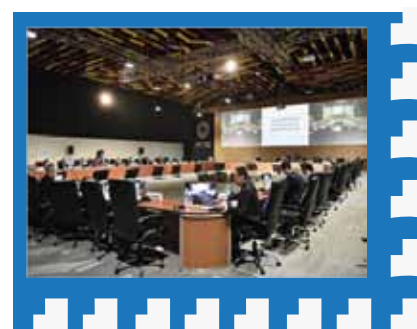
Consistency: Customs laws, regulations, administrative guidelines and procedures should be applied in a uniform manner within each economy.



Transparency: Customs laws, regulations, administrative guidelines and procedures should be made publicly available in a prompt and easily accessible manner.



Simplification: Customs laws, regulations, administrative guidelines and procedures should be simplified to the extent possible that customs clearance can proceed without undue burdens.



APEC CUSTOMS-BUSINESS DIALOGUE (ACBD)



The APEC Customs-Business Dialogue (ACBD) was held on August 16th, 2016 in Lima, Peru. The APEC Business Advisory Council (ABAC), Organization for Economic Cooperation and Development (OECD), World Customs Organization (WCO) and others, fully supported in holding the dialogue, as well as the main stakeholders.

Nearly 150 participants from APEC Member Economies' Customs administrations and private sector attended the Dialogue. Mr. Ivan Luyo, National Deputy Superintendent of Customs, in his inaugural address, emphasized that the current role of Customs Administration is based on achieving a balance between trade facilitation and control, not only referring to smuggling or commercial fraud but also more importantly to contribute to consumer protection and supply chain security.



The participants at the ACBD discussed and exchanged views on the following topics through panel discussions:



In Session I "BALANCE BETWEEN TRADE FACILITATION AND CONTROL COMPLIANCE OF LEGITIMATE TRADE", participants exchanged views and experiences on activities that could be undertaken by APEC Customs administrations to establish a real balance between trade facilitation and customs control in order to reduce logistics costs that would make our companies and specially MSMEs more competitive.

MR. RAFAEL MALLEA



Peruvian Customs Administration (SUNAT)

An increase of 1% in pre-arrival clearance represents a reduction of 1.3 hours in the total release time of goods. Hence Peruvian Customs has implemented some improvements to promote the pre-arrival clearance. Some of them are: new law customs, aided customs clearance, policy and facilities improvements, and strengthened pre-arrival clearance. The next steps involve Customs Clearance

System implementation for airway and others.

MR. FRANCISCO RUIZ ZAMUDIO

Ministry of Foreign Trade and Tourism of Peru

Peru's priorities are focused on reducing trade logistics costs. Consequently, the National Strategic Exports Plan 2025 was established to enhance logistics activities and international transport; improve customs management, border agency cooperation and others. In addition, next steps include working with private sector to put in place the observatory of foreign trade and logistics in order to increase transparency in trade sector.



MR. JUAN CARLOS LEON SILES

Peruvian Association of Exporters (ADEX)



Peru's economic growth created an environment that promotes safe and fluid trade with the rest of the world. This effort is going to simplify the rules and make them more transparent. We need to implement rules that ensure consignees will be free to handle their own cargo, with control mechanisms that follow international standards that are easy and simple.



MS. EVDOKIA MOISE

Policy Analyst from OECD

Participation in GVCs can help MSMEs go global [or, if you prefer, internationalize], despite the constraints brought by their size (restricting access to economies of scale), experience and limited access to financial and technological resources. GVCs allow them to slot into specific market segments through direct and indirect exporting and to profit from competitively priced imported intermediates and technologies. For this, trade facilitation at the border is key.



MR. DAVID DOLAN

Director, International Organizations and Agreements, U.S. Customs and Border Protection



U.S. Customs risk management is based on the requirement for advanced information, as well as partnerships with the private sector and foreign governments. In addition, the United States' initiatives, namely Trusted Trader Program and Air Cargo Advance Screening pilot have been developed in response to the fast-changing security and trade environments.

In Session II, the main challenge for AEO Programs is to increase their number of participating MSMEs. These programs offer an opportunity for Customs Administrations to share their security responsibilities with the private sector, rewarding them with additional facilitation benefits. In addition, AEO Programs should promote benefits to foreign trade operators, through Mutual Recognition Agreements (MRAs) to ensure and facilitate global trade.

MR. TOSHIHIKO OSAWA

World Customs Organization (WCO)

AEO concept is based on WCO SAFE Framework of Standards, and the AEO Implementation guidance describes a flexible approach that should be taken to the needs of SMEs. Then, Customs Administrations should work together with SMEs to assist them and facilitate their participation in order to take enough security measures.



MS. GUIULIANA PEREZ

Peruvian Customs Administration (SUNAT)



The Peruvian AEO program establishes benefits such as lower physical examination level, direct shipment from exporter's premises and priority to handling clearance formalities in the export procedure. Furthermore, Peruvian Customs Administration faces challenges to strengthen its AEO Program:

- 1) Participation of other government agencies
- 2) New models of customs clearance
- 3) Including new actors or operators
- 4) Participation of SME
- 5) Including new benefits and others.

Also, Peru is currently negotiating 4 MRA, and in the case of Pacific Alliance the negotiation is in order to achieve the signature of a Multilateral Recognition Agreement between Chile, Colombia, Mexico and Peru and this MRA represents a great opportunity for the members of the Pacific Alliance.

MR. CARLOS EDUARDO FARFAN

AEO Confederation of Latin America, Spain and the Caribbean- COEALAC

The WTO Trade Facilitation Agreement includes risk management as a key issue to ensure security and facilitate trade for Authorized Operators. Therefore security is the same for all foreign trade operators and it does not depend on the size of the company, which means that only one security protocol should be used.



Session III "E-commerce" focused on the need for an effective exchange of information between customs administrations and foreign trade operators, emphasizing that e-commerce is a source of social inclusion as well as a source of innovation and growth. Furthermore, foreign trade operators must apply new technologies used in e-commerce, focusing on digital customs.



MRS. VIRGINIA CRAM MARTOS

Director, Economic Cooperation, Trade, and Land Management Division (UNECE)

The use of e-commerce improves the quality of life for consumers. A 2012 OECD study showed that, in G20 countries, e-commerce provides an average benefit of \$ 1,430 per person due to increased choice and enhanced price competition.



These benefits are not being passed on to consumers in many middle-income countries where the percentage of the population using e-commerce can be as low as 2% (as compared to 70% in the United Kingdom). For Small and Medium-sized Enterprises (SMEs), the larger markets for selling products available through e-commerce is a widely known benefit.

A less acknowledged benefit for SMEs (as business "consumers") is the availability, via e-commerce, of a wider selection of higher quality production inputs (for example fabric, buttons, zippers for clothing producers, seeds and equipment for farmers, etc.) which can be used to increase productivity and competitiveness. Another factor to be considered in e-commerce is the delivery of goods. Some goods, such as films and music can be both sold and delivered over the Internet; however, the majority of goods still need to be physically shipped. Therefore, trade facilitation and the simplification of procedures are also a key element in maximizing the benefits to be gained from e-commerce.

MR. FRANCISCO X. SANTEIRO

The Caribbean and Latin American Express Delivery Conference - CLADEC



The keys to ensure MSME success in global markets are:

- 1) Access to easily understandable information on international shipping.
- 2) Appropriately priced transportation alternatives.
- 3) Efficient, cost-effective clearance processes.

Concerning the latter, it will be important to develop a standard expedited clearance procedure for low value shipments, which should result in minimal documentation and cost.

MR. AU ANH TUAN

Deputy Director-Customs Control and Supervision Department (VIET NAM)



MSMEs and SMEs account for more than 97% of total enterprises. They face challenges such as lack of knowledge about procedures: declaration, classification, valuation, rules of origin (especially those in foreign countries), E-customs environment and others. Then, Viet Nam Customs Administration takes measures to facilitate trade: simplification and modernization customs procedure, advance ruling, threshold of duty exemption for express consignment and others.

MR. CRISTIAN CALDERON

National Council of the International Physical Distribution System Users-CONUDFI

Logistics is one of the objectives to achieve sustainable development, so foreign trade operator must apply new technologies used in e-commerce. In addition, the new legal framework of Peruvian Customs is favorable for using new technologies, to promote and develop single windows, modernization of processes at ports and airports and others aspects to bring closer customs and private sector.





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2016



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SCCP APEC Customs - Business Dialogue (ACBD)

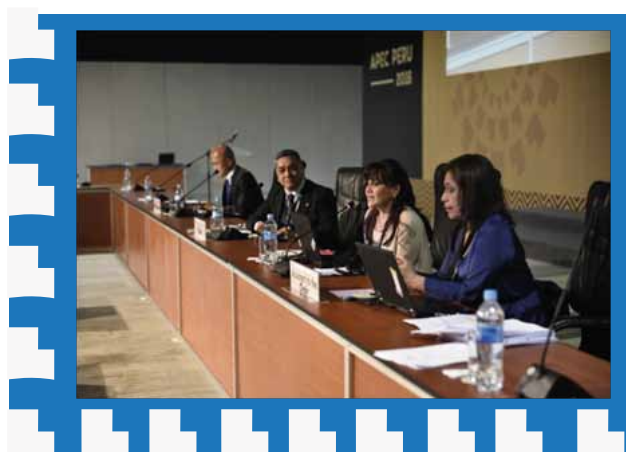
Lima, 16 August 2016



MAIN RESULTS ACHIEVED BY THE SCCP IN 2016

TRADE FACILITATION

The 2015 Ministers and Leaders' Declaration reiterated their commitment to achieve the Bogor Goals of free and open trade and investment by 2020. Furthermore, they welcomed the progress made by many APEC members in complete their respective processes to submit the instruments of acceptance to the WTO Trade Facilitation Agreement (TFA).



The last status of the WTO – TFA Implementation reported that 14 APEC Member Economies have notified category A and 13 have ratified the TFA. It was highlighted that this is the first multilateral trade agreement to be concluded since WTO was established and the reduction of trade costs and the increase of global exports were expected as benefits of its implementation.

In this regard, during SCCP 2, Peru reported on the progress of the survey and workshop on Best Practices on Critical Issues in the Asia-Pacific region for the implementation of WTO Trade Facilitation Agreement. All the information gathered from the questionnaire was used as a guiding tool for the Workshop that was held in August 20-21 in Lima, Peru. It is important to note that the final report of the project will be obtained from the results of the survey, the workshop, and the practical recommendations given by the Economies.

SCCP Sub-Committee on Customs Procedures Meeting



SUPPLY CHAIN CONNECTIVITY FRAMEWORK

CHOKEPOINT 8: Lack of regional cross-border customs-transit arrangements

During the 26th APEC Ministerial Meeting in China, Ministers welcomed the progress in formulating the Guidelines for APEC Customs Transit to enhance harmonization among APEC Customs administrations, and expected effective implementation and evaluation in the following stages.



SCCP members are currently working on formulating guidelines for APEC Customs transit to address issues including lack of harmonization among APEC economies. Moreover, SCCP is working on carrying out capacity building, implementing customs transit guidelines, conducting regular evaluations, and setting up uniform arrangements of origin certification for transit goods so as to create a facilitated environment for customs clearance and more foreseeable transit rules for international trade operators, thereby improving the effectiveness and security of the supply chain.

Chile presented the outcomes of the questionnaire completed by 16 Member Economies with the objective of making a general diagnostic of each economy regarding the implementation of the APEC Customs Transit Guidelines. It concluded that its implementation needs coordination and cooperation among multiple governmental agencies (other than customs) responsible for management on transit transport. Then, it is necessary to achieve a certain degree of harmonization in the preferential transit through different activities on this purpose, including: (a) collecting best practices; (b) organizing a workshop; (c) considering technical assistance, as necessary.

Boracay Action Agenda

The Boracay Action Agenda to internationalize MSMEs bids us to strengthen our actions in order to harness the opportunities presented by open and increasingly integrated markets and to take advantage of new opportunities that allow these enterprises to more significantly participate in global trade.



The Philippines informed that the reporting mechanism for the implementation of the Boracay Action Agenda (BAA) was endorsed by Senior Officials in May 2016 during the SOM2 meeting. Furthermore, economies are also encouraged to conduct a self-assessment on their respective economies to identify best practices and challenges experienced in implementing the Agenda, especially in priority actions such as to:

- 1) Facilitate the access of MSMEs to FTAs/RTAs by simplifying and streamlining rules of origin (ROOs) procedural and documentary requirements and harnessing IT to ease documentation and procedures.
- 2) Streamline customs-related rules and regulations and assist in the compliance of MSMEs.
- 3) Provide timely and accurate information on export and import procedures and requirements.
- 4) Widen the base of Authorized Economic Operators (AEO) and trusted trader programs (TTP) to include SMEs in order for them to contribute to security, integrity and resiliency in supply chains.

SINGLE WINDOW

In this digital age, APEC centralizes in export-import processes using a paperless system, significantly reducing the cost and time for shipment of goods across borders.

The first objective is to achieve Single Window systems within each APEC member economy and the second one is to promote international interoperability through Single Window systems and paperless trading.



SCCP established a Collective Action Plan (CAP) to develop Single Window and promote its international interoperability, thus Customs Administrations and customs procedures will become more efficient. Peru presented the Terms of Reference (ToR) for the “Study on Single Window Systems’ International Interoperability: Key issues for its implementation”, which was also introduced in the CTI 3 meeting. This proposal is part of the approved initiative to promote single window

systems international interoperability, whereas a study should be carried out by the end of 2017. This study will serve as a mean to promote discussions for establishing interoperability pilot projects on a voluntary basis.

SECURE TRADE


Authorized Economic Operator

Securing and facilitating global trade are key issues for economies and customs administrations, and it is important to have a close and permanent cooperation among all relevant stakeholders to ensure the flow of commerce in a secure environment seeking a balance between trade facilitation and security.

The SAFE Framework of Standards, which was updated in 2015, comprises three pillars: Customs-to-Customs arrangements, Customs-to-Business partnerships and Customs-to-Other Government and Inter-Government Agencies. The SAFE Framework of Standards emphasizes cooperation among customs administrations, the private sector and harmonization of security requirements. The development of guidelines, technical standards, technology, and cooperation are crucial to ensure a dynamic growth in the region.

During 2016, SCCP meetings delegates welcomed the Study of APEC Best Practices in Authorized Economic Operator (AEO) Programs.


This is an important work aimed at obtaining greater integration and harmonized customs procedures, pursuing effective secure trade and facilitation in the region in line with the international standards developed by the World Customs Organization. It also focused at widening the network of AEO mutual recognition arrangements.



Economies are encouraged to build on this work and further implement the APEC Customs 3M Strategic Framework towards developing minimum standards for AEOs to include SMEs, and the promotion of AEO mutual recognition across the region.






Information Technology and Risk Management



This subject is under the priority Trade Facilitation/Secure Trade of the 2016 SCCP Work Program and aims to exchange information on IT application clearance procedures and other Customs related trade facilitation areas.



During this year, the SCCP has continued the activities to exchange experiences and information on new technologies applied for customs procedures to facilitate trade. In this regard, the United States reported on the Movement of Humanitarian Goods and Equipment during Emergencies and stressed the importance of promoting the use of internationally recognized instruments and best practices for improving the travel facilitation of humanitarian goods, identifying and addressing potential capacity gaps in APEC Member Economies to manage their movement during times of disaster, identifying strategies to speed up clearance processes, increasing awareness on issues related to their movement and promoting cooperation on these areas among APEC Fora.



The Passenger Name Record (PNR) was one of the main issues discussed in the SCCP meetings. It was endorsed a new SCCP CAP “Introduction and Implementation of Passenger Name Record” and Japan presented a questionnaire to follow-on the 2015 preliminary survey on the work on PNR by APEC Customs. The outcome of this questionnaire will serve to update the information on customs use of PNR and to have an indicator for its implementation.

INTELLECTUAL PROPERTY RIGHTS

APEC has been working in the Intellectual Property Rights (IPR) area, recognizing the importance of strong IPR protection and enforcement to economic growth and trade in the Asia-Pacific region. APEC Anti-Counterfeiting and Piracy Initiative was developed in 2005, which is a comprehensive IPR strategy in APEC to reduce trade in counterfeit and pirated goods, increase cooperation between Customs and law enforcement agencies, and increase capacity building.


On the one hand, APEC economies' Customs have been encouraged, collectively and individually, to implement the Guidelines and provide necessary technical assistance. Therefore, Japan presented an IPR Check Sheet covering five important aspects:

- Strengthen Border Enforcement by APEC Customs.
- Improve the effectiveness of application procedures for the suspension of the release of suspected counterfeit and/or pirated goods and procedures for a determination as to infringement.
- Strengthen Capacity of APEC Customs for effective IPR Border Enforcement.
- Cooperation with other organizations for effective enforcement.
- Ensure transparency and raise public awareness.


One challenge for Customs Administrations commonly observed in this check sheet is how to address evolving issues. For instance, the rapidly growing of cross-border E-commerce causes to increase in IPR infringement. However, one economy has demonstrated well progress to address this evolving issue. The next step is to update the check sheet in two or three more years in order to share the latest status and best practices of various economies.

On the other hand, 9 APEC economies conducted an APEC Mutual Enforcement in April and May of 2016, in an effort to implement effective practices by focusing on counterfeit transportation items. This operation helps to highlight the safety and security risks that are posed by these illegitimate items. It was conducted in multiple modes of transportation including the international mail, express consignment, and ocean cargo environments. Two important lessons from this mutual enforcement are i) Conducting risk management in international mail where advanced information is limited, and ii) Engaging with right holders and conducting product identification training prior to the operation may lead to additional seizures.



CROSS-BORDER E-COMMERCE



Considering the growth of e-commerce and its influence in the way business and trade are done nowadays, the SCCP has been working to promote the use of electronic commerce by increasing its knowledge and understanding among APEC Economies, through the organization of diverse activities, expecting it will help Customs administrations to the development of new policies, regulations and practices related to cross-border e-commerce, and consequently, will contribute to promote trade and economic development in APEC.



In this regard, during the first SCCP meeting in Peru, China informed on the outcomes of the Workshop on E-Commerce held in September 2015. Based on its key findings and observations, APEC Customs Administrations are encouraged to better promote the control on e-commerce and face challenges through closer communication and cooperation, more capacity-building activities, and others.




Japan introduced the Customs' collaborative efforts with Postal Office and informed on the current cross-border postal shipment and its vision between Japan Post and Japan Customs. WCO participation was very important, because it shared the information of the letter recently circulated to the Customs administrations and Postal Offices, jointly signed by WCO SG and UPU President.



COLLABORATION WITH OTHER APEC FORA



Joint Session: Expert Group on Illegal Logging and Associated Trade (EGILAT) and the Sub-Committee on Customs Procedures 2016.



The EGILAT – SCCP joint session was held in Lima on August 19th. Delegates from both groups attended the meeting.

Both, EGILAT and SCCP Chairs agreed that the main purpose of this second session was to learn and share the ongoing work that both groups were doing as basis to establish the best way to collaborate in the task of combating illegal logging.



Under this view, the agenda included a discussion on the use of technology to detect legal or illegal timber in the supply chain and the challenges in detecting illegal timber passing through Customs in APEC economies. At this stage, Peru reported on the outcome of the two-day Workshop on “Strengthening Forest Control System and Market Chains in APEC Economies” that took place in Lima from 15th to 16th August, and informed that one of the conclusions of the mentioned workshop was the importance of traceability systems because they can be a mechanism of economic development and control since the use of technologies and strategies for monitoring legal logging provides real opportunities for development of SMEs and communities, and favor legal timber trade and market opening

Additionally, the United States informed about its proposal to establish “EGILAT Law Enforcement Points of Contact” submitted at EGILAT 9, in February 2016, as a first step towards law enforcement cooperation, which could be useful “...to facilitate end expedite information sharing and collaboration between relevant APEC economy officials”. According to Document 2016/SOM3/EGILAT-SCCP/003 “The points of contact would only be shared among APEC economies and would not be posted on the APEC/EGILAT website or otherwise publicly disseminated. The list would also be updated at least annually to ensure that the points of contact are up to date.”


The US also explained that according to the proposal, each economy will decide who will be the contact point and for what aspects (i.e. ask for information, verify information). It is not intended to duplicate procedures already existing; on the contrary, it is a very flexible procedure and depends on each economy how to manage it. There is a proposed template for contact points, and the SCCP is analyzing the proposal intersessionally.

Counter-Terrorism Working Group – 10th APEC Secure Trade in the APEC Region Conference (10th STAR)


The Counter-Terrorism Working Group (CTWG) works on a range of programs and strategies to secure and facilitate trade. CTWG is also involved in the APEC Travel Facilitation Initiative (TFI) endorsed by the APEC Leaders in 2011, which comprises the following six components: the Airport Partnership Program (APP), the APEC Business Travel Card (ABTC), the Trusted Traveller Program (TTP), Air Passenger Security Screening, Advance Passenger Information (API), and Checked Baggage Facilitation. The work of this cross-cutting initiative involves other four APEC sub-fora: the Business Mobility Group (BMG), the Sub-Committee on Customs Procedures (SCCP), the Transportation Working Group (TPTWG) and the Tourism Working Group (TWG).

The 10th APEC Secure Trade in the APEC Region (STAR) Conference was held on 20 August 2016 in Lima, Peru under the theme “Secure Supply Chain” highlighting the international supply chain needs to enhance its resilience against the terrorists’ attacks, preventing free-rider by terrorists through explosives and fire arms smuggling and preventing terrorists’ funding sources such as illicit trafficking of drugs.


The conference provided an important opportunity to discuss the challenges face by economies on relevant key security issues and to explore the role of private sectors. The SCCP is an active sub-committee that aims at facilitating trade at border among the economies, with relevance on the secure supply chain. The SCCP guiding principles are “Facilitation, Accountability, Consistency, Transparency and Simplification”, and efforts are made to improve the work together with the private sector and other government agencies in order to enhance trade security.




During the SCCP meetings, economies highlighted the advances of their Authorized Economic Operator (AEO) programs, according the World Customs Organization’s SAFE Framework of Standards (SAFE) to support secure trade. Seventeen APEC member economies have operational AEO programs in varying stages of development: Australia; Canada; China; Hong Kong, China (HKC); Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Peru; Russia; Singapore; Chinese Taipei; Thailand; the United States; and Viet Nam.




At the same time, Mutual Recognition Agreements play a vital role for the success of AEO programs. Currently, APEC member economies have concluded 37 MRAs, and from this total, 25 were signed between APEC members. These agreements enable customs officials to identify and target high-risk shipments more effectively, permit quicker release of goods for AEOs, and increase the economy’s reputation and competitive advantage.



The use of Advance Passenger Information (API) and Passenger Name Record (PNR) data is a vital tool in deterring the threat of terrorism and organized crime, while facilitating international travel and controlling cross-border movements of goods, means of transport and passengers.



PNR is a Collective Action Plan (CAP) for SCCP and some improvements have been recommended, one of them is to add PNR to Pillar V (API) of the Travel Facilitation Initiative (TFI).



There are many challenges in the way of addressing interests of securing open, free and facilitated supply chain. In that sense economies expect to reach interoperability among the systems from AEO programs; access to small business by a flexible approach to security standards; increase cooperation and technical assistance among border control agencies; work on capacity building initiatives and share best practices and develop standards.

CTI – Global Data Standards

The PSU informed about the Global Data Standards (GDS) Project mentioning that it is an initiative under Supply Chain Connectivity Action Plan - SCAP Chokepoint 7 Regulations and Standards to harmonize cross-border standards, and came from ABAC endorsement and Leader-level instruction.

PSU also informed about two self-funded pilots that were conducted and aimed at improving supply chain performance by enhancing efficiency, integrity, visibility and innovation, and contributing to better compliance.

These two pilots tested the utilization of GDS in the supply chain connectivity: one in the exportation of wine from Australia to Hong Kong, China; and another in the exportation of boxed beef from Australia to USA. The principal benefits detected from GDS in these pilots were the efficiency, visibility, and traceability.


On the other hand, New Zealand informed about the following ongoing GDS pilots conducted by the APEC Secretariat, which are APEC-funded pilot projects engaged with GS1 for technical assistance:

- Durian (exported from Malaysia to China and Hong Kong, China)
- Asparagus (exported from Peru to the United States)
- Tequila (exported from Mexico to the United States)


These pilot projects also aim at improving supply chain performance by enhancing efficiency, integrity, visibility and innovation, as well as contributing to better compliance and risk management through the application of interoperable GDS.

The CTI welcomed the updates on actions to promote the use of GDS, including capacity building and technical assistance on the self-funded and APEC funded pilots.

EGDE




During SCCP 2016 meetings, Russia and Chile presented a proposal on the establishment of an APEC Expert Group on Customs to Customs Advance Electronic Data Exchange (EGDE), comprised by representatives of all APEC economies with technical customs expertise.



The mandate of the EGDE is to enhance advanced electronic data exchange among economies in aspects such as:

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- Studying experiences of interaction between customs administrations of APEC economies in the field of requirements for C2C advance electronic data exchange; in the current use of C2C advance electronic cargo and declaration data exchange; and the feasibility and benefits of C2C advance electronic data exchange in risk assessment and trade facilitation.
 - Making a survey of international legal instruments to ensure the effective interaction between Customs Administrations of APEC economies and the current agreements and cooperation among administrations as well as the development of information exchange including the exchange of data base in the enforcement sphere, statistics data, data on customs value, intellectual property rights and other issues raised by the participants of the SCCP.



The objectives of the Expert Group fulfill with the SCCP objectives and with the objectives and principles of the WCO Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework of Standards), and WTO Trade Facilitation Agreement.



With the feedback from delegates of Japan and the United States as well as the WCO, this matter will continue on discussion in next SCCP 2017.

SCCP 2016 Work Program

APEC priority	Subject	Objective	Action	Status
Trade Facilitation	Supply Chain Connectivity	<p>Continue implementing the proposed actions with relevant to Customs under the following SCF Chokepoints:</p> <p>Chokepoint 1: Lack of transparency</p> <p>Chokepoint 4: Inefficient clearance; Lack of Coordination</p> <p>Chokepoint 5: Burdensome customs procedures</p> <p>Chokepoint 8: Lack of regional cross-border customs transit arrangements</p>	Discuss and identify specific actions to improve the chokepoints relevant to Customs specified by the SCF.	<p>Ongoing:</p> <p>Continues to support the CTI systematic approach on utilizing the SCF Action Plan focusing on chokepoint implementation and coordination of policy recommendations for a meaningful approach and more visibility into specific economy capacity building needs and opportunities.</p> <p>The SCCP continues to contribute to the systematic approach to addressing the SCF chokepoints relevant to Customs.</p> <p>Chokepoint 8: Chile presented the outcomes of the questionnaire completed by 16 Member Economies with the objective of making a general diagnostic of each Economy regarding the implementation of the APEC Customs Transit Guidelines. Chile will continue to work on enhancing harmonization in this matter.</p> <p>APEC Secretariat will update on the stock-take on the implementation of the Boracay Action Agenda to Globalize MSMEs.</p>

APEC priority	Subject	Objective	Action	Status
	Single Window	Continue capacity building efforts and efforts to support the development of SW systems, as identified within the SCF.	Support the development of SW and promote international interoperability among APEC members.	Ongoing: SCCP continues to work on the development of SW by 2020 and promote international interoperability between/among SW systems. Peru updated on its proposal to Promote Single Window System's International Interoperability.
Secure Trade	Authorized Economic Operator	Assist in establishing an AEO program in consistent with WCO SAFE Framework of Standards by each APEC economy, which leads to promotion of Mutual Recognition Arrangement (MRA) between the interested economies.	Implement the AEO action plan including the development of the AEO Best practices and an AEO Capacity Building Plan.	Ongoing: SCCP will continue to promote AEO as best practice and work inter-sessionally in 2016 through evaluation, assessment, and information sharing. WCO reported the Results of the AEO 3rd Global Conference held in Cancun. ABAC reported the results of ABAC3 regarding AEO issues held in China.
	Cross-border Ecommerce	To strengthen risk control and "Compliance and Facilitation" clearance for better customs control of Cross-border E-commerce.	Share experience and the practices of Customs control on Cross-border Ecommerce; through the capacity building workshop.	Ongoing: APEC economies will share information on the progress in the implementation of their cross-border e-commerce.



APEC priority	Subject	Objective	Action	Status
Secure Trade	Partnership with Business Community	Enhanced cooperation between the public and private sector Customs stakeholders in order to jointly develop and progress SCCP Priorities.	Establish the Virtual Working Group (VWG) to enhance customs public-private coordination in developing and progressing SCCP priorities.	Ongoing: The VWG continues to discuss priorities and work on information sharing when necessary to collaborate on mutual goals as it relates to trade facilitation and secure trade.
	IT Information Technology and Risk Management	Exchange information on IT application to Customs clearance procedures and other Customs related trade facilitation areas.	Collate/Share information on new technologies and equipment applied for Customs procedures to facilitate trade.	Ongoing: SCCP continues to exchange experience and information on new technologies applied for facilitate trade. PSU provided a briefing on the benefits of Global Data Standards (GDS). Japan presented a follow-on questionnaire regarding Customs use on PNR. Chinese Taipei reported on the use of information technology and risk management system.
Secure Trade	Intellectual Property Rights	Strengthen intellectual property rights (IPR) border enforcement in the APEC region and promote greater collaboration between Customs and right holders.	Shared experience of C2C cooperation on information exchange about suspension of counterfeited and pirated goods, and enhance cooperation between Customs and right holders.	Ongoing: SCCP will continue to exchange experiences and information on IPR border enforcement under new CAP. The United States presented a proposal about IPR Operation.

APEC priority	Subject	Objective	Action	Status
Secure Trade	Trade Recovery	Build the communication network to facilitate the resumption of the legitimate international flow of goods based on the WCO TRP.	Develop a list of contact points among APEC Customs administrations and develop tools for information exchange among APEC Customs administrations to facilitate trade recovery activities.	Ongoing: Work will continue intersessionally with interested economies as well as continued work to generally enhance emergency preparedness.
Collective Action Plan	Collective Action Plan	Achieve remaining 6 CAP items by 2020 and continue to develop appropriate measures including the creation of new CAP items to tackle rapidly changing environment surrounding customs.	Develop and endorse the scope and timeline for all CAP items.	Ongoing: CAP Coordinators/ Lead economies shared updates regarding the SCCP Collective Action Plan.

APEC priority	Subject	Objective	Action	Status
Cross-Fora Collaboration	Cross-Fora Collaboration	Enhance coordination amongst border agencies	<p>Develop practical ways in which border agencies can enhance coordination at the border.</p> <p>Coordinate with the BMG, CTWG, ECSG, and other relevant fora to assist in further developing APEC's Counterterrorism, Travel Facilitation, and Secure Trade agendas.</p>	<p>Ongoing:</p> <p>In 2015, APEC conducted a mid-term assessment and Ministers instructed officials to consider and implement the necessary recommendations to make the TFI more effective and efficient. These 10 Recommendations were endorsed by SCCP by July 15th.</p> <p>The Philippines presented the results on the MAG 2016 Survey on Information Sharing Exercise on Simplification of Documents and Procedures.</p> <p>Japan informed on the progress of TFI updates and recommendations.</p> <p>China briefed on 6th APEC Ecommerce Business Alliance Forum held in June 2016 in China.</p> <p>SCCP hold a joint meeting with EGILAT in SOM3.</p>

COLLECTIVE ACTION PLANS (CAPs)

Improvements Customs Control on Cross-border E-commerce				
Objective: <p>To increase awareness of the opportunities and challenges brought by cross-border E-commerce.</p> <p>To share information and increase knowledge among APEC economies about laws, regulations, supervision and risk indicators on cross-border e-commerce in order to draft recommendations.</p> <p>To create an action plan for cross-border e-commerce in APEC to strengthen the cooperation among member Customs.</p>				
Action: <p>Through information and experience exchange and capacity building activities, APEC Member Customs will better promote the development of cross border E-commerce.</p>				
Coordinator: China, Korea				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To present good practices and recommendations of Member Customs.	2016 (SCCP1)	Member Economies	In progress	China
To promote better growth of cross-border E-commerce, through enhanced awareness of cross-border E-commerce and external cooperation in this regard.	By the end of 2017	More than half of APEC Member Customs will develop rules or regulations and implement procedures in customs control on cross-border E-commerce.	In progress	China Australia, Chile, Korea, Hong Kong China
Implemented actions				
<p>1. APEC Workshop on Customs Control on Cross-border E-commerce was held on September 16-18, 2015 in Hangzhou China.</p> <p>2. Capacity Building Research on Customs Control of Cross-Border E-Commerce has been conducted by China.</p>				

Development of Single Window and promotion of international interoperability

Objective:

To increase the efficiency of international supply chain through harmonization, simplification, strengthened transparency, introduction of modern technologies, and collaboration with the stakeholders.

Action:

Customs and trade procedures will become more efficient through introduction and implementation of ICT systems, Single Windows, and interconnection among the systems and Single Windows.

Coordinator: Chinese Taipei, United States

Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To monitor the state of Customs ICT system, Single Window and one-stop shop of economies to identify good practices and challenges in this field	2016 (SCCP1)	To identify current status of all economies in order to feed in the activity concept to share the experiences of Single Window development and implementation and the system interconnection.	2014 Survey was completed.	Chinese Taipei and Japan
To peer the progress and exchange goods practices and learning in Single Window development and implementation	2016	Attending economies share the updated information on the progresses and lessons learned in introducing and implementing Single Window.	In progress	US
To monitor the state of Customs ICT system, Single Window and one-stop shop of economies to identify good practices and challenges in this field	2018	To identify the status of all economies in order to feed in the activity concept to share the experiences of Single Window development and implementation and the system interconnection.	(not yet started)	Chinese Taipei and US

Implemented actions

- SW Strategic Plan (2007); SW Implementation Guide (2009); and SW Report – Working towards the implementation of SW in the APEC economies and international interoperability (2010)
- Single Window regional workshops took place in 2011 and 2012.
- Stocktaking survey was conducted in 2010, 2012 and 2014; the results were presented at SCCP meetings.
- Diagnostic Report for Chokepoint 4 of APEC Supply Chain Connectivity Action Plan contained the summary results of 2012 SCCP survey.

Strengthening of IPR Border Enforcement

Objective:

To promote the economic activities of legitimate IPR holders, distributors and consumers by strengthened border control against IPR infringement with an aim to promote innovative growth, secure international supply chain and promote investment.

Action:

Border control against IPR infringement articles will become more effective in line with international norms and best practices and the interest of right holders as well legitimate distributors and consumers.

Coordinator: Hong Kong, China and US

Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To monitor the state of IPR border enforcement and initiatives in the economies and to update the strength and weakness	2016 (SCCP)	To identify current status of all economies in order to develop the targeted capacity building program	2015 IPR check sheet was circulated; the results have been compiled and assessed.	Hong Kong, China and Japan
IPR joint operation	2016 (SCCP 2)	To identify counterfeit trademark items related to transportation infringing goods and share results and trends with other APEC Economies.	The IPR Operation is currently underway and results will be reported at the 2016 SCCP2 Meeting.	US
To monitor the state of IPR border enforcement and initiatives in the economies and to update the strength and weakness	2018	To identify the status of all economies in order to assess the overall progress on IPR border Enforcement	(not yet started)	Hong Kong, China and US

Implemented actions

- The APEC Guidelines for Customs Border Enforcement of Counterfeiting and Piracy prepared by Hong Kong, China and Japan was endorsed at SCCP2 in 2011.
- SCCP IPR Check sheet Survey was conducted in 2011, 2013 and 2014.
- SCCP/IPR Regional workshop took place in Hong Kong China in November 2014.



Introduction and Implementation of Passenger Name Record				
Objective: To facilitate and secure cross border movement of passengers and the accompanied goods by implementing advance passenger risk analysis in adopting internationally harmonized standards and best practices				
Action: Customs control on passengers and the accompanied goods will be facilitated and secured by applying advance risk analysis along with international best practices, notably international standard for electronic message of PNR (PNRGOV).				
Coordinator: Indonesia, Japan, Mexico				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To update the information on Customs use of PNR by the economies and to update the strength and weakness in/for the use of PNR	2016	To identify the status of all economies in order to identify commonly observed strength and weakness in/for the use of PNR	In process	Japan
To update and exchange best practices/ lessons learned regarding PNRGOV, in securing and facilitating the legitimate travelers, by a regional workshop	2016	All participants understand the importance and key factors of PNRGOV and its use for better Customs advance risk analysis on passengers, and whilst ensuring the movement of legitimate travelers, in term of business and tourism.	Completed	Indonesia
Evaluation	2016	Find out whether the workshop has been useful	Completed	Indonesia
Implemented actions				
<ul style="list-style-type: none"> Indonesia circulated a survey questionnaire among SCCP Members in April-May 2013 and reported the results in SCCP 2, 2013. Indonesia promoted PNRGOV in the APEC High Level Policy Dialog on Travel Facilitation, in Bali, October 2013 Indonesia organized a regional workshop on PNRGOV in Bali in October 2013. Indonesia presented its work on PNR at SCCP1 and 2 of 2014 as well as SCCP1 of 2015. Japan presented its work on PNR at SCCP1 of 2015. PNR Survey was conducted in 2015; the results were presented at SCCP2 of 2015. Japan circulated a survey questionnaire among SCCP Members in September 2016. Indonesia organized a regional workshop on PNRGOV in Bali in November 23-24, 2016. 				

Promote self-certification/declaration of the origin of goods for preferential purposes

Objective:

- Enhance traders' understanding of preferential rules of origin.
- Promote the use of self-certification/declaration of the origin for preferential purposes in the APEC region in order to facilitate trade by reducing administrative burden with documentation.

Action:

- Phase 1: Understanding the status quo
 - ▶ Research origin certification methods agreed in the FTAs within the APEC region
- Phase 2: Promote the use of self-certification/declaration within APEC region
 - ▶ Action items to be identified
- Phase 3: Evaluation
 - ▶ Evaluate the outcomes and plan for next steps

Coordinator: New Zealand

Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
Information gathering	SCCP 2, 2016	A good understanding of current practice of evidencing origin in the APEC region. Potential areas for improvement are identified.	Planning stage	New Zealand
Consider options for promoting self-certification/declaration	SCCP1, 2017	Action items are identified.		
Carry out action items	SCCP1, 2018	Outlined objectives are achieved.		
Evaluate outcomes	SCCP2,	Outcomes of the action items are analysed. Next steps are identified.		
Implemented actions				
None at this stage.				

Enhancement of cooperation with stakeholders

Objective:

To facilitate trade, improve compliance and enhance security through enhanced cooperation between Customs and stakeholders

Action:

Enhanced cooperation with stakeholders will make the Customs procedures more trade friendly, improve the trade compliance and obtain more cooperation from the trade to enhance security.

Coordinator: Mexico

Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
Monitor to the cooperation establishment of National Committees on Trade Facilitation where private sector serves as a guide to foreign trade policy	2018	To identify the status of all economies in order to identify commonly observed strengths and weaknesses on the establishment of a National Committee on Trade Facilitation	(not yet started)	Mexico
Development of AEO programs and mutual recognition arrangements	2018	Promote Capacity Building activities among the member countries to exchange best practices and experiences on developing the necessary national legal framework for AEO's, including the certification of new	In process	Mexico

		actors, negotiating MRA's as well as learn how to effectively implement the agreement. These training activities can be provided to current AEO specialists, Program Leaders and representatives of the economies currently developing the program.	In process	Mexico
		On the subject of Mutual Recognition Agreements, promote signing Actions Plans within the region such as the case of the Pacific Alliance.	In process	Mexico
		Periodical updating of AEO Studies, such as the study developed by the PSU as well as propose new mechanisms to compile useful information in order to gain experience, successful outcomes and share the challenges faced by all member countries.	In process	Mexico
Enhancement of inter-agency coordination, particularly along with Pillar 3 of WCO SAFE	2017	Stock-taking of security measures imposed by OGA regarding international movement of goods	(not yet started)	Philippines
		Stock-taking of joint inspection and supporting mechanisms	(not yet started)	Philippines
Implemented actions				
<ul style="list-style-type: none">● APEC AEO Compendium was published in 2010.● PSU “Study of APEC Best Practices in Authorized Economic Operator (AEO) Programs” (2016)				



Implementation along with the WCO Immediate Release Guideline				
Objective: To provide facilitative procedures for those merchandises requested immediate release upon the arrival by the traders in line with WCO Immediate Release Guideline				
Action: Enhance trade facilitation through the implementation of facilitative measures following the WCO Immediate Release Guideline, including pre-arrival processing, de-minimis, and immediate release upon the arrival of merchandises.				
Coordinator: Japan, Philippines				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To stock take the implementation status along with the WCO Immediate Release Guideline	2016	To identify the status of all economies in order to develop the targeted capacity building program	(not yet started)	Japan, Philippines
Implemented actions				
2014 Diagnostic Report for Chokepoint 4 of Supply Chain Connectivity SCFAP Capacity Building				



Conduct of Time Release Surveys				
Objective: To identify the bottlenecks and the area of further improvements at the border posts by collecting, analyzing and sharing the objective data with the stakeholders.				
Action: Measurement of time necessary to clear the goods will visualize the supply chain bottlenecks at the border posts and enable the decision makers of the stakeholders to consider the most appropriate solution and resource management to further improve the situations.				
Coordinator: Australia (P), Korea, Vietnam				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To monitor the state of TRS	2017	To identify the status of all economies in order to develop the targeted capacity building program	(not yet started)	Australia (P), Korea, Vietnam
Implemented actions				
<ul style="list-style-type: none"> • 2013 Questionnaire Survey on Time Release Study • 2014 Diagnostic Report for Chokepoint 4 of Supply Chain Connectivity 				

Establishment of Reporting Mechanism for the Implementation of the Boracay Action Agenda (BAA) to Globalize MSMEs

Objective:

To provide a reporting mechanism that can ensure effective implementation of the APEC Boracay Action Agenda to globalize MSMEs

Action:

Develop a Reporting Template that can be used in monitoring and consolidating programs being undertaken by the committees, working groups, and sub-fora in preparation for the stocktake and mid-term review of the BAA in 2018

Coordinator: Philippines

Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
Reporting Template: <ul style="list-style-type: none"> ● Developed and adopted ● Used by Committees, Working Groups and Sub-fora 	2016 SCCP 2 2017 SCCP1 and beyond	A document showing the status/progress of implementation	In process	Philippines

Implemented actions

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Asia-Pacific Economic Cooperation

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