

## SUB COMMITTEE ON CUSTOMS PROCEDURES (SCCP)

### *Report for the*

## CTI ANNUAL REPORT TO MINISTERS

### For AMM’s information

#### (a) Key outcomes and achievements in 2022

SCCP initiatives and projects are set upon 5 SCCP priorities according to our SCCP Strategic Plan 2022-2025, which sets out the SCCP’s strategic direction for the next four years through the SCCP’s vision, missions, priorities and objectives.

The projects and initiatives under the 5 SCCP priorities including:

- ❖ **Priority 1 - Contributing to economies’ responses to and recovery from the COVID-19 pandemic**
  - SCCP adopted the “Best Practice Guidelines on Customs Control for COVID-19 Related Goods” prepared by Thailand, which was endorsed by SCCP on 8 April 2022 and CTI on 13 April 2022. The endorsed version was submitted to the MRT and referenced in the Statement of the Chair of APEC MRT Meeting in May 2022.
  
- ❖ **Priority 2 - Accelerating implementation of the WTO TFA**
  - SCCP intersessionally endorsed the New Zealand-led Self-Funded Project Proposal “WTO Trade Facilitation Agreement (TFA) Implementation Acceleration: Priorities and Channels for Adoption of Customs Related Chapters” on 5 May 2022.
  
- ❖ **Priority 3 - Enhancing supply chain predictability and connectivity in the APEC region**
  - SCCP endorsed the Final Report of the APEC Self-Funded Project “Guidelines on Paperless Trade” titled “Analysis and Pathway for Paperless Trade Report” on 18 March 2022. The report is available on the APEC Website (APEC Digital publication).
  - Thailand held a virtual Workshop on Tax/Duty Collection and Risk Management for Imports of Low Value Goods under De Minimis Thresholds on 31 May and 1 June 2022.
  
- ❖ **Priority 4 - Exploring the use of new technology and innovative solutions to secure supply chains**
  - SCCP intersessionally endorsed the Australia-led Self-Funded Project Proposal “Measures used to secure Cargo containers from tampering” on 25 February 2022

- Japan’s Concept Note on “APEC Workshops for Capacity Building in self-declaration of origin for FTAs/RTAs” was approved by BMC (Budget and Management Committee).

❖ **Priority 5 - Promoting inclusion and fostering capacity building in the international trading environment**

- SCCP is currently undertaking a new APEC Self-Funded Project titled “Gender Mainstreaming in Customs Administrations: A Metrics-based Foundation” by New Zealand.
- Thailand hosted the 2022 APEC Customs Business Dialogue on 23 August 2022 on the theme “Customs and Green Economy: Enhancing Economic Development and Environmental Sustainability”. The first panel discussion focused on Promoting trade and investment while minimizing the adverse effects on the environment, while the second panel discussion focused on Roles of International Organizations and Customs Administrations in supporting the achievement of the Green Economy.

(b) Work undertaken by fora in the implementation of the [Putrajaya Vision 2040](#), including through the [Aotearoa Plan of Action \(APA\)](#)

*Kindly refer to the “Collective Actions” (in the APA) for the relevant fora*

As mentioned above, SCCP initiatives and projects are set upon 5 SCCP priorities according to our SCCP Strategic Plan 2022-2025. These works have supported and contributed to the APEC 2022 priorities, as well as the Trade and Investment economic driver under the Putrajaya Vision 2040 and Collective Actions stated in the Aotearoa Plan of Action (APA), particularly by:

- advancing capacity building programmes to support the implementation of and adherence to WTO Rules, including transparency and notification obligations under the APA Objective “to support the WTO by promoting the stability and predictability of international trade flows”.
- advancing capacity building programmes and cooperate on best practice for the development of and participation in high standard regional undertakings under the APA Objective “to further advance the economic integration in the region in a manner that is market-driven, including through the work on the FTAAP agenda”.
- promoting trade and investment facilitation for all under the APA Objective “to promote seamless connectivity and resilient supply chains”.

(c) Work Undertaken by the fora in response to Ministerial, SOM and CTI direction

- *Essential Goods – a number of ongoing actions on trade facilitation (especially TFA Implementation) under the Declaration on Facilitating the Movement of Essential Goods 2020*

During SCCP2 Meeting, there was one agenda dedicated to Accelerating Implementation of the WTO TFA. The economies discussed and shared their experiences on their domestic implementation of WTO TFA. The economies were also encouraged to support the Trade Facilitation actions stated in the 2020

Declaration on Facilitating the Movement of Essential Goods by the APEC Ministers Responsible for Trade (MRT).

In addition, SCCP is undertaking a new Self-Funded Project (SCCP 03 2022S) on the WTO Trade Facilitation Agreement (TFA) Implementation Acceleration: Priorities and Channels for Adoption of Customs Related Chapters proposed by New Zealand. The findings from the accumulated survey outlined the current implementation status of customs-related WTO TFA articles, identified challenges and priorities in the implementation of WTO TFA, as well as provided recommendations on capacity building projects that SCCP should focus on to accelerate the TFA implementation of customs related areas. This project supports APEC economies to fully implement the WTO Agreement on Trade Facilitation, as stated in the Declaration on Facilitating the Movement of Essential Goods, by assisting members to attain the necessary capabilities to achieve full implementation of WTO TFA within the timeframe.

- ***Vaccine Supply Chain*** – a number of “further actions” required under the 2021 MRT statement on COVID—19 Vaccine Supply Chains

SCCP adopted the Best Practice Guidelines on Customs Control for COVID-19 Related Goods as an instrument that APEC economies could use as a reference administrative tool for drafting Customs control policy as appropriate according to their political and strategic contexts. These best practices guidelines are not only to help them alleviate concerns towards the illegal movement of COVID-19 related goods, but also to confirm their engagement and contribution in protecting the global community from substandard and hazardous COVID-19 related goods. The Best Practice Guidelines serve as one of the further actions required under the 2021 APEC MRT Statement on COVID-19 Vaccine Supply Chains, contributing to take appropriate measures to prevent criminal of supply chains and to prevent the entry and import of illegal, dangerous, sub-standard or counterfeit COVID-19 vaccines and related goods.

SCCP members will continue implementing the “Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods” endorsed by SCCP and CTI in 2021. Moreover, on behalf of SCCP, New Zealand volunteered to undertake a Survey to follow up on this Guidelines. New Zealand circulated a survey to SCCP economies for an update on each economy’s implementation status of the Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods since the SCCP’s last report to APEC Ministers Responsible for Trade in September 2021. The summary of the SCCP’s response to this survey has been provided in Part “(e) Items to submit to Senior Officials or Ministers” below.

(d) Key Issues Under Discussion by the Fora (if any); &

- ***Gender Mainstreaming in Customs Administrations: A Metric-Based System:*** New Zealand is undertaking an APEC-Funded Project (SCCP 01 2022), the project was endorsed in June 2022 and expected to commence in September 2022. The project is developed in alignment with La Serena Roadmap and APEC goals aiming

to promote gender equality and ensure equal benefit for women by incorporating gender perspectives into public policies.

- *Measures used to secure Cargo containers from tampering:* Australia is undertaking a Self-Funded Project (SCCP 01 2022S) which aims to collect information from APEC economies on the measures they employ to manage contraband trafficking in cargo containers which will contribute towards policy development that will improve supply chain security and connectivity within the APEC region. As part of the project, Australia will circulate survey to SCCP members about cargo container security used for the project and report aggregate findings to the SCCP1 in February 2023.
- *Future of Trade and Border Management – to 2030:* This is another Self-Funded Project (SCCP 01 2019S) led by Australia that builds a digital dashboard, containing building blocks for the SCCP to use on Policy and Regulations, Technology and ICT, Industry and COVID-19 categories. This will be an excellent tool for recording and accessing measures relating to trade facilitation and customs procedures in the APEC region. Australia’s currently accumulating the information to launch a Digital Dashboard in the APEC Website in November 2022

(e) Items to submit to Senior Officials or Ministers (if applicable)

### **2021 MRT STATEMENT ON COVID-19 VACCINE SUPPLY CHAINS**

*“We will advance the implementation of the Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods.”*

- New Zealand circulated a survey to SCCP economies for an update on each economy’s implementation status of the Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods (“the Guidelines”) and to identify opportunities for the SCCP to better support its members’ implementation.

14 out of 21 economies responded to the survey. Twelve economies have made progress by implementing measures that had not been implemented during the last review.

Two of those economies have now fully implemented all the measures, bringing the total number of those who have fully implemented the Guidelines to six economies. Three economies are immediately prioritizing certain measures in the Guidelines to achieve its implementation. Some economies even initiated projects and measures beyond the Guidelines to better support the distribution of COVID-19 vaccines and related goods.

The survey identified various challenges economies experienced in implementing certain measures in the Guidelines. This included inter-governmental agency cooperation and public-private sector cooperation.

The survey also identified areas to revise or improve the Guidelines. A common suggestion was revising Guideline 6 “Regular border testing.” With high vaccination

rates, population immunity, and other health protections in place, economies reported that regularly testing border officials was no longer necessary. An economy suggested customs administrations test border officials only when necessary.

Economies also suggested revising Guideline 15 “24-hour contact point”. As the import and export of COVID-19 vaccines has reduced significantly since the last review, there is a declining need to dedicate resource to maintain a 24-hour contact point for importers, exporters, and logistics operators. Economies suggested amending this simply to a contact point.

With more economies nearing full implementation of the Guidelines, many economies expressed they no longer require capacity building. However, some economies would still be interested in participating to help improve their existing practices.

Three economies would be willing to deliver capacity building, on areas such as physical infrastructure and digital processing of paper documents to streamline border clearance.

While many economies expressed the Guidelines captured the necessary practices to facilitate COVID-19 vaccines and related goods efficiently across borders, there is room for on-going revision and improvement. In the meantime, the SCCP members will continue to share experiences with economies who have yet to achieve full implementation of the Guidelines.