


**Papua New Guinea's
Road Map on Single
Window**

SCCP 2, 2018
Port Moresby


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Securing our Future



Presentation Outline

- Status of SW in PNG
- Challenges we face
- What we want to achieve
- Way forward for PNG on SW

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In February 2014, Ms. Hu Lan, Chair of the APEC Sub-Committee on Customs and Procedures said:

“When APEC’s Sub-Committee on Customs Procedures (SCCP) adopted the vision for Single Window in 2007, it identified two key stages. The first one was to achieve Single Window systems within each APEC member economy and the second one was to promote international interoperability between Single Window systems and paperless trading between these systems within APEC.”

The goal of the APEC Single Window Capacity Building Projects is to develop Single Window systems within each APEC member economy by 2020.


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Current environment in PNG

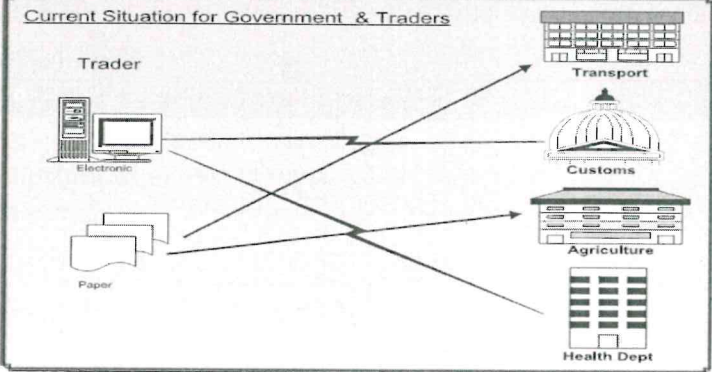
- PNG Customs is keen on the implementation of SW
- Using ASYCUDA WORLD system ideal for compatibility with SW
- Public/Traders: prepare and submit large volumes of information/documents to govt. agencies, each with their own specific process and paper forms

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Current environment

Current Situation for Government & Traders



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- Trade facilitation remains a high priority of the PNG Govt
- Govt. agencies must be able to minimize the costs of doing business for their clients and subsequently promote exports and investments in PNG

Thus the need for a Single Window in PNG!!!!

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European Union Assistance

- Under the EU Trade Related Assistance Programme Phase 2, the EU supports PNG in our effort to boost trade for economic sustainable development
- One element under the third component, Trade Facilitation Support, is the conduct of a Feasibility Study for a Single Window system in PNG
- Feasibility study completed in early 2017



CHALLENGES

Legal frame work to support e-Commerce

- Only recently EU supported PNG to develop the “*Electronic Transaction Act*”
- The Act allows electronic signatures and supports e-Commerce.
- Get other govt. agencies on board the SW band wagon



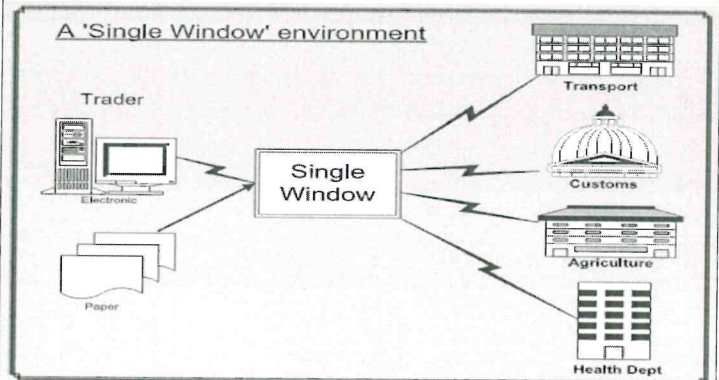
What we want to achieve!!

Desired environment: Submission and approval process automated via SW with electronic submissions by traders and approval of govt. via workflow system in each office;

- applications and approvals be electronic
- No need for face to face interactions
- E-payments
- Trade process is transparent



Desired environment



Way forward for PNG on SW

- Done Feasibility study ✓
- Developed the Electronic Transaction Act to support e-Commerce ✓
- Need Executive Order (NEC Decision) to appoint lead agency !!!
- NEC Decision for other govt. agencies to get on the SW band wagon!!!



End

Thank you!!



CONCEPT NOTE ON CAPACITY BUILDING AND TECHNICAL ASSISTANCE ON AEO IMPLEMENTATION by the PHILIPPINES

AUGUST 11, 2018, PORT MORESBY

Background

- The Project Proposal on the Workshop and In-Economy Capacity Building Initiatives on AEO Programs was presented to the SCCP2 in 2016
- Endorsed in SCCP1 in 2017 with Korea, Peru and Viet Nam as co-sponsors
- The Concept Note on Capacity Building and Technical Assistance on AEO Implementation was submitted to the SCCP PD on June 16, 2018 for comments and sponsorship
- Comments were received from Japan and Viet Nam
- Papua New Guinea and Chile expressed their support as co-sponsors

Project Summary

- Founded on Article 7 of the WTO-TFA, in relation to the APEC Boracay Agenda, 3M Strategic Framework and WCO Safe Framework which all encourage economies to establish an Authorized Economic Operator Program.
- The Philippines is one of the APEC member economies that have yet to implement an AEO Program.
- The proposed AEO Workshop aims to provide developing member economies with technical expertise and capacity building relating to the initiation, development, and implementation of their respective AEO programs.
- Specifically, it will help identify existing or potential problems areas in the implementation of the program and foster MSMEs' participation.

Project Summary

- The workshop will invite speakers from APEC members which have successfully implemented the AEO Program to share their expertise and experiences in the establishment of their own AEO Programs.
- The targeted participants shall include Customs administrations and other stakeholders concerned with MSMEs.
- The workshop will be held in December 2018 in Manila, Philippines

Relevance

- Participants to the Workshop will gain more knowledge from the AEC economies that are already ahead in the implementation of the AEO with the end view of enhancing trade flows within the region through its contributions to the security, integrity and resiliency of supply chains.
- The Project will likewise build support and improve the capacity of those economies that are still at the early stages of implementation or are about to start with their own AEO programs.
- Aims to discuss the proposed MSMEs action plan which calls for enhanced cross-fora collaboration in order to maximize synergies across various APEC initiatives.

Relevance

- This will assist developing participating economies achieve technical expertise relating to the initiation, development, and implementation of their respective AEO programs, specifically, in identifying existing or potential problems areas in the implementation

Objectives

- To enable the participants gain more knowledge thru the sharing of experience
- To create a framework that is consistent with WCO AEO standards and guidelines
- To develop recommendations that will address the challenges in the implementation of AEO programs
- To build support and improve the capacity of those economies that are still at the early stages of implementation or are about to start with their own AEO programs
- To help in the assessment of the status of MRAs in APEC economies that are already implementing AEO programs, including the obstacles being faced in signing MRAs among economies.

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Alignment

- The project is aligned with the priorities set under the APEC Boracay Agenda, 3M Strategic Framework, in relation to the November 2011 statement of Ministers, endorsing APEC's work on AEO to assist interested APEC economies in developing and implementing AEO programs, in cooperation with other relevant stakeholders such as the WCO.
- APEC also endorsed the Pathfinder on Mutual Recognition of AEO Programs.
- This project is also aligned with the general principles provided for in the Osaka Action Agenda, specifically, WTO consistency.

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Alignment

- One of the deliverables under the Collective Action Plan of the SCCP which is to assist in establishing an AEO program consistent with WCO SAFE Framework of Standards
- Likewise, the Project is aligned with the BAA Priority Action 4 to widen the base of AEO and TTP to include MSMEs in order for them to contribute to security, integrity and resiliency in supply chains.

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Beneficiaries

- Senior and mid-level officials of Customs Administration and other government agencies
- Representatives from private sector, both large, medium and small enterprises with trading interests or part of the supply chain at the regional and international level
- International Organization and intergovernmental agencies such as the WCO and WTO to provide expertise.
- The workshop will engage the participation of the 21 member economies to ensure that Agenda will benefit each economy.

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Methodology

- A pre-survey form will be circulated prior to the workshop to identify areas of interest and level of understanding participants.
- Evaluation forms will be distributed at the end of the workshop to determine whether the objectives are met.
- A compilation of strategies and best practices related to the implementation of AEO programs will be made available to SCCP members as well as to other fora in APEC.
- A report on the workshop will be presented at the SCCP in 2019.

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Work Plan

Time	Task/Activity
Aug	• Drafting of Pre-Survey Form to identify area of interest and level of understanding of participants will be circulated to member economies
Sept to Oct	• Preparation and circulation of the result of the Pre-Survey and Agenda which is based on the identified needs and areas of interest • Distribution of the Letter of Invitation and Administrative Circular to speakers and participants
Nov	• Registration of speakers and Participants
Dec	• Preparation of Evaluation Form • Three (3)- Day Workshop • Compilation of strategies and best practices

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**COMMENTS, SUGGESTIONS,
QUESTIONS**

THANK YOU!

香港海關
Customs and Excise Department

AEO
HONG KONG
AUTHORIZED ECONOMIC OPERATOR

Hong Kong Authorized Economic Operator Programme

APEC SCCC Meeting
August 2018

Overview

AEO
HONG KONG
AUTHORIZED ECONOMIC OPERATOR

1. Hong Kong AEO Programme
2. AEO MRA
3. Next Steps

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HKAEO Programme - Background

AEO
HONG KONG
AUTHORIZED ECONOMIC OPERATOR

2005: SAFE

2010 (June 2010): Pilot run

2011 (June 2011): Review and consultation with industry

2012 (April 2012): Formal launch

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HKAEO Programme - Policy Support

AEO
HONG KONG
AUTHORIZED ECONOMIC OPERATOR

Budget 2013-2014 (para. 27 & 28)

The 2013-14 Budget

Office of Financial Secretary - Economic Analysis

2013 Economic Background and 2014 Prospects

2013: The Customs and Excise Department (CED) and the Mainland Customs signed a mutual recognition arrangement (MRA) to enable the respective Customs accredited companies (i.e. Authorized Economic Operators (AEOs) in HK and AEOs in the Mainland) to enjoy clearance facilitation for their goods imported from or exported to the other side.

2014: CED signed an MRA with the India Customs to mutually recognize the respective AEOs, enabling them to enjoy clearance facilitation for their goods imported from or exported to the other side.

Policy Address 2014

International Trading and Shipping Centre

Partners' mission to facilitate the movement of goods across the boundary, including the Authorized Economic Operator Programme, which allows cargoes handled by qualified companies to enjoy expedited customs clearance in Hong Kong and by our trading partners in AEOs.

HKAEO Programme - Features

AEO
HONG KONG
AUTHORIZED ECONOMIC OPERATOR

- Compliant with international standards
- Free, Open and Voluntary
- Two-tier certification to accommodate qualified SMEs

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HKAEO Programme - SMEs

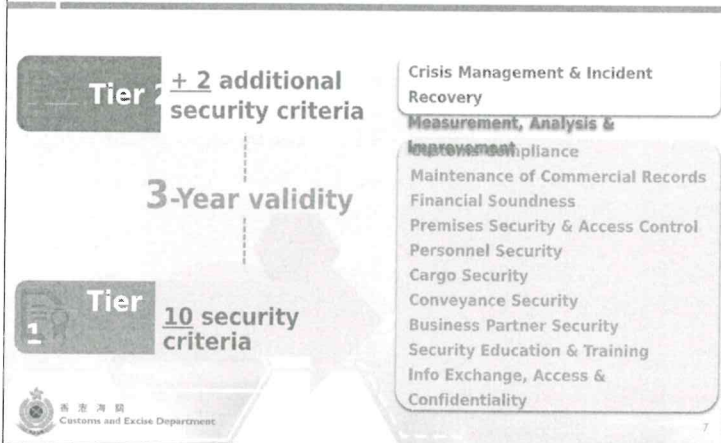
AEO
HONG KONG
AUTHORIZED ECONOMIC OPERATOR

98%

- Over 330 000 SMEs in Hong Kong, China –
 - Accounted for over 98% of business units;
 - About 45% of total employment.
- Most are importers and exporters

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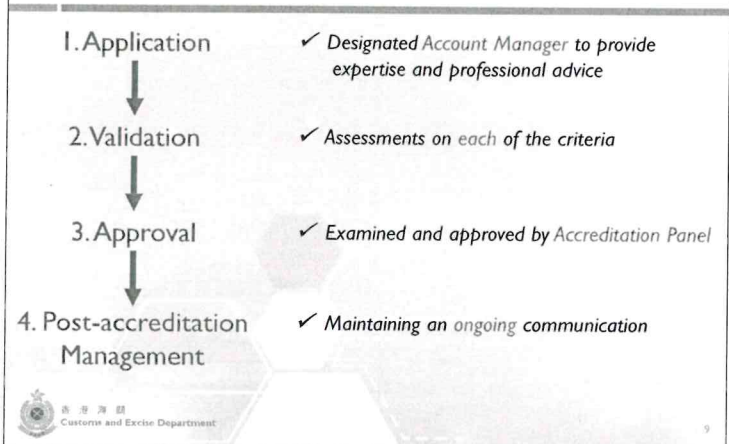
HKAE0 Programme - Accreditation Criteria



HKAE0 Programme - SME Participation

SME	
Accredited as HKAE0s	8 (17 % of HKAE0s)
<i>Breakdown:</i>	
- Tier 2	1 (applied for Tier 2)
- Tier 1	3 (upgraded to Tier 2)
Under processing	1

HKAE0 Programme - Accreditation Process

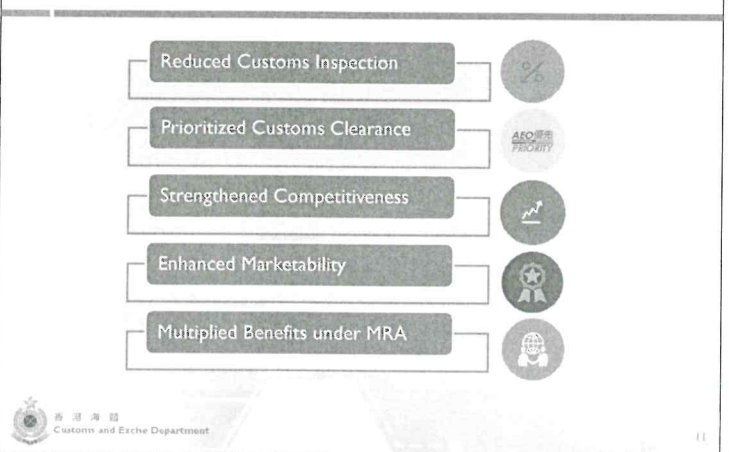


HKAE0 Programme - 47 HKAE0s

- All stakeholders of global supply chain
- MNCs & SMEs
- Various industries (e.g. electronic goods, foodstuff, metal products...)

Annual Certificate Presentation Ceremony

HKAE0 Programme - AEO Benefits



HKAE0 Programme - AEO Benefits

Reduced Customs Inspection

AEO Cargo Inspection Rate (HK Customs)

80%

(rest are mostly licensing controlled items)

HKAE0 Programme - AEO Benefits



Prioritized Customs Clearance

Hong Kong International Airport
(AEO Priority Service Counter)



Kwai Chung Customhouse
(AEO Priority Parking Bay)

Land Boundary Control Points
(AEO Priority Parking Bay)



AEO優先 PRIORITY

HKAE0 Programme - AEO Benefits



Strengthened Competitiveness



Predictability



Costs
Delay



- AEO database
- AEO cargoes as low risk



HKAE0 Programme - AEO Benefits



Enhanced Marketability

- Trusted Partners of Customs
- Image Building



HKAE0 Programme - AEO Benefits



Enhanced Marketability



AEO

HONG KONG
Authorized Economic Operator
香港認可經濟營運商

Revolving Globe:

Cooperation among stakeholders to enhance international supply chain security

Interlocking Arrows:

Partnership between Hong Kong Customs and local industry to secure and facilitate global trade

HKAE0 Programme - AEO Benefits



Privileged Benefits under MRAs

Mutual Recognition Arrangement
Reciprocal benefits / facilitation to the mutually recognized AEOs



China
29 Oct 2013



India
28 Nov 2013



Korea
13 Feb 2014



Singapore
27 Jun 2014



Thailand
11 Jun 2015



Malaysia
17 Mar 2016



Japan
23 Aug 2016



Australia
6 Jul 2017



New Zealand
28 Jun 2018

Overview

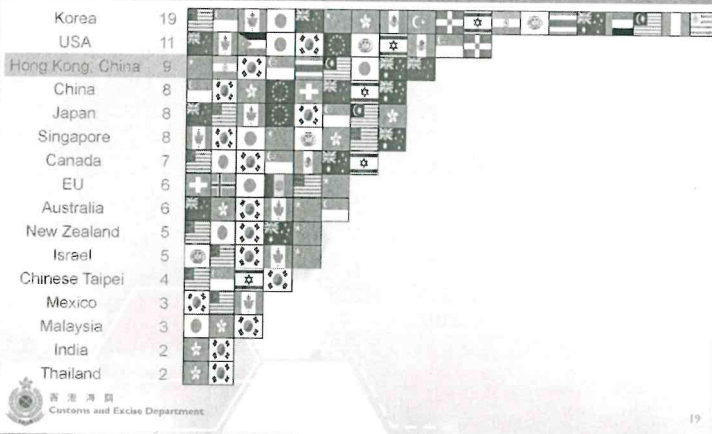


1. Hong Kong AEO Programme

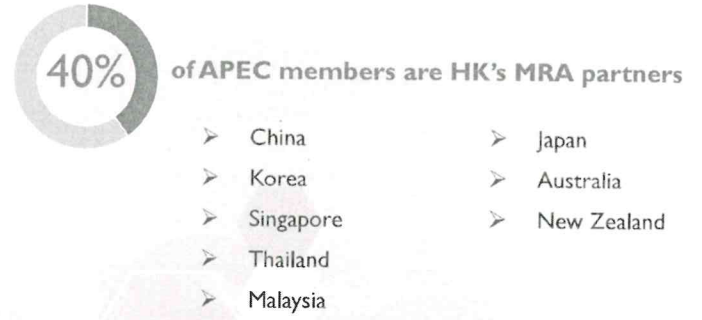
2. AEO MRA

3. Next Steps

Performance - Global AEO MRA Development



Performance - AEO MRA with APEC Members



Performance - Facilitation to APEC MRA Partners

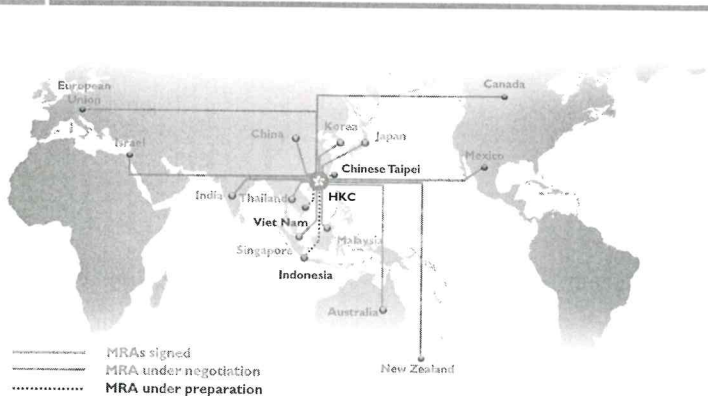
APEC MRA Partners	Total No. of Consignments Facilitated under the MRAs <i>(Whole year of 2017)</i>
China	> 476 000 consignments
Korea	
Singapore	
Thailand	
Malaysia	
Japan	
Australia	

Overview



1. Hong Kong AEO Programme
2. AEO MRA
3. Next Steps

Way Forward - Enhancing MRA Development



Thank You!



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Office of Supply Chain Security Management
Hong Kong Customs






**SECOND MEETING OF THE
SUB-COMMITTEE ON CUSTOMS
PROCEDURES**

Tom B Vere
Director IPR Section

11 August 2018
International Convention Centre
Room 122
Port Moresby
Papua New Guinea


www.customs.gov.pg **Protecting our Border
Securing our Future**



Information Paper

Counterfeiting of PNG's Traditional Knowledge (TK) and Expressions of Culture (EC) and Contemporary Designs.


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Purpose

Inform member economies of PNG'S situation with respect to the theft and exploitation of its traditional knowledge and expressions of culture, and contemporary designs.


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Situation

- Recent influx of good made under reserved activity and or cottage business activity list flooding the market.
- Selling of such products widespread in all major centres.
- Goods in question – bilums, meri blouse, and flags.
- Possible routes – smuggled or manufactured in country.
- Laws violated – Copyright & Neighbouring Rights Act 2000, Investment Promotion Act 1992 and National Identity Regulation 1973.

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Public Outcry

Social media
Newspapers
Radios
TVs


ABC TV – Pacific Beat also requested for an interview with Chief Commissioner Customs regarding the matter.

The question is...!! Is our customs effective or is it blinded by the amount of cash that is pushed in their pockets..!!

EMTV Online
Yesterday at 12:38 PM · Q
Fake bilum bags made in C...
being sold in some foreign c...
Lae for less than twenty kina (K20).


The members of the public in Lae, especially women are angered by this and raised their concerns.

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Counterfeit Bilums, Meri Blouses and Flags misuse

Images of actual goods found selling in foreign owned shops.



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Counterfeit Bilums and Meri Blouses

The design of national flag of PNG is also used on counterfeited items such as bilums /meri blouses, clothing and laplaps, etc.



Effects of Counterfeits/Piracy

- Informal sector deprived of earning a living from activities reserved for them.
- Indigenous communities not remunerated for the use and exploitation of their traditional knowledge and expressions of culture.
- Intrinsic value, artistic and cultural significance of bilum making lost due to mass production and abuse.
- Disadvantage small/infant industries/start-ups due to high cost of licensing, and competing cheaper counterfeits/pirated goods.
- Direct contravention of Govt's SME Policy - support and grow SME sector for employment, and to achieve sustainable economic for wealth creation, etc.
- Loss of tourism dollars for informal sector through the sale of foreign made traditional and cultural works by foreigners – most probably targeting APEC.
- Animosity developed towards foreigners blatantly disregarding/ disrespecting the rights and space of locals.



Challenges

Appropriate agencies or departments may have: -

- No appropriate legislation on TK and EC;
- Gaps in their legislation;
- Overlapping roles and responsibilities;
- Reactive and not proactive approach - acting on ad hoc basis;
- Powers not clearly defined thus lack of timely and effective enforcement;
- Need for MOUs to address cross border issues.

Need for effective networking and cooperation amongst relevant Stakeholders - private/public.

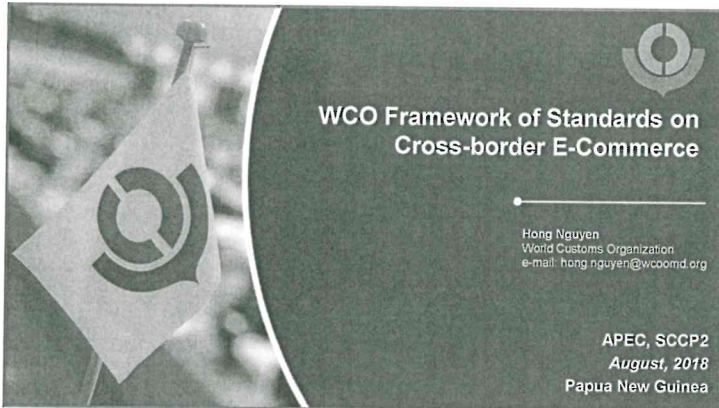


Way Forward

- PNGCS to network and collaborate with appropriate agencies/ departments to address importation/use/exploitation of such goods.
- Need for appropriate legislation to be introduced/existing laws reviewed and revised, and processes/system realigned.
- Review of existing MOUs and enter into new ones with relevant stakeholders to address overlapping issues.
- Share knowledge and experiences of member economies.
- Dialogue with member economy concerned to resolve issue.
- PNG is a member of UNESCO – options/solutions?



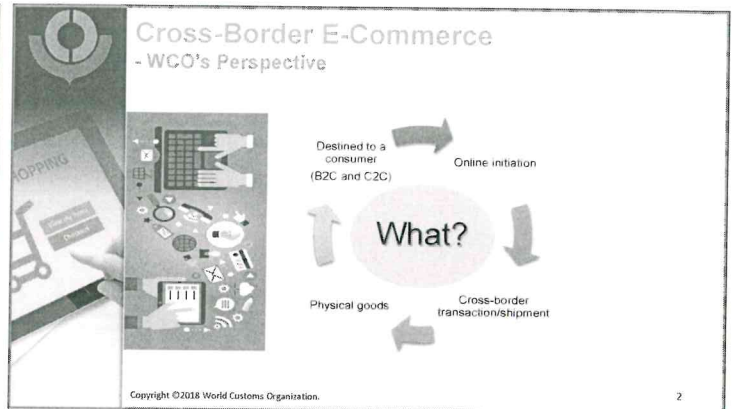
The End



WCO Framework of Standards on Cross-border E-Commerce

Hong Nguyen
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e-mail: hong.nguyen@wcoomd.org

APEC, SCCP2
August, 2018
Papua New Guinea

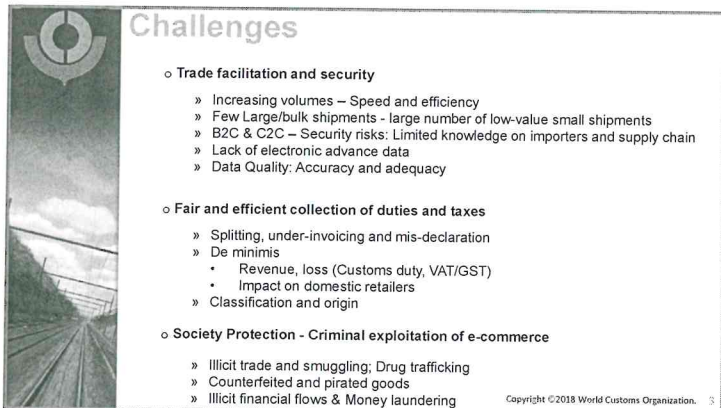


Cross-Border E-Commerce - WCO's Perspective

What?

Destined to a consumer (B2C and C2C) → Online initiation → Cross-border transaction/shipment → Physical goods →

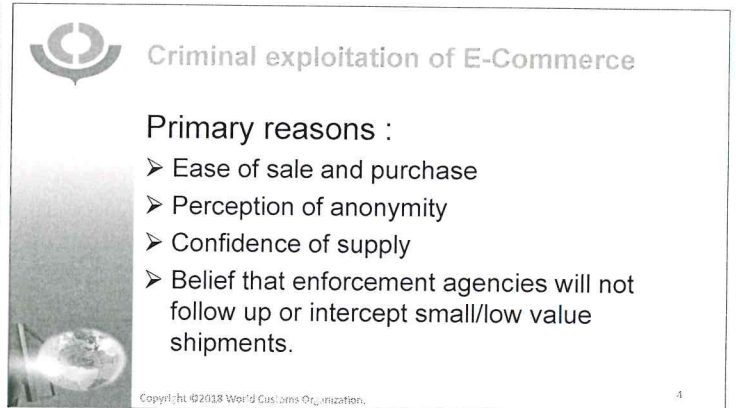
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Challenges

- Trade facilitation and security
 - Increasing volumes – Speed and efficiency
 - Few Large/bulk shipments - large number of low-value small shipments
 - B2C & C2C – Security risks: Limited knowledge on importers and supply chain
 - Lack of electronic advance data
 - Data Quality: Accuracy and adequacy
- Fair and efficient collection of duties and taxes
 - Splitting, under-invoicing and mis-declaration
 - De minimis
 - Revenue, loss (Customs duty, VAT/GST)
 - Impact on domestic retailers
 - Classification and origin
- Society Protection - Criminal exploitation of e-commerce
 - Illicit trade and smuggling; Drug trafficking
 - Counterfeited and pirated goods
 - Illicit financial flows & Money laundering

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Criminal exploitation of E-Commerce

Primary reasons :

- Ease of sale and purchase
- Perception of anonymity
- Confidence of supply
- Belief that enforcement agencies will not follow up or intercept small/low value shipments.

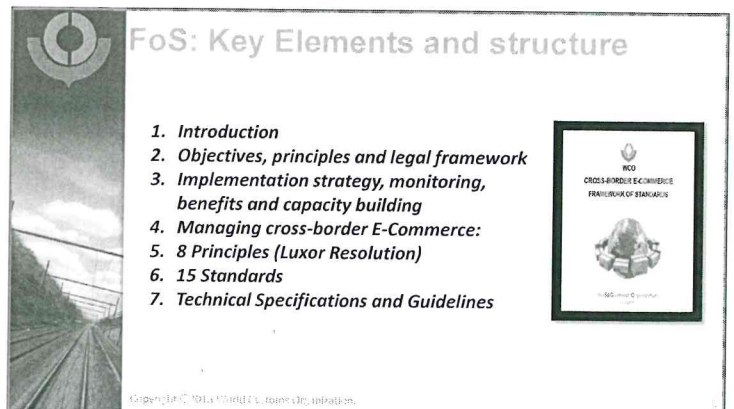
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WCO's work: Recent Developments

- WCO WGEN 2016-2018
- Luxor Resolution and Customs Communiqué
- First Global Cross-Border E-Commerce Conference Beijing Declaration
- WCO Study Report on E-Commerce
- Case Studies
- Development of policy and technical guidance for enhanced facilitation and effective controls
- Updated Immediate Release Guidelines

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FoS: Key Elements and structure

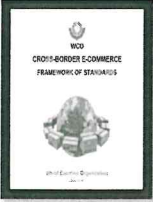
- Introduction
- Objectives, principles and legal framework
- Implementation strategy, monitoring, benefits and capacity building
- Managing cross-border E-Commerce:
- 8 Principles (Luxor Resolution)
- 15 Standards
- Technical Specifications and Guidelines

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FoS: Key Elements and structure (Con't)

8. Annexes

- Definitions
- Stakeholders: Roles and responsibilities
- E-Commerce Business Models
- Revenue Collection Models
- Data Elements
- WCO Tools and Instruments
- Other related tools and instruments
- Implementation Strategy on Cross-border E-Commerce and Action Plan
- Study Cases and best practices



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FoS: Summary of Standards

Legal Framework for Advance Electronic Data	Expanding the Concept of AEO to Cross-Border E-Commerce	Public-Private Partnerships
Use of International Standards for Advance Electronic Data	Models of Revenue Collection	International Cooperation
Risk Management for Facilitation and Control	De Minimis	Communication, Public Awareness and Outreach
Use of Non-Intrusive Inspection Technologies and Data Analytics	Prevention of fraud and Illicit Trade	Mechanism of Measurement
Simplified Clearance Procedures	Inter-Agency Cooperation and Information Sharing	Explore technological developments and innovation

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Risk based approach based on advance electronic information

- New approach to Risk Management
 - » New actors
 - » New data sources
 - » New Partnerships
- Advance Data Exchange E-Commerce stakeholders and Customs (e.g., Post, Express)
- Direct Data Exchange between e-platforms and Customs
 - » Order data
 - » Payment data
 - » Shipping data



- Enhanced facilitation
- Efficient and effective risk management
- Improved compliance and efficiency

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Revenue Collection (low-value shipments)

- Adapting existing systems and procedures for an effective and efficient revenue collection
- Alternate Models of Revenue Collection
 - Vendor Collection Model (e.g., Australia and the EU)
 - Intermediary Collection Model
 - Buyer Collection Model
- Identifying new ways to collect necessary information for revenue collection
 - Description of goods
 - Value
 - Country of Origin
 - Shipper and buyer's details

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WCO-UPU Cooperation

- Joint WCO-UPU Customs-Post EDI messages for the exchange of advance electronic data (2012), updated in 2016,
- Joint Customs Post Guide, outlining relevant WCO and UPU instruments, standards, tools, and associated processes a (2014),
- Joint Guidelines for Developing Memorandum of Understanding between Customs and Postal Operators at the national level (2014),
- Simplified version of CN23 for Express Mail Service (EMS) parcels to facilitate Customs clearance (2014),

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WCO-UPU Cooperation (Con't)

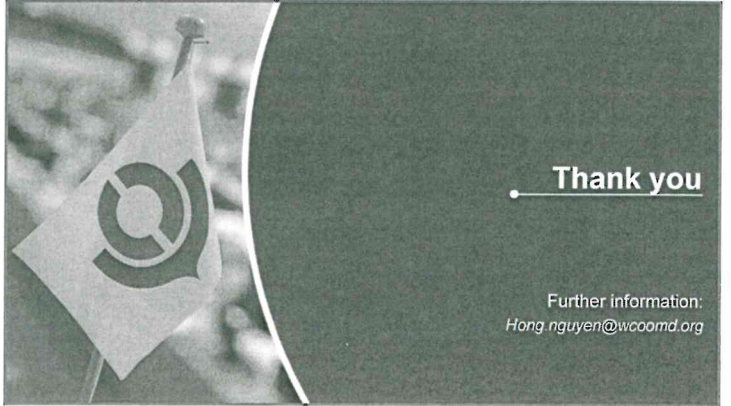
- Revised CN 22, CN23, CP71 & CP72 (e.g., inclusion of item-wise HS code and country of origin, email and telephone number of the consignor and consignee) for efficient risk management and improved service delivery (2015),
- Mapping of security standards (the WCO SAFE Framework of Standards – the UPU S58 & S59) showing a high level of consistency (2015),
- Joint concept paper on AEO for Postal Operators for enhanced postal chain security and facilitation (2015),
- Updated Guidelines to Specific Annex J2 of the Revised Kyoto Convention (2016).
- Joint Guidelines on the data capture and improving compliance with CN22/23 Customs forms.

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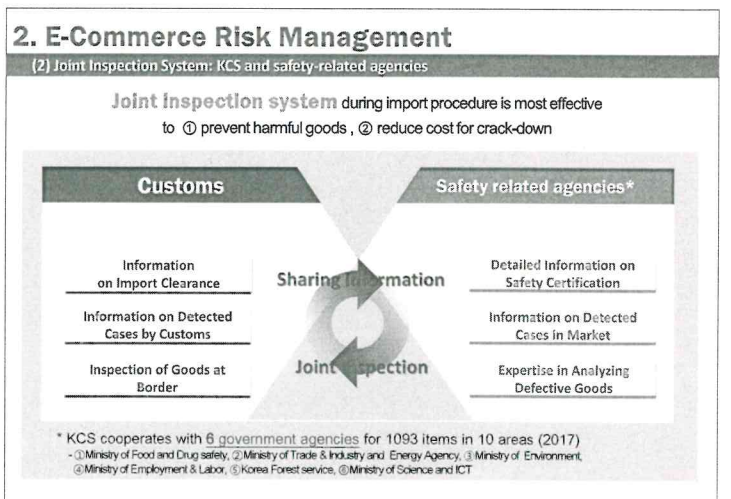
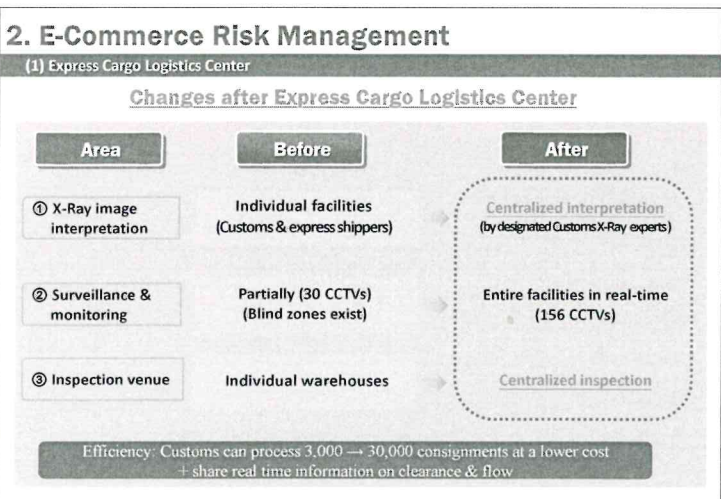
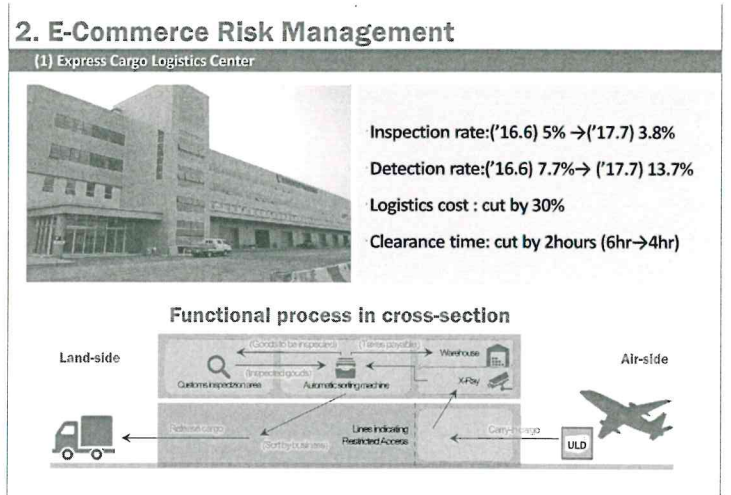
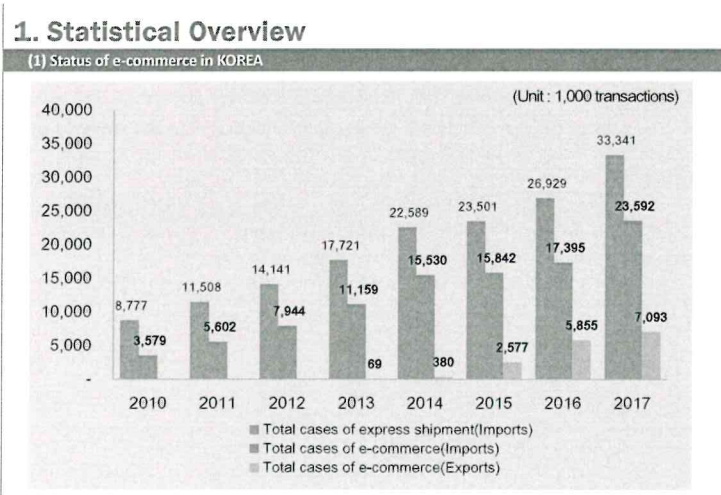
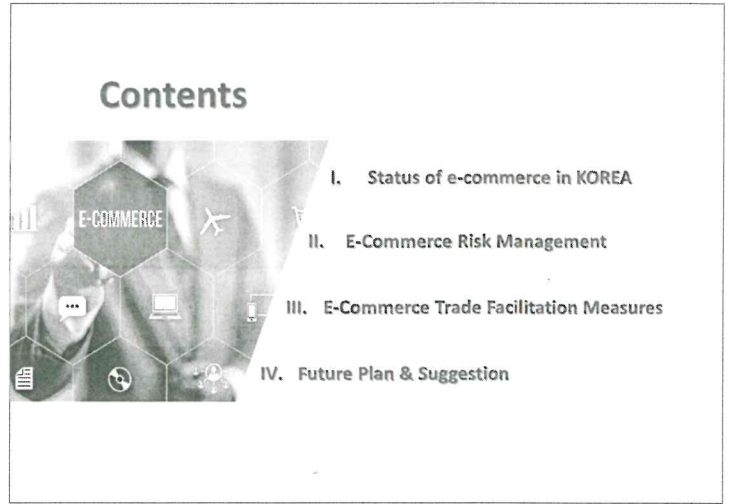
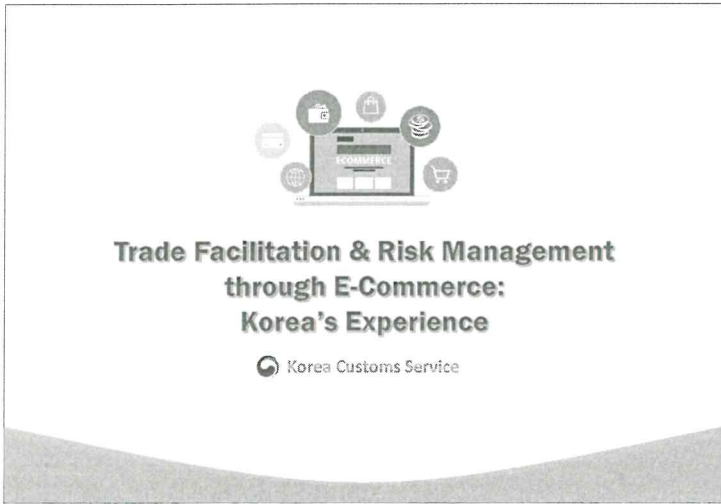
Upcoming Deliverables

- Technical Specifications to the Framework
- Definitions
- Standardized data elements and exchange mechanisms
- Implementation Strategy
- Pilots
- Case Studies



Thank you

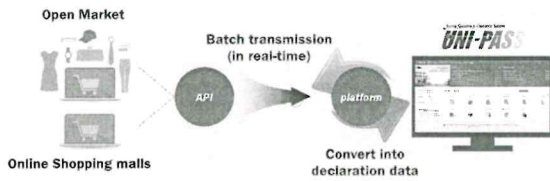
Further information:
Hong.nguyen@wcoomd.org



3. E-Commerce Export Stimulus Measure

(1) E-Commerce Export Declaration Platform

Platform for E-Commerce Export Declaration: Automatically convert details of orders and sales of online shopping malls into export declarations



3. E-Commerce Export Stimulus Measure

(2) Maritime Express Delivery Service

Maritime Express Delivery Service: Reduces logistics costs

A low-cost maritime logistics service has been in operation since 19 March 2015 using Incheon-Qingdao ferry lines. It boasts the cost reduction of more than 50% compared to air delivery.



"More than 50% reduced compared to delivery by air"		
	Time	Cost (per kg)
Ferry	4-5 days	KRW 8,000 max.
Air	3-4 days	KRW 20,000 max.

It requires a total of 8 hours from arrival of the ferry to release of goods.

* [Key items] Diapers, formula milk, books, & clothing

3. E-Commerce Import Stimulus Measure

(3) Smart Clearance Examination System

Smart Clearance Examination System: Expedites cargo release

- Definition : Electronic batch examination of E-commerce goods
- Scope : Non-Risky goods less than \$2,000
 - No inspection, No documentary requirement
- Process : Electronically exam and accept goods
 - Declaration before arrival: within 30 minutes after arrival
 - Declaration after arrival: within 15 minutes after declaration
 - '17.7 test operation launched, a reduction in express cargo cost by 55 billion dollars

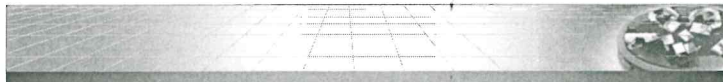
4. Future Plan & Proposal


Proposal to facilitate cross border e-commerce

- Future Plan
 - (i) AI X-ray for inspection of harmful and prohibited goods
 - (ii) Automated clearance procedure from transaction to delivery based on Blockchain technology
 - * Pilot project is scheduled to kick off this year
- Proposal
 - (i) Mutual cooperation btw Customs to Customs for expedited clearance of e-commerce goods
 - (ii) Forge new partnerships for cooperation in new technologies




Thank you!




中国海关
CHINA CUSTOMS

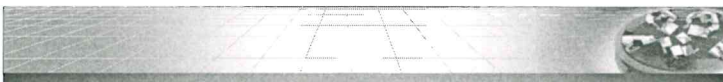
**WCO Cross Border E-commerce
Framework of Standards
— thoughts shared by one economy**

For SCCP 2
By XU Jun
China Customs 2018.8




Contents

- Background
- Principles of CBE FoS
- Far-reaching influence of CBE FoS
- Contribution from China
- What' s next




Background

- **Fast growing Cross-Border E-Commerce**
- **Opportunities brought by CBE**
 - *Providing new growth engines*
 - *Developing new trade modes*
 - *Driving new consumption trends*
 - *Creating new jobs*
- **Challenges imposed on Customs**
 - *Customs Control*
 - *Revenue*
 - *Safety & Security*
 - *Statistics*




Background

- **Lack of international standards and guidelines for stakeholders**
- **Establishment of WCO Working Group on E-Commerce**
 - *Duration: 2016.7-2018.7, extended to 2019.7*
 - *Chair: Australia(2016/2017),China(2017/2018)*



Principles accepted by Luxor Resolution

- **Advance electronic data & risk management**
- **Facilitation & simplification of procedures**
- **Safety and security**
- **Revenue collection**
- **Measure and analysis**
- **Partnerships**
- **Public awareness, outreach and capacity building**
- **Legislative frameworks**



Principles of CBE FoS (CS)

- **Advance electronic data & risk management**
- **Facilitation & simplification**
- **Fair and efficient revenue collection**
- **Safety and security**
- **Partnerships**
- **Public awareness, outreach and capacity building**
- **Measurement and analysis**
- **Leveraging transformative technologies**

Far-reaching influence of CBE FoS

- First international standards and guidance on CBE
- Greater visibility of customs community
- Stronger partnership between customs and businesses, other governmental agencies and international organizations

Far-reaching influence of CBE FoS

- Enhanced solidarity among WCO Members

- WCO Members, with different stage of development, priorities, resources available, managed to work together, contribute inputs, compromise where necessary, thus reaching the greatest possible degree of consensus when developing the CBE FoS.

Contribution from China

- General approach
 - Innovative
 - Inclusive
 - Strategic
 - Collaborative
- Customs control measures(new modes)
- Business models
- Facilitation measures
- Statistics & measurement
- Private sector participation

What's next

- Finalizing technical aspects of the CBE FoS
 - Technical specifications
 - Revenue collection model
 - Business models
 - Data Elements
 - E-Commerce Stakeholders: Roles and Responsibilities
 - Implementation strategy
 - Best practices by Members

What' s next

- Awareness raising among all stakeholders
- Capacity building activities (WCO)
- Exchange of experience among Members
- Maybe the 2nd WCO Global CBE Conference



Thank You for Your Attention!

xujun@customs.gov.cn

Facilitating MSME Growth via De-minimis Value



MARK RAMI
Assistant Commissioner – Compliance & Procedures Division
Papua New Guinea Customs Service

Protecting our Border
Securing our Future

Globalization



Securing our Future

Globalization



- Globalisation has allowed for increased trade & movement of people across borders;
- Increased use of technology has made the globe a smaller community of millions of people exchanging and interacting within real time (fb, google +, twitter, skype, whatsapp, e-shopping/sourcing, e-banking, e-tracking, e-bay, Alibaba, amazon etc.,)
- PNG is no different



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Papua New Guinea Story



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Papua New Guinea



- More than 8 million people
- Scattered across 462,840 km² - land & sea (mountains, lowlands and Islands)
- Inaccessible via decent roads, sea transport or air;
- More than 80% - subsistence living;
- MSME accounts for US\$1Billion of the of US\$16.9Billion GDP (World bank 2014) -few people participating MSME
- Major focus - extractive Industry (Oil, Gas, Minerals, Forestry, Fisheries, etc.)

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Opportunities



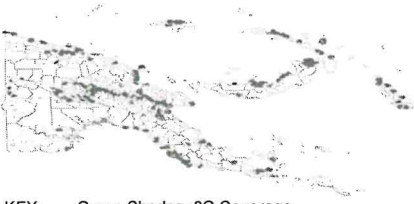
- GoPNG Policy & Support on MSME /Vision 2050 & APEC 2018 Priorities
 - Increased use of e-commerce globally;
 - Increased movement of people across borders (business, family, education, leisure, etc.)
- E.g. Jacksons – average 680-750 daily international PAX
PGK3000-3500 PAX revenue daily - average

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Opportunities



- Opening up of domestic communication network (Digicel, Bmobile, Vodafone, etc.) and accessibility to internet -60%covered.



KEY: Green Shades: 2G Coverage
Blue Shades: 3G Coverage
Red Shades: 4G LTE Coverage

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Opportunities



- Increasingly realising importance of economic participation;
- Cross Border crossings – Solomon Islands, Indonesia & Tourism liners

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Cont'd.



- Eg. Wutung (PNG/Indonesia Border) Case; e.g. Average – 446 crossers (in/out) at Wutung (TBC, foreign, PNG & Shoppers) daily
- Moving goods of low value (accompanied);
- Average K25,219 daily in customs tax/duties.
- Agent (middle person) not possible;
- Moving travellers/shoppers –be facilitated in real time with their cargo (supermarket approach);
- Utilising – de-minimis

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PNG Customs Service



- Duty to facilitate trade, travel and business;
- Introduced Counter Clearance
- Current De-minimis value – <K250 (entry not required – free)
- <K1000 but greater K250 (Counter Clearance and taxable)

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Cont'd.



- Proposal - >K50 – K5000 requires counter clearance (taxable);
- Owners of goods clear their cargo over the counter – real time;
- Reduces paper work and removes middle persons (additional cost);

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Outcome



- PNGCS looking at;
- Increased MSME participation in the economy by rural people inline with APEC 2018 Priorities;
- Increased revenue base;
- Timely clearance of goods of low valued (WCO/APEC);
- Facilitate cross-border e-commerce (WCO);

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End



- Comments
- Member economies' experiences
- Questions (????)

Thank you! 😊

Protecting our Border
Securing our Future

SCCP Collective Action Plan (CAP)
Updated 1 March 2018

I. Improvements in Customs Control on Cross-border E-commerce				
Objectives:				
<ul style="list-style-type: none"> To increase awareness of the opportunities and challenges brought by cross-border E-commerce. 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. To create an action plan for cross-border e-commerce in APEC to strengthen the cooperation among member Customs. 				
Action:				
<ul style="list-style-type: none"> Through information and experience exchange and capacity building activities, APEC Member Customs will better promote the development of cross border E-commerce. 				
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				
<ol style="list-style-type: none"> APEC Workshop on Customs Control on Cross-border E-commerce was held on September 16-18, 2015 in Hangzhou China. Capacity Building Research on Customs Control of Cross-Border E-Commerce has been conducted by China. 				

SCCP Collective Action Plan (CAP)
Updated 1 March 2018

II. Development of Single Window and promotion of international interoperability				
Objective:				
<ul style="list-style-type: none"> To increase the efficiency of international supply chain through harmonization, simplification, strengthened transparency, introduction of modern technologies, and collaboration with the stakeholders. 				
Action:				
<ul style="list-style-type: none"> 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	2017	To identify and share best practices as it relates to implementation, maintenance data integrity, and work with the private sector	Workshop completed, august 2017	United States
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 United States
Implemented actions				
<ul style="list-style-type: none"> 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 SCCC meetings. Diagnostic Report for Chokepoint 4 of APEC Supply Chain Connectivity Action Plan contained the summary results of 2012 SCCC survey. PSU 'Study on Single Window Systems' International Interoperability to be completed in 2017. 				

SCCP Collective Action Plan (CAP)

Updated 1 March 2018

III. 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 United States

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 (SCCP1)	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	2017 (SCCP 1)	To identify trends with an operation focused on counterfeit electronics, to be conducted in 2018 and results to be shared in SCCP 2 in August 2018	The IPR Operation is currently underway and results will be reported at the 2018 SCCP2 Meeting.	United States
To monitor the state of IPR border enforcement and initiatives in the economies and to update the strength and weakness	2017 (SCCP2)	To identify the status of all economies in order to assess the overall progress on IPR border enforcement	IPR check sheet was circulated in Mar 2017 for member economies' update; the results were assessed and presented in the 2017 SCCP2 Meeting.	Hong Kong, China and United States
To monitor the state of IPR border enforcement and initiatives in the economies and to update the strength and weakness	2020	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 United States

3

SCCP Collective Action Plan (CAP)

Updated 1 March 2018

Implemented actions

- The APEC Guidelines for Customs Border Enforcement of Counterfeiting and Piracy prepared by Hong Kong, China and Japan (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
- Hong Kong, China presented the findings of the IPR Check Sheet in SCCP2 2017.

IV. 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	Completed	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 for participants and identify further needs.	(not yet started)	Indonesia

4

SCCP Collective Action Plan (CAP)

Updated 1 March 2018

Implemented actions

- 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 2016 and reported on the results at SCCP1 2017.

V. Promote self-certification of the origin of goods for preferential purposes

Objectives:

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

Actions:

- 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 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	2017	<ul style="list-style-type: none"> ○ A good understanding of current practice of evidencing origin in the APEC region. ○ Potential areas for improvement are identified. 	Completed	New Zealand

5

SCCP Collective Action Plan (CAP)

Updated 1 March 2018

Consider options for promoting self-certification	2018	<ul style="list-style-type: none"> ○ Action items are identified. ○ Carry out action items. ○ Outlined objectives are achieved. 	In progress	
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Implemented actions

Information gathering.

VI. 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
Development of AEO programs and mutual recognition arrangements	2018	Promote Capacity Building activities among the member economies to exchange best practices and experiences on developing the necessary national legal framework for AEO's, including the certification of new 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.	<i>In process</i> (Inviting Korea and Philippines to become the Lead economies)	Mexico
		On the subject of Mutual Recognition Agreements, promote signing Actions Plans within the region such as the case of the Pacific Alliance.	<i>In process</i>	Mexico

6

SCCP Collective Action Plan (CAP)

Updated 1 March 2018

	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 economies.	<i>In process</i>	Mexico
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Implemented actions

- APEC AEO Compendium was published in 2010.
- PSU "Study of APEC Best Practices in Authorized Economic Operator (AEO) Programs" (2016).

VII. 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	2017	To identify the status of all economies in order to develop the targeted capacity building program	Completed	Japan, Philippines

Implemented actions

- 2014 Diagnostic Report for Chokepoint 4 of Supply Chain Connectivity
- SCFAP Capacity Building
- The Philippines and Japan to circulate a survey in February 2018 and distribute the final questionnaire in March 2018. August 2018 to present results.
- The WCO to share the plan to updated the Guidelines

7

SCCP Collective Action Plan (CAP)

Updated 1 March 2018

VIII. 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 TRSs	2017	To identify the status of all economies in order to develop the targeted capacity building program	Completed	Australia (P), Korea, Vietnam

Implemented actions

- 2013 Questionnaire Survey on Time Release Study
- 2014 Diagnostic Report for Chokepoint 4 of Supply Chain Connectivity
- Survey was conducted in 2017; the results were presented at SCCP2 2017.

IX. 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

8

SCCP Collective Action Plan (CAP)
Updated 1 March 2018

Coordinator: Philippines				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
Reporting Template: • Developed and adopted	2016 SCCP 2	A document showing the status/progress of implementation	In process	Philippines
• Used by Committees, Working Groups and Sub-fora	2017 SCCP1 and beyond			
Implemented actions				
<ul style="list-style-type: none"> Submitted for consideration at the margin of SOM1 2016 				

CHILE AND RUSSIA



APEC Sub-Committee on Customs Procedures (SCCP)

AGENDA ITEM 12: ENHANCING CUSTOMS TO CUSTOMS COOPERATION



CUSTOMS TO CUSTOMS COOPERATION



- ❖ During the first meeting of APEC Sub-Committee on Customs Procedures (SCCP 1, 2018), the SCCP agreed to include the item "Enhancing Customs to Customs Cooperation between APEC Economies" in the Agenda of the SCCP 2 this year, in order to continue working to improve the exchange of information between our economies.
- ❖ The main goal of the SCCP will be to improve the information exchange between APEC's Member Economies.



CUSTOMS TO CUSTOMS COOPERATION



- ❖ Chile has made a draft report with the answers of each economy, it was circulate intersessionally (by APEC Secretariat) for comments to continue advancing in cooperation matters.
- ❖ We received inputs from Australia; Hong Kong,China; Malaysia, New Zealand.



BASED ON:



- ❖ The principles of the World Customs Organization (WCO). The Recommendation on Mutual Administrative Assistance of 5 December 1953 of the WCO.
- ❖ The Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework of Standards)
- ❖ Trade Facilitation Agreement of WTO (art. 12). This is year, all the APEC economies ratified the Trade Facilitation Agreement (TFA).



Survey on Customs Cooperation



We have received answers from the following 21 economies (100%):

Australia	New Zealand
Brunei Darussalam	Papua New Guinea
Canada	Peru
Chile	Philippines
China	Russia
Hong Kong, China	Singapore
Indonesia	Chinese Taipei
Japan	Thailand
Korea	United States
Malaysia	Vietnam
Mexico	

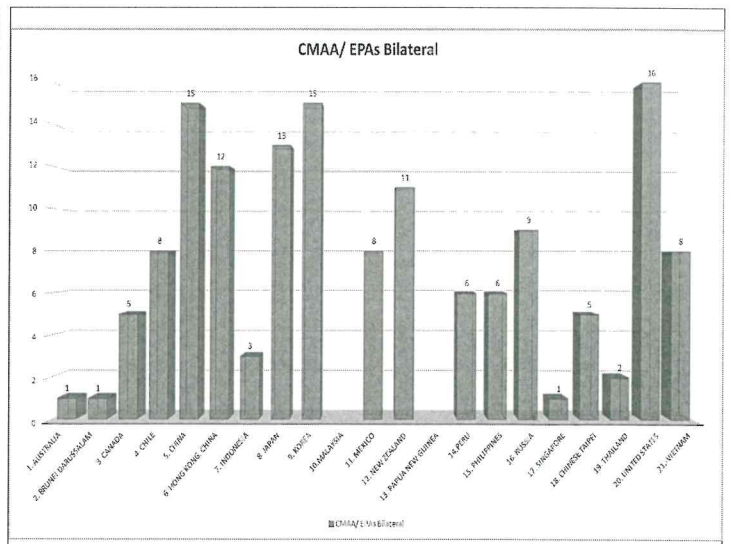
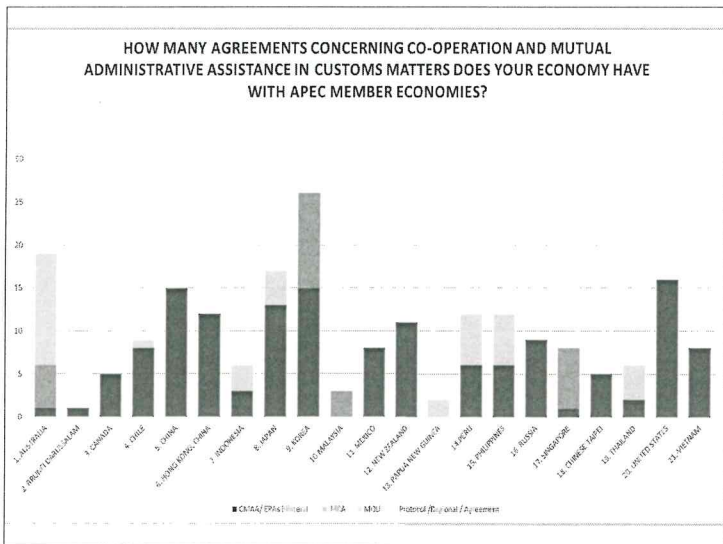


Q1. How many Agreements concerning co-operation and mutual administrative assistance in customs matters does your economy have with APEC Member Economies?



- ❖ CMAA/ EPAs Bilateral
- ❖ MRA
- ❖ MOU
- ❖ Protocol /Regional Agreement

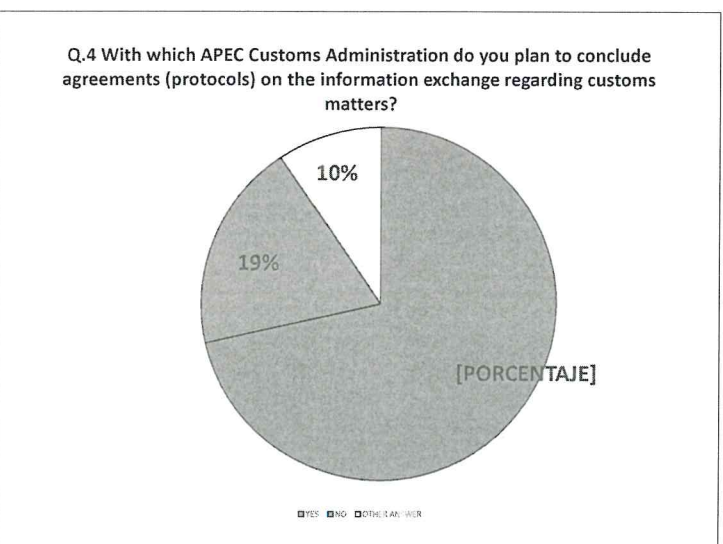
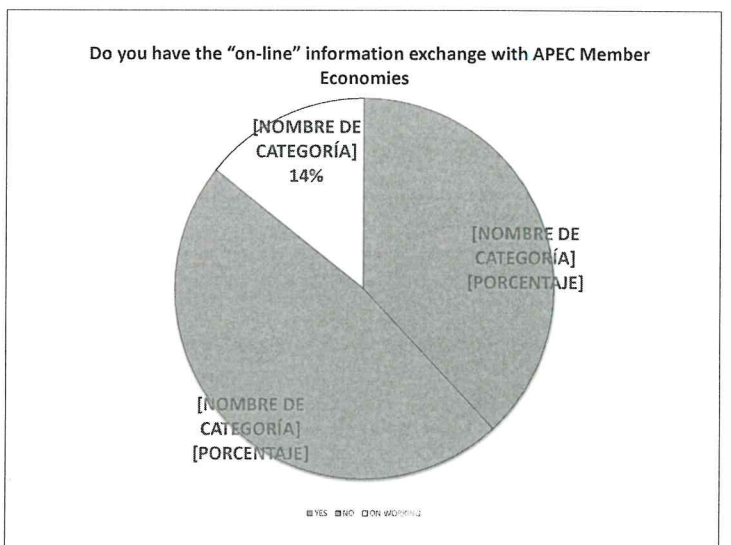




APEC 2018 Papua New Guinea

Q2 - In general, what is the scope of these Agreements?

- ❖ Mutual assistance in the exchange of information
- ❖ Proper application of Customs law, assistance for the accurate assessment and collecting customs duties
- ❖ Prevention, investigation and combating of Customs offences
- ❖ Ensuring the security of the supplies within international trade supply chain



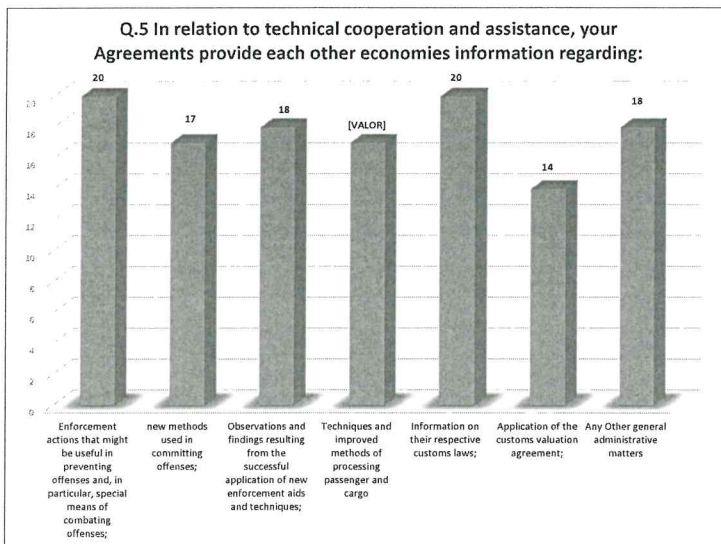
APEC 2018 Papua New Guinea

Q5 - In relation to technical cooperation and assistance, your Agreements provide each other economies information regarding :

Economies	SCOPE
20	Enforcement actions that might be useful in preventing offenses and, in particular, special means of combating offenses
17	New methods used in committing offenses
18	Observations and findings resulting from the successful application of new enforcement aids and techniques
17	Techniques and improved methods of processing passengers and cargo
20	Information on their respective customs laws
14	The application of the customs valuation agreement
18	Any other general administrative matters that may, from time to time, require joint action

CHILE AND RUSSIA

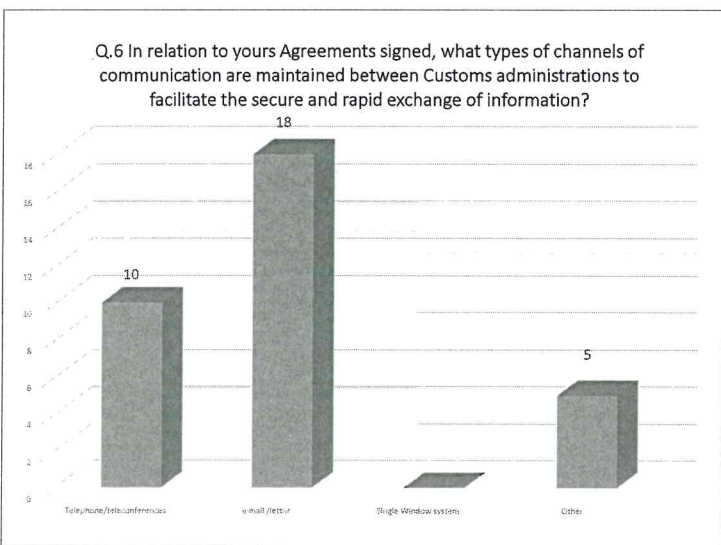
Q6 - In relation to your Agreements signed, what types of channels of communication are maintained between Customs administrations to facilitate the secure and rapid exchange of information?



CHILE AND RUSSIA

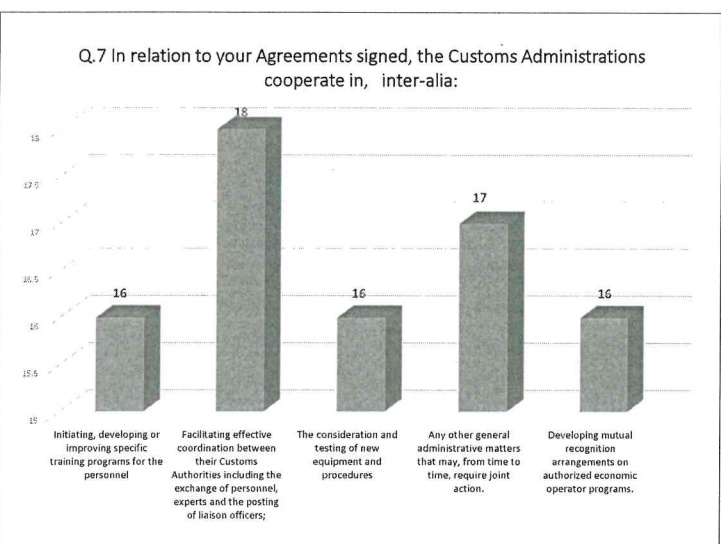
Q7 - In relation to your Agreements signed, the Customs Administrations cooperate in, inter-alia:

Economies	SCOPE
16	Initiating, developing or improving specific training programs for the personnel
18	Facilitating effective coordination between their Customs Authorities including the exchange of personnel, experts and the posting of liaison officers
16	The consideration and testing of new equipment and procedures
17	Any other general administrative matters that may, from time to time, require joint action
16	Developing mutual recognition arrangements on authorized economic operator programs



Conclusions

- ❖ The results of the survey show that we currently have a large network of bilateral or regional agreements in the Asia-Pacific Region. But at the same time, it is unequal and unbalanced cooperation among economies of the region.
- ❖ The objective of the next stage is to propose, analyze and discuss within SCCP on the cooperation initiatives for implementation of Article 12 of the TFA, considering that all economies ratified the WTO Trade Facilitation Agreement.
- ❖ The main goal of the SCCP will be to improve the information exchange between APEC's Member Economies, with a view to facilitate trade and secure the international supply chain, based on ART. 12 TFA.



Conclusions



What SCCP could do to follow up on the findings of the survey to further support APEC progress on the implementation of the TFA (article 12)?

How do we achieve this goal in SCCP?



CHILE'S IDEAS FOR SCCP WORK on 2019




- ❖ Encouraging economies to sign bilateral cooperation agreements.
- ❖ Updating APEC contact points for information exchange.
- ❖ Developing a Registration of Cooperation Agreements at APEC level. APEC Trade Repository.
- ❖ Elaborate and further discuss on the list of data can be exchanged under the article 12 of TFA.
- ❖ **Developing a format for assistance requests**, based on the contents of Article 12 of the Trade Facilitation Agreement regarding the exchange of information between APEC economies.
- ❖ PSU Policy Brief on Article 12 OF TFA.


THANK YOU FOR YOUR ATTENTION

Lina Meneses
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MODERNIZATION THROUGH CO-ORPERATION




Presented by:
Mr. William Sapak
*Assistant Commissioner
Modernization Division*

www.customs.gov.pg

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OUTLINE OF PRESENTATION

- Background on Modernisation within PNGCS,
- Highlight on Modernisation Initiatives to-date,
- Our Strategic Modernisation Outlook 2019 and beyond
- Strategic partners, and
- Conclusion.

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PNGCS BACKGROUND

THE CHIEF COMMISSIONER & TWO COMMISSIONERS ARE APPOINTED BY NATIONAL EXECUTIVE COUNCIL (NEC)

OFFICE OF CHIEF COMMISSIONER
Mr. Ray. Paul, OBE

Commissioner – Corporate Service
Mr. James. K. Bire

- Assistant Commissioner – Corporate Service
- Assistant Commissioner – Trade and Revenue
- Assistant Commissioner – Compliance and Procedures

Commissioner – Enforcement
Mr. Benjamin. Sine

- Assistant Commissioner - Enforcement
- Assistant Commissioner - Operations
- Assistant Commissioner- Modernization

A/ Commissioner – Corporate Service

- Finance & Budget
- Human Resource
- Capacity Building
- Facilities & Assets

A/Commissioner – Trade & Revenue

- Trade Facilitation and Harmonization
- Revenue Collection
- Valuation

A/Commissioner – Compliance and Procedures Division

- Licensing
- Cargo management & Compliance

A/ Commissioner Enforcement

- Enforcement & Border Security
- Intelligence Unit
- Border Management

A/Commissioner –Operations


- Southern Regional
- Island Region
- Northern Region
- Land Border


A/Commission -Modernization

- Customs Training Institute
- Project
- Reform & Modernization

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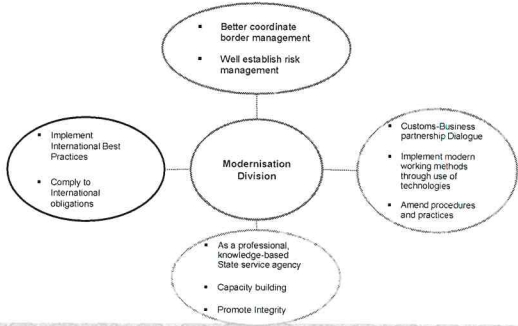
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PNGCS BACKGROUND Cont....


Role of Modernization within PNGCS



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Highlight of Modernization Initiatives To-Date

- Key Highlights To-Date Through;
 - ✓ APEC pathfinder initiative acceded to WCO RKC 2014;
 - ✓ PNG accession to other international conventions;
 - ✓ Development of key impact projects/activities, (such staff housing, VISAT, office environment)
 - ✓ Procured, built and installed Container examination facility;
 - ✓ Securing of Mobile Inspection Stations and Scans
 - ✓ Up-grade of Automated System for Customs Data (ASYCUDA ++) to ASYCUDA World with assistance from UNCTAD,
 - ✓ Review of Customs legislation and related regulations to enhance trade facilitation, this includes;
 - Developed Preferential Rules of Origin legislation;
 - Advance Ruling Provision
 - Amendment of Valuation to 1994 version
 - ✓ Working on implementation of (AEO)Trusted Trader Program;
 - ✓ Development of human resources capacity building through partnership with a Divine Word University since 2014; and
 - ✓ Build Institutional development in partnership with (IPP, WCO, OCO,).

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PNGCS STRATEGIC MODERNIZATION OUTLOOK, 2019 & BEYOND

Three(3) Main Business Processes

Modernisation Through Greater Use Of Advance Technology

Business Process No.1
Pre-Entry Clearance Procedure By application of:
Advance Ruling Legislation, simplification and harmonization of Procedure and Practices

Economic Competiveness

Use of advance technology and human resources

Business Process No.2
Declaration Stage Clearance, by application of Customs Act, Through Direct Trade Input

Revenue Collection

Use of advance technology and human resource to facilitates trade and revenue collection

Business Process No.3
Post Clearance Audit Clearance, by application Customs Act Where 95% green lane assessment are audited

Compliance and Enforcement

Through the uses of advance technology and Risk Management There is compliance & enforcement

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PNG CUSTOMS STRATEGIC MODERNIZATION OUTLOOK, 2019 & BEYOND



PNGCS Four (04) Main Strategic Plan

Modernization Through Greater Use Of Advance Technology

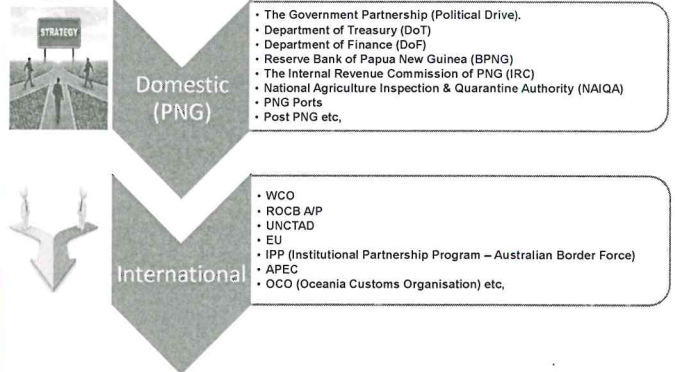


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Our Strategic Partners

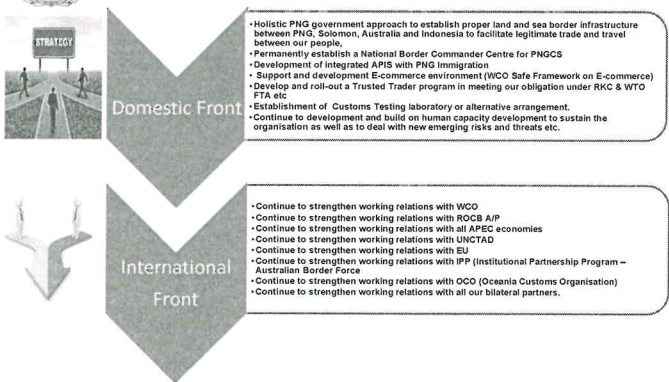


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PNGCS Strategic Positioning, 2019 & beyond

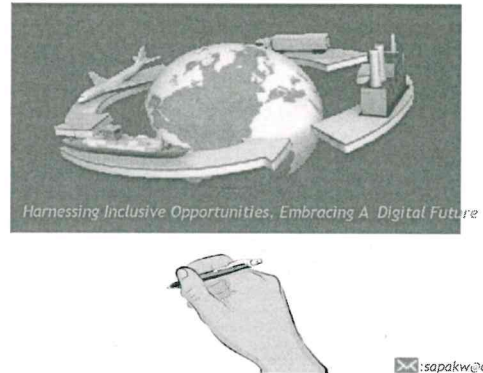


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CONCLUSION



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SCCP: 2018 Work Program

APEC PRIORITY	SUBJECT	OBJECTIVE	ACTION	STATUS
Trade Facilitation	Supply Chain Connectivity	<p>To contribute to the development and implementation of the Supply Chain Framework Action Plan Phase 2 (SCFAP II). Including the understanding of challenges, development of targets, identifying methodology and indicators and developing concrete action plans to the following SCFAP II chokepoints:</p> <p><u>Chokepoint 1:</u> Lack of coordinated border management and underdeveloped border clearance and procedures</p> <p><u>Chokepoint 3:</u> Unreliable logistics services and high logistical costs</p> <p><u>Chokepoint 4:</u> Limited regulatory cooperation and best practices</p> <p><u>Chokepoint 5:</u> Underdeveloped policy and regulatory infrastructure for e-commerce</p> <p>To contribute to the implementation of the Boracay Action Agenda to Globalize MSMEs (BAA), particularly on:</p> <p>Priority Action 1: Facilitate the access of MSMEs to FTAs/RTAs by simplifying and streamlining rules of origin (ROO) procedural and documentary requirements and harnessing IT to ease documentation and procedures</p> <p>Priority Action 2: Streamline customs-related rules and regulations and assist in the compliance of MSMEs</p> <p>Priority Action 3: Provide timely and accurate information on export and import procedures and requirements.</p>	<p>To discuss and identify specific actions to improve the chokepoints relevant to Customs specified by the SCFAP II.</p>	<p><u>To begin:</u></p> <p>CTI will inform the Supply Chain Framework Action Plan (SCFAP) in the Phase of 2017-2020.</p> <p>The SCCP will continue to support SOM and CTI implementing SCFAP Phase II, with particular focus on developing initiatives that address chokepoints</p> <p>The SCCP will contribute to the systematic approach to addressing the SCFAP II chokepoints relevant to Customs, as contained in SCFAP Phase 1.</p> <p>Chile will continue working on and update the implementation of the APEC Customs Transit Guidelines. A <u>Workshop will be organized on September 2018 in Chile</u></p> <p>The APEC Secretariat in coordination with the Philippines has made an update on the stocktake on the implementation of the Boracay Action Agenda to Globalize MSMEs and will conduct a mid-term review in 2018</p> <p>Peru has organized a Workshop on identifying factors affecting clearance in import and export processes made by MSMEs, in October 2017. Peru to make available Best Practices Manual to member economies as outcome of workshop.</p> <p><u>Ongoing:</u></p> <p>New Zealand is promoting self-certification of origin for preferential purposes as part of the CAP.</p>

SCCP: 2018 Work Program

	Trade Facilitation Agreement	<p>To enhance Customs-to -Customs Cooperation between APEC economies.</p> <p>To promote effective coordination and cooperation amongst involved stakeholders and between the public and private sector in the implementation of the WTO TFA in the Asia Pacific region.</p>	<p>To identify the legal instruments between the APEC economies for developing efficient exchange of information between Customs administrations.</p> <p>To discuss / promote / and enhance customs public - private coordination in Implementation of the WTO TFA.</p> <p>To strengthen the connection among APEC Customs Administrations in the Implementation of the WTO TFA.</p>	<p><u>To begin:</u></p> <p>Russia and Chile will work intersessionally to circulate a draft report with the results of the survey they conducted on 2017, for comments.</p> <p><u>Ongoing:</u></p> <p>Russia and Chile will continue working to improve the exchange of information between Customs Administrations of APEC economies.</p> <p>Viet Nam has organized a Workshop on Enhancement of Stakeholder Engagement in the Implementation of the WTO TFA in August 2017. <u>After the Workshop, SCCP will continue updating information about TFA implementation.</u></p>
APEC PRIORITY	SUBJECT	OBJECTIVE	ACTION	STATUS
Trade Facilitation Secure trade	Authorized Economic Operator	<p>To assist in establishing an AEO program in consistent with WCO SAFE Framework of Standards by each APEC economy;</p> <p>To encourage economies that have yet to develop AEO programs through capacity building and sharing of best practices;</p> <p>To implement BAA Priority Action 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.</p> <p>To encourage and promote signing Mutual Recognition Arrangement (MRA) between the interested economies.</p>	<p>To implement the AEO action plan including the development of the AEO Best practices and an AEO Capacity Building Plan.</p>	<p>Ongoing:</p> <p>SCCP will continue to promote AEO as best practice and work intersessionally in 2018 through evaluation, assessment, and information sharing.</p> <p>The Philippines will submit a revise timeline with corresponding activities for comment by the member economies through the APEC Secretariat by the 2nd week of March 2018.</p>

SCCP: 2018 Work Program

	Cross-border E-commerce	To strengthen risk control and "Compliance and Facilitation" clearance for better customs control of Cross-border E-commerce *Refer to Supply Chain Connectivity	To share experience and the practices of Customs control on Cross-border E-commerce; through the capacity-building workshop.	<u>Ongoing:</u> APEC economies will share information on the progress in the implementation of their cross-border e-commerce; To discuss and figure out the methods for controlling cross-border e-commerce in ACBD 2018
	Partnership with Business Community	To enhance cooperation between the public and private sector Customs stakeholders in order to jointly develop and progress SCCP Priorities.	To promote and enhance customs public - private coordination in developing and progressing SCCP priorities.	<u>Ongoing:</u> SCCP will continue to discuss priorities and work on information sharing when necessary to collaborate on mutual goals as it relates to trade facilitation, supply chain connectivity, and secure trade, in coordination with the APEC Alliance for Supply Chain Connectivity (A2C2).
	IT Information Technology and Risk Management	To exchange information on IT application to Customs clearance procedures and other Customs related trade facilitation areas.	To share information and experience on new technologies and equipment applied for Customs procedures to facilitate trade.	<u>Ongoing:</u> SCCP will continue to exchange experience and information on new technologies applied in Customs control to facilitate trade. Japan will update information on the use of Passenger Name Record (PNR) in risk management.
APEC Priority	Subject	Objective	Action	Status
Secure Trade	Intellectual Property Rights (IPR)	To strengthen intellectual property rights (IPR) border enforcement in the APEC region and promote greater collaboration between Customs and right holders.	To share experience of C2C cooperation on information exchange about suspension of counterfeited and pirated goods, and enhance cooperation between Customs	<u>Ongoing:</u> SCCP will continue to exchange experiences and information on IPR border enforcement under new CAP.

3

SCCP: 2018 Work Program

			and right holders.	The United States will pursue the next activities for APEC on IPR border enforcement, to include continued development of the APEC IPR guidelines and will pursue an operation to highlight trends in the e-commerce environment.
	Trade Recovery	To build the communication network to facilitate the resumption of the legitimate international flow of goods based on the WCO TRP.	To 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.	<u>Ongoing:</u> Work will continue intersessionally with interested economies as well as continued work to generally enhance emergency preparedness.
APEC PRIORITY	SUBJECT	OBJECTIVE	ACTION	STATUS
Collective Action Plan	Collective Action Plan	To achieve remaining CAP items by 2021 and continue to develop appropriate measures including the creation of new CAP items to tackle rapidly changing environment surrounding customs	To develop and endorse the scope and timeline for all CAP items.	<u>Ongoing:</u> CAP Coordinators/ Lead economies will review updates regarding the SCCP Collective Action Plan.
Cross-Fora Collaboration	Cross-Fora Collaboration	To enhance coordination between and among APEC bodies in the implementation high level and cross-cutting APEC actions.	To develop practical ways in which border agencies can enhance coordination at the border. Coordinate with the BMG, CTWG, ECSG, and other relevant fora to assist in further developing APEC's Counterterrorism, Travel Facilitation, and Secure Trade agendas. To coordinate and implement Leaders' and Ministers' instructions, in coordination with other APEC bodies	<u>Ongoing:</u> Japan will update the progress of Travel Facilitation Initiative (TFI). The United States will update the ongoing work related to the APEC Chemical Dialogue Customs proposal.

4

SCCP: 2018 Work Program

Acronyms

ABAC	APEC Business Advisory Council	C2C	Customs to Customs	SOM	Senior Officials' Meeting
ACBD	APEC Customs-Business Dialogue	CTTF	Counterterrorism Task Force	SW	Single Window
AELM	APEC Economic Leaders Meeting	IPR	Intellectual Property Rights	TFAP	Trade Facilitation Action Plan
AEO	Authorized Economic Operator	IT	Information Technology	TRP	Trade Recovery Program
AMM	APEC Ministers Meeting	KPI	Key Performance Indicator	TRS	Time Release Survey
APEC	Asia-Pacific Economic Cooperation	MRT	Ministers Responsible for Trade	WCO	World Customs Organization
BMG	Business Mobility Group	SCCP	Sub-Committee on Customs Procedures	WTO	World Trade Organization
CAP	Collective Action Plan	SCF	Supply Chain Framework		

APEC SUB-COMMITTEE ON CUSTOMS PROCEDURES (SCCP)**10th -12th August 2018****Port Moresby, Papua New Guinea****SUMMARY REPORT**
OF THE SECOND MEETING OF SCCP**I. INTRODUCTION**

The APEC SCCP held its second meeting on 10th-12th August 2018 in Port Moresby, Papua New Guinea. Delegates from Australia; Chile; China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; New Zealand; Papua New Guinea; The Philippines; Singapore; Chinese Taipei; Thailand; the United States of America and Viet Nam were present. The meeting was also attended by the Program Director (PD); a representative from the APEC Policy Support Unit (PSU) and CTI Singapore, and the Chief Commissioner for Papua New Guinea Customs Service, Mr Ray Paul, OBE. Representatives from the World Customs Organization (WCO) and Oceania Customs Organization (OCO) participated as Guests.

The Commissioner for Trade and Corporate Services of Papua New Guinea Customs Services, Mr James Kombuk Bire, chaired the second SCCP meeting. Chief Commissioner for Papua New Guinea Customs Service, Mr Ray Paul, OBE opened the meeting plenary, highlighting the importance of human resource development to improve border management and revenue collection. He acknowledged the SCCP Meeting for the inclusion of the Customs to Customs Collaboration in the Meeting Agenda.

II. OVERVIEW**a) SCCP 2 2018 main decisions, approvals and/or endorsements**

- Two Concept Notes endorsed intersessionally by the SCCP are pending approval by APEC BMC. These are: "Capacity Building and Technical Assistance on Authorized Economic Operator (AEO) Implementation" (by The Philippines) and "Workshop on Tackling Illicit Traffic of Cultural Property" (by Mexico)
- Members endorsed the new composition of SCCP Friends of the Chair 2019: Australia, Chile, China, Japan, Malaysia, New Zealand, Papua New Guinea, Philippines, United States and Viet Nam.

World Trade Organization (WTO) Trade Facilitation Agreement (TFA) Implementation

- SCCP Members acknowledged the gaps and challenges they face to implement the WTO TFA and agreed to keep implementing the WTO TFA in coordination with APEC CTI; and to promote effective cooperation among relevant stakeholders from the public and private sectors in its implementation through different means, including working with the WCO on capacity building initiatives/technical assistance.

Supply Chain Connectivity Framework Action Plan Phase II (SCFAP II)

- SCCP Member economies will continue:
 - Supporting the implementation of the SCFAP II;

- Working on the “APEC Implementation Plan for the Boracay Action Agenda to Globalize MSMEs”, coordinated by The Philippines; and
 - Progressing Chokepoint 1 of SCFAP II, by the completion of an AEO Status Survey, coordinated by Republic of Korea.
- APEC PSU will continue giving support to SCCP Member economies to address connectivity challenges; and
- Chile will host a Workshop on “Implementation of APEC Customs APEC Transit Guidelines” in September 2018.

Single Window

SCCP Member economies:

- recognized the different implementation stages of single window systems and agreed to continue exchanging views, experiences and best practices in the APEC region;
- acknowledged the challenges of Single Window International Interoperability and agreed to keep discussing harmonization of standards; and
- highlighted the importance of enhancing collaboration with private sector on this topic.

Authorized Economic Operator AEO

- SCCP Member economies agreed to continue exchanging views and best practices on effective ways to implement AEO programs, including promotion of Mutual Recognition Arrangements (MRA) in the APEC region;
- The Workshop on Capacity Building on the implementation of AEO programs proposed by The Philippines will be a good platform to share progress, challenges and to learn from each other’s experiences on this topic; and
- SCCP Member economies agreed to future discussions regarding a multilateral approach to MRAs and encouraged experience sharing in negotiating and signing a multilateral MRA.

Customs to Customs Cooperation:

- SCCP Member economies agreed on the relevance to implement Article 12 of the TFA and to explore the opportunities it provides for APEC customs administrations to improve information exchange, with a view to facilitate trade and secure the international supply chain; and
- Chile proposed to develop a strategic action plan on implementing of Article 12 of TFA in 2019.

Cross Border E- commerce

- SCCP Member economies agreed on the importance of cross border e- commerce for Customs administrations, and to refer to the WCO “Framework of Standards on Cross Border E- commerce” when they carry out customs control and facilitation. In addition, SCCP agreed to follow the progress and participate in further activities of the WCO.

b) SCCP Intersessional Actions

- Updated Workplan/Timeline of the Concept Note presented by The Philippines will be circulated intersessionally.
- APEC PSU will keep SCCP Member economies updated on the way forward to keep working on Single Window International Interoperability and on the Policy Brief about the Article 12 of TFA with Chile; and

- APEC Secretariat to keep supporting member economies on the implementation of their initiatives, facilitating communication and promoting coordination.

c) For CTI to note

- The ongoing work of the SCCP in progressing the SCFAP II; and
- The need to update the Workplan with additional Collective Action Plan (CAP) items especially to assist some of the SCCP member economies in implementing the WTO TFA.

III. AGENDA ITEM - MAIN HIGHLIGHTS

AGENDA ITEM 4: Implementation of the World Trade Organization Trade Facilitation Agreement (WTO-TFA)

4.1 Updated Information on the WCO Working Group on the “WTO TFA and the WCO’s Mercator Programme”

The WCO provided information on the work of WCO TFA Working Group and the latest tools and instruments adopted by the WCO Council in June 2018. The presentation included an overview of the WCO’s Mercator Programme and its implementation support modalities. It is recommended that APEC Customs administrations explore and implement the new/updated Tools and Instruments of the WCO. The WCO invited APEC Customs comments on the Revised Kyoto Convention’s (RKC) comprehensive revision and further development of the technical specifications of the WCO’s FoS on Cross-border E-commerce.

China encouraged SCCP member economies to keep cooperating, sharing initiatives, collecting views and suggestions on the implementation of WTO TFA. Moreover, China stressed the importance of collaboration with the private sector. Japan congratulated Papua New Guinea on adoption of the WTO TFA and remarked that they would continue to promote the implementation of the WTO Free Trade Agreement (FTA).

4.2 Table on APEC’s economies progress in implementing the WTO TFA/Key Observations on APEC Members

CTI Singapore presented the key observations on APEC member economies’ implementation of the WTO TFA. It was highlighted that as of 31 July 2018, 137 WTO members have ratified the WTO TFA, including the 21 APEC member economies. The Table Monitoring the status of the WTO TFA will be submitted to APEC Ministers in November 2018.

Since some WTO member countries failed to notify their Category B and C commitments within a specified timeframe, New Zealand queried whether assistance could be provided to those members in identifying their Category B and C commitments. WCO gave assurance they would like to provide support for any WCO Member to implement the WTO TFA under the Mercator Program, if requested. Viet Nam informed that they just notified Category B & C, and asked CTI Singapore to update the information available on the WTO website.

4.4 Trade Facilitation in the Oceania Region by OCO

OCO presented background information on their regional priorities, key regional issues and their areas of work to support their members in the implementation of the WTO TFA, which include the support for RKC compliance, harmonization of tariff classification and capacity

building for members. OCO thanked member economies for the approval of their three-year guest status in APEC, and indicated they can benefit through the exchange of information and best practices to assist OCO members in their own modernization programs.

The OCO advised it is funded by member contributions and with additional donor support from Australia and New Zealand, in response to a question from China on its funding model. Chinese Taipei thanked the OCO for sharing the customs cooperation practice between Korea and OCO. The WCO member vs. non-WCO member model had inspired and expanded the international cooperation models. Chinese Taipei expressed its willingness to further broaden this trend in contributing to international communities.

AGENDA ITEM 5: Supply Chain Framework Action Plan (SCFAP), Phase II 2017-2020

5.1 Update on Stocktake of Initiatives on SCFAP II 2017 -2020

Singapore (CTI) presented an updated Stocktake of initiatives on SCFAP II. For this purposes, CTI has developed a monitoring template and undertaken a Stocktake this year that will be ongoing until 2020.

New Zealand queried the purpose of the Stocktake, and the reasons why the analysis of the Stocktake is not scheduled until 2021 when some of the issues are addressed in the Stocktake are currently present.

5.2 Updates on Implementation of Boracay Action Agenda and the 2018 Mid-Term Review

The Philippines presented the 2018 Annual Stocktake on the Boracay Action Agenda to Globalize MSMEs, who listed down all the work undertaken by different committees/sub-fora/working groups of APEC such as the SCCP. In summary, 45 activities were completed. The outcome of the Stocktake will be presented to Senior Officials' Meeting and will be submitted for endorsement/adoption by the Concluding Senior Officials' Meeting (CSOM) in November 2018.

5.3 Information on PSU Case Studies on Addressing Connectivity Challenges in APEC Economies (PNR)

Japan provided an update on the PSU Case Study on Addressing Connectivity Challenges in APEC economies and emphasized the importance of Passenger Name Record (PNR). Japan highlighted the progress from the circulation of the draft questionnaires to APEC member economies in 2016 to the submission of the final report to CSOM in November 2018. APEC PSU provided a brief update to SCCP members on six case studies from member economies that will be presented to CSOM in November 2018.

5.4 Implementation of Chokepoint 1 of the APEC SCFAP II (AEO Status Survey)

Republic of Korea presented a brief background on the Chokepoint 1 of the APEC SCFAP II and indicated that they would be undertaking an AEO Status Survey. The Philippines expressed their interest on the result of this AEO Status Survey which may be used as inputs in the preparation of a survey to be circulated prior to the Workshop proposed by the Concept Note which the Philippines has submitted for approval. The Philippines also signified its willingness to work with the Republic of Korea in this regard. Viet Nam highlighted that expanding MRA on AEO among member economies is one important activity in the action plan of Chokepoint 1 and proposed that the survey include this issue with some

recommendations to aid member economies who are experiencing the same challenges in signing MRAs.

5.5 Workshop on Implementation of APEC Customs Transit Guidelines

Chile presented an update on its Workshop, which will be held from 11 to 12 September 2018 in San Pedro de Atacama, Chile. The main goal of this project is to contribute to the implementation of the AMM mandate of effectively implementing and evaluating the endorsed Guidelines in order to achieve the goals proposed in Phase II of SCFAP. The project will result in a Best Practices Guidance to capture the experiences and good practices of APEC member economies, which will be available in November 2018.

5.6 Bridging Economical Gaps in the Pacific by OCO

OCO gave a brief overview on institutional strengthening of smaller member administrations to enhance their capacity to manage customs reforms. Some of the key work areas include WCO-OCO collaboration, Update Customs Legislation, Strengthening Information sharing through IT System, enhancement of Leadership Capability, Layered approach to Border Management and strengthening coordination with regional and international partners.

AGENDA ITEM 6: Single Window

6.1 Update on the PSU Study on Single Window Interoperability

APEC PSU presented the CTI study on Single Window Systems' International Interoperability (SWSII). The study underscores the need for ongoing collaboration between economies and the need to provide a pragmatic working definition of "interoperability". The study also highlighted the push to develop SWSII to benefit from lower costs, and greater efficiency and coordination in the trade of goods and services. Additionally, the study concluded that successful interoperability is only achieved when the following levels of interoperability are seriously considered by all stakeholders: (i) the technical, (ii) the information, (iii) the processes and (iv) the legality. The plan is for the study to be submitted to CSOM on November 2018.

Australia gave an overview on its progress and challenges on Single Window, and indicated its interest in promoting interoperability between APEC member economies. Australia is working with industry to develop options for a future Single Window. On the other hand, China expressed its interest in the application of block chain technology to resolve issues of lack of trust in promoting interoperability and sought assistance from PSU as China asserted that block chain is a good technology for progress which PSU acknowledged. New Zealand supported PSU's study on interoperability and emphasized the importance of harmonizing data to enhance interoperability of single window systems. The United States shared the latest developments and progress on its Single Window System.

6.2 Update on the Single Window in China

China briefed on the latest development of its Single Window system built at the central and local level, highlighting the design of its Single Window, progress and outcomes. In particular, China shared its experience and future work with SCCP member economies. Australia queried whether the data exchange of Single Window in China was connected to the postal service for clearance of international mail. China replied that this was not the case.

6.3 Papua New Guinea's Roadmap on Single Window

Papua New Guinea shared its status on Single Window program. In this context, the United States enquired what was Papua New Guinea's biggest challenge in the implementation of this program. In response, it was reemphasized that the biggest challenge was the need to obtain an Executive Order to require other departments to progress a Single Window. Australia expressed that it is not easy getting departments on board and have the government approval and assured Papua New Guinea that they were not alone on this challenge

Chinese Taipei shared its development on Single Window, and indicated that it actively promotes cross-border interoperability.

AGENDA ITEM 7: Authorized Economic Operator (AEO)

7.1 Update on the Australian Trusted Trader Program (ATT)

Australia provided an update on their Trusted Trader Program, including its dual and inclusive focus and advised the steady progress in benefits development and MRA signing since ATT was launched in 2015.

Chinese Taipei congratulated Australia on signing MRAs with six APEC members for the past two years and indicated that the Action Plan for promoting mutual recognition between AEO of Chinese Taipei and ATT of Australia was signed in June 2018, and it looks forward to the further progress. On the other hand, Indonesia shared its views that local SMEs with good compliance record should have equal opportunity to gain access to the international market. Among other things, it is necessary to explore the possibility of granting AEO certificates to these SMEs while maintaining the criteria for security. Indonesia has granted hundred companies as prime trading partners known as MITA. Indonesia also would like to engage and collaborate with other SCCP Member economies, which have the same interest.

China highlighted that the standard benefits are important for MRAs to attract more enterprises to join in these programs and reminded SCCP Member economies to refer to WCO's revised list of AEO benefits. Japan remarked that Australia and Japan had commenced MRA discussions and noted that they were also in MRA discussions with China, Chinese Taipei and Thailand. Japan also indicated that it was important to encourage SMEs to participate in the AEO programs, while keeping the criteria for security and compliance. In this regard, Japan stressed the importance of tailor-made consultations responding to each operator's situation. The WCO informed SCCP Member economies about the work they are doing in relation to air cargo security and particularly, the pilot project with the International Civil Aviation Authority (ICAO) to align the WCO' AEO and ICAO's security programs. SCCP Members are encouraged to consider coordinating with the national Civil Aviation Authorities when going to validate and authorise new AEOs or Trusted Traders and share with the WCO good practices of alignment exercises.

7.2 Presentation on the Concept Note on Capacity Building and Technical Assistance on AEO Implementation

The Philippines presented an overview of the Concept Note submitted to APEC Project Session 2, 2018 where the relevance, objectives, beneficiaries, methodology and work plan were briefly discussed. Along this line, The Philippines expressed its intention to invite WCO, Australia and the Republic of Korea to make presentations or be one of the resource speakers

at the workshop. Chile suggested to the Philippines to hold the workshop in the margins of APEC 2019 SOM 1 to ensure more participation from APEC members. Chile indicated that the promotion of common standards for AEO programs within APEC (to encourage the adoption of MRAs) would be one of the priorities areas for 2019.

Chile expressed its willingness to assist in the workshop preparation especially in the logistics such as arrangement of venue. In response, the Philippines advised that they would need to consult superiors after SCCP 2 2018 on this suggestion and will advise economies intersessionally. Indonesia suggested the AEO Workshop consider sharing of best practices session from APEC economies in promoting their local SMEs to participate in AEO programs. Viet Nam echoed Indonesia to accommodate appropriate pathways to stimulate SMEs participation.

7.3 Updates on the Hong Kong, China AEO Programme

Hong Kong, China shared updates of its progress on the AEO Programme outlining the process, benefits and overview of Global AEO MRA development and relationship with APEC member economies and the way forward.

New Zealand noted their recently signed MRA with Hong Kong, China that increased the streamlining of customs procedures. The United States emphasized the importance of WCO-related documentation and guidelines for developing AEO programs and efforts toward mutual recognition, as well as their continued contributions to developing such tools to assist customs administrations. China shared their collaboration with WCO and encouraged SCCP Member economies to participate on unified benefits. Chinese Taipei shared updates on its AEO program and is exploring the opportunities to sign MRAs with more APEC members.

In this context, Chile informed SCCP members that on 21 July 2018, the Pacific Alliance, a trade bloc formed by Chile, Colombia, Mexico and Peru, signed a MRA of their respective AEO Programmes within the framework of the XIII Presidential Summit of the Pacific Alliance in Mexico. This multilateral agreement is the first of its kind, and will ensure movement of goods by strengthening the security of the international supply chain, and improving trade facilitation within the region.

AGENDA ITEM 8: Information Technology and Risk Management

8.1 Implementing Advance Passenger Risk Analysis

Japan presented on PNR and highlighted the need of passenger data to expedite passenger clearance and mitigate the flow of harmful goods. In the discussion, China highlighted the importance of PNR data exchange, and Hong Kong, China indicated that a new legislation had recently come into force, which gives Hong Kong Customs the legal mandate to obtain and utilize the passenger information to enhance risk management for enforcement purposes. Chinese Taipei expressed its interests over the legislative support on privacy issues, the spectrum of risk-analysis-database and the legal status of NACCS Center (Nippon Automated Cargo and Port Consolidated System Inc.).

Indonesia and the Republic of Korea shared their experiences, and the United States mentioned that they donated the Global Travel Assessment System (GTAS) tool for use of WCO members, which is a risk assessment tool, which can be accessed at no cost by WCO members.

With reference to risk analysis for air cargo, the WCO encouraged members to consult the new draft guidelines of the WCO on pre-loading air cargo security which will be presented at the SAFE Working Group in October 2018.

AGENDA ITEM 9: Intellectual Property Rights (IPR)

9.1 IPR Enforcement Operation on counterfeit consumer electronics Report

The United States presented on the goals, outcomes and trends of the consumer electronics focused IPR Mutual Enforcement Operation (MEO) that was conducted this year.

Japan expressed that IPR is important to protect consumers' rights and health. Japan is willing to work with other economies with this kind of operation. Viet Nam highly appreciated the focus and effectiveness of these operations particularly in world of growing and increasing e-commerce, and suggested that it would be useful if the operation report could include a practical experience sharing on the enforcement process, techniques and measures applied by member economies in detecting violations. They also expressed the commitment to supporting and joining in further activities of the operation.

In response to the comments, the United States encouraged SCCP Members to consult the WCO Compendium of Customs Operational Practices for Enforcement and Seizures (COPES), which contained practical and very useful information on enforcement measures, including those related to IPR violations.

9.2 Counterfeiting Papua New Guinea's Traditional Knowledge and Expressions of Culture – Bilum/Contemporary Designs

Papua New Guinea presented an information paper on the theft and exploitation of its tradition knowledge, expressions of culture, contemporary designs and how it affects its indigenous communities, depriving them of earning a living from their intellectual creativity and activities reserved for them. It was highlighted the need for introduction of appropriate laws, the gaps, the need for review in current Papua New Guinean legislation, powers and responsibilities of relevant agencies and departments not clearly defined hence overlapping, making it difficult to enforce these rights. Papua New Guinea appealed to member economies for guidance through exchange of information and experience on how they could possibly address this sensitive issue and invited concerned member economy to a dialogue to resolve issue.

Chinese Taipei echoed Papua New Guinea's achievements and shared its practice in traditional intellectual creations of indigenous people.

AGENDA ITEM 10: Cross Border E-Commerce

10.1 Updates on the WCO Framework of Standards on Cross Border E-Commerce

The WCO presented on the Framework of Standards on Cross-Border e-Commerce and its future work on developing the technical specifications and related issues. SCCP Members were encouraged to support directly or virtually via the Virtual Working group on e-commerce and/or send delegates to the WCO and participate in the meetings of the WGEC in the coming year.

Indonesia stressed the focus is on the physical goods imports and queried about other aspects (digital). China proposed that all member economies or in this case, the WCO should have legislation to regulate the import of e-Commerce digital goods. The United States noted the extensive work in the WCO efforts in this area and strongly encouraged that all SCCP Members be involved, especially over the next year, due to the range and complexity of the work ahead.

10.2 Indonesia's sharing experiences: Managing Emerging Cross Border E-Commerce (Physical and Digital Goods)

Indonesia shared its experiences in areas of Cross Border e-Commerce and the impacts it had on revenue and consequently its schemes in implementation of customs border enforcement. Furthermore, justified why marketplace and BLC is needed in the adaptation of border crossing e-commerce (BCE) as an effective strategy. Indonesia advised that almost 90 per cent of imports are CBE, which was approximately US 9.8 Billion (in year 2018).

Indonesia stated that there is a special correlation with the Republic of Korea's Market Place Scheme and advised that the key point is data sharing from other member economies.

Viet Nam noted the progressive development of e-commerce management in Indonesia, and asked for sharing practical experience on improving capacity of customs administrations in tackling challenges of e-commerce in regards to revenue collection for digital goods while the moratorium of the WTO still maintains the current status of not imposing customs duty on electronic transmissions.

10.3 Updates on Cross Border E-Commerce and the way forward of the Action

The Republic of Korea introduced improved systems for trade facilitation and risk management such as the opening of Express Cargo Logistics Center, Joint Inspection System and Maritime Express Delivery Service in line with the growing volume of E-Commerce and suggested enhanced Customs-Customs cooperation. Indonesia noted that there was similarity with the Republic of Korea's experiences and reiterated the importance of data sharing with e-commerce operators.

10.4 Updates on CBE and the way forward of the action

China presented its achievements in customs control and facilitation for CBE and highlighted the opportunities and challenges it has imposed on customs work. In addition, there is lack of international standards and guidelines for stakeholders. China is happy that this common issue has been addressed to some extent through the establishment of WCO Working Group on E-Commerce as well as CBE Framework of Standards.

10.5 Facilitating MSME Growth via De Minimis Value

Papua New Guinea discussed how globalization had increased trade and movement across borders. This requires increased technology and Papua New Guinea expressed their intention to keep working with APEC Member economies on this issue.

AGENDA ITEM 11: SCCP Collective Action Plan (CAP)

11.1 Proposals of Immediate Release Guidelines Survey Outcomes

Japan shared the outcome on the survey conducted on the immediate release guidelines highlighting the scope, categorization of consignments and other questions. China suggested that this CAP item should be updated to reflect this.

11.2 Request lead Economies to provide updates of advances

SCCP member economies are currently implementing all areas covered in the CAP.

AGENDA ITEM 12: Enhancing Customs to Customs Cooperation

12.1 International Legal Instruments Survey Outcome

Chile shared the outcomes of the International Legal Instruments Survey, which was answered by the 21 economies. They indicated that the objective of the next stage is to propose, analyze and discuss within SCCP the cooperation initiatives for Article 12 TFA's implementation, considering that all economies ratified the WTO TFA. WCO, China, Indonesia, Viet Nam, the United States, New Zealand thanked Chile for its work and offered their support to continue work on the implementation on the Article 12.

12.2 Modernization through Collaboration

Papua New Guinea shared an overview of its modernization initiatives since its commencement and its Strategic Modernization Outlook 2019 and beyond and strategic partners.

AGENDA ITEM 13: Collaboration with APEC Committees, Subforas and Working Groups

13.1 SCCP Member economies expressed their interest to collaborate and to enhance cooperation with other APEC Foras, APEC Business Advisory Council (ABAC) and other stakeholders on the different matters and issues related to SCCP scope of work.

AGENDA ITEM 14: Other Matters

14.1 SCCP welcomed the 2019 Friends of the Chair: Australia, Chile, China, Japan, Malaysia, New Zealand, Papua New Guinea, the Philippines, the United States and Viet Nam. SCCP Chair highlighted their mandate and scope of work under the SCCP Terms of Reference.

AGENDA ITEM 15: Update of the 2018 Work Program

15.1 SCCP revised members' progress on the work program. Members will provide further updates intersessionally to Program Director.

AGENDA ITEM 16: Adoption of the 2018 Second SCCP Meeting Report

16.1 SCCP Members discussed and agreed on the *Overview* of the Summary Report of the second SCCP Plenary Meeting of 2018, under the new template. The final draft of the Report will be circulated for further comments intersessionally. *