



# **A Blueprint of the APEC Sub-Committee in Customs Procedures**

*Meeting the Challenges of Modern  
Business Environment*

October 2000

## **ASIA-PACIFIC ECONOMIC COOPERATION**

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# *The 2000 Blueprint of the APEC Subcommittee On Customs Procedures*

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# ***APEC MEMBER ECONOMIES***

Australia  
Brunei Darussalam  
Canada  
Chile  
People's Republic of China  
Hong Kong, China  
Indonesia  
Japan  
Republic of Korea  
Malaysia  
Mexico  
New Zealand  
Papua New Guinea  
Republic of the Philippines  
Peru  
Russia  
Singapore  
Chinese Taipei  
Thailand  
United States of America  
Viet Nam

## ***Observers:***

ASEAN Secretariat  
Pacific Economic Cooperation Council (PECC)  
South Pacific Forum (SPF)

*This document contains information on progress towards implementing the SCCP Collective Action Plan and work programme. Originally published in October 1997, the SCCP blueprint document is a "living" document, to be updated periodically. The SCCP also stands by the commitments made in earlier editions. This 2000 Blueprint and the original SCCP blueprint are provided on the SCCP Home Page at <http://www.sccp.org>.*

*The SCCP invites the business community to provide input to the SCCP through the Internet at [info@sccp.org](mailto:info@sccp.org) or by faxing/e-mailing any of the SCCP members listed at the back of this document.*

# FOREWORD

Since 1997, the APEC Sub-committee on Customs Procedures (SCCP) has produced the *SCCP Blueprint* annually. It aims to describe the work of the SCCP as such that it has practical meaning for business community in the region. This *Blueprint* also serves as a “living document” to be updated periodically to reflect the on-going work in response to the changes in the trading environment. The *2000 SCCP Blueprint* is the fourth in the series.

The SCCP was established in 1994 and has been addressing the harmonization and simplification of customs procedures agenda of APEC, particularly its 13-point Collective Action Plans (CAPs). Much has been accomplished by the SCCP which is reflected in this annual *Blueprint*. The challenge in implementing the SCCP’s collective work programme is to simplify the operating environment thus reducing compliance and transactions costs for business while at the same time, providing for members’ administrations to fulfill their legitimate policy objectives, including, customs enforcement role for community protection.

Each year, one APEC member economy assumes the role of the Chairmanship to forward APEC’s agenda. For the year 2000, Brunei Darussalam had assumed this responsibility—a monumental task for a small economy. We had placed a high priority on continuity and had build upon the valuable work already underway to reach APEC’s ultimate goal of free trade and open trade. Together with all the other APEC member economies, the SCCP has continued to set another milestone this year. Specifically, the SCCP has included “paperless trading” as a new work area for collective action. As electronic commerce rapidly spreads to all sectors of economic activity and regions in the world, the SCCP felt incumbent that it should build upon existing infrastructure and explore modern technologies to further lower transaction costs for business, including for SMEs. The SCCP has also embarked on a timely task of developing an assessment approach to measure the effectiveness of its work programme, in particular its comprehensive technical assistance programme, which was first developed five years ago. In addition, the SCCP has developed plans to improve the levels of ‘Integrity’ in Customs Administrations, a collective action introduced last year. In its work, the SCCP has also close cooperation with the business/private sector and looks forward to maintaining and expanding such partnerships.

Pg Hj Naserudin Pg Hj Tejudin  
Chair  
Sub-committee on Customs Procedures

# Pledge of the APEC Sub-Committee on Customs Procedures (SCCP)

## *The SCCP will strive to:*

- Facilitate legitimate trade and investment in the APEC region
- Maintain our role in protecting the community
- Simplify and harmonize customs procedures
- Improve the speed, accuracy and transparency of customs transactions
- Establish levels of service to provide traders with certainty
- Promote the professionalism and integrity of Customs Administrations
- Encourage voluntary compliance in APEC member economies
- Consult regularly with the APEC business community to ensure our activities meet their needs
- Form strategic partnerships with interested APEC business representatives
- Provide members with the required technical assistance to promote efficiency, effectiveness and equity
- Tailor the pace of progress to the diverse needs and abilities of APEC member economies

# Introduction

In 1994, the APEC Sub-committee on Customs Procedures (SCCP) was established to address APEC's agenda to facilitate trade by simplifying and harmonizing customs procedures in support of APEC's goal of achieving free and open trade. This annual APEC *SCCP Blueprint* outlines an ambitious and detailed customs program. First published in 1997, the *Blueprint* has been hailed by APEC Leaders in Vancouver as a 'model' of APEC.

Much has been accomplished by the SCCP. Initially, in 1995, the SCCP established a vision, a guiding framework and principles, as well as a nine-point Collective Action Plan (CAP) which includes target dates for implementation within each member. In 1996, the SCCP developed a comprehensive implementation and technical assistance framework to ensure that all members could meet the set target dates and the expectations of business. Subsequently, there was a broadening of the CAPs as additional elements were including for collective activities. The objectives of the thirteen-point CAP elements are outlined in Table 1. Table 2 identifies the technical assistance coordinator(s) for each element along with the target implementation dates.

The year 2000 is a watershed area. About half of the SCCP's Collective Action Plan work programmes on important customs areas such as World Trade Organization (WTO) Valuation, WTO TRIP Agreement (on border controls), Clear Appeals Provisions, Advance Classification Ruling, Temporary Importation and Express Consignment will be completed by this year. Notwithstanding this, Peru, Russia and Viet Nam became full APEC members in 1999. In response to their needs, the SCCP is considering issues on timeframes and schedules for technical assistance for our new members.

In 2000, the SCCP continues to expand its collective actions in response to changes. In response to technological advancement, the SCCP has added, "paperless trading" to its Collective Action Plans with the aim to *simplify* customs clearance and reduce the need for paper documents. Also, an action plan is being developed to improve the levels of 'Integrity' in Customs.

Implementation of this ambitious work programme involved significant investment of resources for SCCP members and support as well as cooperation from business. The continued constructive dialogue between the SCCP and business will ensure that the work programme remains relevant to the changing needs of the trading community.

## ***SCCP Guiding Principles FACTS***

(February 1995, Fukuoka, Japan)

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

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

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

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

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



# The SCCP: Meeting The Challenges of Modern Business Environment

## Global Environment

The nature of the global trade environment is changing rapidly thus providing new challenges for customs administrations. Because of these challenges, Customs administrations have more complex roles and increasing volumes of work. In most cases, the need for improved performance is made more difficult by diminishing resources.

***What it takes to effect an average international trade transaction today:***

*(Source: 1996 ABAC Report to Economic Leaders)*

- 27-30 different parties
- 40 documents
- 200 data elements (30 of which are repeated at least 30 times)
- re-keying of 60-70% of all data at least once

Customs is involved at least twice in this process but several steps removed from the originating transactions.

Within the APEC region, as elsewhere, these challenges are compounded by the diversity of clients who interact with customs systems and the differences in business practice (e.g. greater use of Information and Communication Technology) across those clients. These changes to the international trade environment require customs administrations to change the ways in which they operate. Old practices no longer work and are no longer appropriate in a freer and globalized trade environment.

***Administrative Costs***

Each year about nine billion documents are used around the world to support a global trade in goods worth approximately US\$5 trillion. The UN has claimed that about 7% - US\$35 billion - of this value is made up of paper administration, that is, a cost roughly equivalent to twice the total revenues of the world shipping industry.

# Building on Past Achievements

The SCCP's mandate is to facilitate trade by simplifying and harmonizing customs procedures. Since 1995, with the development of the SCCP's guiding principles and the CAP work programme and supported by a comprehensive technical assistance framework, much progress has been made to-date. The SCCP technical assistance framework comprises multi-year assistance programmes comprising training sessions, workshops, conferences and on-site visits to assist members in their implementation of the thirteen-point CAP elements.

The SCCP met twice in 2000. The focus for Brunei, in chairing the SCCP in 2000, has been ensuring continuity and building upon the on-going work of the Sub-committee, taking into account the changes in the market place.

## *Ensuring Implementation of CAP*

The SCCP is committed to its ambitious work plan. As targeted, the year 2000 saw the completion of about half of the various technical assistance programmes for its CAP items such as WTO Valuation, WTO TRIPS Agreement (on border controls), Clear Appeals Provisions, Advance Classification Ruling, Temporary Importation and Express Consignment. Workshops and on-site visits to Brunei (on WTO Valuation and Advance Classification Ruling), Russia (WTO TRIPS Agreement), Peru, Chile and Mexico (on Temporary Importation) and were being conducted in 2000. Generally, feedback from member economies showed that these technical assistance programmes have been very useful and assisted members in their preparation to implement the agreed collective action plans by the set target date.

Peru, Russia and Viet Nam were welcomed as new APEC SCCP members in 1999. The SCCP strives to provide these new members technical assistance and to consider appropriate timeframe for them to implement all the CAP elements. In 2000, technical assistances on WTO TRIPS Agreement, Temporary Importation and Advance Classification Ruling have been provided to Russia and Peru.

In response to the development and challenges in the global trading environment, the SCCP is continuing to enhance its work programme, which will directly contribute to trade facilitation and reduce costs of international trade transactions, as well as improve efficiency within customs administrations. Towards this end, the SCCP continues to solicit the expertise and assistance of business in forging strategic partnerships to ensure that its work programme meets the needs of diverse types of business while ensuring customs role of enforcement.

With much of its work programmes well underway this year, the SCCP has also embarked on a timely task of developing an assessment approach to measure the effectiveness of its work programme, in particular the technical assistance programme, which was first developed five years ago.

## *Paperless Trading*

The SCCP has to stay current if not ahead of the times. As electronic commerce rapidly spreads to all sectors of economic activity and regions in the world, the SCCP felt incumbent that it should build upon existing infrastructure and explore modern technologies to further facilitate trade and lower transaction costs. Consequently, in 2000, another achievement by the SCCP is the inclusion of "paperless trading" as a

new work area under its CAP, which directly responds to *1998 APEC Ministers' Blueprint for Action on Electronic Commerce*.

1998 APEC Ministers' Blueprint for Action on Electronic Commerce

Taking into account diverse legal and regulatory frameworks in the region, APEC Ministers agreed that member economies should endeavour to reduce or eliminate the requirement for paper documents needed for customs and other cross-border trade administration and other documents and messages relevant to international sea, air and land transport i.e. **"Paperless Trading"** (for trade in goods), where possible, by 2005 for developed and 2010 for developing economies, or as soon as possible thereafter. To this end, relevant APEC sub-fora should examine specific initiatives.

### *Customs Integrity*

The lack of transparency and complex Customs procedures may lead to corrupt practices in Customs administrations. "Customs Integrity" is becoming increasingly important and was considered for Collective Action Plan in last year. In 2000, under the Chair of Brunei Darussalam, a work programme is being developed to address this issue. As a start, a process of self-assessment will be completed by next year and subsequently the development an action plan containing agreed minimum standards is being considered.

## BRINGING Benefits to business

The work of the SCCP has an immediate and tangible effect on the cost of cross-border trade in goods. They will also facilitate trade participation by a broader cross-section of enterprises, and SMEs in particular, through a reduction in the complexity of transactions. The direct involvement of business in the APEC process will accelerate simplification and harmonization goals.

### ***Benefits to business***

- Improved Customs clearance and inspection procedures generate faster, more certain and, ultimately, less costly trade transactions
- Certainty, ease and speed of clearance make transactions more compatible with “just-in-time” inventory practices and promote business competitiveness
- Computerisation of Customs procedures results in time and cost savings due to the reduced need to prepare, handle, store and deliver Customs documentation
- Improvements in communications, access to information and the transparency of Customs processes and appeals increase the level of certainty and fairness
- A good compliance track record will result in faster clearance and less intrusive verification techniques.

**Importers** will know the amount of duties and taxes owing as a result of the clear and consistent rules. More efficient clearance will produce time and cost savings and provide the certainty required to exploit modern business practices such as “just-in-time” inventory.

**Exporters** will benefit from having similar Customs rules and procedures apply across the entire APEC market, thus increasing market access opportunities, while reducing costs and complexity.

**Investors** will be encouraged to build new enterprises, knowing that offshore inputs and products will be cleared through Customs quickly.

**Customs Brokers** will have the opportunity to refocus their services from dealing with forms and complexity to using their expertise and knowledge to bring a new range of professional services to clients operating in an expanding and evolving trade market.

**Carriers** will benefit from faster service, lower costs and the ability to use their equipment to its utmost capacity rather than having it delayed at Customs.

# ***COLLECTIVE ACTIONS – Major Achievements and Deliverable in 2000***

## **1. Harmonisation of Tariff Structure with HS Convention**

Japan is the coordinator for this work programme. As of January 2000, all member economies, including Peru, Russia and Viet Nam, are implementing HS 1996 version of the HS Convention as their tariff nomenclature. An overview workshop for HS 1996 version was held in Manila in 1998 and HS expert missions have been dispatched to five member economies since 1999: Brunei Darussalam, Chile, Papua New Guinea, the Philippines and Viet Nam.

Taking into account that 2002 version of the HS Convention will enter into force on 1 January 2002, SCCP this year has agreed to set 2002 as the target date for the implementation of the 2002 version. In addition, technical advice to Customs central laboratories will be extended to nine member economies: China, Indonesia, Mexico, Peru, the Philippines, Russia, Chinese Taipei, Thailand and Viet Nam. These will ensure an accurate, consistent and uniform application of the HS Convention by all APEC member economies and provides greater predictability for traders.

## **2. Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings**

Singapore and Hong Kong, China are the coordinators for this work programme. Singapore has compiled a handbook using inputs provided by SCCP members on their “Best Practices” in dissemination Customs information to the public. This publication is available to the public on the SCCP website at [www.sccp.org/frames-library.htm](http://www.sccp.org/frames-library.htm). An updated version of the *Best Practices Handbook* has been distributed to members in the 1st SCCP Meeting in February 2000. Hong Kong Customs has updated the content of the video on her “Dissemination of Customs Information” and distributed to members in the 2nd SCCP Meeting in September 2000. Singapore and Hong Kong, China have respectively conducted a second round survey to collect views from business sectors on the effectiveness of the current information dissemination instruments. Other members are also encouraged to conduct surveys on a periodic basis to obtain feedback from their business constituents on the usefulness of their existing information dissemination instruments and on areas requiring further improvements.

### 3. Simplification and Harmonisation on the Basis of the Kyoto Convention

New Zealand and Japan are the coordinators of this work area. The WCO has revised and updated the Kyoto Convention to ensure that it meets the current demands of international trade. The WCO Council adopted the revised Kyoto Convention in June 1999 as the blueprint for modern and efficient customs procedures in the 21st century. The first regional seminar on revised Kyoto Convention was held in Kobe Japan in October 1999. Following the success of the seminar, other two APEC technical assistance workshops were held this year in Malaysia and Thailand, for present contracting parties and for non-contracting parties respectively, to promote the adoption and implementation of the revised Kyoto Convention.

The key elements within the revised Kyoto Convention are:

- the maximum use of automated systems
- risk management techniques
- the use of pre-arrival information
- co-ordinated interventions with other agencies
- making information on Customs requirements, laws, rules and regulations easily available to anyone
- providing a system of appeals in Customs matters
- formal consultative relationships with the trade

### 4. Adoption and Support of the UN/EDIFACT / Paperless Trading

Australia and the Republic of the Philippines are the coordinators for the UN/EDIFACT initiative, which directly supports the adoption of the UN electronic messaging format for automated systems, the United Nations/Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT). A private consultant, Novocom Inc, was hired to provide technical assistance member economies to implement the UN/EDIFACT standards as the basis for electronic communications since 1997. Nine member economies had participated in the initial training programme: Brunei Darussalam; Chile; People's Republic of China; Hong Kong, China; Indonesia; Mexico; the Philippines; and Thailand. Subsequently, pilot projects have been established in Brunei Darussalam, Indonesia and Viet Nam, providing "on the job" development training for these member economies to address local IT requirements. Assistance was later provided to Peru. Work in this area has been completed as targeted.

[Australia is the coordinator for Paperless Trading initiative.]

#### **5. Adoption of the Principles of the WTO Valuation Agreement**

Canada and United States are the coordinators for this work area and provided a status report on this technical assistance training program, which would be completed after assistance is provided to Russia. Brunei Darussalam, People's Republic of China, the Philippines, Chinese Taipei, and Viet Nam expressed their gratitude and appreciation for the technical assistance provided.

#### **6. Adoption of TRIPS Agreement**

The United States is the coordinator for this CAP initiative. Through a coordinated effort involving Canada, New Zealand and Japan, technical assistance has been provided to those APEC economies requesting assistance. The goal of the CAP initiative is to help participating economies implement the border enforcement aspects of the WTO TRIPS Agreement. All TRIPS missions were conducted in a partnership with the private sector.

Missions have been completed in Chile, People's Republic of China, Indonesia, Papua New Guinea, Peru, Philippines, Thailand and Viet Nam.

#### **7. Implementation of Clear Appeals Provision**

Canada is the coordinator for this work area and is providing technical assistance to SCCP members requesting it. A detailed needs analysis discussion paper was sent to participants in 1998, to determine each economy's requirements pertaining to such areas as legislative framework, organizational structure, client services delivery, risk management and the decision-making process. Discussions held in June 1998 with each participating economy focused on the principles of a transparent appeals system. Technical assistance have been provided to five member economies: the People's Republic of China; Hong Kong, China; Indonesia; Papua New Guinea; and the Philippines. New technical assistance is currently being planned for Peru, Russia and Viet Nam.

#### **8. Implementation of an Advanced Classification Ruling System**

New Zealand and the Republic of Korea are the coordinators of this work and have provided technical assistance to Papua New Guinea, the Philippines and Chinese Taipei in 1999. Similar assistance was provided to Brunei Darussalam in 2000. Work in this area is deemed completed and members will implement necessary changes so that traders will be treated in a fair and equitable manner.

## 9. Provision of Facilities for Temporary Importation

Chinese Taipei and the United States are co-shepherds for this CAP initiative. This CAP focuses on improving the provisions for temporary importation with the primary focus of assisting and enabling economies to adopt the ATA Carnet system procedures. Two regional missions have been conducted in Chinese Taipei and the People's Republic of China. Economies that attended were the People's Republic of China; Hong Kong, China; Indonesia; the Philippines; Chinese Taipei; Thailand; and Viet Nam.

An Americas Regional Advisory Mission for Chile, Mexico and Peru will be conducted.

Missions are conducted with experts from Australia, Canada and the United States. The private sector participates in all missions; and helps to develop the lesson plans and prepare materials for use in this program.

## 10. Common Data Elements

Canada and Australia are the coordinators of this project. The aim of this work is to simplify and harmonize the data required by customs for the importation of commercial goods. A survey aimed at collecting relevant data in member economies has been completed. Further work in this area will be considered by building on developments in other international fora, including the work by the G7 economies.

## 11. Risk Management Techniques

Australia is the coordinator for this work area and is working in partnership with the Air Express Courier industry to implement a risk management approach in APEC customs administrations. Technical assistance, including study missions are being provided to Brunei Darussalam; Chile; the People's Republic of China, Hong Kong, China; Indonesia; the Republic of Korea; Malaysia; Mexico; Papua New Guinea; Peru; the Philippines; Chinese Taipei; Thailand; and Viet Nam. In 1998 and 1999, study missions visited the People's Republic of China; Indonesia; and the Philippines to assess management commitment, to advise on development of a supporting infrastructure, to develop priorities, and to define timelines for implementation. Further study missions to the remaining participating economies were undertaken in 2000. Further multi-lateral approach for technical assistance will be delivered as follow-up.

## 12. Guidelines on Express Consignment Clearance

The People's Republic of China and the United States are co-shepherds for the Guidelines on Express Consignments CAP initiative. The goal is to implement seven principles of the WCO Guidelines on Express Consignment, the international standard for customs clearance of express goods. Australia, Canada, China and the United States provide customs experts for advisory missions.

Assessment missions are conducted to establish a plan and schedule for implementation of the WCO Guidelines. Economies to receive these missions are Indonesia and Viet Nam. Five missions have been completed in Chinese Taipei, Malaysia, Peru, the Philippines and Thailand.

A Regional Overview Seminar on the WCO Guidelines is in the process of being scheduled. The seminar will be five days in length and conducted by experts from member economies and the express industry. The focus of the seminar will be automation, risk management and alternative procedures that meet the WCO Guidelines and satisfy the needs of the business community. An *Express Consignments Handbook* will be distributed to participants of the seminar and all APEC members.



All activities are conducted in partnership with express industry associations, the International Express Carriers Conference (IECC), the Conference of Asia Pacific Express Carriers (CAPEC), and the Conference of Latin American Express Carriers (CLADEC).

### 13. Customs Integrity

This is a new collective work programme coordinated by Australia. Members have agreed to adopt the following approach to the work:

- Stock-take of current activities for which integrity working group would prepare a questionnaire for completion by each economy the result of which would be reported on at the next SCCP Meeting.
- Self-assessment on the current situation of each member to be completed by early 2001.
- Development of Integrity Action/Implementation Plans to be done by each economy based on the analysis of the self-assessment exercise. It was agreed that the action plan would contain minimum standard and be based on the WCO Arusha Declaration. This should be completed by end next year.

Each customs administration has been encouraged to develop a Code of Conduct as early as possible. Hong Kong Customs has distributed a copy of her "Code on Conduct and Discipline" at the 1st SCCP Meeting in 2000 for the reference of other member economies.

# CUSTOMS – Industry Partnerships in Trade Facilitation

Business is clearly one of APEC's most important constituencies. Thus, APEC's doors are open to constructive engagement with business enterprises in trying to advance the trade facilitation and liberalisation agenda. In particular, the SCCP welcomes business input to ensure that its on-going work remains relevant to business and are in keeping with the changing trade environment. To this end, the SCCP developed *Guidelines* governing the involvement of business in the SCCP Collective Action Plans and other initiatives. These *Guidelines* were published as an Appendix to the inaugural SCCP Blueprint endorsed by Ministers in Vancouver in 1997 and available on the SCCP Home Page at [www.sccp.org](http://www.sccp.org).

To date, several successful partnerships with business have been formed. Industry has provided the SCCP with valuable technical expertise and financial assistance with some CAP projects, for example, express industry associations for Guidelines on Express Consignment Clearance, Federal Express for the APEC Tariff Database. The SCCP's long-term success depends on continued creativity and innovation that are part of a sustained dialogue with interested stakeholders. Thus, the SCCP welcomes business input, which are essential if the work programme are to remain current with the changing trade environment.

Some suggestions on steps, which could promote the dialogue between SCCP and those it seeks to serve, include:

- *Inform yourself about the work of the APEC SCCP.* It is a very transparent process and a great deal of information is available. Much of it can be accessed through the APEC Secretariat in Singapore or its website at [www.apecsec.org.sg](http://www.apecsec.org.sg) or via the SCCP homepage at [www.sccp.org](http://www.sccp.org).
- *Make your views known.* Communication is a two-way street. The SCCP is striving to provide members with greater access to industry, and to inform business about SCCP initiatives. But it is equally important that those businesses with an interest have a responsibility to talk to the SCCP and participate in its activities. Members are seeking to further develop channels of communication with business industry. Hence, interested parties could make their views known to economy representatives on the SCCP or coordinators of the SCCP Collective Action Plans.
- *Define your views and find-out that else in the region shares them.* If there is widespread support among the Asia-Pacific community for an initiative, it makes a powerful argument to put to the SCCP for its consideration as a model for simplification and harmonization within APEC.

# International Linkages and Cooperation

Currently, the SCCP is working closely with the World Customs Organisation (WCO) and the World Trade Organisation (WTO) on the implementation of various international agreements. These include the WCO Kyoto and Harmonised System Conventions and the protocols for the WCO Rules of Origin, as well as the WTO 'TRIPS' and Valuation Agreements. The technical assistance programmes will continue to support bilateral and multilateral initiatives in the Asia-Pacific region, and the SCCP is working towards establishing formal communications linkages with other international fora.

## Measuring and Evaluating Implementation of Work Programme

As with other APEC fora, evaluation reports are required to be submitted to the APEC Budget Management Committee (BMC) upon completion of all technical assistance projects. These assessments would assist the BMC in deciding whether or not to approve continued funding for further activities. In its meeting in July 2000, the BMC has approved all SCCP's funding request for its on-going work programme. The evaluation reports submitted by SCCP project coordinators also assist the Subcommittee in managing the effectiveness of the technical assistance projects, and making adjustments in the whole technical assistance program where necessary.

The SCCP collective work programme and comprehensive technical assistance programme was developed five years ago. It was timely as well as apparent, that for continued success, and the support of industry, the SCCP would need to focus more of its effort to ensure the effective implementation of the work programme. This year, the SCCP is developing an assessment approach to assess the progress in implementing the SCCP's 13-point Collective Action Plan, in particular, the technical assistance program. A qualitative approach is being considered for the purpose of identifying future technical assistance requirement. A quantitative approach on import process measurement is also being explored.

## NEXT STEPS... ..

*In the face of challenges brought about by changes in the global trading system, the SCCP will:*

- Continue to review its collective action plans and consider additional ways to improve cross-border trade flows to further reduce compliance and transaction costs.
- Involve close cooperation with business to ensure that issues are addressed appropriately and effectively, as a result of an open exchange of ideas. This is also to ensure that the work of the SCCP remains relevant to the trading community.
- Work closely with and remains aware of the work undertaken by other international organisations, particularly the World Customs Organisation, and the work of the World Trade Organization which will affect the future work program of the SCCP.

# TABLE I: SCCP Collective Action Plan Objectives and Expected Outputs

OBJECTIVES	EXPECTED OUTPUTS
<p><b>1. Harmonization of Tariff Structure with the HS Convention</b> To ensure consistency of application, certainty and a level playing field for business through the HS Convention, the standard international harmonized system for the classification of goods.</p>	<ul style="list-style-type: none"> <li>The accurate, consistent and uniform application of the HS Convention by all APEC member economies.</li> </ul>
<p><b>2. Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings provided to the business sector on an ongoing basis.</b> To ensure traders have access to all the pertinent information for business decisions through the provision of accurate, consistent and user-friendly information to business on an ongoing basis.</p>	<ul style="list-style-type: none"> <li>To improve transparency of APEC Customs Administrations</li> <li>To enhance the APEC Customs Administrations' competency in the dissemination of information on customs laws, regulations, procedures, rulings and guidelines</li> </ul>
<p><b>3. Simplification and Harmonization on the Basis of the Kyoto Convention</b> To improve efficiency in customs clearance and the delivery of goods in order to benefit importers, exporters and manufacturers through simplified customs procedures and best practices.</p>	<ul style="list-style-type: none"> <li>Simplified and standardized customs procedures implemented by all APEC members</li> </ul>
<p><b>4. Adoption and Support for the UN/EDIFACT / Paperless Trading</b> To use the standard UN electronic messaging format for automated systems, the United Nations/Electronic Data Interchange for Administration, Commerce and Transport, to promote an electronic highway for business.</p>	<ul style="list-style-type: none"> <li>The implementation by member administrations of UN/EDIFACT international electronic messaging standards as the basis for their computerization programmes</li> </ul>
<p><b>5. Adoption of the Principles of the WTO Valuation Agreement</b> To facilitate administration of the World Trade Organization's Valuation Agreement on standard procedures for valuing goods.</p>	<ul style="list-style-type: none"> <li>The implementation of the Agreement by members, in a timely and orderly manner, to meet members' international obligations under the Agreement.</li> </ul>
<p><b>6. Adoption of the Principles of the WTO Intellectual Property (TRIPS) Agreement</b> To implement border enforcement procedures for protecting intellectual property rights.</p>	<ul style="list-style-type: none"> <li>A strategic programme designed and developed to implement border endorsement of the Agreement by members, in a timely and orderly manner, to meet international obligations under the Agreement.</li> </ul>
<p><b>7. Introduction of Clear Appeals Provision</b> To provide business with an opportunity to challenge potentially erroneous or inequitable Customs decisions through mechanisms for transparent, independent and timely appeals.</p>	<ul style="list-style-type: none"> <li>Implementation of Customs appeal mechanisms by all members.</li> <li>The enhanced transparency and effectiveness of the appeals process and client service initiatives within APEC customs administrations.</li> </ul>
<p><b>8. Introduction of an Advance Classification Ruling System</b> To establish simplified procedures for providing classification information prior to importation, thus bringing certainty and predictability to international trading and helping traders to make sound business decisions based on legally binding advice.</p>	<ul style="list-style-type: none"> <li>The introduction of simplified procedures for an advance classification ruling system to the customs procedures of each APEC economy, by the year 2000.</li> </ul>
<p><b>9. Provisions for Temporary Importation, e.g., acceding to the A.T.A. Carnet Convention or the Istanbul Convention</b> To help business move goods such as commercial samples, professional equipment, tools of trade and exhibition material across borders with a high degree of certainty as to how these goods will be treated by Customs by having standard procedures for admitting goods on a temporary basis.</p>	<ul style="list-style-type: none"> <li>The implementation of the terms of the A.T.A. Carnet and Istanbul Conventions.</li> <li>The provision of a common import/export document for the temporary importation of goods.</li> <li>An internationally accepted security for goods entitled to temporary admission without payment of duties and taxes.</li> </ul>
<p><b>10. Harmonized APEC Data Elements</b> To develop a comprehensive directory supported in UN/EDIFACT which includes a simplified "core set" of data elements, largely derived from commercially available data, that would satisfy the standard data requirements of the majority of APEC trade transactions and so facilitate the exchange of information and provide a foundation for common forms and electronic commerce.</p>	<ul style="list-style-type: none"> <li>The development of a set of trade data elements required for ordinary goods for home consumption.</li> <li>The development of a set of best practices guidelines for the processing and clearance associated with the movement of goods until the goods are no longer under any customs controls.</li> </ul>
<p><b>11. Risk Management Techniques</b> To focus Customs enforcement efforts on high-risk goods and travelers and facilitate the movement of low-risk shipments, through a flexible approach tailored to each APEC economy.</p>	<ul style="list-style-type: none"> <li>The implementation of a systematic risk management approach will allow APEC Customs administrations to facilitate legitimate trade and travel while maintaining control.</li> </ul>
<p><b>12. Guidelines on Express Consignments Clearance</b> To implement principles contained in the WCO Guidelines on Express Consignment Clearance, the international standard procedures for clearance of express goods, working in partnership with express industry associations.</p>	<ul style="list-style-type: none"> <li>The timely implementation of the international standard for customs clearance of express shipments.</li> <li>Trade facilitation while maintaining essential customs control responsibilities.</li> </ul>
<p><b>13. Integrity</b> To raise level of integrity in Customs Administrations.</p>	<ul style="list-style-type: none"> <li>More accountable, consistent, reliable and transparent Customs Administration</li> </ul>

**TABLE 2: SCCP Collective Action Plan Implementation Schedule<sup>1</sup>**

	HS Convention	Public Availability of Information ♦	Kyoto Convention	Paperless Trading	WTO Valuation Agreement	TRIPS	Clear Appeal Provisions	Advance Classification Ruling System	Temporary Importations	Common Data Elements	Risk Management	Express Consignments Clearance	Customs Integrity
Plan Coordinators	Japan	HK, China Singapore	New Zealand Japan	Australia	Canada USA	USA	Canada Philippines	New Zealand Korea	USA Chinese Taipei	Canada Australia	Australia USA	USA China	Australia HK,China
Target Dates	1996/2002	1998	1998*	♥	2000	2000	2000	2000	2000	♥	2002	2000	♥
Australia	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	
Brunei	✓	✓	*		2000	✓	2000	2000	2000		2002	2000	
Canada	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	
Chile	✓	✓	*		2000	2000	✓	✓	2000		✓	✓	
China	✓	✓	✓		+	✓	✓	✓	✓		2002	✓	
HK,China	✓	✓	*		N/A	✓	✓	N/A	✓		✓	✓	
Indonesia	✓	✓	*		✓	✓	✓	✓	✓		2002	2000	
Japan	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	
Korea	✓	✓	✓		✓	✓	✓	✓	✓		2002	✓	
Malaysia	✓	✓	*		✓	2000	✓	✓	✓		2002	✓	
Mexico	✓	✓	✓		✓	✓	✓	✓	✓		2002	2000	
New Zealand	✓	✓	✓		✓	✓	✓	✓	✓		2002	2000	
PNG	✓	✓	*		✓	2000	2000	2000	2000		2002	2000	
Peru													
Philippines	✓	✓	*		✓	✓	✓	✓	✓		2002	2000	
Russia													
Singapore	✓	✓	*		✓	✓	✓	✓	✓		✓	✓	
Chinese Taipei	✓	✓	*		✓	✓	✓	✓	2000		2002	2000	
Thailand	✓	✓	*		✓	✓	✓	✓	✓		2001	✓	
USA	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	
Viet Nam													

Legend			
✓	Implemented	*	actual implementation date subject to progress in the WCO
♦	Improving public availability of information is an on-going process	♥	On-going process
+	Actual implementation date subject to China's accession to WTO	N/A	not applicable

<sup>1</sup>Peru, Russia and Vietnam are to be included in the CAP implementation schedule. These economies have become full members of APEC at the November 1998 Economic Leaders' Meeting in Kuala Lumpur. For each CAP item, the level of implementation will vary among Customs Administrations. For the most recent additions to the CAP (common data elements, risk management and express consignments clearance), although the implementation date is shown as the target date, some economies have already implemented the item in full or in part. All member economies will have implemented the CAP item to varying degrees by the target date.  
\* With the entry into force of HS2002 version for 1 January 2002, the new target date is now set 2002.

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## List of acronyms

APEC: Asia-Pacific Economic Co-operation  
ABAC: APEC Business Advisory Council  
ACID: APEC Custom-Industry Dialogue  
ASEAN: Association of South East Asian Nations  
A.T.A.Carnet: Admission Temporaire – Temporary Admission Carnet Convention  
AusAID: Australian Agency for International Development  
BMC: Budget and Management Committee  
CAP: Collective Action Plan  
CAPEC: Conference of Asia-Pacific Express Carriers  
CLADEC: Conference of Latin American Express Carriers  
CTI: Committee on Trade and Investment  
EDI: Electronic Data Interchange  
FACTS: Facilitation, Accountability, Consistency, Transparency, and Simplification.  
G7: Canada, United Kingdom, France, Germany, Italy, Japan, United States<sup>2</sup>  
HS: Harmonised System of Tariff Classification  
IATA: International Air Transport Association  
IBCC: International Bureau of Chambers of Commerce  
IECC :International Express Carriers Conference  
IFCBA: International Federation of Customs Brokers Associations  
NAFTA: North American Free Trade Agreement  
N/A: Not applicable  
OECD: Organisation for Economic Co-operation and Development  
PECC: Pacific Economic Cooperation Council  
SCCP: Sub-Committee on Customs Procedures  
SOM: Senior Officials or Senior Officials' Meeting  
TBD: To be determined  
TILF: Trade and Investment Liberalisation and Facilitation  
TRIPS: Trade Related Aspects of Intellectual Property Rights  
UN: United Nations  
UN/EDIFACT: UN Electronic Data Interchange for Administration, Commerce and Transport  
WCO: World Customs Organisation  
WTO: World Trade Organisation

<sup>2</sup> The G8 includes Russia