



Asia-Pacific  
Economic Cooperation

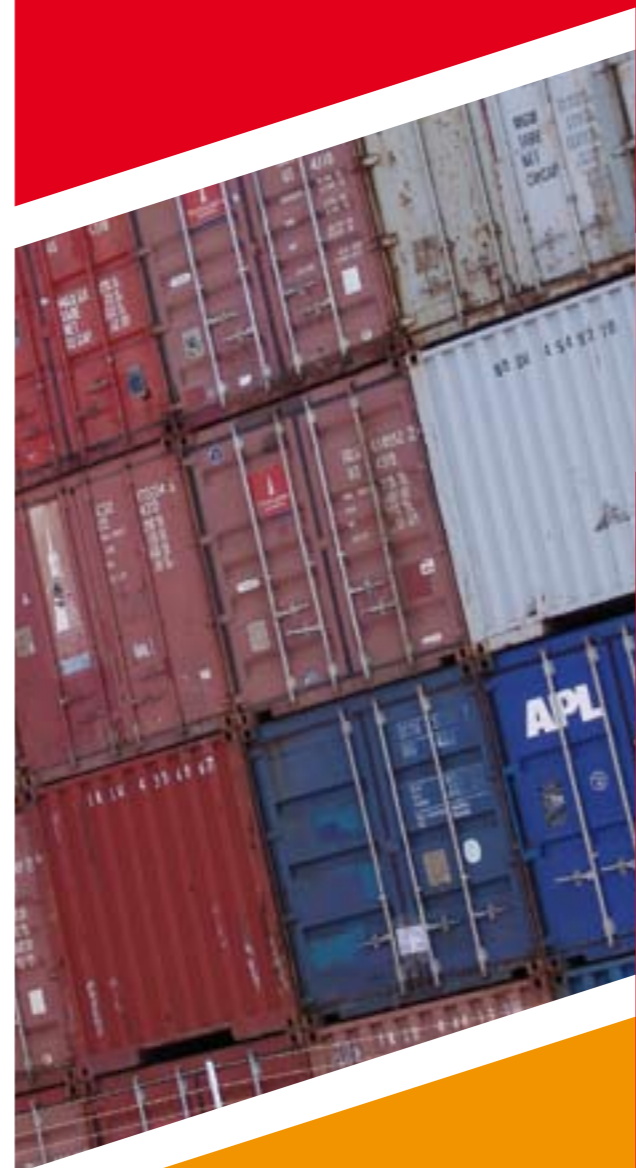


**APEC**  
AUSTRALIA 2007

# BLUEPRINT

APEC SUB-COMMITTEE ON CUSTOMS PROCEDURES

A WINDOW TO THE FUTURE  
**AUGUST 2007**



## Introduction from the SCCP Chair

Globalisation and security are at the heart of issues shaping world events today. The communications revolution, advancements in road, rail, sea and air transport and the reduction in trade barriers means APEC economies are becoming increasingly intertwined.

Our economies benefit greatly from increased trade; however security concerns also impact our economies, whether it be from illicit drugs, weapons or terrorism. It is the role of customs administrations to balance the trade facilitation and security agendas.

The APEC Sub-Committee on Customs Procedures (SCCP) is addressing these two agendas through the following body of work:

- Leadership of the single window initiative
- Contributing to the new Trade Facilitation Action Plan
- Implementing the APEC Framework for Secure Trade
- Promoting enforcement of intellectual property rights
- Simplifying and harmonising customs procedures

As customs administrations develop our policies and systems there is a need for strong links to the business community. These links are stronger following the successful Single Window Workshop and APEC Customs-Business Dialogue held during 2007 in Sydney.

This Blueprint highlights the positive outcomes that the SCCP is delivering for the customs administrations and international trading community of the APEC region.

### **Jane Bailey**

Chair, APEC SCCP 2007  
National Director Cargo  
Australian Customs Service

*August 2007*



## The SCCP

Since its inception, APEC has promoted economic growth, cooperation, trade and investment in the Asia-Pacific region through the efforts of officials-level committees, sub-committees and working groups. Among these is the Customs Procedures Working Group which, in 1994, became the Sub-Committee on Customs Procedures (SCCP), reporting to the Committee on Trade and Investment (CTI).

Our mandate is to facilitate trade by simplifying and harmonising customs procedures. In 1995, under Japan's leadership, we agreed on a vision statement, guiding framework and principles, collective action plan (CAP), individual action plans, and statements on technical assistance.

### SCCP Guiding Principles

## FACTS

### February 1995, Fukuoka, Japan

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

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

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

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

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

### How the SCCP Works

We meet twice a year when the CTI and APEC Senior Officials (SOM) meet. Our meetings are chaired by the APEC host economy. In 2007 the Australian Customs Service provided the Chair.

Central to our activity is the SCCP Collective Action Plan (CAP). At our meetings we measure progress we have made on these plans and we hear from customs administrations that have introduced change resulting from assistance received under the CAP and other interventions. Presentations and debate on current issues facing customs administrations in the APEC region contribute to the agenda of a typical meeting.



## Recent Achievements

In recent years we have:

- Contributed to a 5% reduction in trade transaction costs by implementing a number of measures including:
  - Making information increasingly available on websites, including posting online border services information, and publishing a Best Practices Handbook on Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings; and
  - Introduction of electronic/paperless systems by all member economies, covering the payment of duties, and customs and trade-related document processing.
- Completed a comprehensive work program to improve the implementation of customs-related WTO agreements on rules of origin, valuation and trade-related aspects of intellectual property rights (TRIPS).
- Provided business with a concise one-stop repository of customs and trade facilitation related information for all APEC economies through the APEC Customs and Trade Facilitation Handbook, which we developed and published in collaboration with the APEC Business Advisory Council (ABAC).
- Established transparent review processes to appeal customs decisions and actions in most economies.
- Adopted and promoted time-release surveys (TRS) as a means of undertaking a review of customs procedures to identify specific areas where time and costs of movement of goods can be reduced, and to measure the effect of various actions on trade facilitation.
- Adopted and commenced implementation of the APEC Framework for Secure Trade, based on the WCO Framework of Standards to Secure and Facilitate Global Trade.
- Compiled and published an inventory of the IPR enforcement activities of members as a reference tool for customs administrations and businesses in the APEC region.



## Trade Facilitation

### Single Window Initiative

Single window developments in international trade have been identified as a priority of the APEC trade facilitation agenda. The SCCP is leading the work in this area.

Currently people involved with international trade often have to submit the same or similar information to a number of government agencies when importing or exporting goods. A "single window" is a facility that allows people to submit import and export information to government only once through a single entry point, usually electronically. This may significantly reduce the amount of red tape for business. It also improves the quality of information provided to government; enhancing the ability of customs administrations to conduct risk assessment and thus increase supply chain security.

In 2007 the SCCP's Single Window Working Group completed the first stage of a regional single window initiative, producing a Single Window Strategic Plan and Single Window Development Report. Development of these documents was the focus of a Single Window Workshop held in Sydney during April 2007. The workshop was attended by SCCP member customs administrations, regional and international organisations and business sector representatives.

The Single Window Strategic Plan provides a vision for the development of single window systems by APEC members to achieve trade facilitation targets and enable data sharing. The Strategic Plan contains six recommendations to assist members in this endeavour, to ensure a common approach, and provide the mechanism for APEC members to work collaboratively and agree on various issues where appropriate.

The Single Window Development Report provides a snapshot of APEC members' progress in single window initiatives and establishes a platform for a common understanding of single window issues. All 21 SCCP members provided input to this report, which outlines the international standards and instruments used by each member and highlights capacity building needs and available expertise.

Together these documents provide a framework to support the design and implementation of national single windows in the region.

The Single Window Strategic Plan and Single Window Development Report are available for download from the APEC Secretariat website [http://www.apec.org/apec/publications/all\\_publications/committee\\_on\\_trade.html](http://www.apec.org/apec/publications/all_publications/committee_on_trade.html)





## Trade Facilitation

### Trade Facilitation Action Plan (TFAP II)

At the 2006 APEC Ministerial Meeting, APEC Ministers concluded that APEC had met the 2001 Shanghai target of a five-percent reduction in trade transaction costs by 2006. And in order to take forward the next phase of trade facilitation work in APEC, they instructed officials to develop a detailed action plan to achieve another five-percent reduction in trade transaction costs by 2010. This new action plan has become known as APEC's second Trade Facilitation Action Plan, or TFAP II.

Japan led efforts in the SCCP to compile a list of collective actions for inclusion in TFAP II. Using the menu of actions from the Movement of Goods chapter of TFAP I as a starting point, we:

- deleted action items that have been achieved in all or most economies, items that are not the responsibility of the SCCP, and items that do not assist in reducing trade transaction costs;
- retained items that most economies are still working to implement and are useful for reducing trade transaction costs; and
- added new items that focus on the future and will contribute to a reduction in trade transaction costs.

The result is a more concise list of collective actions on customs procedures that all economies will focus on over the next three years to provide tangible trade facilitation benefits to business. The two major items that were added relate to implementation of the APEC Framework for Secure Trade and time-release surveys (TRS). The full menu of TFAP II actions and measures on customs procedures appears on the following pages.

TFAP II was endorsed by APEC Trade Ministers at their annual meeting in July 2007.

## Trade Facilitation

TFAP II Menu of Actions and Measures: Customs Procedures

### 1. Time-Release Survey (TRS)

*Objective: To conduct self-evaluation of Trade Facilitation, find bottleneck in the customs related procedures and to improve them*

Actions

- a) Development of methodology to measure the time required to release goods
- b) Successful undertaking of the measurement of the time required to release goods
- c) Identification of bottlenecks and areas for improvement in Customs related procedures
- d) Development and implementation of strategies to address identified bottlenecks and problems
- e) Establishment of a process within the organization for ongoing assessment of cargo release times on a continuous/regular basis

### 2. Implement APEC Framework based on the WCO Framework of Standards

*Objective: To secure and facilitate the global trade in the APEC region*

Actions

- a) Harmonize the advance electronic cargo information requirements on inbound, outbound and in-transit shipments.
- b) Receive advance electronic information in order for Customs administrations to identify high-risk shipments and facilitate low risk shipments as early as possible in the supply chain.
- c) Develop and adopt advanced risk management methodology, such as systematic cargo profiling techniques, and/or a computerised risk management system to identify high-risk shipments and minimise physical examination of low-risk shipments.
- d) Perform an outbound inspection of high-risk containers and cargo, preferably using non-intrusive detection equipment such as large-scale X-ray machines and radiation detectors.
- e) Create and implement an Authorized Economic Operators (AEO) programme which provides benefits to businesses that meet certain security standards to maximize security and facilitation of the international trade supply chain.

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

*Objective: To improve efficiency in customs clearance and the delivery of goods in order to benefit importers, exporters and manufacturers through simplified and harmonised customs procedures and best practices*

Actions

- a) Adopt and fully implement the Body and General Annex of the Revised Kyoto Convention and, to the extent possible, the Specific Annexes.
- b) Provide expeditious clearance for traders who meet the criteria specified by Customs.
- c) Establish an effective advance ruling process, such as an advance classification ruling system, with an office responsible for providing advance rulings that are binding at the time of import. Rules, guidelines, and procedures employed by these offices for advanced rulings should be transparent and operational. The ruling process should include specific time limits for rulings and an opportunity to appeal those rulings. Rulings could include: a) classification of goods; b) determinations of value; c) marking and labeling; d) quotas; and e) any other admissibility requirement.
- d) Establish a surety bond system to allow for entry of goods with payment of duties to be delayed and identify financial institutions that will underwrite surety bonds for international trade (similar to the ATA Carnet system of the International Chamber of Commerce but expanded to include all goods entry).

### 4. Paperless and/or Automation of Trade-related Procedures

*Objective: To reduce paper documents for trade-related procedures and automate/computerize trade-related procedures*

Actions

- a) Establish national single-windows consistent with the outcomes of the 2007 APEC Single Window Initiative that use internationally endorsed standards and build on international developments including ASEAN Single Window.
- b) Simplify procedures and reduce the requirements for paper documentation in Customs clearance.
- c) Ensure measures to replace paper documents for cross-border trade administration with electronic equivalents that are media and technology neutral, and secure and interoperability with and between all parties involved in the international supply chain of goods and services.
- d) Adopt standardised and simplified common data elements and formats in accordance with WCO data model

### 5. Harmonization of Tariff Structure with the HS Convention

*Objective: To ensure consistency of application, certainty and a level playing field for business through the HS Convention of the WCO, the standard international harmonization system for the classification of goods*

Actions

- a) Fully implement the HS Convention and incorporate the HS 2007 changes.
- b) Adopt laws/regulations to provide binding tariff classification to importers and ensure consistent and uniform application of the HS, by providing the WCO HS Explanatory Notes in local languages to relevant parties including front line customs officers.
- c) Build capacity of Customs laboratories and officials in charge of classification.

### 6. Appropriate, Transparent and Predictable Trade-related Procedures

*Objective: To realize appropriate, transparent and predictable trade procedures through consistent and non-discriminatory application and implementation of trade-related laws and regulations*

Actions

- a) Enhance capacity and integrity of Customs officials.
- b) Implement customs and other trade-related laws/regulations in a consistent and uniform manner across the economy and avoid any inappropriate exercise of discretion by Customs and other trade-related administration officers.
- c) Prevent the delay in the issuance of trade-related documents and procedures under customs purview for cross-border flow of goods and for reimbursement of customs duties and taxes.



## 2007 APEC Customs-Business Dialogue (ACBD)

Identifying future trade facilitation opportunities

Delegates from business and customs administrations around the region participated in the 2007 APEC Customs-Business Dialogue (ACBD) on 29 June 2007.

The theme of this year's ACBD was "Identifying future trade facilitation opportunities".

The ACBD was chaired by Mr Neil Mann, Deputy CEO of Australian Customs and featured addresses from the Australian Minister for Justice and Customs, and Mr Mark Johnson, Deputy Chairman of Macquarie Bank and member of the APEC Business Advisory Council (ABAC).

ABAC strongly supports the work of the SCCP, particularly the:

- single window initiative
- building of stronger coalitions between APEC customs administrations and business sectors, and
- development and harmonisation of standards throughout APEC economies

At the ACBD delegates agreed that trade facilitation is an important driver for liberalisation and growth. But delegates also demonstrated concern for ensuring that the current focus on security should not jeopardise the progress that has already been made on trade facilitation.

Establishing partnerships with business makes it easier to align customs requirements with end-to-end business operational models. Delegates discussed how customs administrations and business sectors could work together to ensure that assessed security risks are addressed while trade facilitation levels are maintained or increased.

## 2007 APEC Customs-Business Dialogue (ACBD)

Tracking and facilitating cross-border shipments

Delegates to the ACBD supported the commencement of an APEC Interim Pathfinder Initiative to assess the feasibility of implementing mechanisms for tracking cross border shipments as a means to improve visibility of the supply chain. Two known mechanisms that will be explored are unique consignment reference (UCR) and radio frequency identification (RFID) devices.

Representatives from CHEP Asia-Pacific, DHL Express, GS1 Australia, Hunt and Hunt Lawyers and UPS discussed their experiences with pilot projects incorporating barcodes, RFID and UCR to track and facilitate shipments, and the legal considerations and other issues surrounding implementation of such mechanisms.



**James Goh, Region Vice President, International Trade Services**  
*UPS, Asia-Pacific Region*

The mechanism for tracking cross border shipments has benefits for both customs and business. For customs, it enables them to have a more comprehensive approach in monitoring risks to their border. For business, it is an issue of certainty. Certainty means managing costs and offering transparency and superior service to the customer. This is also an important criterion to promote trade facilitation. That's the reason why the feasibility study on mechanisms for tracking cross border was fully endorsed by the business community during the APEC Customs-Business Dialogue.



**Andrew Hudson, Partner**  
*Hunt and Hunt*

The information which business has and the information which customs and other border authorities require don't necessarily coincide. So, can they meet cooperatively in the middle to come up with a data set which satisfies both parties and ensures that the goods cross the border?

It is important that customs and border authorities actually put pilot programs in place and work through them with industry carefully before they decide whether to implement them. Otherwise you can have government dictating to industry in a way which may not be efficient.

It's good that the SCCP is developing this pathfinder program and has committed to engage with private industry, brokers, forwarders and importers and exporters to ensure that it works.

The mechanisms customs are using will ensure the supply chain is more closely monitored, thereby giving customs a greater sense of security. Business benefits too. It tracks what's happening in the supply chain, it helps with inventory management, and it helps with customs duty planning.

Business has already benefited from programs coming out of forums such as APEC, the breeding ground in which the ideas are being created and implemented. For example, under the SCCP- inspired Authorized Economic Operator program those who satisfy government criteria can secure benefits including more advantageous reporting procedures, expedited clearance of goods, priority in clearance in the event of an interruption to trade and potential duty and tax deferral. The other significant benefit of the model in such regions as APEC is that those who secure the relevant standing in one economy can secure mutual recognition in other countries with all the same benefits as in their "home" economy".



**Alec Triakash, Director of Logistics, Automotive Services**  
*CHEP Asia-Pacific*

Once customs and business understand each others' own unique pressure points, we can work collaboratively to develop a framework for ensuring that each party's requirements are met.

The pathfinder for tracking cross-border shipments is an excellent initiative. Using technology like radio frequency identification (RFID) in the feasibility study would give customs authorities a reporting mechanism to provide evidence for the arrival and departure of particular shipments on particular dates. But there is an awful lot of hype in the industry about RFID now. It's not realistic to expect that every point in the supply chain across Asia-Pacific would be RFID enabled.

We need to approach the project with realistic goals, have an open mind, and not over-engineer the supply chain. If we really want to make progress quickly, economies should focus on harmonization to make sure that, for example, temporary importation schemes are standardized across the region.

At the same time, we also need to be mindful of the security element. Balancing the needs of business with the needs of safeguarding homeland security is a big challenge.

The APEC Customs-Business Dialogue is effective because of its structured working groups with defined goals and timelines. What we need are solutions that reflect the fact that goods no longer move along simple trade lanes. Working collaboratively for a regional solution will enable a lot of these trade barriers to come down quickly.



**Raymond Yee Woon Ming, Vice President, Customs and Regulatory Affairs**  
*DHL Express*

Within the APEC region, there is still much scope to enhance the customs-business partnership; businesses' objectives are not incompatible with Customs'. A change of perspective is necessary. Building mutual trust is important to support individual trade facilitation initiatives. New customs initiatives should not be an impediment to business. We welcome open and constructive discussions with Customs authorities on these. Besides high level dialogues, if we're serious about making policy changes, then we need to get into the nitty-gritty at the working group and technical levels. Only with a commitment to change policies as a group would we see tangible benefits.

Security concerns have overtaken a lot of the discussions which APEC had on facilitation and liberalization. The impact of security measures must be considered otherwise we could do away with all the work done on liberalization within APEC over the years.



## 2007 APEC Customs-Business Dialogue (ACBD)

Identifying impediments to trade

Delegates to the ACBD considered methods of measuring the time taken for the release of goods, as a mechanism to identify and remove impediments to trade.

Discussions highlighted the economic impact of trade facilitation improvements, particularly for developing economies, noting that even modest improvements can have a significant impact.

In Japan time-release surveys (TRS) conducted over the last 16 years have resulted in tangible benefits for both customs and business through identifying bottlenecks and opportunities for structural reform. Implementation of TRS is a major activity on the SCCP work program and a feature of TFAP II.

Delegates agreed that business participation is key to the collection of correct and complete data, verification of assumptions, and broad acceptance of survey results.



**Evdokia Moise-Leeman, Senior Trade Policy Analyst**

*Trade Liberalization and Regulatory Issues, Trade and Agriculture Directorate  
Organization for Economic Cooperation and Development (OECD)*

In the context of trade facilitation, there are whole series of non-tariff barriers that intervene. Acting upon these will improve the situation and move economies down the path of trade facilitation. The more quickly goods move, the more difficult it becomes for the customs administrations and other border agencies to process information in advance.

But time-release surveys identify the different pieces of the puzzle to allow for more cooperation among the different agencies. It helps to facilitate and expedite movement. If there is cooperation and if there is transmission, certain information can be shared with relevant authorities to make things easier.

Transparency is the key word. Customs administrations should give businesses an indication of how much time it will take to process goods. It is very important, especially for those in the express industry, to have predictability so that they can factor it into their process.

Priorities are dictated by the objective to smooth the flows of trade. To make further efforts in the areas of harmonization and standards, sharing information demands a certain level of confidence. This is something that could be brought about more easily in APEC than anywhere in the world.



**Daizo Nakayama, Managing Director**

*Japan Customs Broker Association*

The lead time for sea cargo has been drastically reduced from 7 days in 1991 to 3 days in 2006. With Customs as the main player, the time-release survey has allowed Japan to identify impediments to trade and re-engineer its programs. As customs brokers we very much appreciate initiatives like streamlined clearance procedures. For example, the pre-arrival examination system allows an importer to lodge the declaration itself before the ship's arrival. Customs then examines the content of the declaration so the import permission would be given very smoothly. Every member of APEC can do such surveys.



**Yumiko Tanabe, AEO Specialist**

*AEO Center, Japan Customs*

Since just-in-time delivery of goods has become more important for business, time reduction required for trade related procedures brings significant benefits not only to trading businesses but also to all parties involved in the supply chain.

Time-release survey (TRS) is a useful tool to identify bottlenecks in customs and other agency related procedures and to improve their efficiency and effectiveness. Japan has conducted TRS eight times since 1991, and we have shared our experience through workshops.

Discussion at the ACBD provides a good opportunity to exchange views with the business sector. In the dialogue, we discussed the economic impact of trade facilitation improvements to promote economic growth and development and recognised the importance of further facilitation and simplification of procedures. At the same time, secure trade is one of the most important issues after September 11, and it requires a certain time for cargo inspection.

In order to achieve both trade facilitation and secure trade, the ACBD will continue playing an important role for APEC officials and business sectors..



**James Goh, Region Vice President, International Trade Services**

*UPS, Asia-Pacific Region*

Time-release surveys examine current processes to find bottlenecks and barriers across the entire supply chain. It goes beyond customs and includes all of the stakeholders.

ACBD participants agree that customs-business partnerships are required to meet demands for increased security while at the same time facilitating legitimate trade. Partnerships such as the Authorized Economic Operator (AEO) program offer businesses an opportunity to achieve faster customs clearance and the release of goods because everything is synchronized and this also helps further secure trade.

Ultimately, it will also lead us closer to the implementation of an APEC Single Window. At the end of the day, the work meets APEC Ministers' desire to reduce transaction costs by another 5%, a great benefit to business.



**Neil Mann, Deputy CEO, Passenger and Trade Facilitation**

*Australian Customs Service*

A driving focus for government in the implementation of any trade facilitation agenda must be to ensure that border security and community protection responsibilities are managed effectively while, at the same time, facilitating the legitimate movement of goods.

Australian Customs is committed to working with industry to ensure that as far as possible, we embed our border protection approaches within industry business models. We are also conscious of the desired trade facilitation outcomes expressed by industry. Some of these include:

- Increased certainty and predictability of cargo movement and availability
- Improved timeliness of cargo clearance and release for low risk traders
- Minimising duplication of reporting similar cargo security information to multiple agencies
- Making it easier and more cost effective to interact with trade related government agencies, and
- To give a level of assurance that in the event of an incident to the supply chain, the disruption to low risk traders can be minimised

The APEC Customs-Business Dialogue has given us the opportunity to engage with industry and work together on initiatives such as time-release survey to identify future benefits for Customs and business.



### **APEC Framework for Secure Trade**

SCCP members continued implementation of the APEC Framework for Secure Trade throughout 2007. Australia; China; New Zealand; Singapore; Chinese Taipei; United States; and Viet Nam all reported progress.

The fundamental concept of the Framework is to create an environment for the secure and efficient movement of goods, services, and people across borders in the region through policy alignment and economic and technical cooperation. The complementary goals of security and facilitation may only be achieved through cooperative arrangements between all stakeholders.

An Authorised Economic Operator (AEO) pilot program is underway in Australia. The pilot has allowed Australia to refine processes to ensure that the program fits in with business practices as well as customs processes. The program model is based on self-assessment against a set of criteria, with ongoing review and recertification every three years. Australia learnt that flexibility and adaptability are two key features of an effective AEO program, and success is dependent on the committed participation of the business sector.

Another key component of Australia's pilot is the progress towards mutual recognition in cooperation with New Zealand. One of the clearest benefits that customs can offer to industry is the assurance that international cargo can continue to move in the event of a security incident. Mutual recognition of each economies' AEO programs is an important factor in this assurance.

China is working with the European Union on a Smart and Secure Trade Lanes pilot project, which incorporates advance manifest information exchange, mutual recognition of container inspections and the use of e-seals.

New Zealand and United States highlighted the achievements of customs-to-customs partnerships consistent with the first pillar of the APEC Framework. The New Zealand and United States customs-to-customs network arrangements result in recognition of each customs administration's cargo inspection authority and methods, use of advance electronic information and targeting, security assessments and employee integrity.



## APEC Framework for Secure Trade

Singapore formally launched its AEO program "Secure Trade Partnership" in May 2007 after the successful completion of a pilot program. The objectives of the program are to raise awareness of the importance of adopting a total supply chain approach to cargo security; to encourage companies to be actively involved in securing their own supply chains and processes; to enhance the security of the global supply chain and prevent disruptions to the smooth flow of goods; and to profile Singapore as a secure trading hub.

The STP program is open to all players in the supply chain (importers, exporters, logistics providers, terminal operators etc). Business operation models, sizes and risks vary across the different nodes in the supply chain and across different industries. The STP recognises these differences and allows for flexibility and customisation of security profiles based on companies' business models. Singapore is conducting outreach programs to create awareness on the STP.

Singapore is also planning to conduct future work on mutual recognition with Australia, New Zealand and the United States.

Implementation of the e-Manifest Demonstration Project in Viet Nam continues. The project has been implemented in the air express cargo environment and will be extended to other transportation modes in the future. The SCCP agreed that the system developed under the Demonstration Project is a good model that would have broad application in the APEC region.

For other economies that are not as advanced in their implementation of the APEC Framework, the United States is leading capacity building work in the SCCP. A seminar examining essential legal authorities required to implement the APEC Framework was held in Thailand in July 2007. Another two seminars are planned for the near future on the establishment of AEO programs and supply chain security specialist training.



### IPR Enforcement

Protection of intellectual property rights (IPR) is a global priority of groups such as the G8, World Customs Organization (WCO) and World Trade Organization (WTO). APEC economies too have been increasing their efforts to strengthen enforcement practices to address the growing problem of counterfeit and pirated goods moving across borders.

2007 signified the beginning of closer cooperation between the SCCP and other APEC sub-fora, including the Intellectual Property Experts' Group (IPEG). Representatives from IPEG attended both SCCP meetings in 2007 to discuss ways to enhance border enforcement of IPR.

The two groups collaborated on a best practices paper to provide APEC economies with information on a number of innovative techniques currently in use or under development in the area of IPR border enforcement. This information exchange can both provide lessons learnt to those already using these techniques and act as a useful resource to those economies that are contemplating and developing such techniques.

In recent years, some economies have begun adopting new and innovative techniques for analysing risk and selecting shipments for examination, intercepting and detaining suspect shipments, and seizing shipments containing IPR infringing goods at the borders. Seizure data, for example, is being collected and researched, and this data is used as a tool for future interdictions and for assisting efforts to improve border enforcement through international cooperation.

While trade in IPR infringing products continues to increase, these innovative techniques are proving successful in helping stem the tide. It is also important to note that enforcement action requires the support of the rights holders for training customs officers in identification of counterfeit goods.

The close cooperation between IPEG and the SCCP will continue with the first joint session of the two groups planned for early next year as part of APEC 2008 in Peru.

## Information Sharing

### APEC Tariff Database

The availability of information on customs matters is one of the key elements of trade facilitation. The trade community often needs more specific information, especially about tariffs in foreign markets, when making important business decisions.

In order to provide more accessible trade information, APEC operates the tariff database website based on the Harmonized Commodity Description and Coding System (HS), which is the international language of trade. It provides users with easy access to APEC member economies' tariff schedules, concessions, prohibitions and other information.

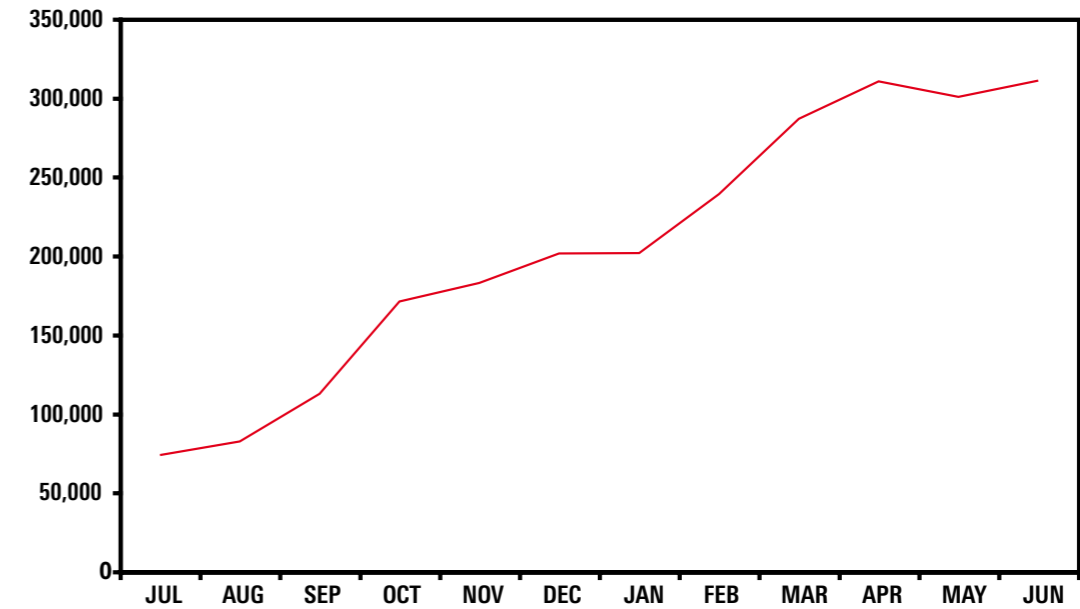
Tariff data in this database is reproduced with the permission of the WCO and APEC member economies, and with support from the APEC Secretariat and Federal Express.

APEC Tariff Database - <http://www.apectariff.org>

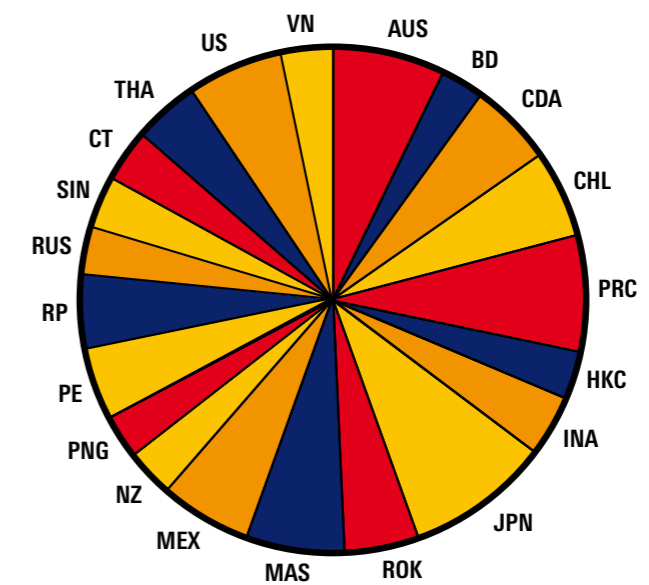


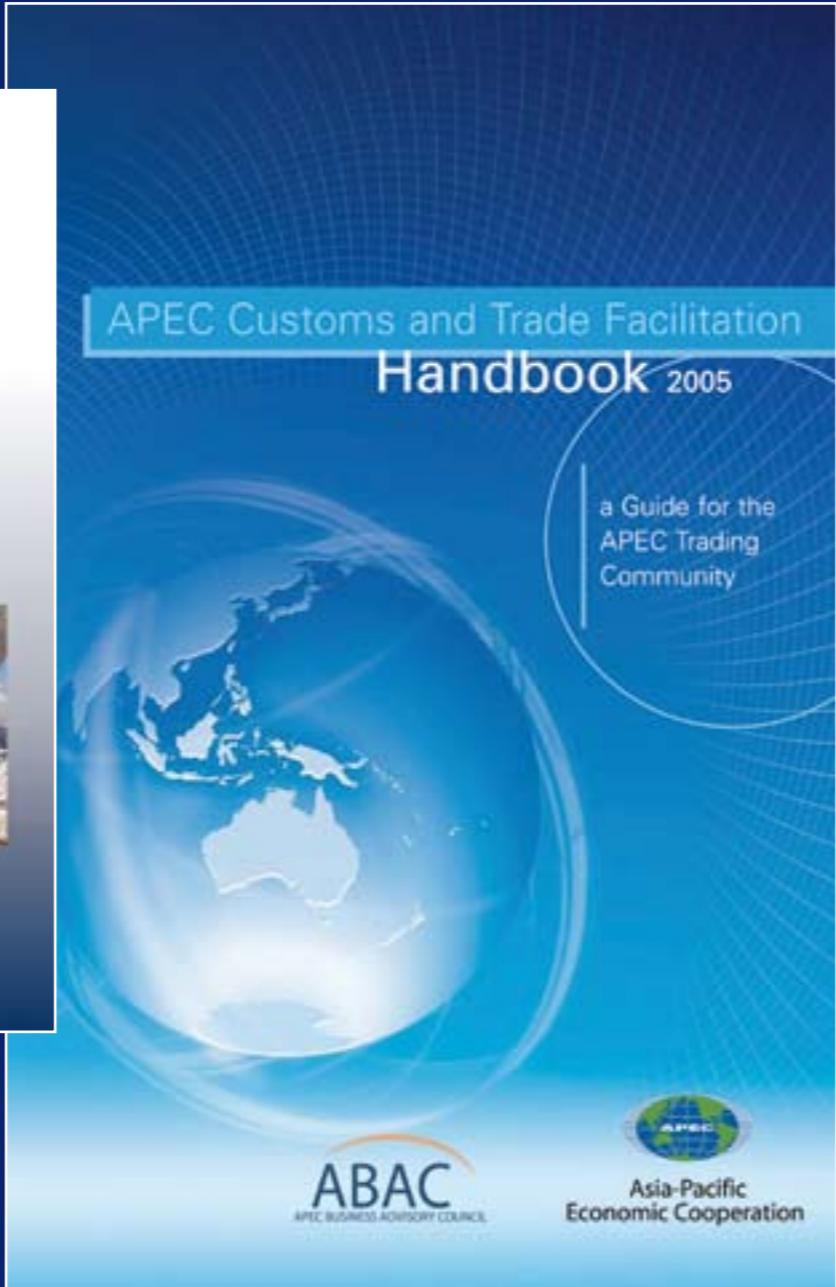
## APEC Tariff Database Usage July 2006 - June 2007

Total Number of Database Searches



Breakdown of Database Searches by Economy Tariff





**Information Sharing**

Publications

Publications are available for download from the APEC Secretariat at [http://www.apec.org/apec/publications/all\\_publications/committee\\_on\\_trade.html](http://www.apec.org/apec/publications/all_publications/committee_on_trade.html)

**Customs-Business Partnership Programmes, September 2006**

This handbook, containing information on 74 partnership programmes and 16 successful showcases, is compiled by Hong Kong, China for reference by all members. It also serves as a useful guide for those who are planning to expand their existing partnership programmes or implement new partnership programmes. APEC#206-CT-03.5, 173pp



**Intellectual Property Rights Enforcement Strategies Report, September 2006**

This document is intended as a reference tool for customs administrations and businesses in the APEC region. APEC#206-CT-01.4, 35pp



**Trade Facilitation (Shanghai Accord) Report, September 2006**

The final report is an extension and more comprehensive version of the SCCP trade facilitation mid-term report. It provides qualitative examples of initiatives undertaken by SCCP members to reduce trade transaction costs. To make the report more relevant to business, the final report links the examples of SCCP members with the priorities for customs administrations that have been identified by the APEC Business Advisory Council. APEC#206-CT-01.5, 74pp

**APEC Customs and Trade Facilitation Handbook 2005**

APEC Business Advisory Council (ABAC)'s 2005 Trade and Investment Liberalization & Facilitation Working Group and the APEC Sub-Committee on Customs Procedures (SCCP) present this APEC Customs and Trade Facilitation Handbook. This handbook is a small but very tangible step toward enhancing trade facilitation by providing greater transparency of the various APEC economies' customs agencies' laws and regulations, and procedures to procuring advance customs rulings. It also provides a checklist of various provisions that businesses have at their disposal when planning to trade with a particular APEC economy. APEC#205-CT-03.2, ISBN 981-054646-7, 60pp



**The Revised Kyoto Convention: A Pathway to Accession and Implementation, September 2003**

A Guidebook for APEC economies to assist them to become contracting parties to the International Convention on the Harmonisation and Simplification of Customs Procedures. APEC#203-CP-01.2



### SCCP Reform

In 2007 the SCCP concluded implementation of a range of measures to strengthen and improve its practices. As a result of these reforms there is now more guidance available to the SCCP Chair, as well as the leaders of items in the SCCP's collective action plan (CAP).

One set of measures focused on establishing mechanisms for setting SCCP priorities and aligning them to broader APEC priorities. To this end, the SCCP created a small group known as the "Friends of the Chair" to support the incoming SCCP Chair and identify priorities and key activities for the coming year.

The SCCP also now has:

- A flexible meeting agenda focused on producing outcomes
- An annual work program and progress reporting mechanism
- New terms of reference for all SCCP working groups and CAP items
- Terms of reference templates to be used for new working groups and CAP items
- Defined roles and responsibilities for CAP item leaders and co-leaders
- Access to the APEC Information Management Portal to promote intersessional discussion and timely consideration of issues



## SCCP Collective Action Plan

### Ongoing Work

#### Harmonisation of Tariff Structure with the HS Convention

Commenced	1994	Leader	Japan
		Co-leaders	Korea; Papua New Guinea
Goal	<ul style="list-style-type: none"> <li>The accurate, consistent and uniform application of the HS Convention by all APEC member economies</li> </ul>		

#### Simplification and Harmonisation on the basis of the Revised Kyoto Convention

Commenced	1995	Leader	New Zealand
		Co-leader	Japan
Goal	<ul style="list-style-type: none"> <li>Simplified and standardised customs procedures implemented by all APEC member economies</li> </ul>		

#### Harmonised APEC Data Elements

Commenced	1996	Leader	Canada
		Co-leader	Australia
Goal	<ul style="list-style-type: none"> <li>The development of a comprehensive, harmonised and simplified set of trade data elements, supported by UN/EDIFACT, which will satisfy the requirements of the majority of APEC trade transactions</li> </ul>		

#### Integrity

Commenced	1999	Leader	Australia
		Co-leader	Hong Kong, China
Goal	<ul style="list-style-type: none"> <li>More accountable, consistent, reliable and transparent customs administrations</li> </ul>		

#### Implementation of APEC Framework based on the WCO Framework of Standards to Secure and Facilitate Global Trade

Commenced	2005	Leader	United States
Goal	<ul style="list-style-type: none"> <li>For APEC member economies to adopt and implement the provisions contained within the APEC Framework for Secure Trade</li> </ul>		

#### Time-Release Surveys (TRS)

Commenced	2005	Leader	Japan
		Co-leaders	Indonesia; Korea
Goal	<ul style="list-style-type: none"> <li>Contribution to further trade facilitation by reducing costs and time in the transaction of goods</li> </ul>		



## SCCP Collective Action Plan

### Previous Work

Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings			
Commenced	1995	Leaders	Hong Kong, China; Singapore
Concluded	2007		
Goals	<ul style="list-style-type: none"> <li>To improve transparency of APEC customs administrations</li> <li>To enhance APEC customs administrations' competency in the dissemination of information on customs laws, regulations, procedures, rulings and guidelines provided to the business sector on an ongoing basis</li> </ul>		

Adoption and Support for the UN/EDIFACT / Paperless Trading			
Commenced	1996	Leader	Australia
Concluded	2006		
Goals	<ul style="list-style-type: none"> <li>The implementation by member administrations of UN/EDIFACT international electronic messaging standards as the basis for their computerisation programs</li> </ul>		

Adoption of the Principles of the WTO Valuation Agreement			
Commenced	1996	Leader	Canada
Concluded	2004	Co-leader	United States
Goals	<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>		

Adoption of the Principles of the WTO Intellectual Property Rights (TRIPS) Agreement			
Commenced	1996	Leader	United States
Concluded	2001		
Goals	<ul style="list-style-type: none"> <li>A strategic program designed and developed to implement the Agreement by members, in a timely and orderly manner and to meet international obligations under the Agreement</li> </ul>		

Introduction of Clear Appeals Provision			
Commenced	1996	Leader	Canada
Concluded	2005	Co-leader	Philippines
Goals	<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>		

Introduction of an Advance Classification Ruling System			
Commenced	1996	Leader	New Zealand
Concluded	2004	Co-leader	Korea
Goals	<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 member economy</li> </ul>		

Provisions for Temporary Importation e.g. acceding to the A.T.A. Carnet Convention or the Istanbul Convention			
Commenced	1996	Leader	United States
Concluded	2001	Co-leader	Chinese Taipei
Goals	<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 documents 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>		

Risk Management Techniques			
Commenced	1997	Leader	Australia
Concluded	2006	Co-leader	United States
Goals	<ul style="list-style-type: none"> <li>To focus customs enforcement efforts on high-risk goods and travellers and facilitate the movement of low-risk shipments, through a flexible approach tailored for each APEC member economy</li> <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>		

Guidelines on Express Consignments Clearance			
Commenced	1997	Leader	United States
Concluded	2001	Co-leader	China
Goals	<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>		

Customs-Business Partnership			
Commenced	2001	Leader	Hong Kong, China
Concluded	2007	Co-leaders	Mexico; Chinese Taipei
Goals	<ul style="list-style-type: none"> <li>The development of Customs-Business Partnership with the relevant players/parties in the business sector through the signing of MOUs or other instruments of cooperative arrangement</li> <li>The establishment of permanent and regular liaison/consultation channels between customs and the relevant players/parties in the business sector</li> </ul>		



## SCCP Contacts

	Website	Email
Australia	<a href="http://www.customs.gov.au">www.customs.gov.au</a>	<a href="mailto:international@customs.gov.au">international@customs.gov.au</a>
Brunei Darussalam	<a href="http://www.customs.gov.bn">www.customs.gov.bn</a>	<a href="mailto:info@customs.gov.bn">info@customs.gov.bn</a>
Canada	<a href="http://www.cbsa-asfc.gc.ca">www.cbsa-asfc.gc.ca</a>	<a href="mailto:cbsa-asfc@canada.gc.ca">cbsa-asfc@canada.gc.ca</a>
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New Zealand	<a href="http://www.customs.govt.nz">www.customs.govt.nz</a>	<a href="mailto:feedback@customs.govt.nz">feedback@customs.govt.nz</a>
Papua New Guinea	<a href="http://www.customs.gov.pg">www.customs.gov.pg</a>	<sup>3</sup>
Peru	<a href="http://www.sunat.gob.pe/aduanas/version_ingles/">www.sunat.gob.pe/aduanas/version_ingles/</a>	
Philippines	<a href="http://www.customs.gov.ph">www.customs.gov.ph</a>	<a href="mailto:BOCcommissioner@customs.gov.ph">BOCcommissioner@customs.gov.ph</a>
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Chinese Taipei	<a href="http://eweb.customs.gov.tw">http://eweb.customs.gov.tw</a>	<sup>3</sup>
Thailand	<a href="http://www.customs.go.th">www.customs.go.th</a> <sup>1</sup>	<sup>3</sup>
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- <sup>1</sup> These websites open in local language, however English version is available by selecting relevant link on the homepage
- <sup>2</sup> These websites available in local language only
- <sup>3</sup> Online information request available from website

## Acronyms

APEC	Asia-Pacific Economic Cooperation
ABAC	APEC Business Advisory Council
ACBD	APEC Custom-Business Dialogue
ASEAN	Association of South East Asian Nations
ATA Carnet	Carnet Admission Temporaire / Temporary Admission Carnet
CAP	Collective Action Plan
CTI	Committee on Trade and Investment
EDI	Electronic Data Interchange
FACTS	Facilitation, Accountability, Consistency, Transparency, and Simplification
G8	Canada, France, Germany, Italy, Japan, Russia, United Kingdom and United States
HS	Harmonized Commodity Description and Coding System
IAP	Individual Action Plan
IATA	International Air Transport Association
IBCC	International Bureau of Chambers of Commerce
IPR	Intellectual Property Rights
MOU	Memorandum of Understanding
OECD	Organization for Economic Cooperation and Development
ROO	Rules of Origin
SCCP	Sub-Committee on Customs Procedures
SOM	Senior Officials or Senior Officials' Meeting
TILF	Trade and Investment Liberalization 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 Organization
WTO	World Trade Organization



**Asia-Pacific  
Economic Cooperation**

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