



**Asia-Pacific
Economic Cooperation**

**Best Practices on Critical Issues in the
Asia-Pacific Region for the
Implementation of the World Trade
Organization Agreement on Trade
Facilitation**

**Lima, Peru
20-21 August 2016**

Committee on Trade and Investment

December 2016

APEC Project: CTI 12 2015A

Produced by
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APEC#217-CT-01.8

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EXECUTIVE SUMMARY

The Project¹ was conceived to contribute to the APEC Supply Chain Connectivity Framework, focused on enhancing the performance of supply chains across the region. The Project's focus was to identify critical issues related to trade facilitation measures in the APEC economies within the context of the World Trade Organization ("WTO") Agreement on Trade Facilitation ("TFA"). The goals of the Project were to assess APEC Member Economy readiness for TFA implementation, to foster the exchange of knowledge on best practices, technical approaches and lessons learned by Member Economies on the path to TFA implementation, and to serve as baseline guidance for policy makers in the Asia-Pacific Region to focus discussions and concrete actions for the prompt implementation of the TFA.

The initial task of the Project involved formulating a survey focused on key trade facilitative measures of Section 1, Articles 1 through 12 of the TFA. The survey was formulated in such a way as to enable the evaluation of APEC Member Economy readiness for TFA implementation in an objective manner, while at the same time gathering subjective information from respondents on obstacles encountered in relation to specific TFA measures and recommendations and advice on potential best practices which could be of use to other APEC Member Economies. The survey was distributed to the APEC Member Economies and ABAC representatives with a request for response by July 2016 (the response period was subsequently extended to 30 August).

Workshop on Best Practices on Critical Issues in the Asia-Pacific Region for the implementation of WTO Trade Facilitation Agreement were held in Lima on 20-21 August 2016, as part of the Committee on Trade and Investment (CTI) activities carried out during the third APEC Senior Officials' Meeting. The two days of sessions included presentations and panel sessions focused on the TFA by representatives of the host Economy, Peru, and multilateral agencies, including the WTO, the WCO, the OECD, and UN/CEFACT, and a report on the initial results of the survey. The workshop participants included representatives from public sector administrations and private sector stakeholders from 20 APEC Member economies (Australia; Brunei Darussalam; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States; and Viet Nam), as well as a number of representatives from multilateral organizations and academia. The second day of workshop sessions was focused on group work on defining critical issues and recommendations in the context of TFA implementation².

This Final Report summarizes the stages in Project development from formulation of the survey, collection of survey results, through the conduct of the August, 2016 workshop and their outcomes. A survey results highlights overview is included, which outlines survey findings in selected key topic areas as is a summary of the workshop outcomes, by focus area and topic. In the conclusions section, key critical issues (and associated recommendations) identified within the Project are briefly described, and the relevant best practices suggested by specific Member economies are also cited. Finally, a set of general recommendations are provided aimed at paving the way for further analysis

¹ Proposed by Peru and co-sponsored by Malaysia; Mexico; Philippines; Singapore; and the United States.

² The full listing of groups and their contributions are contained in Annex 5.

and cooperation in the Project's area of focus, to further progress and expand on the results of this work.

1. INTRODUCTION & PROJECT BACKGROUND

The Project's focus is on identifying critical issues related to trade facilitation measures in the APEC member economies within the context of the World Trade Organization ("WTO") Agreement on Trade Facilitation ("TFA"). A large majority of APEC member economies have deposited their instruments of acceptance of the TFA with the WTO, and it is expected that the agreement will achieve the threshold number of WTO member acceptances by early 2017, at which point it will go into effect. The goals of the Project were to assess APEC member economy readiness for TFA implementation, to foster the exchange of knowledge on best practices, technical approaches and lessons learned by member economies on the path to TFA implementation, and to serve as baseline guidance for policy makers in the Asia-Pacific Region to focus discussions and concrete actions for the prompt implementation of the TFA.

The Project was designed to contribute to the APEC Supply Chain Connectivity Framework, focused on enhancing the performance of supply chains across the region. It also contributes to the APEC Customs 3M Strategic Framework, which promotes the implementation of the WTO TFA, and to the work plan to "Adopt effective trade facilitation measures" under the APEC Strategic Blueprint for promoting Global Value Chains Development and Cooperation.

APEC has been engaged in the promotion of trade facilitation since the 1990s. Nevertheless, work remains to ensure that all APEC member economies are able to adopt transparent trade policies consistent with full implementation of the TFA, and by doing so embrace a unique opportunity to reap the benefits from expanded and facilitated trade, creating employment and contributing to welfare at the local level. Once the TFA goes into effect, WTO members with "Developed Economy" status are expected to have already achieved compliance with measures prescribed by the TFA, while members with "Developing" or "Least Developed" status will be granted a transitional period in accordance with the provisions of Section II for progressive implementation of measures which they notify the WTO as being in Categories A, B or C, respectively (the period of transition is the longest for Category C). Some of the APEC member economies have already notified the WTO of measures to which they intend to apply the transitional provisions of Section II (see Annex 1).

Specific objectives of the Project were to give APEC member economies a forum for identification of their own critical issues in relation to the TFA in a collaborative setting, as well as to assist in and benefit from the identification of critical issues of other economies. The intent was to enable member economies to learn from each other in order to avoid obstacles on the path to TFA implementation, and to take into account past experiences from all economies, thereby fostering identification and sharing of best practices from member economies that have already implemented trade facilitation measures. The Project was also focused on identifying viable standards on trade facilitation-related issues, for example those from the World Customs Organization or other multilateral sources, and on harmonizing work in critical areas on measures that address priority development and implementation objectives.

2. SURVEY & METHODOLOGIES EMPLOYED

The initial task of the Project involved formulating a survey focused on key trade facilitative measures of Section 1, Articles 1 through 12 of the TFA. The survey was formulated in such a way as to enable the evaluation of APEC member economy readiness for TFA implementation in an objective manner, while at the same time gathering subjective information from respondents on obstacles encountered in relation to specific TFA measures and recommendations and advice on potential best practices which could be of use to other APEC member economies. The draft survey questionnaire was distributed to the APEC member economies by the APEC Secretariat in late May, 2016, with a request for review and feedback by the second week in June.

In light of feedback received, a revised final version of the Survey Questionnaire was distributed in document (see Annex 2) and on-line form to a list of potential respondents, including APEC member economies and ABAC representatives, with a request for response by July 12, 2016 (the response period was extended at member economy request, with some responses not received until late August; the large majority were, however, received prior to the Workshops held on August 20 and 21, 2016). The survey as distributed encompassed in excess of 200 questions/response requests, including an initial set of questions focused on respondent details. The majority of substantive questions were aimed at both public and private sector respondents, with some being focused primarily on public sector respondents. Survey responses were elicited via questions and follow-on informational requests falling into the following 4 types:

1. Closed question format:

A limited set of predefined answers is provided for respondents to choose the most suitable one (e.g. Yes or No, Fully Implemented, Partially Implemented) or provide a pre-formatted input (for example, a date of implementation).

2. Likert Scale questions:

The respondent selects from a range, for example levels of impact of a particular measure on trade facilitation related to one or more TFA measures; these questions are often paired with an initial response on a particular measure in a closed question format.

3. Open question format:

The respondents are requested to elaborate on their answers to a specific question by stating supporting information (e.g.: by stating issues identified, recommendations, examples, data, sources, references, webpage links to relevant documentation).

4. Additional Comments:

At the end of each set of questions, respondents are given the opportunity to make Additional Comments, intended to enable them to clarify or elaborate on their answers by including additional background, explanations, examples or any other relevant information.

3. SURVEY RESULTS

As noted above, the timeframe for the survey response collection was originally limited to July 20th, 2016, and most responses were collected by early August; however, an extension was granted for several responses up until August 30, 2016.

In total, completed survey responses were received from 34 public and private-sector entities, representing the following 14 APEC member economies:

Brunei Darussalam
Chile
China
Hong Kong, China
Indonesia
Japan
Korea
Malaysia
Mexico
Peru
Russia
Chinese Taipei
Thailand
United States

All of the above APEC member economies provided a response from government; in some cases, member economies provided responses from more than one government agency (China, Malaysia, Peru, Korea); private sector responses were received from organizations in 4 member economies (Japan; Malaysia; Mexico; Peru), in each of these cases 2 or more private-sector organizations responded, for a total of 15 private sector responses. Responses were collected and compiled into a results overview, which divided the survey results in 38 key topic areas, each of which represents a particular area of focus in Articles 1 through 12 of the TFA. Where multiple responses were received from a particular member economy/sector category, results were amalgamated (averaged) for purposes of statistical analysis; differing responses within the same economy/sector were noted, and comments from all respondents were preserved for review.

The results overview was presented in draft form during the August 20/21 workshop in Lima; the final version (attached as Annex 3) incorporates the results from all survey responses in the 38 topic areas, including those received after the date of the workshops.

Most survey responses were comprehensive, addressing all questions and informational requests, and many respondents offered extensive comments noting obstacles and challenges to implementation in particular areas, as well as advice on best practices. Of note were the many instances where developing countries, having lodged notifications with the WTO of the need for transitional periods (see Annex 1) for particular provisions, reported full or nearly complete implementation of measures in the notified area, indicating that significant work was being done to prepare for TFA implementation.

Also of interest were numerous examples of differing responses from public and private sector participants in the same member economy; in some cases differing responses were received from different government agencies in the same Economy. In many cases, public sector respondents

evaluated the level of implementation of particular measures as higher than did the private sector respondents from the same economy. In some cases, it appeared as if differing responses were simply the result of differing understandings of the underlying issue being addressed by the TFA measure in question, but in some cases the comments underlined that there are genuine differences of view in terms of evaluation of TFA measure implementation between public and private sector in certain member economies, and this phenomenon was also evident in certain divergent results from public and private sector respondents on the impact particular measures on trade facilitation in general.

The results indicate that APEC member economies are well along in terms of full implementation of TFA measures corresponding to approximately 20 of the 38 key topic areas, where both public and private sector respondents indicated full implementation at a level of 80% or higher. In a few cases (e.g. topics 12: Prior Disclosure as a Mitigating Factor and 37: Measures to Facilitate Transit), public sector responses on implementation were significantly divergent from private sector responses on the same topic, and in a few others, high ratings on implementation status were contrasted in the comments with evident disagreement or controversy, or difficulties in how to interpret the relevant TFA provision (e.g. topics 29: Formalities and Documentation Requirements and 30: Least Restrictive Measure).

In order to illuminate areas where the survey responses indicate that substantial challenges to broad implementation of particular TFA measures exist among the APEC member economies, we have prepared the below survey results highlights overview, which outlines survey findings in selected key topic areas; note that the recommendations for each are summaries of selected survey participant responses, and should not be viewed as being consensus positions of all survey respondents. The highlights overview puts the spotlight on topic areas where survey respondents indicated difficulties in implementation, where survey responses exhibited significant levels of divergence, or where extensive comments and recommendations evidenced a high level of participant interest in the topic.

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|--------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transparency | <p>Survey Topic 1 TFA Article 1 Publication, information available through internet, enquiry points</p> | <p>While virtually all member economies indicated that they had publication mechanisms in place, whether fully or in part, all of the multiple agencies tasked with border responsibilities may not comply fully, or may not comply in the same way, with the requirements of Article 1.</p> <p>Multiple agencies put out trade related laws and regulations, which may be published on multiple websites.</p> | <p>A comprehensive and user-friendly website meeting the requirements of Article 1 for all border-related matters is recommended in each member economy. This may require adjustments in legislation and additional funding.</p> |
| | <p>Survey Topic 2 TFA Article 2.1 Opportunity to comment</p> | <p>Not all border agencies follow formal procedures, nor do all use identical procedures for this purpose (i.e. timeframes or filing procedures may differ by agency).</p> <p>Even where the opportunity to comment exists, the private sector sometimes fails to provide comments in a timely manner.</p> | <p>Institutionalize a standardized advance information/comment procedure and period across agencies.</p> <p>Encourage private sector participation (forms of encouragement may include workshops, regular meetings with business associations, among others).</p> |
| | <p>Survey Topic 4 TFA Article 3 Advance rulings</p> | <p>Despite the potentially strong impact on trade, incomplete</p> | <p>Establishment of simplified electronic procedures for the application of advance</p> |

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|----------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>implementation is notably higher in relation to Advance rulings than other TFA provisions.</p> <p>The issuance period of a ruling is too long, discouraging the procedure's use.</p> <p>Not all economies publish their rulings.</p> <p>Business confidentiality is a concern.</p> <p>Awareness of the private sector on the issuance procedure of advance rulings is still an issue, which may lead to late applications.</p> | <p>rulings and submission of supporting documents.</p> <p>Review the ruling procedure regarding speed: response time is crucial for its utility.</p> <p>Create a website containing all rulings issued in a given period, while ensuring the confidentiality of applicants.</p> <p>Develop guidelines to promote the use of advance rulings.</p> <p>Capacity building required.</p> |
| Transparency (cont.) | Survey Topic 6 TFA Article 5 Notification of advance controls | <p>The contrast between private sector and public sector responses indicated either a failure to understand the focus of the question or lack of information between authorities and private sector about what measures were in fact in place.</p> <p>Customs authorities generally had risk management in place, other agencies needed to be</p> | Technology-based solutions to enable and enhance better communication and coordination among government agencies. |

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>improved. Coordination and communication channels between agencies require special attention.</p> | |
| Fees/charges | <p>Survey Topic 11 TFA Article 5 Disciplines on penalties</p> | <p>Penalty provisions and criteria of application may be an issue as there may be different interpretations.</p> <p>In most cases Customs has institutionalized this concept, but more work needs to be done to ensure that other agencies with authority over import/export transactions also follow the same principle.</p> | <p>Economy-wide guidelines covering all points of entry needed to be strengthened to ensure that treatment is consistent across the board.</p> |
| Government/trade cooperation | <p>Survey Topic 3 TFA Article 2.2 Consultation between border agencies and trade stakeholders</p> | <p>Lack of adequate legislation or institutional frameworks enabling such consultations.</p> <p>Need for better coordination at different levels (Government-to-government / Government-to-Business).</p> | <p>A suitable institutional framework needs to be implemented incorporating standards enabling such consultations on a regular basis, involving all agencies with authority at the border.</p> <p>Web-based Systems for consultations, points of contact, response times, follow-up procedures, online meetings, are some of the suggestions highlighted by economies to improve coordination,</p> |

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | <p>communication and outreach problems.</p> |
| | <p>Survey Topic 30 TFA Article 10.1.1.(c) (d) Least restrictive measure chosen where alternatives exist</p> | <p>Private sector respondents were more likely to rate the impact as lower. This might demonstrate a level of concern (and even confusion) regarding the intention of the measure.</p> | <p>Predictability must be enhanced by making available the criteria adopted by member economies to fulfill this principle.</p> <p>Assessments of the effect of formalities and documentation requirements should involve the private sector.</p> |
| <p>Facilitated Procedures</p> | <p>Survey Topic 13 TFA Article 7 (1) Pre-arrival processing</p> | <p>Not all traders are fully aware of the pre-arrival processing procedures, thus they do not take advantage of them.</p> <p>Only selected points of entry, not all cargo types are eligible, and port procedures could be preventing traders from realizing the benefits of this measure.</p> <p>Responses on time savings from pre-arrival processing range from the very impressive to the nominal.</p> | <p>Enhanced cooperation of the trading community.</p> <p>More publicity regarding the availability of pre-arrival processing and its benefits is required.</p> <p>Pre-arrival processing should be extended to the procedures of other agencies; these need to be harmonized with those of Customs.</p> |

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|-------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Survey Topic 36 TFA Article 10 (9) Temporary admission/inward/outward processing</p> | <p>Inadequate infrastructure and inefficient regulations may require use of separate procedures for each individual importation, resulting in problems where more than one import shipment may be involved (official meetings, international fairs, etc.).</p> <p>Concerns relating to compliance (e.g. accurate information) under these regimes were reported.</p> <p>Private sector respondents suggested more use of systems for electronic control and to reduce excessive and complex documentation, as well as disproportionate fines for errors.</p> | <p>Make use of Istanbul Convention, which provides the use of ATA Carnet, allowing the use of a comprehensive guarantee, covering all goods to be imported for certain events.</p> <p>Monitor the quality of declarations on transactions and improve Customs systems to enable electronic processing of applications.</p> <p>Establishment of electronic processes to speed handling of documentation.</p> |
| Formalities | <p>Survey Topic 29 TFA Article 10 (1) Formalities and documentation requirements</p> | <p>Amendments of legislation and improvements of IT systems are necessary.</p> <p>Legislation changes may be required.</p> <p>Documentary requirements are often complex, and</p> | <p>Set up working groups with stakeholders to analyze the existing formalities and documentation requirements, improve the legal framework as required to achieve goals.</p> <p>Implement Single Window and encourage the alignment of documents</p> |

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>traders do not always provide all required supporting documents, even upon request.</p> <p>Private sector requests better systems and more participation in the review of formalities.</p> | <p>according to international standards.</p> |
| | <p>Survey Topic 32 TFA Article 10 (4) Single window</p> | <p>Weak framework and unclear Single Window (“SW”) definition and scope.</p> <p>Border agencies’ capacities are uneven, preventing harmonization, and standardization. Coordination becomes complex and time-consuming.</p> <p>Limited scope of service noted in relation to IT and technology.</p> <p>Scope of SW also differs among member economies (not all trade related procedures are included).</p> <p>Inadequate interest among stakeholders, and mixed understanding of benefits.</p> | <p>Commitment and leadership at the highest level to secure the participation of all agencies.</p> <p>Whole-of-government approach and political will required to implement SW.</p> <p>Cooperation/dialogue among Customs and other agencies needed to harmonize regulations and procedures.</p> <p>Automation should be phased in on a step-by-step basis.</p> <p>Widen the scope for online transactions, standardizing electronic forms and further integration of SW with other economies (e.g. interoperability).</p> <p>A service concept which supports operational considerations (e.g. system availability).</p> |

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>Limited knowledge of trade, limited budget, unclear authority, and lack of leadership within agencies may negatively affect the SW implementation.</p> | <p>Private sector respondents indicated a need for improvements in ways to submit information.</p> <p>Publicity and training to raise awareness on the relevance of SW</p> |
| Risk Management | <p>Survey Topic 15 TFA Article 7.3 Separation of release from final determination of customs duties, taxes, fees and charges</p> | <p>Expedited release with duty deferral was not available for all categories of transactions, and in some cases it is limited to qualified Authorized Economic Operators.</p> <p>A connection between the advance release procedure and the availability of financial mechanisms to secure the payment of duties and taxes (e.g. guarantees/bonds) is evident. However, delays have been reported in the issuance of such instruments.</p> | <p>Respondents indicated that more work should be done to raise awareness on the benefits of expedited release procedures and associated requirements for the trading community.</p> <p>An efficient guarantee/bonding system must be available to ensure compliance of obligations and to control the risk arising from the advance release. The system should include a wide variety of instruments capable of covering continuous transactions or a single one.³</p> <p>It has been recommended to monitor the use and the amounts of guarantees/bonds so as to avoid exceeding coverage (overcommitting).</p> |

³ Information on the guarantee system, including authorized issuers and procedures, should be available on the internet.

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|---------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Survey Topic 18 Article 7.4 Risk Management</p> | <p>Most of the challenges were related to the need for better technology and targeting techniques, and the ability to analyze information at a more granular level.</p> <p>Private sector respondents in several economies gave a notably lower rating on the impact of risk management measures than did their counterparts in the public sector.</p> | <p>Develop an automated rules-based risk management program through the establishment of risk profiles and intelligence data analysis.</p> <p>Use of non-intrusive inspection mechanisms.</p> <p>A potentially fruitful area for member-to-member best practice exchange and discussion.</p> |
| Risk Management (cont.) | <p>Survey Topic 19 TFA Article 7 (4.3) Expedited release for low risk consignments</p> | <p>Risk management principles of other customs agencies other than customs may be applied differently, leading to situations where consignments deemed low risk by Customs were nevertheless delayed due to the requirements or concerns of other agencies.</p> | <p>Close interaction and better information sharing between agencies, including via better technology, should be considered part of the risk assessment process.</p> |
| Border Agency Cooperation | <p>Survey Topic 25 TFA Article 7 (9) Perishable goods</p> | <p>Inadequate port infrastructure and personnel to handle perishable shipments.⁴</p> | <p>Close coordination of activities among Customs and other agencies needed.</p> |
| | <p>Survey Topic 26 TFA Article 8(1) Border agency cooperation</p> | <p>Coordination among Customs/agencies is weak.</p> | <p>Collaboration between border authorities, importers and logistics providers is required.</p> |

⁴ Most of the responding economies did not report any obstacles in this regard.

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|----------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>Regulatory framework is challenging, and differences exist in practical division of responsibilities among agencies from that prescribed in law and regulation.</p> <p>Infrastructure, human resources availability and technology gaps, and an inability to do “one stop” controls, especially for other agencies.</p> | <p>Regulatory framework regarding inter-agency cooperation needs to be enhanced.</p> <p>Investment in infrastructure, integrated systems (including risk management) capacity building to border officials.</p> |
| | <p>Survey Topic 27 TFA Article 8(2) Border agency cooperation among members</p> | <p>Legal frameworks are not uniform, thus economies’ border authorities apply their own regulations, risk management criteria and work to their own priorities.</p> <p>Working hours, control procedures and schedules may not be aligned.</p> <p>Improvement in Infrastructure.</p> | <p>Alignment of procedures & operations as well as enhanced use of (inter-operable) electronic tools among agencies on both sides of the border.</p> <p>Improvement of communication channels and sharing of experiences. More capacity building and technical assistance.</p> |
| <p>Customs cooperation</p> | <p>Survey Topic 38 TFA Article 12 Customs cooperation (among members)</p> | <p>Some Customs administrations establish a minimum amount (related to value of goods) as a pre-requisite for cooperating on information requests.</p> | <p>Keep contact points updated and efficient; follow-up mechanisms for mutual assistance requests.</p> <p>Broaden the scope of information to be provided.</p> |

| Focus Area | Survey Topic/TFA Provision | Critical issues | Selected Recommendations |
|------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>The response time to requests of information is lengthy.</p> <p>Cooperation procedures are complex. Obtaining proper documents is sometimes complicated and time- consuming.</p> | <p>Establishment of IT links and enhancement of online infrastructure for communication.</p> <p>Bilateral and regional trade and mutual assistance agreements to encourage members to intensify such exchange of information.</p> <p>Implement Customs Mutual Assistance Agreements (CMAAs) based upon the WCO model bilateral convention on mutual administrative assistance agreements</p> |

4. WORKSHOP & OUTCOMES

The Workshop on Best Practices on Critical Issues in the Asia – Pacific Region for the implementation of WTO Trade Facilitation Agreement was held in Lima on 20-21 August 2016 (see annex 4 for workshop agenda). It was part of the Committee on Trade and Investment (CTI) activities carried out during the third APEC Senior Officials’ Meeting. The first day was dedicated to a series of presentations and panel sessions focused on the TFA by representatives of the host economy Peru, and multilateral agencies, including the WTO, the WCO, the OECD, and UN/CEFACT. The first day also included a report of the initial results of the survey for the more than 100 participants, which included representatives from public sector administrations and private sector stakeholders from 20 APEC economies (Australia; Brunei Darussalam; Chile; China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States; and Viet Nam), as well as a number of representatives from multilateral organizations and academia.

Day 2, 21 August, was dedicated to a workshop for survey participants, and involved 50 participants from the 14 APEC member economies which provided responses to the survey as well as representatives from Papua New Guinea, Philippines, Thailand and Vietnam. Participants were

assigned to working groups, each of which consisted of representatives from a diverse mix of member economies and public and private sector participants. The working groups were tasked with looking at one of 6 overarching TFA focus areas, these being:

- Transparency (Group 1)**
- Government/Trade Cooperation (Group 2)**
- Facilitated Procedures (Group 3)**
- Risk Management (Group 4)**
- Formalities (Group 5)**
- Border Agency Cooperation (Group 6)**

Within each focus area, as a discussion starter, groups were given survey results from 2 of the survey topic areas relevant to their focus, in specific areas where survey results indicated a diverse range of APEC member economy responses or difficulty in implementation. Each group was asked to first review the results, referring back to the actual TFA provisions underlying each of the topic areas to ensure that they understood the topic. Each group was then asked to identify (from the survey results, but more importantly from their own experience) critical issues relating to the focus area, identify any best practices tailored to address those critical issues, and to formulate, as a group, recommendations which could be of use to APEC member economies in preparing to implement TFA measures addressing each group's area of focus.

A summary of the workshop outcomes, by focus area and topic, is included below. A more detailed report of the outcome of the workshop sessions, by working group, is attached to this report as Annex 5.

| Transparency (Group 1) | Survey Topic/TFA Provision | Critical issues | Recommendations |
|---------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Publication, information available through internet, enquiry points | Survey Topic 1 TFA Article 1 | <ul style="list-style-type: none"> - Weak coordination between border agencies: - Publication obligation is not comprehensive; - Information is not always provided in English, nor posted at all. | <ul style="list-style-type: none"> - Set up comprehensive and sustainable website that covers all trade-related matters. - Empower the National Committee to review and coordinate the publication of information. - Establish and maintain one or more enquiry points, encouraging their coordination. - Improve coordination among agencies |
| Advance Rulings | Survey Topic 4 TFA Article 3 | <ul style="list-style-type: none"> - Lack of coherence; - timeframes are lengthy, | <ul style="list-style-type: none"> - Raising awareness through guidelines and through technical assistance tools - Shorten the time of issuance. |

| | | | |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| | | <ul style="list-style-type: none">- Lack of awareness remains among traders of benefits of advance rulings,- Further specialization of body in charge is needed. | <ul style="list-style-type: none">- Advance rulings should be centralized through a single body. |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|

| Government/ Trade Cooperation (Group 2) | Survey Topic/TFA Provision | Critical issues | Recommendations |
|-------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consultation between border agencies and trade stakeholders | Survey Topic 3 TFA Article 2 | Different stakeholders have different concerns in relation to cross-border regulatory measures | Move to a single virtual informational platform, with information provided in sequence |
| Least restrictive measure chosen where alternatives exist | Survey Topic 30 TFA Article 10.1 (a) & (c) | Slow release of perishable goods due to inadequate coordination among border agencies | Improve coordination among border agencies (e.g. Customs, quarantine) to shorten time of inspections; use of electronic certificates in a “Single Window” environment |

| Facilitated Procedures (Group 3) | Survey Topic/TFA Provision | Critical issues | Recommendations |
|------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pre-arrival processing | Survey Topic 13 TFA Article 7.1 | <ul style="list-style-type: none"> - Lack of legal foundation- to use pre-arrival information. - Clear means of communication needed between customs, traders and carriers (how information will be received) - Minimum information required to process rapid release of goods. - Rapid customs processes to allow earliest release possible. - Information processing to make a determination: release or not release at arrival and communicate to traders and carrier. | <ul style="list-style-type: none"> - Use electronic process - Involve all border control agencies that affect release of goods. - Create single effective release mechanism - Improve/take advantage of relationship between Pre arrival processing and the Single Window. - Needs to be available at all ports -if a new procedure-recommend phased in approach – one mode at a time, (i.e.) ocean, air. - Communication: define responsibilities of traders, carriers, availability and benefits to traders, and the procedures; develop further outreach materials for trade associations and traders. |
| Temporary admission of goods/inward and outward processing | Survey Topic 36 TFA Article 10.9 | <ul style="list-style-type: none"> - Lack of legal foundation (Laws and regulations) - Compliance/control challenge - Relationship with private sector may need to be improved - Cooperation among border agencies | <ul style="list-style-type: none"> - Refine laws and regulations (type of goods, process allowed, timeframe, Customs/tariff Code, geographical limitation, etc.) - Improve risk management, via documents, control and guarantee. - International customs cooperation on cross-checking documents. - Better communication with the private sector and all affected border agencies. |

| Risk Management (Group 4) | Survey Topic/TFA Provision | Critical issues | Recommendations |
|-------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Management | Survey Topic 18 TFA Article 7.4 | Partial implementation of Risk Management measure by border agencies. | <ul style="list-style-type: none"> - Set up an integrated Risk Management Committee with all relevant border agencies and with the participation of the private sector. - If necessary and possible, implement one-stop control. - Follow international standards (such as WCO tools). |
| Separation of release from final determination of customs duties, taxes, fees and charges | Survey Topic 15 TFA Article 7.3 | Difficult to determine release criteria due to multiple risk variables | Adopt a highly developed system to rate supply chain operator and other risk factors. |

| Formalities (Group 5) | Survey Topic/TFA Provision | Critical issues | Recommendations |
|--------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Formalities and documentation requirements | Survey Topic 29 TFA Article 10.1 | <ul style="list-style-type: none"> - Lack of legal framework - Lack of leadership/ political will - Inadequate cooperation among agencies. | <ul style="list-style-type: none"> - Political will, leadership, commitment of the highest level. - Capacity building for all government agencies |
| Single Window | Survey Topic 32 TFA Article 10.4 | <ul style="list-style-type: none"> - Government agencies with border responsibilities have uneven capabilities (i.e. IT and Infrastructure. - The concept of Single Window is not well established - Resistance to change - Lack of promotion | <ul style="list-style-type: none"> - Standardization of processes/procedures to reduce documents - Sharing of risk indicators between agencies to standardize risk management - Minimize extra costs of Single Window - Promote benefits of using Single Window |

| Border Agency Cooperation (Group 6) | Survey Topic/TFA Provision | Critical issues | Recommendations |
|--------------------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Border Agency Cooperation (within the economy) | Survey Topic 26 TFA Article 8.1 | <ul style="list-style-type: none"> - Difficulties to coordinate among agencies and capabilities - Different standards in data. | <ul style="list-style-type: none"> - Political will and leadership among agencies - Capacity building and outreach - Automation (e-documents) - Harmonization of procedures/requirements |
| Border Agency Cooperation (among WTO member countries) | Survey Topic 26 TFA Article 8.2 | <ul style="list-style-type: none"> - Differences in legislations/regulation between economies. - Weak enforcement of bilateral agreements - scarce dissemination/exchange of information. | <ul style="list-style-type: none"> - Integrated border controls to develop trust and knowledge - Mutual recognition - Enhance coordination with other economies - Use common standards |

5. PROJECT CONCLUSIONS SUMMARY & BEST PRACTICES GUIDANCE

Perhaps not surprisingly, workshop outcomes closely paralleled survey responses in terms of “critical issues” noted; cross-cutting challenges include inter-agency cooperation on inspections, documentary requirements, and release criteria, the need for greater IT resources (the Single Window topic combines both challenges), the need for political will for change—including required legislative changes, and divergent views from the public and the private sector on how certain TFA-prescribed measures should be prioritized. Through a combination of input from survey responses, workshop outcomes, and discussion during both days of the August 20-21st workshop, an overall consolidated summary of critical issues for TFA implementation within the APEC member economies can be formulated, and is outlined below.

Due to the time constraints on the workshop, the ability of participants to come to a consensus on “best practices” was limited; however several member economies proposed practices for consideration of the group, and the below summary highlights the conclusions on critical points and recommendations and provides examples on best practices (in boxes) of the way forward.

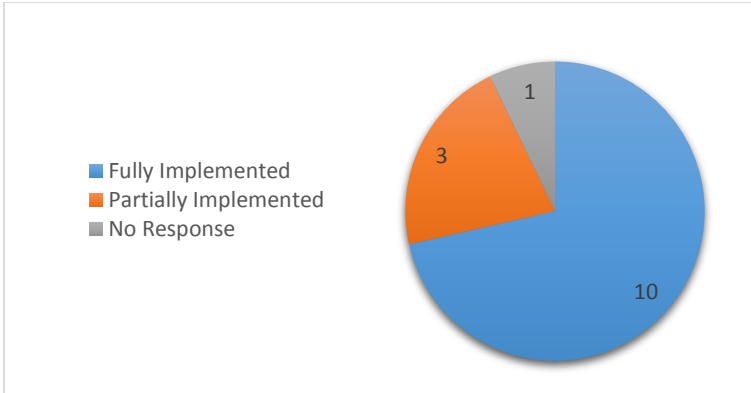
5.1 Publication (Survey Topic 1, TFA Article 1.1):

Mechanisms of publication are in place but do not operate the same way across member economies in complying with Article 1. Availability of information in English is not widespread. Compliance with TFA publication measures by border agencies other than Customs is uneven and not centralized.

It is recommended to develop a comprehensive and user friendly website covering all trade-related matters, including availability in English. The national committees for trade facilitation may play a key role to seek viable alternatives to overcome funding problems.

5.2. Opportunity for comments (Survey Topic 2, TFA Article 2.1):

Not all border agencies follow formal procedures nor use identical procedures for this purpose (i.e. timeframes or filing procedures may differ according to each agency). Even where the opportunity for comment is granted, private sector sometimes fails to provide comments in a timely manner.

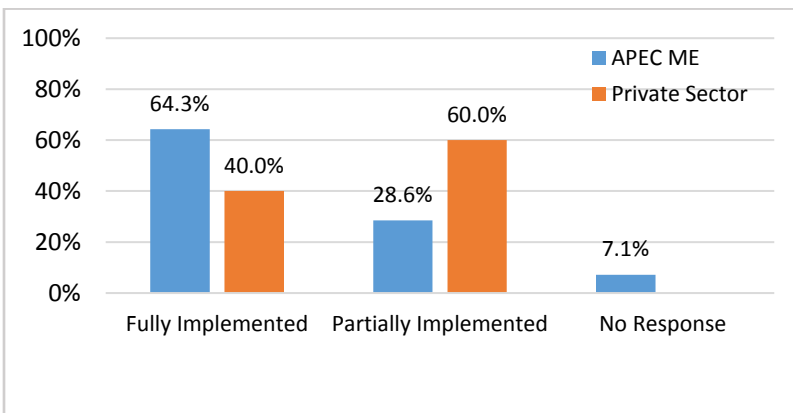


Implementation of TFA Article 2.1
Public Sector

It is recommended to institutionalize a standardized advance information/comment procedure and period across agencies with border responsibilities and encourage private sector participation through workshops and regular meetings.

5.3. Consultation between border agencies & trade (Survey topic 3, TFA Article 2.2)

Responses indicated a lack of adequate legislation in some member economies and the absence of an institutional framework to enable such consultations on a regular basis and involving other border agencies.



Implementation status of consultations between border agencies and trade stakeholders

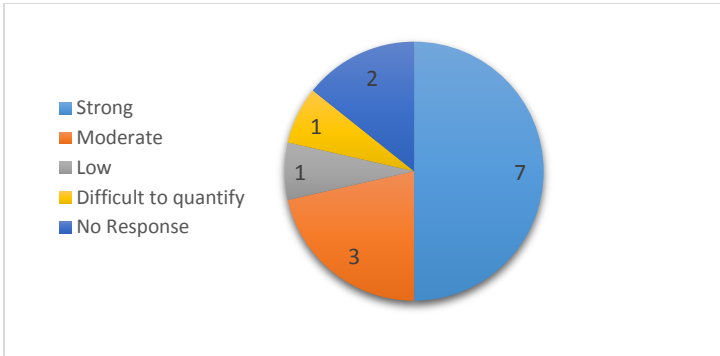
A suitable institutional framework needs to be implemented incorporating standards enabling such consultations on a regular basis, involving all agencies with authority at the border. Web-based Systems for consultations, points of contact, response times, follow-up procedures, online meetings, are some of the suggestions highlighted by economies to improve coordination, communication and outreach problems.

Best Practice

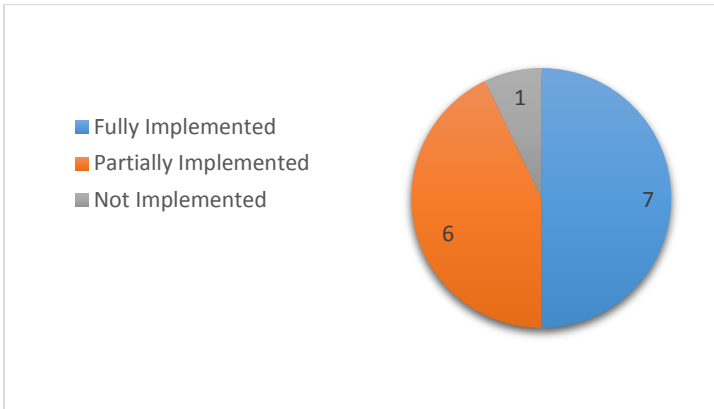
Chinese Taipei Customs regularly holds meetings with the business community to discuss existing clearance procedures and other relevant provisions in order to amend or abolish outdated regulations and clearance procedures, so that they can be in line with the current international trading activities and business environment.

5.4 Advance Rulings (Survey Topic 4, TFA Article 3):

Despite widespread recognition of advance rulings having a strong impact on trade facilitation, partial implementation is high; the high incidence of implementation for tariff classification and origin contrasts with limited implementation for valuation and other areas. In some cases where member economies do have an advance ruling process in place, the rulings are not available (published) for public reference. For the private sector, long timeframes required to issue rulings may discourage traders, and business confidentiality is also a concern.



Impact of TFA Art. 3 on Trade Facilitation
APEC Member Economy Respondents



Implementation of Advance Rulings
APEC Member Economy Respondents

Best Practice

The United States of America reported on implementation of an eRulings program, allowing importers to file electronic request for a ruling by accessing the eRulings Template. Rulings may be issued together with an interpretation of applicable law, or other relevant information).

5.5. See: <https://www.cbp.gov/trade/rulings/eruling-requirements>

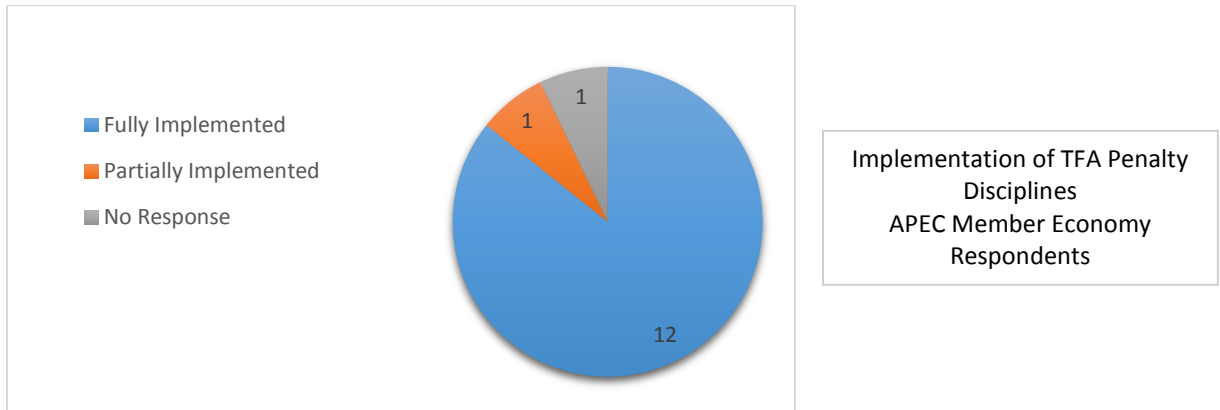
Notifications for enhanced controls (Survey Topic 6, TFA Article 5.1)

The contrast between private sector and government responses indicated either a failure to understand the focus of the question or lack of information between authorities and private sector about what measures were in fact in place. Moreover, almost half of public sector respondents did not answer this question. While respondents indicated that Customs authorities have measures in place, other agencies capabilities in this area needed to be improved.

Coordination and communication channels between agencies require special attention. Respondents indicated that technology-based solutions would enable and enhance better communication and coordination among government agencies.

5.6. Penalty disciplines (Survey Topic 11, TFA Article 6)

Although 12 out of 14 public sector respondents indicated full implementation, consistent application of penalty provisions appears to be an issue due to differing interpretations at the port level. While respondents indicated that Customs has gone furthest in institutionalizing this concept, more work needs to be done to ensure that other agencies with authority over import/export transactions were aware of and followed the principles set out in the TFA provision.



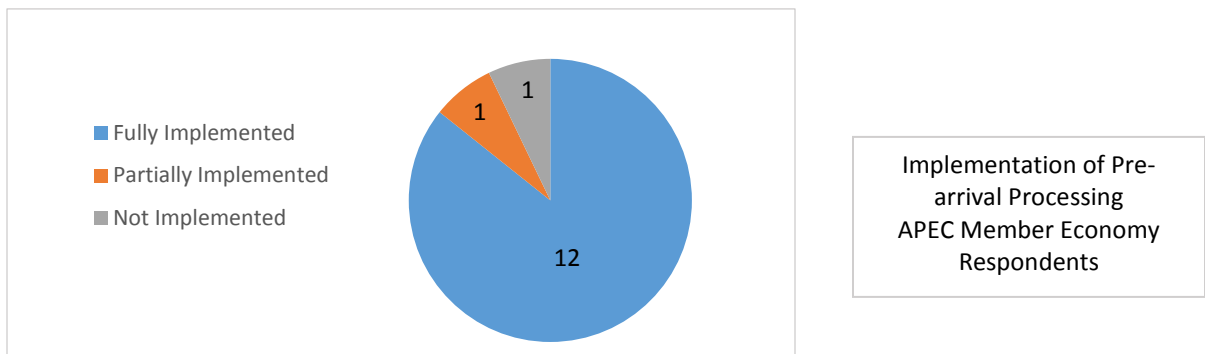
Best Practices

Malaysia and the US highlighted the importance of publishing Guidelines with uniform criteria on penalties and their mitigation covering all points of entry to ensure consistent treatment across the board

5.7. Pre-arrival processing (Survey Topic 13, TFA Article 7.1)

Although 12 out of 14 public sector respondents reported fully implementation, more awareness of traders is needed to increase the use of this measure within APEC member economies. Other issues raised were related to limited points of entry and eligible cargo types as well as and potential constraints based on port procedures.

More cooperation with the trading community and publicity regarding the availability of pre-arrival processing and its benefits would improve trade facilitation goals. Other comments referred to inadequate legal foundations for pre-arrival processing, and the need for better communication among parties involved, data simplification and more efficient procedures to allow rapid releases.

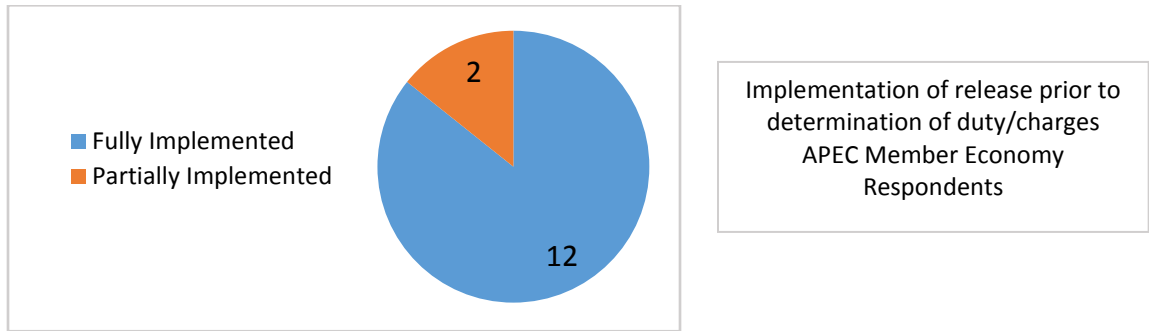


It is recommended that all border control agencies that affect release of goods be involved in order to create an effective Pre-arrival release mechanism, and that advantage be taken of Single Window capabilities to enhance Pre-arrival processing efficiency. The Pre-arrival process should be available at all ports, its requirements communicated to trade stakeholders, and its benefits made clear.

5.8. Separation of release before determination of duties/taxes/other charges (Survey Topic 15, TFA Article 7.3)

While almost all respondents confirmed full implementation of expedited release procedures with deferral of duties and other charges, there were remarks indicating that these procedures were not

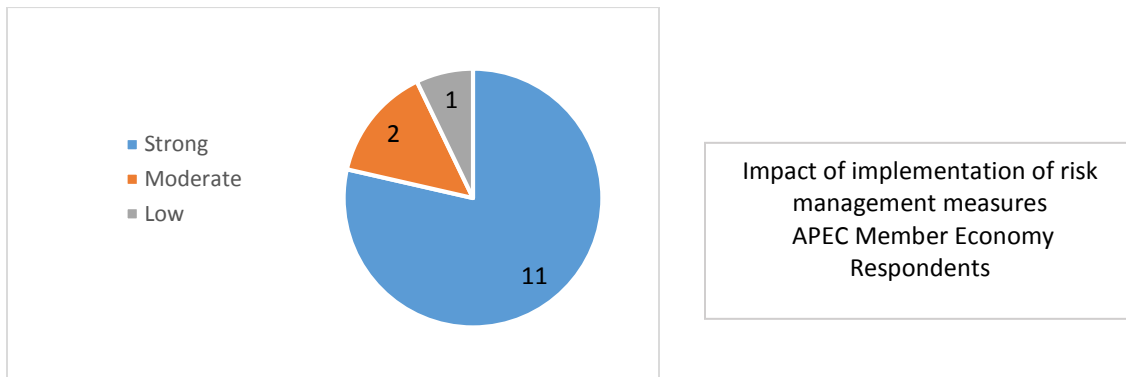
available for all categories of transactions, or if taking place, they were limited to qualified Authorized Economic Operators.



The connection between the advance release procedure and the availability of financial mechanisms to secure the payment of duties and taxes (e.g. guarantees/bonds) was clearly evident in the comments to the responses.

5.9. Risk Management (Survey Topic 18, Article 7.4)

Regarding this provision, all responding economies reported that they have risk management methodologies implemented for customs control purposes, a result that is consistent with the high impact rating given by most of them. Private sector respondents in several economies gave a notably lower rating on the impact of risk management measures than did their counterparts in the public sector. Workshop participants indicate a much more limited implementation of risk management provisions/measures by other border agencies.



Challenges identified were mainly related to the need for better technology and targeting techniques, and the ability to analyze information at a more granular level.

Recommendations included implementation of a risk management committee integrating all relevant border agencies with participation of the private sector, the possibility of sharing risk indicators

among OGAs for standardization purposes, the development of an automated rules-based risk management program through the establishment of risk profiles and intelligence data analysis, and the use of non-intrusive inspection mechanisms. The large number of comments indicates a good deal of interest in this area among members, and this would appear to be a potentially fruitful area for member-to-member best practice exchange and discussion.

Best Practices

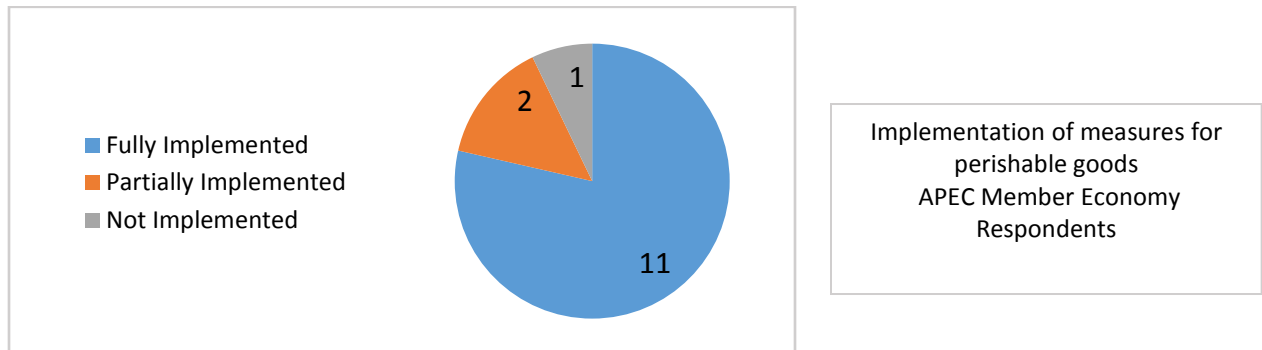
Indonesia recommended the establishment of a Single Risk Management system.

Mexico (private sector) pointed out the need for having a repository of relevant data for risk management.

The US indicated that risk analysis data must be presented in a comprehensive, flexible format to address specific threats and trends.

5.10. Release of Perishable Goods (Survey Topic 25, TFA Article 7.9)

The survey shows a high degree of implementation for this measure; nevertheless, respondent comments indicated that inadequate port infrastructure (i.e. storage) and personnel to handle perishable shipments can make compliance with this provision difficult.



Respondents agreed that a closer coordination of activities among Customs and other agencies is needed to improve inspection procedures for perishable goods

Best Practices

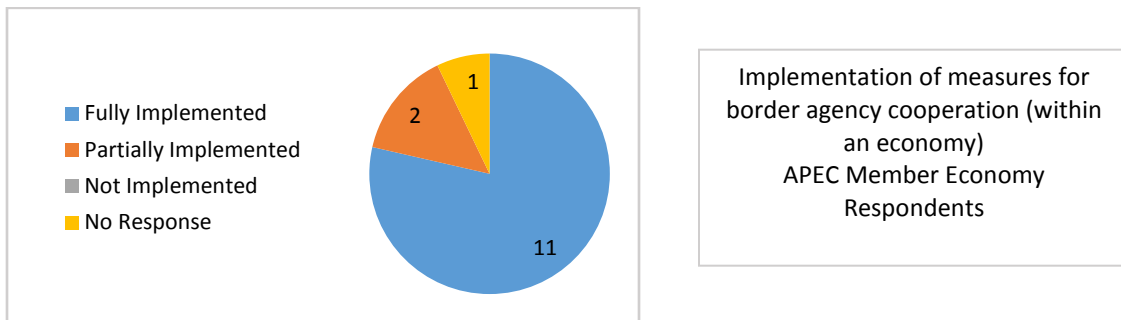
Chinese Taipei indicated that its domestic regulations prioritize inspections on perishable goods.

The US shared its practice of ensuring an efficient release of perishable goods by making officials available for work outside of normal working hours.

While Chile was the only economy indicating no implemented measures on the release of perishable goods, it is worth noting that they consider their release process (based on the advance processing of information and on coordinated operational procedures) to be a best practice for the release of goods in the shortest period of time (without regard of the type of good).

5.11. Border Agency Cooperation—(Survey Topic 26, TFA article 8.1)

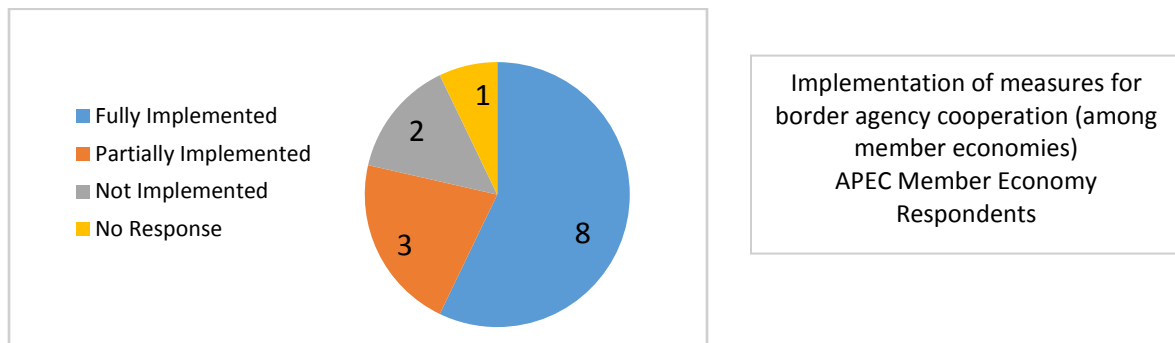
A number of respondents indicated that coordination among Customs and other border agencies needs to be improved, and this was strongly supported by the workshop outcomes. The regulatory framework for cooperation appears to be a challenge in many member economies, and this extends to issues such as discrepancies’ in the practical division of responsibilities among agencies from that prescribed in law and regulation. Additional issues noted were gaps in infrastructure, human resources availability and technology, and an inability to do “one stop” controls, especially for other agencies apart from Customs.



Opportunities were noted for improving the regulatory framework regarding inter-agency cooperation in order to improve collaboration mechanisms and to provide for the issuance of joint regulations related to border controls and import, export and transit procedures. Collaboration between border authorities and importers and logistics providers is also required. Infrastructure problems, human resources availability and technology gaps require the attention of member economies in terms of investment, to achieve systems’ integration (including risk management coordination) and the establishment of “one stop” controls.

5.12. Border Agency Cooperation among members— (Survey Topic 27, TFA article 8.2)

Despite the measures already implemented by member economies in this regard, the lack of alignment of agencies’ working hours and control procedures, the differences between their regulatory frameworks and risk management criteria, and the need for improved infrastructure hinder the application and effectiveness of such measures.



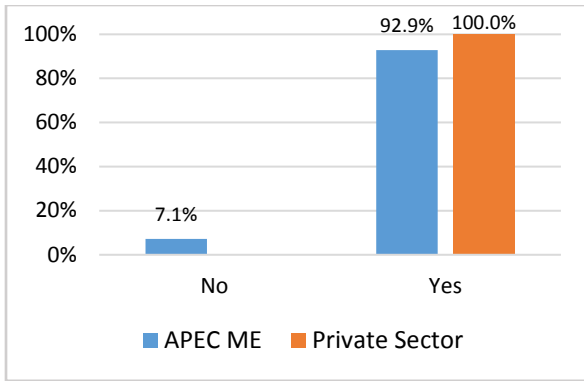
Recommendations were focused on the integration of border controls, the use of electronic tools (inter-operability), capacity building and technical assistance, the use of international standards and the coordination of procedures and operations on each side of the border.

Best Practice

Mexico commented that it currently has shared facilities and “one stop” border controls with the United States (at selected border crossings)

5.13. Review of formalities and documentation requirements—(Survey Topic 29, TFA Article 10 (1))

Both public and private sector respondents largely agreed on the high level of implementation status of this measure, but comments indicated some continuing issues and there appear to be some doubts on what it really requires. Respondents indicated that legislative changes may be required to fully implement it, and that while documentary requirements are often complex, traders do not always provide all required supporting documents, even upon request. Private sector respondents agreed with public sector respondents on the need for better IT systems, but also noted the need for more private sector input in the review of formalities under this provision.

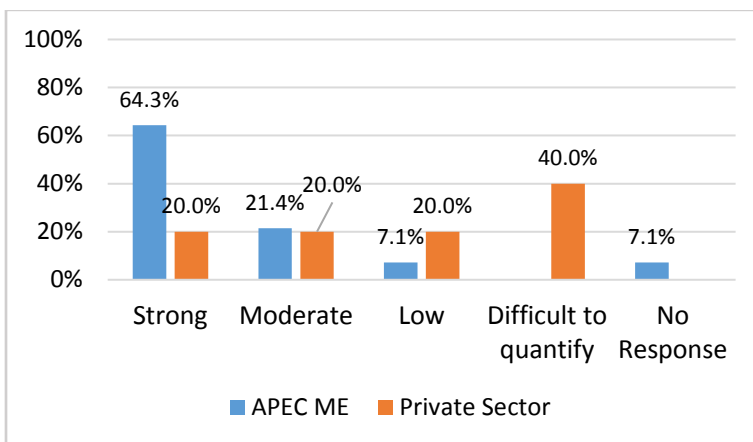


Implementation status of review of import, export and transit formalities and documentation requirements

Recommendations were focused on implementation of working groups, including trade stakeholders, to analyze existing formalities and documentation requirements, and the need for improvement the legal framework as required to achieve the goals of this measure. Another recommendation was to implement Single Window and encourage the alignment of documents according to international standards.

5.14. Least restrictive measure (Survey Topic 30, TFA Article 10 (1) 1.1.(c))

Private sector respondents were more likely to rate the impact of this measure as lower. This might demonstrate a level of concern (and even confusion) regarding this measure’s intent.



Impact of “least restrictive measure” implementation

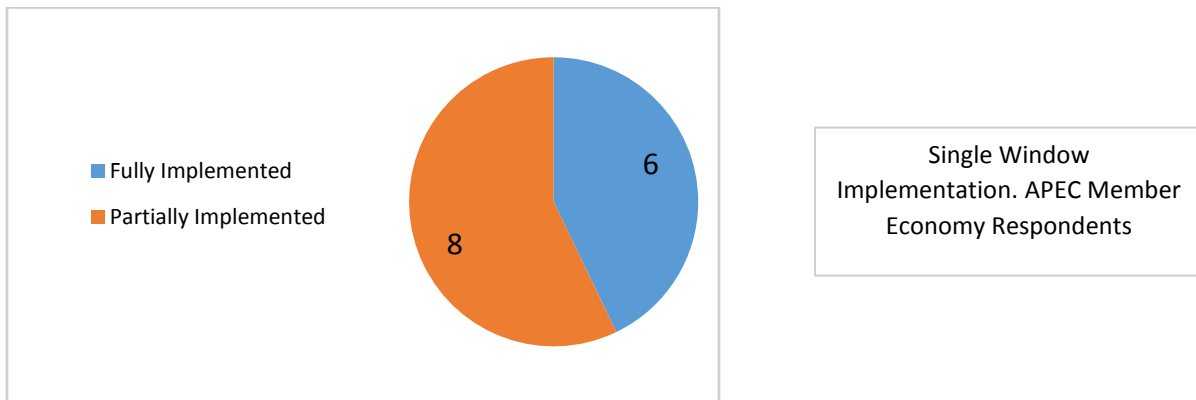
It is recommended that the understanding of how to apply this measure be broadened by benchmarking the criteria adopted by member economies to fulfill the principles of Article 10(1).

Best Practice

The US pointed out that its Administrative Procedures Act, requires a review of all new formalities and documentary requirements prior to implementation, including soliciting comments from the public and preparing an estimate of the burden of compliance on that public.

5.15. Single Window (Survey Topic 32, TFA Article 10.4)

Single Window (SW) was one of the most commented areas in the survey responses, and the level of implementation among the APEC member economies is moderate, at best. Respondents noted a weak framework for SW implementation and a lack of clarity in SW definition and scope. Border agency capacities (in particular in relation to IT) are uneven, preventing harmonization, and standardization, and coordination can be complex and time-consuming. There were clear indications that implemented SW scope differs among member economies (e.g. not all trade-related procedures, or agencies with border responsibilities, may be included). Respondents noted limited interest and knowledge of SW among trade stakeholders, and an uneven understanding of the benefits of SW. On the government side, limited knowledge of trade processes, limited budgets, unclear authority, and lack of leadership within agencies may negatively affect the SW implementation.



The need was noted for commitment (political will) and leadership at the highest level to secure the participation of all agencies in a SW environment; a whole-of-government approach was recommended, with close cooperation and dialogue among Customs and other agencies needed to harmonize regulations, standardize electronic forms, and adjust procedures in line with the SW project goals. Automation should be phased in on a step-by-step basis, and system availability needs to be assured. Private sector respondents noted that methods for information submission need to be flexible and business-friendly, and that publicity and training to raise awareness on the relevance of SW to business is highly recommended.

Best Practices

Chinese Taipei mentioned the advantages of political will and joint work among agencies to implement a single window.

US commented on its “Whole-of-Government” approach to Single Window development and implementation to ensure participation of all government agencies involved in the import-export process, open and constant dialogue with private stakeholders, also recommending automation in phases, successive testing of each new piece of automation, and avoiding “big bang” implementation of automation.

Japan’s private sector highlighted the importance of harmonizing procedures before automating them.

5.16. Customs Cooperation—(Survey Topic 38, TFA article 12)

Respondents indicated a high level of implementation of measures in this area. There were, however, concerns expressed about the complexity of the procedures to obtain documents and information, the need to improve the response times to requests of information and the fact that some Customs administrations establish a minimum amount, usually related to value of goods, as a condition for such requests.

Recommendations included keeping contact points updated and efficient; follow-up mechanisms for mutual assistance requests, broader scope of information, the establishment/upgrading of IT links and enhancement of online infrastructure for communication, and the implementation of Customs Mutual Assistance Agreements (CMAAs) based upon the WCO model bilateral convention on mutual administrative assistance agreements.

Best Practices

U.S. Customs and Border Protection maintains cooperative programs through Customs Mutual Assistance Agreements (CMAAs) with other foreign administrations based upon the WCO model bilateral convention on mutual administrative assistance agreements

See:

<https://www.cbp.gov/border-security/international-initiatives/international-agreements/cmaa>

Mexico holds several bilateral agreements on mutual administrative assistance in Customs matters in force, facilitating a closer cooperation with their trading partners in terms of proper application of customs law, prevention and investigation of offenses; and, security of the trade logistics chain

Chile has Agreements with 14 countries concerning co-operation and mutual administrative assistance in customs matters.

<http://www.aduana.cl/acuerdos-de-cooperacion-aduanera/aduana/2008-07-11/171847.html>

6. ASSESSMENT OF PROJECT & RECOMMENDATIONS

The Project's goals were ambitious, being focused on gathering early indications of both APEC member economies' readiness for TFA implementation, as well as identifying critical issues presenting obstacles to that implementation and best practices. The scope of the survey was also extensive, and the timeframe for its development and for gathering responses was limited. Nevertheless, the overall response rate was quite high, as was the quality of the survey responses.

The survey responses clearly highlighted a variety of topics related to the TFA where member economy readiness is high, with member economies almost uniformly indicating that they already had measures in place meeting TFA standards in approximately 20 of the 38 key topic areas. Responses to the survey also provided insights into areas where obstacles exist to TFA implementation, whether in relation to specific topic areas (see the highlights summary in Section 3 above) or in relation to cross-cutting critical issues, such as inter-agency cooperation-, IT-, or infrastructure-related challenges, and the lack of established and mature consultation pathways on border-related issues, whether between government and trade stakeholders, between different agencies within the same member economy, or between neighboring member economies. Interestingly, these challenges appear not to be limited to APEC member economies in "developing country" status, but rather apply to respondents from such economies as well. Many of the obstacles and challenges noted in the survey responses were further discussed and validated in the workshop sessions, and from those it is evident that a number of critical issues need to be tackled, and further work will need to be done in order for APEC member economies to demonstrate full readiness for TFA implementation.

In terms of recommendations, we strongly encourage the APEC members to build on the initial work done in the Project by considering support for further steps, including:

1. Encouraging the rest of APEC member economy to complete the survey in order to have a complete set of data for the region; those Economies play a significant role in the international trading environment and were strong proponents of TFA implementation so their input and insight is important for the overall survey results.
2. Broaden the range of private sector respondents in terms of geographical and stakeholder coverage; while some APEC member economies actively invited their key trade-focused associations to provide responses, in others the message did not get out.
3. Developing a work program to implement a series of focused capacity building workshops for member economies to explore key TFA implementation issues and formulate regional "best practice" standards (e.g. on inter-agency cooperation, Single Window).
4. Support a follow-on project focused specifically on establishing and sustaining effective government-business consultation and collaboration to enable member economies and

public and private sector experts with a depth of experience in this area to mentor member economies with limited experience in designing TFA-compatible public-private sector consultation and collaboration processes.