APEC SUB-COMMITTEE ON CUSTOMS PROCEDURES (SCCP)
TOKYO 15-17, SEPTEMBER 2010
REPORT OF THE SECOND MEETING OF 2010

Introduction

1.   The APEC Sub-Committee on Customs Procedures (SCCP) held its second meeting for 2010 from 15-17 September 2010 in Tokyo, Japan.

2.   Delegates from Australia; Brunei Darussalam (Brunei); Canada; Chile; People's Republic of China (China); Hong Kong, China; Indonesia; Japan; Republic of Korea (Korea); Malaysia; Mexico; New Zealand; Papua New Guinea; Republic of the Philippines (Philippines); The Russian Federation (Russia); Singapore; Chinese Taipei; Thailand; The United States (United States); and Viet Nam attended the meeting. The WCO was also represented at the meeting.

3.   Mr. Nobuyuki UDA, Director for International Organizations and Multilateral Affairs, Customs and Tariff Bureau, Ministry of Finance, Japan chaired the SCCP Meeting.

Agenda Item 1: SCCP Chair's Opening Remarks

4.   In his opening remarks, the SCCP Chair welcomed delegates to the meeting.

Agenda Item 2: Adoption of the Agenda

5.   Brunei requested an opportunity to present its Time Release Survey under agenda item 4 (vii). The Meeting approved the request from Brunei and adopted the agenda as amended.

Agenda Item 3: Results of Customs Directors-General/Commissioners Meeting

6.   The assistant to the SCCP Chair presented the results of the APEC Customs Business Dialogue (ACBD) held on 13 September 2010 and APEC Customs Directors-General/Commissioners Meeting held on 14 September 2010, which appear as 2010/SOM3/SCCP/023 and 2010/SOM3/SCCP/022. 268 participants from Customs and business sector in the APEC region attended the ACBD. At the opening ceremony, Mr. Naoki Minezaki, Senior Vice Minister of Finance, Japan highlighted the importance of trade facilitation for economic growth in the region and the necessity of exchanging views directly between Customs and business sector to further trade facilitation. Mr. Genpachiro Aihara, Chair of the APEC Business Advisory Council (ABAC), expressed his strong expectation that the ACBD would lead to concrete customs measures to facilitate trade.

7.	Following the opening remarks, Mr. Kunio Mikuriya, Secretary-General of the World Customs Organization (WCO), underlined the global challenges for Customs, while emphasizing the importance of Customs and business partnership. Three panel discussions, namely "Customs and Business Cooperation to Secure and Facilitate Global Trade," "Trade Facilitation through Utilization of ICT and Modern Technology" and "Customs and Business Cooperation for Enhancement of Border Enforcement on IPR" were conducted and panelists and floor participants exchanged and shared their views on issues facing APEC Customs administrations and business sector.

8.	Customs Directors-Generals, Commissioners and Executive Customs officials from 19 APEC economies, the Secretary-General of the WCO and representatives from Multilateral Development Banks attended the APEC Customs Directors-General/Commissioners Meeting. After the intensive discussion, the meeting agreed on eight priorities to be promoted among the APEC Customs administrations, which include the development of Authorized Economic Operator (AEO) programs and promotion of mutual recognition arrangements, development of Single Window in each economy by 2020, and enhancement of border enforcement on intellectual property rights (IPR). The SCCP noted that the results of the two events would be submitted to the CTI and SOM through the SCCP Chair.

Agenda Item 4: Trade Facilitation

(i)	Supply-Chain Connectivity Framework

9.	The SCCP Chair noted that the Supply-Chain Connectivity Initiative was expected to be discussed at the CTI Trade Policy Dialogue and CTI3 the following week, aiming to reach consensus.

10.	The SCCP Chair briefed the meeting on the result of the consultation concerning the Supply-Chain Connectivity (SC) Framework Action Plan. Prior to the meeting, sub-fora including the SCCP were required by the CTI Chair to consolidate views on removing brackets related to each sub-forum on the SC Framework Action Plan. Through email-based consultation, no objections had been received. Therefore, the SCCP Chair had informed the CTI Chair that the SCCP had no objection to removing all the brackets referring to the SCCP.

11.	The SCCP Chair noted that the SC Framework Action Plan provided concrete actions to address the eight identified chokepoints. Four out of the eight chokepoints have direct relation with Customs, namely, 1) lack of transparency, 4) inefficient clearance of goods at the border, 5) burdensome procedures for customs documentation and other procedures, and 8) lack of regional cross-border customs-transit arrangements. Those items which the SCCP expected to continue

working on implementing are Single Window, WCO Guidelines for the Immediate Release of Consignments and Time Release Survey which are included in the action plan for chokepoint 4, as well as simplification and harmonization of customs procedures on the basis of the Revised Kyoto Convention under chokepoint 5 and questionnaire and guideline on transit and transshipment in chokepoint 8.

12.   Except for the actions in chokepoint 8, the SCCP understood all proposed actions had already been addressed as Collective Action Plan (CAP) items of the SCCP. The SCCP Chair noted its understanding that actions on chokepoint 8 would be led by Chile, and asked Chile how it intended to proceed.

13.   Chile highlighted the overlap between some of the actions under the chokepoints and existing CAP items, pointing out that such actions had already been addressed at the SCCP. Chile suggested that this should be clarified at the CTI. The SCCP Chair took note of Chile's concern and confirmed that it would be communicated at CTI appropriately.

14.   The Meeting also confirmed its involvement in the action plan for chokepoint 8. Chile informed the SCCP members that it would distribute a questionnaire to member economies after the CTI3 in Sendai, reflecting any changes made to the action plan during the CTI meeting.

(ii)   Single Window and International Interoperability

15.   Chinese Taipei briefed the SCCP on the results of the stock-take survey on Single Window (SW) conducted by Japan and Chinese Taipei, which appears as 2010/SOM3/SCCP/002.

16.   The survey highlighted that 13 economies had introduced SW system while all APEC Customs administrations had introduced computer-based cargo clearance systems. The survey report showed types of SW (interface model, integrated model, hybrid model), service provider, funding source, harmonization with internationally recognized standards (WCO Data Model, EDI, UN/EDIFACT, etc.), implementation of WCO Unique Consignment Reference, adopted security standards, and authentication and access measures.

17.   The survey also identified areas of difficulty in the development of SW systems, including cost and benefit; lack of government support; lack of infrastructure/IT gap; lack of harmonization of system, procedure and data elements; lack of resources (funding and human resources); lack of legal frameworks; and the lack of needs from stakeholders.

18.   Japan made three proposals for implementation of SW: 1) creating a new CAP item on SW, 2) holding a regional workshop on SW during the second half of

the next year using Trade Investment Liberalization and Facilitation Fund (TILF), and 3) sharing the SW questionnaire with the WCO for supporting the WCO survey on SW.

19.   The WCO thanked Japan for this proposal. The WCO reiterated its interest in the survey conducted by APEC and said it would be appreciated if the SCCP could provide their input. The APEC contribution would be very valuable for the WCO survey on SW, which would be launched shortly among the 177 WCO Members and the subsequent preparation of a SW Compendium.

20.   Chinese Taipei stated that enhancement of cooperation with the WCO was included in the Statement of the Chair of the APEC Customs Directors-General/Commissioners Meeting and supported Japan's suggestion.

21.   The Meeting raised no objections to the three proposals made by Japan and endorsed the proposals as well as the report. The SCCP Chair asked Chinese Taipei and Japan to submit their project proposal for the regional workshop intersessionally as well as the concept paper of the new CAP item on SW to the SCCP1 next year.

22.   Hong Kong, China stated that it was taking steps towards implementing a SW system and to that end it had kept a close watch on the developments in other member economies so as to speed up the development of its own SW. Bearing in mind the results of a consultancy study conducted in the early 2000s, joint work is being done with various agencies on developing a SW.

23.   Indonesia presented the status of its National Single Window (NSW) project. The presentation appears as 2010/SOM3/SCCP/003. Significant progress in implementation began in August 2008, with the NSW system rolled out to 8 government agencies, 248 priority importers and two major ports. In October 2010, export and import declaration will become mandatory for all importers, Customs brokers and exporters, to be implemented at five major ports. In addition, a new feature allows the use of Blackberry handsets to access the NSW system.

24.   Indonesia presented progress on the development of ASEAN Single Window (ASW). Currently at Phase I, Indonesia with Brunei, Malaysia and Philippines successfully exchanged Form D Certificate of Origin (CO). Phases II and III will implement exchange of ASEAN Customs Declaration Documents and supporting documents respectively. In response to a question raised by Japan, Indonesia explained that the ASW pilot project was conducted between NSWs which secured bilateral connectivity.

25.   Japan also asked Indonesia about the difficulties it faced in exchanging data with its neighboring ASEAN member states through the ASW. Indonesia replied

that the biggest problem was the different levels of commitment of the participating ASEAN member states.

26.   Malaysia shared some results of the joint work done by Indonesia, Malaysia and the Philippines on the ASW initiative. A pilot project was started on the viability of exchanging large amounts of data (CO CEPT Forms D) within ASEAN member states. The three participating economies were able to successfully exchange all COs submitted electronically through their respective SW systems. Going forward, other ASEAN member states such as Singapore and Thailand will be invited to take part in the ASW to expand the scope.

27.   Australia gave a presentation on developing its Integrated Cargo System (ICS), which appears as 2010/SOM3/SCCP/009. The ICS was introduced to assess risk and provide a single window for industry interaction with a broad range of government agencies at the border. For cargo clearance, it incorporates the Customs Connect Facility as a gateway of communication with industry and a messaging system to provide status information back to industry. Various other agencies provide inputs to the ICS for the exchange of information. Areas of improvement being explored are to increase the range of trade documents to be made electronically and accessible within the border system. Alignment opportunities to the WCO Data Model version 3 are considered as business-driven opportunities are made to the ICS. It was noted that the ICS was part of broader government SW initiatives.

28.   The WCO asked Australia whether ICS carried out risk analysis for other agencies and what level of data was shared. Australia replied that it carried out some risk analysis for other agencies, for example, some quarantine risk rules were built into the ICS system. Australia added that ongoing reform of government agencies provided an opportunity for greater integration. Australia stated that information was provided to the Australian Bureau of Statistics from which industry obtains information. However, as a result of recent requests from industry for more immediate information, we are reviewing our approach.

(iii)   Path-Finder Initiative on Self-Certificate of Origin

29.   The Path-Finder Initiative on Self-Certificate of Origin (SCO) was launched in 2009 and Ministers gave instruction to develop a capacity building program for the 2010-2011 period.

30.   Malaysia presented the outline of an SCO workshop to be held in Malaysia on 6-7 October. The goal of the workshop is to share information with Customs officials, regulators, practitioners and policymakers that can be used to enable full participation in the Path-Finder Initiative. In addition, Philippines informed the SCCP that it would be presenting a joint Concept Note together with Brunei for

consideration and endorsement at CTI3 and sought support for speakers and resource persons from APEC Path-Finder members and SCCP members who will be at Sendai.

31.   Australia gave a presentation on good practice in its SCO programs to promote the APEC Path-Finder Initiative on SCO. Australia noted that the SCO, which was provided for in FTAs that Australia had signed, facilitated trade and reduces transaction cost. Australia uses intelligence-led, risk based origin verification, and assesses non-compliance through a range of targeted activities.

32.   Mexico asked Australia to explain the administrative costs to the business sector of issued COs and any surveys to show the differences between SCO and third party CO systems. Australia responded that issuing authorities charged an AUS$50-60 fee for issuance and would provide survey results if available.

33.   Chinese Taipei asked Australia whether there were criteria that must be met to qualify for the right to self-certificate. Australia responded that there were criteria, and offered to provide further detail to Chinese Taipei following the meeting.

34.   New Zealand expressed its strong support for the SCO work done by APEC.

35.   SCO is available to exporters under agreed bilateral trade agreements. Australia treats third-party certificate of origin and self-certification of origin for imported goods the same way.

36.   Viet Nam asked what mechanism was available for Customs authorities to verify the authenticity of SCO exporters in an exporting economy. Australia responded that it was not certain of the details, and offered to follow up with Viet Nam following the meeting. Chile stated that in the framework of the FTAs there are basically two verification mechanisms. One is related to the direct communication between the Customs authority of the importing economy and the exporter in the other economy when there is a SCO. The other is a verification process through the issuing authority in the exporting economy.

37.   Japan asked Australia how often Australian Customs visited self-certifying exporters to verify their compliance. Australia responded that there was no such verification.

(iv)   Ease of Doing Business (EoDB)

38.   On behalf of the two organizers of the APEC Ease of Doing Business Workshop on Trading across Borders, to be held on 18-19 September in Sendai (Japan), Singapore briefed the SCCP members on the workshop program. It will include presentations, panel discussions and breakout sessions on the theme of

making trade along borders easier and cheaper. A workshop report will be released for those unable to attend. The SCCP Chair encouraged members to participate in the workshop.

(v)   Trade Facilitation Action Plan (TFAP2)

39.   The SCCP Chair noted that the final evaluation report on the TFAP2 would be developed next year. In this regard, each sub-forum is required to submit data on the agreed KPIs. Data had been submitted by 18 SCCP member economies. The SCCP Chair strongly encouraged economies that had planned to but not yet submitted data to send it to the SCCP Chair Office by the end of September 2010.

(vi)   IT Application to Customs Procedures

40.   The SCCP Chair noted that application of IT technologies into customs procedures was on the agenda of the ACBD which was held on 13 September. The application of IT technologies is mentioned as one of eight priorities in the Statement of the Chair which was endorsed at the APEC Customs Directors-General/Commissioners Meeting. In this regard, the SCCP Chair expected that the SCCP would keep this agenda for the year ahead.

41.   The SCCP Chair informed the Meeting that the Supply Chain Visibility Workshop would be held in Sendai on 19 September with participation by Ms. Susanne Aigner of the WCO and representatives of the private and government sectors to better understand and discuss the role of supply chain visibility.

(vii)   Time Release Survey (TRS)

42.   Australia gave a presentation on the result of the bilateral Trans-Tasman Time Release Study (T-T TRS) with New Zealand, which appears as 2010/SOM3/SCCP/005.

43.   The T-T TRS covered trade between Australia and New Zealand measuring performance for clearance of import and export cargo (sea and air) in both directions. Looking at the timeframes for border-to-border clearance processes, the study concluded that levels of Trans-Tasman trade facilitation were high for cargo in both directions and that streamlining cargo clearance processes under ANZCERTA for cargo between the two economies accelerated clearance times compared with trade with other economies.

44.   Other findings from the T-T TRS were that the level of advance reporting is key to trade facilitation; differences in administrative arrangements contribute to "border effects"; differences in reporting timeframes, risk assessment and payment arrangements influence border performance; and that large traders achieve

clearance more quickly. The T-T TRS also identified opportunities for future work, including how to streamline advance reporting, assistance to small and medium traders, regulatory and data harmonization, exchanging best practices on risk management and applying the survey results to improve performance management.

45.   New Zealand provided some additional comment in relation to the bilateral Trans-Tasman TRS, which appears as 2010/SOM3/SCCP/016. Findings showed great improvements in the efficiency of cargo clearance at the border. Opportunities for improvement were identified as working with Customs brokers and importers to increase the percentage of import entries lodged before arrival, increasing the number of exporters joining the SES scheme, and working with interested parties and industry to improve the overall efficiency of New Zealand's international trade supply chains. As a sign of its continued commitment to regular studies the next NZ TRS will be conducted in September 2010.

46.   Mexico asked Australia to give details of how its agreement with New Zealand had contributed to faster clearance times. Australia replied that through the CERTA the two economies had been working on speeding up the clearance and reducing some of the checks on goods. Most importantly, the focus by both economies on moving closer to having a single economic market has shown that what has been put in place has been effective and that having a TRS with New Zealand was a good precursor for future measures.

47.   Brunei presented its TRS, carried out in 2009, with the aim of identifying bottlenecks in the process of import cargo clearance and determining means to improve efficiency. The study concluded with four recommendations: forwarding agents and importers should be able to submit electronic pre-arrival declaration forms; forwarding agents and importers should complete the clearing of exempt goods before submitting their applications; it should be possible to pay duties at the cargo clearance station; and there should be coordination between forwarding agents or importers and inspecting government agencies to minimize time taken for goods approval.

48.   Chinese Taipei noted that it took 6.5 days for clearance of exemption goods at Brunei International Airport, and asked Brunei what caused the delay. Brunei replied that a part of the time consumed was in coordination with other government agencies. Chinese Taipei also shared its experience on transparent clearance enquiry system and container tracking system in a TRS.

49.   The WCO welcomed the APEC Members efforts and underlined that the next WCO Permanent Technical Committee (PTC) in mid-October would focus, among other issues, on TRS. A number of WCO Members, including NZ and Australia, would report on the results of their TRS. Discussions at PTC would also

include TRS in relation to transit and corridor countries as well as TRS and Coordinated Border Management (CBM). Sharing of information on and experience with TRS was very important and APEC Members' contributions were therefore very valuable for the broader WCO Membership.

50.   The SCCP Chair expressed its expectation that the TRS would be implemented by each member economy, and their experiences shared with the SCCP.

Agenda Item 5: Secure and Facilitate Trade

(i)   Action Plan on AEO

51.   United States gave a progress report on the AEO Action Plan including the development of the APEC AEO Compendium, which appears as 2010/SOM3/SCCP/015.

52.   Japan and United States presented the first concrete outcome, the AEO Compendium composed of nine economies' AEO programs, for consideration by the SCCP. By the next SCCP meeting, it was expected that the elements suitable for harmonization would be agreed on and that harmonization efforts be started so that an AEO Best Practices document could be submitted to the second SCCP meeting in 2011 for approval. Once standardization of the common areas identified is started and the Best Practices document is endorsed, the Best Practices document can be used as a tool to develop future AEO programs, guide mutual recognition arrangement (MRA) negotiations and act as a mechanism to provide clarity to APEC leaders and the trading community.

53.   The creation of a new CAP item for the AEO work was raised at the AEO Working Group meeting. The SCCP agrees to create the new CAP and the scope of the CAP will be developed and discussed at the next SCCP meeting. Furthermore, enhanced collaboration with the trade community (i.e. ABAC) and Customs is necessary, such as through roundtable discussions to engage the trade community on the work of the AEO Action Plan.

54.   Japan, as co-lead economy, reported the results of the discussion at the APEC Customs Business Dialogue and the Customs Directors-General/ Commissioners Meeting on the importance of establishing AEO programs and their mutual recognition. Japan requested that the SCCP Chair report the development of the Compendium to the CTI as a deliverable of the SCCP and submit it to the WCO to assist non-APEC economies in developing their AEO programs. Japan also expressed its support for the development of a new CAP item on AEO.

55. Chinese Taipei thanked the lead economies for putting together the Compendium and commended its usefulness. Chinese Taipei noted that there was no specific schedule for publicizing information about the Compendium and asked when the AEO Compendium would be posted to the APEC website for interested economies to make use of. The SCCP Chair replied that the information would be put on the website shortly.

56. Hong Kong, China expressed its gratitude for the thorough analysis work of the Compendium. Hong Kong, China updated the Meeting on the progress of its AEO pilot project launched in June 2010, which is tentatively for 12 months to test the overall operational mechanism of AEO accreditation in Hong Kong, China. Further efforts are being made to fit the requirements to Hong Kong, China's unique business demands and environment, especially with regard to small and medium enterprises (SMEs). Hong Kong, China thanked the AEO teams of China, Korea and Singapore for useful comments on the design of the AEO program in Hong Kong, China. United States thanked Hong Kong, China for sharing their experience and encouraged the continued sharing of updates on developments.

57. The Meeting endorsed the Compendium as a first deliverable of the AEO Action Plan to be submitted to CTI and the WCO.

58. The SCCP Chair requested questions or comments on the next steps of the AEO Action Plan. Canada stated its support for the idea of having an AEO CAP item in order to provide structure for moving the work forward and establishing an implementation deadline. New Zealand also offered its support for the new CAP item, agreeing with Canada's view that while the deadline should not be tied to the 2020 Bogor Goals, there is a need for deliverables and appropriate measures for implementation.

59. The SCCP Chair noted that according to the next step of the AEO Action Plan, harmonization work was supposed to start over the next year.

60. Regarding the creation of the new CAP item, the SCCP Chair concluded that there was a broad consensus, while it was also pointed out that a deadline should be considered for the new CAP item that was separate from the 2020 Bogor Goals.

61. Chile asked United States if it was planning to elaborate the plan on capacity building, or whether it would rather be upon request with each member economy. United States replied that it intended to develop a capacity building plan within the working group.

62. The WCO made a presentation on WCO work including SAFE, the Columbus program, the SAFE Package developed in June 2010, and AEO and its

mutual recognition. In current developments, the SAFE Working Group is currently considering: a PSCG contribution "Globally Harmonized AEO Application and Self Assessment criteria," further guidance to members on concluding MRAs, and a review of SAFE to align standards with experience gained through members' implementations. There are numerous challenges in concluding MRAs, but mutual recognition is seen by Customs and business alike as one of the greatest benefits of AEO authorization. APEC economies lead in concluding MRAs, with discussion on further agreements ongoing.

63.   Chinese Taipei asked where it could find details on the 13 operational AEO programs established in 39 economies, and the nine economies planning establishment in the near future. The WCO replied that the information was available on the WCO public website in the AEO Compendium.

(ii)   Trade Recovery Program (TRP)

64.   Singapore reported on the work concerning the TRP. The SCCP1 endorsed the proposal from Japan and Singapore to develop well-coordinated communication networks among SCCP member economies to address the resumption of trade in the event of a major disruption to the global supply chain. The proposal contains four action items, and a questionnaire was issued to ask member economies to provide information on action items (1) develop a list of contact points among APEC Customs administrations, and item (4) develop a list of Customs instruments among APEC Customs administrations to facilitate information exchange. The responses have been compiled in 2010/SOM3/SCCP/019 for information. In addition, Japan and Singapore have also come up with the details on action items (2) a draft email template and item (3) standardized elements to be exchanged, which appears as 2010/SOM3/SCCP/018 for endorsement. Singapore explained that the document is meant to be a guide which does not preclude member economies from developing their own bilateral communication protocols template for trade resumption, following an incident.

65.   China thanked Singapore for its efforts and outlined participation of China Customs in the TRP pilot exercise. .

66.   United States suggested endorsing the proposal as a working document with the understanding that further development in the form of additional work is needed. To further enhance the action items, United States suggested that the sharing of examples be supplemented with experiences from existing and developing TRPs. Other issues to be addressed are the level of specificity of contained information; for example, contact points should be offices or centers capable of exchanging information round the clock rather than a specific person, and other communication mechanisms should be provided in addition to email, such as secure lines. While the standardized elements based on the SAFE

Framework are appropriate, the applicable elements should be sorted to make it workable. Format to be used and inclusion of possible partnerships with other government agencies and private sector entities such as shipping council would also be key issues to be developed. United States expressed its willingness to take the lead on TRP with the assistance of interested economies and start working intersessionally between now and SOM1 next year.

67.   The Meeting endorsed the documents as working documents and also agreed to keep the TRP as an item on the agenda of future SCCP meetings for the development of the additional work.

68.   The New Zealand Ian Axford Fellow from the United States presented on a research project researching on trade recovery carried out with New Zealand and United States, which appears as 2010/SOM3/SCCP/026. The joint trade recovery project found that the two economies' customs authorities had the resources to develop joint trade recovery protocols, based on similarities in risk-management systems, the existence of established communications systems, their strong bilateral relationship, and the high-level engagement of New Zealand and United States on the trade recovery issue.

69.   New Zealand commented that the research project was very successful and a good basis for establishing a bilateral trade recovery process. New Zealand noted that work was still in progress and that it was very important that the protocols were put into practice. New Zealand suggested that although the project was bilateral, it had wider relevance within APEC and complemented the WCO work, and so could be provided to relevant committees in the WCO.

70.   Chinese Taipei asked how US Customs cooperates with other trade agencies to enable trade recovery. The Ian Axford Fellow responded that while developing the trade recovery process with Canada, it was discovered that both parties had been developing their own TRPs in isolation. As a result, a messaging system was established between trade and government.

71.   The SCCP Chair pointed out that the scope of the trade recovery program explained by United States was far beyond the scope of the SCCP, and asked United States to take the capacity of the SCCP into account when United States took the lead on TRP next year. United States concurred, while noting that customs played a key role in trade recovery among several agencies involved.

72.   The WCO thanked the Ian Axford Fellow and New Zealand for their presentation and requested that a similar presentation be given to the SAFE Working Group.

(iii)   APEC Model Guidelines to Reduce Trade in Counterfeit and Pirated Goods.

73.   Hong Kong, China reported on the results of the Study on Customs IPR Enforcement jointly conducted by Hong Kong, China and Japan. The report appears as 2010/SOM3/SCCP/012.

74.   It was agreed after SCCP1 in March 2010 to conduct a stocktaking questionnaire with a view to developing IPR enforcement and identifying needs for capacity building among APEC economies. 19 out of 21 economies submitted their responses. The report was compiled based on the latest information received through the questionnaire on IPR border enforcement and capacity building activities in each APEC economy. Six areas for capacity building were identified as intelligence analysis, enforcement techniques, counterfeit and pirated goods identification, cooperation with rights holders, detection of Internet piracy, and application of risk management on IPR enforcement. These areas were further broken down into more specific areas and methods were proposed to address these areas.

75.   Going forward, Japan and Hong Kong, China have agreed to explore the possibility of developing capacity building plans such as workshops or seminars to address the capacity building needs identified and to consult member economies about the proposed plans.

76.   Japan expressed its gratitude to Hong Kong, China for their collaboration in conducting the survey. Japan reported that the issue of border enforcement and IPR was also taken up at the ACBD as well as at the DGs/Commissioners Meeting. The discussions concluded that cooperation between business and Customs as well as information exchange among Customs administrations were vital for effective border enforcement. Further active discussion should be continued to find a way to implement the actions discussed.

77.   Chinese Taipei also expressed its appreciation to Hong Kong, China and Japan for their efforts and supported the sharing of intelligence and information through signing of bilateral and multilateral agreements among member economies.

78.   Canada suggested that the work should be shared with the WCO once SCCP was satisfied that the work could be shared. The WCO thanked Canada for the suggestion.

79.   Canada and Brunei pointed out some factual errors regarding their responses respectively. The Meeting endorsed the report with the revisions requested by Canada and Brunei. The final revised document would be provided at the end of the meeting.

80.   United States presented three project proposals on IPR. The first regards

"Postal and Express Carrier Enforcement," particularly focused on shipment of substandard and counterfeit pharmaceuticals. The second proposal concerns the creation of a "Customs IPR Information Clearinghouse" to exchange information on a real-time basis. The third proposal addresses "Securing Supply Chains against Counterfeit and Pirated Goods," which also calls for a best practices exchange regarding supply and distribution chain management.

81.   Australia noted that it had seen a substantial increase in illegal items coming through express carriers, making it an area of great concern. In addressing this, the greatest gains could be made through developing intelligence-sharing processes, wherein the information clearinghouse could play a role.

82.   Canada commended United States for forwarding the proposals and encouraged other to make proposals. Canada acknowledged that the issue of pharmaceuticals arriving via the postal system was an area of concern and while they appreciate the proposal they cautioned that enforcement does not always lie within customs jurisdiction and could limit participation of some parties. However, in Canada an agency other than Customs handles such issues. Canada looked forward to receiving the concrete proposals from United States, in order to better assess the feasibility of these three proposals.

83.   Chinese Taipei asked United States to provide additional detail on what nature of information would be shared under its proposals, in that specific information would be exchanged under legal frameworks like CMAAs. United States responded that the proposals needed to be fleshed out, and it was seeking support for proposals of interest to member economies. Following feedback from member economies United States will begin the process of developing details on supported proposals.

84.   The WCO noted that it recently began to cooperate with the Universal Postal Union (UPU) and European Express Association, as well as individual express carriers, in order to tackle the shipping of counterfeit pharmaceuticals. The WCO and UPU were also working on the development of an e-learning tool to enable Customs to more easily identify counterfeit goods sent by postal or express services. The WCO expressed its enthusiasm for any proposal from United States on means to take this work further.

85.   Japan stated that it also had an emerging issue with express consignment and postal parcel, and would like to consider the US proposal positively in consultation with the relevant division in charge. To do so, Japan requested that United States elaborate on its third proposal. United States responded that it will reach out to its IPR experts and will provide more detail on this third proposal intersessionally.

86.   The SCCP Chair remarked that it looked forward to the updated information from United States.

87.   The WCO made a presentation on WCO activities in the area of IPR. Activities are in part directed towards experience sharing, via the WCO Counterfeiting and Piracy (CAP) Group, which focuses on members' efforts to combat trademark counterfeiting and copyright piracy. The WCO is also active in providing technical assistance and capacity building through diagnostic missions, risk analysis training, awareness raising, and operational exercises. The WCO cooperates with IPR owners through consultations, capacity building and training, and Private Sector-Members Interface, a WCO project to facilitate the work of Customs authorities by enhancing communication between Customs authorities and between Customs and rights holders. The WCO cooperates with other organizations and agencies through joint operations to enhance coordination and cooperation with other law enforcement agencies, while the Cotonou Declaration aims to jointly enhance the fight against counterfeit pharmaceuticals. The WCO also has a number of tools to assist WCO member economies' Customs authorities.

88.   In relation to protection of IPR during major sporting events, New Zealand commented that it was hosting the 2011 Rugby World Cup. To date there has already been one significant seizure of over 1,000 Rugby World Cup t-shirts. In order to have a coordinated approach at the border, the Major Events Border Steering Committee was formed, chaired by New Zealand Customs. The committee has been working closely with the IPR owner and government agencies to ensure that there is an effective strategy in place, and is considering legislative change, including the possibility of granting Customs additional powers to seize goods.

Agenda Item 6: CAP Evaluation and Way Forward

(i)   Overall CAP Evaluation

89.   Japan expressed its appreciation for the support of all member economies in their developing the Evaluation Report on Customs Activities in APEC, which appears as 2010/SOM3/SCCP/011. All 21 APEC economies joined the evaluation work, the evaluation of SCCP Collective Action Plan (CAP). It was concluded that 10 out of 16 CAP items had been achieved, with further efforts needed for the remaining six items. The report also includes recommendations for future activities of the APEC Customs administrations such as developing AEO programs and Single Window systems. The SCCP already discussed and agreed on creating new CAP items for the implementation of AEO and Single Window in the SCCP.

90.   United States thanked Japan for their support in developing the CAP Evaluation Report to provide a clear picture and vision on the CAP item

achievements.

91.   The Meeting endorsed the evaluation report. The SCCP Chair pointed out that the report called for commitment to achieve the CAP items including the development of a Single Window system in each economy by 2020, and noted future work on new CAP items to be added. The SCCP Chair expected further discussion at the CAP Working Group to reach a specific conclusion over the next year.

(ii)   APEC-Funded Projects

92.   The APEC Secretariat gave a report on the present status of SCCP projects funded by APEC. The documents appear as 2010/SOM3/SCCP/008 and 2010/SOM3/SCCP/014. Earlier this year, the APEC Budget and Management Committee (BMC) made changes to the APEC project approval and project management processes and trials had been conducted.

93.   While a full proposal requires approval from the BMC, simplified processes were introduced to reduce excessive requirement including Concept Note, a snapshot of the intended project for faster review. With respect to project management processes, a decision had been made to strongly encourage submission of project monitoring reports and completion reports in a timely fashion. Otherwise the fora to which the project belongs would be unable to apply for further project funding. However this time, due to the members' cooperation, particularly thanks to Peru's prompt filing of these reports, the SCCP had not been impacted by the changes. The SCCP had no projects being submitted at this project approval session. Anyone interested in submitting a project is encouraged to get in touch with the APEC Secretariat.

Agenda Item 7: Customs and Environment Issues

94.   Thailand presented its work on environmental protection. It noted that the illegal trade in environmentally-sensitive commodities posed a challenge to Customs and the international community. Transnational environmental crime directly threatened human health and the environmental health of economies, and its proceeds could be a funding source for terrorism. Thailand has developed the concept of "Green Customs." The Green Customs initiative is developed based on multilateral environmental agreements such as endangered species, hazardous chemicals and waste, etc.

95.   Thailand outlined several case studies of seizures of restricted animals, animal products and plant products at borders and airports, as well as CFC-based products. It also showed an example of a Customs Social Responsibility program, wherein high-ranking Customs officials aided the community by cleaning up rivers.

96.   Chinese Taipei noted that it would continue to make contributions to environmental protection, citing several examples of efforts it was undertaking.

97.   China outlined a number of activities it had been carrying out for environmental protection within the purview of Customs, which included participation in the project of "Sky Hole Patching" launched by China Customs and WCO Asia Pacific RILO.

Agenda Item 8: Cross-Fora Collaboration

98.   Japan, representing the SCCP, attended the workshop held in Seoul, Korea, organized by the ECSG on "Information Systems for Paperless Trading" and reported on the results of the workshop to the SCCP members. The document appears as 2010/SOM3/SCCP/010. Discussions were on issues such as Single Window and paperless trading, one of SCCP's new CAP items. The workshop led to 13 recommendations. Reflecting a comment made by the SCCP representative at the workshop, recommendation number 9 was included, on the continuation of information exchange and sharing respective works in a timely manner between APEC fora to gain synergy on the cross-cutting agenda without duplication of activities.

Agenda Item 9: Transparency

99.   There were neither presentations nor comments by member economies on the agenda item.

Agenda Item 10: Other Business

100.   Chinese Taipei introduced the self-funded curricular project "APEC Amity Customs Seminar" to be held on 18-23 October 2010. The presentation appears as 2010/SOM3/SCCP/020. Chinese Taipei expressed its hope that SCCP member economies would participate in the seminar. Specialist lecturers from member economies would share their expertise on inspection technique, advance cargo information, AEO and Single Window. Participants were invited to make presentations to share best practices and to take part in study visits.

101.   Canada tabled the issue of the APEC website. Canada explained that it had been in charge of maintaining the SCCP website and reported that due to technical issues it was unable to continue this work. Canada asked for another economy to take over the maintenance of the website.

102.   United States inquired about the costs and whether potential funding by the APEC Secretariat was available to assist in running the SCCP website. The APEC

Secretariat stated that the issue had been tentatively discussed, but concluded that it had no technical capability and budget to handle the issue.

103.   Chile asked how the SCCP website differed from the main official APEC website. The APEC Secretariat explained that the website hosted by Canada contained more detailed information on the SCCP than the page on the APEC website. The APEC website only included links to APEC documents, whereas the Canadian website provided publicly-accessible general and detailed information.

104.   As a result, Canada proposed creating a summary document outlining the history, challenges and the resources required to maintain the site intersessionally and putting the issue forward at the next meeting.

105.   The Meeting agreed to wait for the information to be provided by Canada and the SCCP Chair proposed adding the issue of continued maintenance including transfer of responsibility or alternatively closure of the site to the agenda of the next SCCP Meeting. No objections were raised to this suggestion.

Agenda Item 11: Status Report of the 2010 SCCP Work Program

106.   The SCCP Chair tabled the draft update of the 2010 SCCP Work Program. Japan suggested adding creation of new CAP items concerning AEO and Single Window in the status column. The 2010 SCCP Work Program was accepted as amended.

Agenda Item 12: Formation of the 2011 Friends of the Chair Group

107.   As per the TOR of the SCCP, Japan and Russia would be in the FOTC, assisting United States as incoming SCCP Chair. In accordance with the TOR, the SCCP Chair called for volunteers to act as Friends of the Chair. Australia, Canada, Chile, New Zealand, Singapore and Chinese Taipei volunteered. United States welcomed all the volunteers and stated that it looked forward to working with FOTC members on the SCCP's priority-setting process for the following year.

Agenda Item 13: Adoption of the Report of the Second SCCP Meeting in 2010

108.   The SCCP reviewed and adopted the 2010 SCCP2 final report. The document appears as

Agenda Item 14: Document Access

109.   The SCCP agreed the status of the documents presented at the 2010 SCCP2.

Agenda Item 15: Future Meetings

110.   United States informed the Meeting that the next SCCP Meeting would be held in Washington D.C. in March next year.