

**APEC SUB-COMMITTEE ON CUSTOMS PROCEDURES (SCCP)
CLARK FREEPORT ZONE, PHILIPPINES, 27-29 JANUARY 2015**

REPORT OF THE FIRST MEETING OF SCCP

INTRODUCTION

1. The APEC Sub-Committee on Customs Procedures (SCCP) held its first Meeting for 2015 from 27-29 January 2015 in Clark, the Philippines.
2. Delegates from Australia, Canada, Chile, China, Hong Kong China, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Chinese Taipei, Thailand, United States of America, and Viet Nam attended the Meeting.
3. The Meeting was also attended by Undersecretary Ferdinand Cui, Jr., SOM Vice-Chair, Ambassador Esteban Conejos, Jr., Chairman, WTO Preparatory Committee on Trade Facilitation, Mr. Toshihiko Osawa, Technical Officer at the World Customs Organization (WCO), and Deputy Commissioner Primo B. Aguas, Chairman, ASEAN Single Window Steering Committee (ASWSC).
4. Deputy Commissioner Agaton Uvero, Philippine Bureau of Customs, chaired the SCCP Meeting.

OPENING

5. Honorable John P. Sevilla, Commissioner, Philippine Bureau of Customs, delivered the welcome address emphasizing the importance of trade facilitation in integrating SMEs in global trade and invited the support of APEC member economies in considering SME-friendly policies. He highlighted the significant role that SCCP plays in supporting APEC's efforts in strengthening economic integration and increasing trade flows in the Asia-Pacific region.
6. Mr. Sevilla shared that enhancing regional economic integration can only take place, and deepen, if the SCCP, and its respective APEC member economies, do its tasks ever more efficiently. Otherwise, the increase in trade flows, and the realization of the benefits of economic integration, simply will not happen. Further, he discussed the need to recognize that SMEs in many, if not all, of the member economies face particular challenges in dealing with customs procedures.
7. Lastly, he reported that the Philippines fully supports the priorities of the SCCP and will do its part in achieving the common objectives through important reforms, including moving towards a paperless trading environment.
8. The SCCP Chair welcomed all member economies, observers, and guests, and formally opened the meeting. He requested the member economies to

review in advance the 2015 Work Program and submit comments on or before 28 January 2015 in preparation of its adoption on 29 January 2015.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

9. The SCCP Chair presented the draft annotated agenda and invited member economies for comments and suggestions.
10. China requested to include the implementation of the 3M Strategic Framework as a new separate agenda item to provide a systematic approach in addressing relevant issues. Philippines explained that most topics under the 3M Strategic Framework such as WTO-ATF, AEO, IPR border protection, Single Window and Cross-Border E-Commerce were already included in the agenda.
11. Japan suggested the discussion on the implementation of the 3M Strategic Framework prior to the Collective Action Plan (Agenda Item No. 12).
12. Following the inclusion of the new agenda item on the "Implementation of the 3M Strategic Framework" as Agenda Item No. 12, the SCCP adopted the agenda.

AGENDA ITEM 2: BUSINESS ARRANGEMENTS

13. The Philippines discussed the program of activities and administrative arrangements, including side-events, for SCCP 1.

AGENDA ITEM 3: APEC 2015 THEMES AND PRIORITIES

14. The SOM Vice-Chair presented the APEC Philippines 2015 host theme "Building Inclusive Economies, Building a Better World" and enumerated the four priority areas: (i) enhancing the regional economic integration agenda; (ii) fostering the participation of SMEs in regional and global markets; (iii) investing in human capital development; and (iv) building sustainable and resilient communities. He emphasized the importance and the need for a clear, relevant, and measurable set of APEC initiatives toward an outcome-oriented APEC 2015 and beyond.
15. Japan expressed its support on the priorities of APEC 2015 and agreed with the topic on 'Resilient Communities'. Japan inquired if there is any discussion at the SOM level against terrorism considering that terrorism affects the international supply chain as much as natural disasters and health pandemics do. The SOM Vice-Chair acknowledged the question and said that the inclusion of counter-terrorism as a sub-issue under "Resilient Communities" was not directly discussed during the ISOM. The SOM Vice-Chair suggested that the SCCP may raise the issue to SOM for discussion. Meanwhile, the SOM Vice-Chair will advise the SOM Chair informally regarding the issue.

16. On behalf of the CTI Chair, the APEC Secretariat highlighted the importance of SCCP's contribution to APEC and CTI work programs which included, among others: (i) the endorsement by APEC Ministers in November 2014 of the APEC Customs 3M Strategic Framework which provided strong basis for SCCP's on-going work, including in the area of supporting implementation by APEC economies of the WTO-ATF establishing and strengthening AEO programs and Single Window Systems; (ii) promoting interoperability of single window systems; and (iii) improving customs efficiency and risk controls on new technology. The document appears as 2015/SOM1/SCCP/027.
17. The SCCP Chair reiterated the CTI priorities: (i) support for the multilateral trading system/WTO; (ii) advancing regional economic integration; (iii) strengthening connectivity and infrastructure development; (iv) regulatory cooperation; and (v) contributions of CTI and sub-fora to cross cutting mandates.
18. SCCP Chair encouraged member economies to support the APEC 2015 priorities.

AGENDA ITEM 4: SCCP 2014 OUTCOMES

19. China presented the highlights of the SCCP 2014 outcomes under the theme "Mutual Recognition of Control, Mutual Assistance of Enforcement and Mutual Sharing of Information (3M)" to advance supply chain connectivity.
20. China recognized the collective efforts of the SCCP in 2014 and reported specific achievements in the following priorities: APEC Customs 3M Strategic Framework; Implementation of WTO-TFA; Supply Chain Connectivity; Single Window; AEO; Partnership with Business Community; IT Information and Risk Management; Collective Action Plan; IPR Border Protection; Cross-border e-Commerce; and Trade Recovery.
21. The SCCP Chair thanked and congratulated China on its successful hosting of SCCP 2014.
22. The APEC Secretariat made a presentation on: (i) Report on Key Developments, (ii) Project Management Updates, and (iii) Pilot for Project Session 1, 2015: Concept Note Prioritization and Ranking.
23. The APEC Secretariat referred member economies to document number 2015/SOM1/SCCP/028, which contains the following key developments: (i) APEC 2015 Priorities; (ii) Key Outcomes of Senior Officials and Committee Meetings and (iii) Developments Within the Secretariat and Policy Support Unit.

24. The APEC Secretariat reported on (i) the important decisions made since BMC 2, 2014; (ii) total projects funded for 2014; (iii) dates and deadlines for approval of Concept Notes; and (iv) key advice or guidelines for submission of Concept Notes. The presentation appears as document number 2015/SOM1/SCCP/003.
25. The APEC Secretariat explained to the member economies how to accomplish the template for the Prioritization and Ranking of Concept Notes. The APEC Secretariat informed SCCP that the new prioritization templates will be used by 27 February 2015 by all economies in all Working Groups/Sub-Fora and Committee level. The presentation on "Pilot for Project Session 1, 2015" appears as document number 2015/SOM1/SCCP/004.
26. On Chile's query on sub-funds, like mining sub-funds and inter-connectivity sub-funds, the APEC Secretariat clarified that sub-funds will be discussed at BMC 1.

AGENDA ITEM 5: IMPLEMENTATION OF WTO AGREEMENT ON TRADE FACILITATION

27. The WTO-ATF Preparatory Committee Chair briefed the SCCP on the status of implementation of the WTO-ATF. The Preparatory Committee on Trade Facilitation was created to conduct the legal review of the Agreement, receive notifications of Commitments, and prepare Protocol of Amendment to insert the Agreement into Annex 1A of the WTO Agreement. WTO-ATF Preparatory Committee Chair said that the review of the ATF was concluded in April 2014. Meanwhile, WTO received over 53 notifications of Category A Commitments. Finally, the Protocol of Amendment was adopted by WTO on November 27, 2014 in accordance with Article 10-3 of the WTO Agreement. WTO said that ATF will enter into force upon ratification of 2/3 of WTO members and only for those members who have accepted it. The WTO stated that the Preparatory Commission in Geneva will continue working in its mandated work to ensure the expeditious entry in to force of the Agreement and to prepare for its efficient operation.
28. New Zealand inquired on the number of contracting parties to constitute 2/3 of the membership. New Zealand made an observation that majority of the ATF provisions have been implemented through the RKC. The WTO replied that 108 members is required for the ATF to enter in to force. Also, the WTO agreed with the observation so it is expected that ratification of ATF will not be difficult.
29. After thanking the WTO-ATF Preparatory Committee Chair, the SCCP Chair acknowledged the role of the WTO Preparatory Committee in the making of WTO ATF as well as in providing assistance to APEC member economies in its implementation.

30. The WCO discussed the Mercator Programme which is aimed at assisting economies to implement the ATF expeditiously and in a harmonized manner using WCO instruments and tools, such as WCO Revised Kyoto Convention. The WCO stated that its Secretariat is conducting a survey on TF National Committee the result of which will be discussed in the ATF Working Group meeting on 12-13 February 2015. The WCO mentioned that it intends to hold WCO Regional Workshops on Strategic Initiative for Trade Facilitation in March 2015. Mexico requested the WCO to share the outcome of the workshops at the next SCCP meeting. The presentation of the WCO appears as 2015/SOM1/SCCP/005, 006,007,008 and 009.
31. China shared information on its domestic preparations in implementing the WTO-ATF which include public information transparency, efficient clearance procedure, utilization of pilot service program on cross-border e-commerce, Single Window pilot and Customs-CIQ. The presentation of China appears as 2015/SOM1/SCCP/010.
32. Korea shared its plan to proceed with internal procedures for the implementation of the ATF including its acceptance of the agreement as soon as its internal procedure is completed, to conduct workshops/seminars for the capacity building. Also, Korea shared its experience in publishing a handbook to help its stakeholders understand and utilize the provisions of the agreement.
33. Thailand briefly updated the latest status of Thai Customs implementation on WTO ATF. Recently, Thailand finally categorized each provision of the Agreement. As a result, 123 provisions are in Category A, 18 provisions are in Category B, and there are no provisions designated as Category C. Also Thailand has submitted the Category A notification to WTO accordingly. At present, Thailand is assessing on the indicative implementation dates for Category B.
34. The United States provided its support and work towards implementing the TFA including recently delivering its letter of acceptance to the WTO DG.
35. The Philippines presented its proposal to build on the existing Website on APEC Tariff and Rules of Origin (Web-TR) by developing the APEC Trade Repository (APEC-TR). The Philippines circulated the proposal to member economies on 20 January 2015 and acknowledged the submission of initial inputs from SCCP members.
36. The proposed APEC-TR will serve as a single online reference point for APEC member economies' trade and tariff regimes, containing information that are relevant to APEC's stakeholder who may want to engage in cross-border trade. APEC-TR will build on the existing Website on APEC Tariff and Rules of Origin (Web-TR) by expanding its current dataset to include information on: (1) tariff rates; (2) rules of origin; (3) Best practices in trade facilitation e.g. advance rulings on tariff classification, origin, and valuation; (4) Other trade measures notified to the WTO i.e. SPS, TBT, ILP; (6) Domestic trade and customs rules and regulations; (7) Procedures and documentary

requirements on exportation and importation; and (8) AEO and MRAs. The APEC-TR will feature – economy listing, topical listing, and search dialogue box. The APEC-TR will encourage collaboration between relevant CTI sub-fora e.g. MAG, SCCP, SCSC. The presentation appears as 2015/SOM1/SCCP/012.

37. Chinese Taipei, Japan, Peru, Thailand, and Vietnam, expressed their support for the proposal to develop the APEC-TR. Vietnam underscored that the proposal supports APEC's REI objective and the 3M Strategic Framework endorsed by the Leaders in 2014. The proposal also allows APEC member economies to maximize market access opportunities made possible by existing and on-going regional economic integration initiatives (e.g. AEC, RTAs/FTAs in the Asia Pacific, TPP). Thailand and Vietnam added that the proposal is of particular benefit to SMEs given the improvement in trade transparency and connectivity.
38. Australia, Chinese Taipei, Japan, and New Zealand advised on the challenges involved in the development of the APEC-TR. Australia noted the need to address concerns on the availability of information, sustainability and maintenance. New Zealand expressed concern on the duplication with existing national, regional and international databases, maintenance and sustainability, and on having a common understanding of definitions and concepts. Chinese Taipei suggested to the Philippines to consider technical issues, such as harmonization of data. Japan expressed its reservation on element number eight since their SMEs do not wish to be listed or referred to as SMEs.
39. The WCO expressed willingness to share existing information and experience on the related activities of the WCO e.g. origin database, AEO compendium, WCO Implementation Guidance on TFA.
40. The SCCP agreed to endorse the initiative in principle, subject to the Philippines addressing the concerns raised by member economies. SCCP Chair requested member economies to submit their comments to the discussion paper by 10 February 2015. The Philippines thanked economies for their comments and welcomed additional feedback.

AGENDA ITEM 6: SUPPLY CHAIN CONNECTIVITY FRAMEWORK

41. Japan presented the study report for Chokepoint 4, which aims to address the inefficient clearance of goods at Customs, lack of coordination among border agencies, especially relating to clearance of regulated goods 'at the border'. The report detailed all survey responses including the Time Release Studies of each member economy. The presentation appears as 2015/SOM1/SCCP/013.
42. Chile briefed the SCCP on the outcomes of the Chokepoint 8 workshop held on August 10-11, 2014 in Beijing, China. The workshop highlighted the

exchange of experiences which led to modification of the proposed guidelines on cross-border customs transit. The presentation appears as 2015/SOM1/SCCP/014. Chile also informed the member economies that it will be submitting a concept note during the session 2 of the funding request cycle to hold a workshop on the implementation of the adopted guidelines of Chokepoint 8 during 2016 SOM1 in Peru.

43. US and Malaysia acknowledged the work initiated by Japan and Chile for Chokepoint 4 and 8, respectively. New Zealand sought clarification if the 3rd and 4th Guidelines for APEC Customs transit apply to both transit and transshipment which was answered by Chile in the affirmative. New Zealand inquired, if it is not too late to amend the title of Chokepoint 8 to transit/transshipment. The SCCP Chair requested the dissemination of the guidelines among member economies for comments and subsequent discussion.

AGENDA ITEM 7: SINGLE WINDOW

44. The ASWSC Chairman presented an overview of the ASEAN Single Window (ASW) System and discussed the progress of its establishment. The presentation appears as 2015/SOM1/SCCP/-15. It noted that the ASW is ASEAN's premiere program to attain the ASEAN Economic Community (AEC) by 2015. When fully operational, it will provide seamless and transparent information sharing between exporting and importing countries, simplified data entry through sharing of information from exporters and importers, shippers and ports and more rapid clearance of goods through pre-arrival information sharing and use of transaction information for risk management. ASWSC Chair further reported that ASW is expected to go live in December 2015 and Malaysia, Thailand, Singapore and Indonesia would be taking part in a more comprehensive testing of the ASW before going live.. Meanwhile, other six (6) ASEAN Member States are in various stages of implementing their NSW.
45. Following the presentation, Thailand thanked the ASWSC for the comprehensive update on the ASW and shared the status of its Single Window connectivity. At the present, Thailand has completed the second stage, which is providing Computer System to facilitate information sharing between government and business sectors and enable a single electronic document submission.
46. The Philippines inquired whether it will also provide online verification for the electronic exchange of Certificates of Origin. The ASWSC Chair assured that the ASW will operate on a secure environment wherein there will be no need for retro-verification.
47. New Zealand asked if there is a requirement for minimum number of Member States to be connected to ASW and what would happen to the other Member States which are not yet connected to the system. ASWSC Chair responded that there is no required minimum number of ASW participants "non-ready"

Member States are still encouraged to join the live exchange while using their old systems.

48. Japan briefed on the intermediary status of 2014 Single window Questionnaire following the discussion at the 2014 SCCP 2. The presentation appears as 2015/SOM1/SCCP/016. The report highlighted interesting inputs particularly on cross-border data exchange, synergy with advance technologies and integrated border management. It also highlighted that member economies operate their Single Windows at different platform/model. Japan further expressed its gratitude to member economies that already provided their inputs. However, it reported that some data need further verification and encouraged the collaboration of other member economies that have not yet provided inputs to the survey. The agreed timeline to submit the inputs was 3 weeks from the date of the SCCP 1 meeting.
49. The United States commended the efforts being done by the SCCP to implement the Single Window and updated the meeting on the recent developments of their implementation of the Single Window. It expressed that they are looking forward for significant developments and programs on their Single Window in 2015.

AGENDA ITEM 8: AUTHORIZED ECONOMIC OPERATOR

50. Peru shared information on Regional Strategy on AEO in the Americas and the Caribbean which aims to promote AEO programs implementation, strengthen regional AEO programs, increase the number of AEO operators, strengthen partnership with private sector and government or international organizations and encourage MRAs. The presentation appears as 2015/SOM1/SCCP/017. The United States expressed its support to Peru as a co-coordinator for the AEO Regional Strategy and referenced the notable achievements that have been accomplished over the past two years.
51. The United States, Canada, Malaysia, Japan, Korea, Australia and Peru informed the Meeting on the status of their AEO implementation.
52. Thailand informed the meeting on the status of its AEO implementation and shared information that Thailand currently has 250 certified importers and exporters along with customs broker. Additionally, Thailand has signed MRA Action Plans with Hong Kong China and Korea.
53. Australia noted the SCCP endorsed the concept note on “Trusted Trader” in August 2014 and expects it to be approved as a project on 27 February.
54. The Philippines presented its proposed study on AEO Best Practices in APEC, which will be undertaken by the PSU. The Discussion Paper and proposed Terms of Reference appear as 2015/SOM1/SCCP/018 and 2015/SOM/SCCP/019, respectively. It was highlighted that such an undertaking supports the implementation of the APEC Connectivity Blueprint

for 2015-2015 and the APEC Customs 3M (Mutual Recognition of Control, Mutual Assistance of Enforcement and Mutual Sharing of Information) Strategic Framework endorsed by APEC Leaders in 2014, and in advancing the work of the SCCP AEO Working Group under the AEO Action Plan.

55. The initiative is proposed to have the following outputs: (1) Assessment of existing AEO programs of APEC member economies, including an analysis of their technical design elements and features; (2) Assessment of AEO best practices and recommendations on enhancing the interoperability and expansion of the APEC network of AEOs (MRAs); (3) Survey of APEC AEOs e.g. type of entity (exporter, importer, broker, forwarder, etc.), sector, size (large, medium, small); (4) Stock-taking of APEC AEO capacity building activities; and (5) Development of an APEC Best Practice Guideline on AEO.
56. Chile, China, Chinese Taipei, Japan, Korea, New Zealand, and Thailand expressed their support for the Philippine proposal to undertake a study on AEO. Chinese Taipei, and Korea expressed their willingness to share information on their AEO programs and AEO MRAs in place, as well as New Zealand that implements an AEO-type scheme. New Zealand underscored the contribution of the initiative in supporting the WTO-ATF, and in improving existing AEO programs. Thailand expressed its interest in expanding MRA partnership with other APEC economies.
57. Japan underscored that the grant of AEO status is based on the ability to comply with the security standards and requirements. It stated that it will not lower the standards of the AEO requirements and emphasized the need for capacity building and information sharing activities for SMEs to qualify as an AEO.
58. The WCO expressed its interest on the study and willingness to contribute in terms of providing more information on related WCO initiatives, particularly on the WCO AEO Compendium. The Compendium appears as 2015/SOM1/SCCP/009.
59. The SCCP agreed to endorse the initiative. The SCCP requested PSU to take advantage of the existing resources on the AEO in undertaking the study. The Philippines thanked economies for their comments and welcomed additional feedback.

AGENDA ITEM 9: INFORMATION TECHNOLOGY AND RISK MANAGEMENT

60. Japan made a presentation on its work on Passenger Name Record (PNR) which is a vital information source for risk management regarding travel facilitation initiative. Japan suggested for the SCCP to promote information sharing of member economies' work on PNR. Japan further encouraged member economies to accept WCO's recommendation to utilize PNR, promote consultations with relevant agencies and airlines and strengthen collaboration with other APEC fora such as Business Mobility Group (BMG) and Counter-Terrorism Working Group (CTWG).

61. The SCCP Chair advised that the suggested SCCP actions for PNR were agreed in principle and encouraged members to submit further comments within ten (10) days for endorsement to the APEC Secretariat.
62. Korea shared its successful operation leading to the arrest of notorious smugglers due to vital information provided by Japan including the names, date and place of departure of criminals. Korea acknowledged Japan's effort to prevent and combat trans-national crimes.
63. The US, Indonesia, Australia and WCO expressed support for the initiative being undertaken by Japan. The presentation appears as document No. 2015/SOM1/SCCP/017.
64. Indonesia shared that the PNRGOV will be implemented in Indonesia in September 2015 to facilitate Customs and other border control agencies in conducting control against high-risk passengers, preventing the trafficking of illicit drugs and providing travel facilitation. Indonesia also presented a Concept Note on Advance PNR workshop in 2016. The workshop is intended to share knowledge and experience in building PNRGOV, the benefits for border control agencies and airlines, implementation challenges, as well as how PNR could help facilitate legitimate travellers.
65. Japan and Australia expressed their willingness to co-sponsor with Indonesia the scheduled PNR Workshop and requested for the approval of the proposed approach. SCCP Chair requested member economies to submit their comments on the concept note within 10 days to the APEC Secretariat. The presentation appears as document No. 2015/SOM1/SCCP/021.

AGENDA ITEM 10: INTELLECTUAL PROPERTY RIGHTS

66. Hong Kong China and Japan made a presentation on the outcomes of the workshop entitled APEC Workshop on IPR Border Enforcement held on November 11-13, 2014 in Hong Kong China. Participants gained knowledge from the sharing of experiences and best practices on IPR Border Enforcement, investigation techniques and capabilities, cooperation with right holders and raising public awareness on results of customs enforcement at the border.
67. Hong Kong China stated that it will be useful if member economies will continually share experiences and good practices and encourage private sectors and various agencies to combat IPR infringement.
68. They presented the result of the evaluation survey it has conducted together with Hong Kong China during the APEC Workshop on IPR Border Enforcement. They committed to update the check sheet which shows the latest status of each member economy on best practices. The presentations of Hong Kong China and Japan appear as 2015/SOM1/SCCP/022.

AGENDA ITEM 11: CROSS-BORDER E-COMMERCE

69. China presented the relevant arrangements and considerations on the APEC Workshop on Customs Control over Cross-border E-Commerce which was proposed to be held in April or May 2015 in Hangzhou, China. The presentation appears as 2015/SOM1/SCCP/023. The workshop was an initiative proposed by China at the APEC 2014 SCCP 1 and was co-sponsored by Australia, Hong Kong China, and Chile. It aims to increase awareness on the trends of cross-border e-commerce development, to share experience and practices among APEC economies and to initiate rules and regulations to policymakers among APEC economies.
70. The SCCP Chair acknowledged China for its initiative and encouraged member economies to participate in the incoming workshop. He opened the floor for comments and requested member economies to share their experiences on cross border e-commerce issues.
71. Mexico expressed its support on the workshop and suggested to include the United Postal Union and the Latin American Association of Express Delivery as participants to the workshop. Chinese Taipei, Hong Kong China, Philippines and Japan also expressed their support on China's workshop. New Zealand informed the meeting regarding a document that they recently prepared for the WCO Policy Commission which focuses on the revenue aspects and implications of E-commerce. It further expressed its willingness to provide a soft copy to the Secretariat for circulation. WCO affirmed the contribution of New Zealand and concluded that it will continue the discussion on the impact of e-commerce in revenue collection. It also shared its support on the workshop and advised to invite colleagues in the WCO.
72. Peru inquired regarding the deliverable "Cooperation with other relevant agencies" under "Session 3: Practices to secure and facilitate cross-border e-commerce" of the proposed workshop. It shared its interest in knowing the result of the workshop as guidance on how economies will establish such cooperation.
73. China was pleased to note the support of the member economies on the incoming APEC Workshop on Customs Control over Cross-border E-Commerce. It requested Mexico to provide the contact details of the specific organizations suggested earlier so that they can keep in touch with them. It advised Peru that the deliverables on the cooperation with other relevant agencies vary for each economy. It advised that this topic was opened to all economies due to its complexity and invited any economy as a panelist.
74. China was encouraged to use the New Zealand study and WCO publications for the workshop. Member economies were also requested to submit comments on the agenda of the proposed workshop.
75. Korea presented the statistics and trends of cross border e-commerce flow flow in Korea, as well as the special import procedure for courier and postal goods. Korea shared its efforts in addressing smuggling goods through the Postal Goods Delivery Tracking System, mutual cooperation and information

exchange with business sector, mutual cooperation with government sector and comprehensive trainings on X-ray operations, IPR violations and drug trafficking study. The presentation appears as Document No. 2015/SOM1/SCCP/031.

AGENDA ITEM 12: IMPLEMENTATION OF THE 3M STRATEGIC FRAMEWORK

76. China emphasized the significance of Mutual Recognition of Control, Mutual Assistance of Enforcement and Mutual Sharing of Information (3M) among member economies to facilitate and strengthen the development of trade, supply chain connectivity and regional economic integration in the Asia-Pacific region. The SCCP Chair and China encouraged member economies to further implement the 3M Strategic Framework.

AGENDA ITEM 13: COLLECTIVE ACTION PLAN

77. Japan presented a review of the CAP and informed the member economies that the majority of the items were already achieved. Japan stressed that the APEC is evolving and thus CAP items should be updated, and they should be written in an actionable manner. Further, Japan requested for assistance and guidance from member economies in the revision of the CAP. Finally, Japan proposed several elements of discussion as indicated in Document 2015/SOM1/SCCP/024.

78. New Zealand, Canada, Mexico, Papua New Guinea, US and Viet Nam expressed support for the initiative of Japan to review the CAP items. New Zealand underscored that old CAP items must be removed and expressed reservation on the application of environmental law enforcement as an objective of trade facilitation. China requested to include the cross border e-commerce in the new CAP items which Japan confirmed. Viet Nam said that while it supports Japan for the review of the CAP items, it reiterated that it will make prior consultations before adhering to the initiative.

79. Mexico, New Zealand and the Philippines volunteered to be part of the group that will work intersessionally for the revision of the CAP. The SCCP Chair recalled SOM Vice-Chair's presentation on the need for metrics on APEC initiatives and encouraged participation of the member economies. The Chair invited economies who are interested to participate in the small group to communicate with the APEC secretariat in 1 week. The discussion paper appears as 2015/SOM1/SCCP/024.

AGENDA ITEM 14: COLLABORATION WITH APEC COMMITTEES, SUB-FORA AND WORKING GROUPS

80. Then Philippines briefly discussed the main elements of the SOM discussion paper on the SME Action Plan. The document appears as 2015/SOM1/SCCP/025. It focused on the elements of cooperation, priority actions and common goal. The discussion paper was prepared in accordance with the APEC's SME agenda to implement a good number of activities to

reduce the barriers faced by SMEs in international trade. Many of the APEC activities directly or indirectly address the barriers to SME trade and respond to the actions identified in the 2011 APEC Ministerial Meeting. The Philippines suggested that the good work should be continued by all APEC fora. More importantly, each fora should ensure that the issues faced by SMEs are not ignored in their respective areas of cooperation. It also proposed that APEC consider priority actions on increasing the de minimis threshold for waiver of the issuance or presentation of Certificate of Origin, providing trade and tariff information for SMEs, enhancing SME participation in Authorized Economic Operator (AEO) and trusted programs and setting appropriate labeling requirements for SMEs.

81. Further, it emphasized that the SME Action Plan will call for cross-fora collaboration and sharing of information to maximize synergies among the various APEC initiatives. The Philippines suggested that setting a target will help APEC develop more specific and relevant actions and initiatives. It will also be a clear manifestation of APEC's common belief that SMEs play a key role in trade, employment and economic growth. Thus, the SME Action Plan proposed that APEC adopt the goal of improving SMEs share of total export by 2020.

82. Japan shared the following preliminary observations on SME Action Plan:

- a. It is costly for SMEs to obtain necessary information
- b. In relation to Annex B, Item No. 5, the role of agencies other than Customs in contributing to the delays in clearance of goods.
- c. Japan Customs inquired whether there was a previous discussion on SCCP exchanging Cargo Outward Manifest.
- d. It also expressed reservations on the proposed threshold of USD 2,000 for certificate of origin requirement.
- e. AEO standards and requirements should not be compromised.

83. The Philippines explained that the proposed threshold value refers only to the waiver to issue or present a Certificate of Origin and it does not mean that the importing country will not collect duties or automatically grant preferential tariff treatment. The importer must still comply with the rules of origin requirement. The Philippines confirmed that the AEO standards should not be lowered.

84. New Zealand noted the proposal for trade and tariff information for SMEs (by providing access on a spread of tariff information, trade and business procedures) was also covered in other APEC initiatives such as Trade Repository. Also, it posed a reservation on the proposal to set appropriate labeling requirements for SMEs. Finally, it suggested to further review the proposal. New Zealand also expressed some concerns on the Certificate of Origin threshold, particularly how this will work under the individual free trade agreements.

85. The Philippines informed the SCCP that this is a work in progress and that it looks forward to receiving comments on its proposal at the SOM level in two (2) weeks.

86. The WCO shared the information on the current WCO SME Business Lens Checklist and encouraged the support of WCO Members to develop their own business lens checklist and institutionalize the proper involvement of SMEs in policy-making and review at national level. The document appears as 2015/SOM1/SCCP/006.
87. The United States provided an update on the progress of the Travel Facilitation Initiative. As a background, the APEC Travel Facilitation Initiative (TFI) was launched in 2011 as a cross-cutting initiative to expedite the movement of travelers across the Asia-pacific region with the goal of making travel easier, faster and more secure.
88. The United States further updated the meeting that the Airport Partnership Program is currently seeking funding for an APEC project proposal that aims to identify a small pilot group of airports to work with experts from across the APEC region to develop and showcase best practices in facilitating travel and to provide a welcoming environment for travelers.
89. Consequently, the United States reported that the Business Mobility Group (BMG) conducted an end-to-end review of APEC Business Travel Card (ABTC) business processes, which offered recommendations on managing the growth of the scheme. These recommendations will be discussed by BMG in 2015 and also agreed in principle to extend the ABTC validity from 3-5 years. BMG received funding for two (2) project proposals on the ABTC, particularly on managing passport changes in the ABTC Processing System and on ABTC Programme Management Assistance, which will facilitate capacity building to be undertaken in 2015. Lastly, the United States reported updates and actions taken on the APEC Trusted Traveler Characteristics and the Advance Passenger Information and following the endorsement of the BMG on the PNR/API best practices paper, will share with the SCCP.

AGENDA ITEM 15: OTHER MATTERS

90. The United States provided updates on the work with the private sector under the SCCP VWG particularly on suggested priorities and future direction of the Group and how to move forward in 2015. The TOR of the VWG is up for review. The United States is encouraging inputs and other suggestions as this will determine the future direction of the group. The TOR will be recirculated and sent for endorsement in February after the SOM.
91. The United States provided updates on their proposal for the conduct of Wildlife Trafficking Workshop in 2015. Member economies were encouraged to support the proposed two to three day capacity building workshop.
92. The Philippines, Indonesia, Japan, Thailand, Hong Kong China, Mexico, and China expressed full support to the proposal. Further, the Philippines committed to provide the venue and requested that the workshop be held at the nearest date to the SCCP 2 meeting in August 2015. Thailand expressed

its willingness to be the coordinator. Mexico suggested to the US to organize an operation based on the outcome of the workshop.

93. The SCCP Chair informed the member economies about the request of EGILAT to conduct a tripartite workshop with ACTWG on the following:

- 1) Challenges on the legality of timber;
- 2) Type of classification/misclassification of timber in trade; and
- 3) Relevance of WTO process regarding timber products.

94. The SCCP Chair informed the member economies that the discussion on the conduct of the workshop will be done intersessionally following circulation of the letter.

95. The APEC Secretariat presented media and communications updates citing SCCP's promotion in line with its priority issues and initiatives. \

AGENDA ITEM 16: ADOPTION OF SCCP 2015 WORK PROGRAM

96. The Member economies reviewed and adopted the 2015 SCCP Work Program.

97. Peru raised its proposal to conduct several projects in support to its next SCCP hosting next year. The proposal included the following:

- a. Issuing of notifications for enhanced controls or inspections to protect human, animal and plant life.
- b. Border Agency Cooperation
- c. Regional Workshop on Single Window Interoperability
- d. Trade Facilitation Legal Framework

98. The SCCP Chair advised that these proposals be submitted to the APEC Secretariat for circularization to member economies and for discussion in the the next SCCP meeting.

AGENDA ITEM 17: ADOPTION OF THE 2015 SCCP 1 MEETING RECORD

99. The SCCP Chair called upon the members to review and adopt the summary record of the 1st meeting of SCCP 2015. After providing their comments, the SCCP adopted the summary record for the first meeting of SCCP 2015.

100.

DOCUMENT ACCESS

101. Member economies determined the confidentiality of meeting documents and reports.

CLOSING REMARKS

102. The SCCP Chair expressed his gratitude to all delegates and Friends of the Chair of SCCP 2015 for their support during the meeting.

