APEC SUB-COMMITTEE ON CUSTOMS PROCEDURES (SCCP)
17 – 19 AUGUST 2016

LIMA, PERU

SUMMARY REPORT OF THE 2016 SECOND MEETING OF THE SCCP

INTRODUCTION

1. The APEC Sub-Committee on Customs Procedures (SCCP) held its Second Meeting for 2016 on 17-19 August 2016 in Lima, Peru.

2. Delegates from Australia; Chile; China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; New Zealand; Papua New Guinea; Peru; the Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam attended the Meeting.

3. The Meeting was also attended by the SCCP Chair, Mr. Gustavo Romero, and representatives from the APEC Secretariat and the APEC Policy Support Unit. The representatives from the World Customs Organization (WCO) as an observer, APEC Business Advisory Council (ABAC), Organization for Economic Co-operation and Development (OECD) and Colombia participated as invited guests.

OPENING REMARKS

4. The SCCP Chair delivered the welcome remarks, emphasizing that this second SCCP will once again seek to strengthen APEC 2016 priorities with current objectives such as reinforce free trade, develop human capital, modernize MSMEs in the Asia Pacific Region and improve regional food market. He also highlighted to continue developing the agenda items such as trade and investment facilitation within the WTO and the Supply Chain Connectivity framework, Single Window, AEO Programme, Information Technology and Risk Management, Intellectual Property Rights, E-Commerce, among others.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

5. The SCCP Chair presented the Draft Annotated Agenda and invited Member Economies for comments and suggestions.

6. The Agenda was adopted by SCCP Delegates (2016/SOM3/SCCP/00x).

AGENDA ITEM 2: BUSINESS ARRANGEMENTS

7. Peru briefed on the program and administrative arrangements, including side-events for SCCP2.

AGENDA ITEM 3: 2016 SCCP1 OUTCOMES AND SOM2 DEVELOPMENTS

8. The SCCP Chair reported on the results of SCCP1 held in February 2016 mentioning APEC 2016 Priorities such as advancing Regional Economic

Integration and Quality Growth, enhancing the Regional Food Market; modernization of MSMEs in the Asia-Pacific; and developing Human Capital. The importance of SCCP contribution to CTI by collaborating on its main priorities areas was also highlighted.

9. The SCCP Chair also informed on the most important matters addressed in SCCP 1, which were implementation of the WTO Agreement on Trade Facilitation, Supply Chain Connectivity framework, Single Window, Authorized Economic Operators, Information Technology and Risk Management, IPR, Cross-border e-commerce, Collective Action Plan, Collaboration with APEC Committees, Sub-Fora and Working Groups.

10. The APEC Secretariat reported on the SOM2 developments related to CTI and SCCP, mentioning that there are new four sub-funds sponsored by Canada and China and he also highlighted that three concept notes were submitted by SCCP, one from Viet Nam and two from Peru, whose results would be communicated later this week. Finally, he recommended to follow the guidelines and work closely with the fora Program Director (2016/SOM3/SCCP/0xx).

11. The APEC Secretariat explained the features of the APEC Collaboration System (ACS) as a cloud-based platform of the APEC Information Management Portal and provided a brief training on such tool (2016/SOM3/SCCP/0xx). Japan asked if Member Economies may become eligible to upload the meeting document for the circulation instead of the Secretariat that appears having capacity constraint to deliver timely service. The Secretariat answered that the platform is still working as a pilot until its official launch in January 2017 and took note the Japan's enquiry

12. The APEC Secretariat while answering Japan's enquiry, indicated that even though the platform is still working as a pilot until its official launch in January 2017, Member Economies may request access to ACS.

AGENDA ITEM 4: OUTCOMES OF THE 2016 APEC CUSTOMS BUSINESS DIALOGUE

13. The SCCP Chair reported the 2016 APEC Customs Business Dialogue outcomes (2016/SOM3/SCCP/0xx), which was held on 16 August 2016 in Lima, Peru, with the participation of about 150 attendees from APEC Customs administrations, private sector, and international organizations under the topic "Trade Facilitation and Globalization of MSMEs in the Asia Pacific Region". The topics were divided into three sessions: Session 1: Balance between trade facilitation and compliance control of legitimate trade; Session 2: Authorized Economic Operator; and Session 3: E-commerce.

14. In Session 1, it was established a real balance between trade facilitation and customs control in order to reduce logistics costs that would make companies and specially MSMEs more competitive. In Session 2, it was highlighted that AEO Program should promote benefits to foreign trade operators, through mutual recognition agreements to ensure and facilitate global trade. Finally in Session 3, it was discussed that there is a need for an effective exchange of information between Customs Administrations and foreign trade operators, emphasizing that e-

commerce is a source of social inclusion as well as a source of innovation and growth.

AGENDA ITEM 5: IMPLEMENTATION OF THE WTO AGREEMENT ON TRADE FACILITATION

15. Peru reported on the progress of the survey and workshop on Best Practices on Critical Issues in the Asia-Pacific region for the implementation of WTO Trade Facilitation Agreement. It includes information from the private and public sector which will be used as a guiding tool in a workshop to be held on 20-21 August 2016, where there will be dynamic presentations from international and national experts as well as working groups' activities, producing a final report to be given to Member Economies (2016/SOM3/SCCP/0xx).

16. Delegates from Chinese Taipei stated, Viet Nam, Peru, the United States, Indonesia, and China shared their updates on the preparation for the implementation of the WTO TFA. Member Economies stressed the importance of trade facilitation and encourage Member Economies to share experiences, continue capacity-building and ratify the Agreement. Chile suggested the possibility the Economies share the establishment of the National Committee on Trade Facilitation, in order to know the best practices and the role of Customs in these Committees. The information can be send to APEC Secretariat to circulate among the Economies.

17. The WCO updated on the progress of the Mercator Programme for the implementation of the WTO TFA, explaining its recent activities and briefing that it was adopted to ensure its strategic initiative to support trade facilitation. Up to date 90 WTO members have ratified the TFA, however it is necessary to reach 110 ratifications. Under the Programme, the WCO developed new tools such as Study Report on Customs Brokers and delivered around ISO technical assistance missions in the past two years. The Mercator Programme provides tailor-made approaches such as analysis of all needs assessments, conduct time release study, support for National Committee on Trade Facilitation, and monitor and evaluate the progress (2016/SOM3/SCCP/0xx).

18. The United States thanked the WCO for its extensive work accrediting experts for workshops.

19. Japan, not only for this Item but for entire SCCP2 sessions, suggested that the SCCP Chair be conclude each session so that the final report would be drafted smoothly: e.g., the SCCP "took note", "welcomed", "supported", "agreed in principle, the Economies were invited to submit the comment by", "endorsed", etc.

AGENDA ITEM 6: SUPPLY CHAIN CONNECTIVITY FRAMEWORK

20. Chile presented the outcomes of the questionnaire completed by 16 Member Economies with the objective of making a general diagnostic of each economy regarding to the implementation of the APEC Customs Transit Guidelines. Chile suggested continuing to work enhancing harmonization in this matter, and evaluate with the economies, intersessionally, different activities with this purpose, including to (a) collect best practices, to (b) organize a workshop and/or to (c)

consider technical assistance. Japan appreciated Chile's leadership on this matter and welcomed the suggestion, particularly (a).

21. The WCO briefed that a new transit guideline is being drafted which includes strong recommendations, guidelines and principles. Workshops on Transit Guidelines was organized in June to discuss this matter. The WCO will organize the Global Conference on Transit in July 2017. Japan pointed out that Chokepoint 8 is not addressing "Transit" but "Transshipment" focusing in the consignment criteria on the FTA/EPA shipment. It also mentioned that Chokepoint 8 may not be continued to work on in the Supply Chain Connectivity Framework Action Plan 2 starting in 2017, hence he welcomed the follow up while wondering if the activity would be undertaken under CTI/ SCFAP2 or in SCCP.

22. The SCCP Chair took notes of comments and suggestions from Delegates.

23. Peru introduced Easy Import (2016/SOM3/SCCP/0xx) as a mechanism to promote MSMEs competitiveness since it brings relevant benefits such as shorter attention time, reduction of customs clearance, reduction of customs declaration and others, under a risk management and control mechanism protocol that complains a single control of goods by the Peruvian Air Customs. On the other hand, Peru also made progress to facilitate trade and tax compliance for MSMEs, through streamlining process and procedures, implementing IT tools so they can take advantage of them in order to become more efficient.

24. The Philippines informed that the reporting mechanism for the implementation of the Boracay Action Agenda (BAA) was endorsed by Senior Officials in May 2016 during the SOM2 meeting. As agreed at SOM2, the annual stock-take will be conducted by the respective Program Directors (2016/SOM3/SCCP/0xx). The result of the annual stock-take will be used as a reference material by Senior Officials during the mid-term review in 2018. Economies are also encouraged to conduct a self-assessment on their respective economies to identify best practices and challenges experienced in implementing the BAA. The self-assessment will be conducted simultaneously with the mid-term review and full review in 2018 and 2020, respectively.

25. Japan updated its customs local seminars on Economic Partnership Agreements (EPAs) and rules of origin (ROOs) that would provide support and capacity building for MSMEs, according to the BAA to globalize them (2016/SOM3/SCCP/0xx).

AGENDA ITEM 7: SINGLE WINDOW

26. The OECD briefed about the outcomes of questionnaire on Trade Facilitation Indicators, which seeks to draw out the key common features ensuring the efficiency of Single Windows structure and implementation. These indicators allow to identify strengths, weaknesses and key challenges to implementation. This questionnaire covered areas such as institutional aspects and scope, data content and structure, legal framework, technological architecture and interoperability. Data collected across APEC Member Economies was shown on graphics (2016/SOM3/SCCP/0xx).

27. Japan enquired about the availability of the draft including this information for comment and whether OECD included measuring cost and time as well as flexibility for improvement and resiliency to shock into the Single Window indicators. According to it, the final result appears contain uneasiness and it was wondering if such uneasiness is attributed to the data quality, the nature and correlation/bias of questions, Chile asked if OECD had considered to measure the costs and benefits obtained by the Economy after the implementation of Single Window. The representative from the OECD replied that data quality of the survey is based on Member Economies inputs therefore it involved a self-assessment since OECD can only measure its members. She also expressed that the role of Customs is not fully integrated into the Single Window, which is a serious issue because then the SW would not be comprehensive.

28. Peru made a presentation on its proposal to promote Single Window System International Interoperability (2016/SOM3/SCCP/0xx), presenting the Terms of Reference (TOR) for the "Study on Single Window Systems' International Interoperability: Key issues for its implementation", which will be also introduced in the next CTI 3 meeting.

29. This proposal is part of the approved initiative to promote single window systems international interoperability, whereas a study should be carried out by the end of 2017, to begin discussions and develop concrete actions towards international interoperability within the APEC region. The study will serve as a mean to promote discussions for establishing interoperability pilot projects on voluntary basis. Peru requested Member Economies' support and suggestions for the approval of this Terms of Reference in the next CTI 3 meeting.

30. The WCO recommended to include the Single Window supplement and the GNC Handbook as reference and Japan advised to highlight the previous work made by the SCCP regarding Single Windows, particularly that of 2015 containing interoperability of SWs. It also pointed out that "SW can exchange data" and "data have to be exchange via SWs" are completely different things; the project survey should consider such distinction. Peru thanked for comments and requested for them to be submitted by e-mail in order to present a new version to CTI.

31. Korea reported on its Improvements in the Single Window System with the launch of 4th Generation UNI-PASS, which is defined as a computerized system to process all the customs work, meeting various needs of customers and effectively responding to upsurge in workload (2016/SOM3/SCCP/0xx). Among the major changes in the new generation of UNI-PASS, Korea stressed the improvements in the Single Window, which is the establishment of automatic system to cross-check the details between the import declaration and the requirements verification.

32. Delegates from Colombia, Viet Nam, the United States, Chinese Taipei, Indonesia, New Zealand, Peru and China shared their progress and lessons learned regarding the implementation of their Single Windows.

AGENDA ITEM 8: AUTHORIZED ECONOMIC OPERATOR

33. Australia shared its experience implementing the Australian Trusted Trader Programme (ATT), which was launched on 1 July 2016 (2016/SOM3/SCCP/0xx).

Australia established an Industry Advisory Group during the pilot phase of the programme and worked in partnership with industry to co-design and evaluate the programme. Australia outlined the five principles that underpinned the programme: it is inclusive; it supports supply chain security and trade compliance; it offers a range of trade facilitation benefits; and it provides an opportunity for testing new trade initiatives and to better align with other border agencies. Australia outlined that it will continue to evaluate and refine the programme to ensure it continues to meet the expectations of industry, government and mutual recognition arrangement partners.

34. Australia also thanked New Zealand and the United States for their assistance during development of the programme.

35. Delegates from Chinese Taipei; Viet Nam; the United States; Chile; Indonesia; Hong Kong, China; New Zealand; China; and Korea shared their experiences on implementing and updating their AEO Programme. They expressed their satisfaction related to its implementation since it has reduced time and cost in international trade. Regarding MRA, Member Economies mentioned that they expect to negotiate the signature of such agreements within Asia-Pacific Region. The WCO informed that the AEO Compendium was revised this year and that a draft developed by the SAFE Working Group on new tools will be submitted in October.

36. The WCO reported on the results of the AEO 3rd Global Conference held in Cancun, Mexico in May, 2016 with the participation of more than thousand attendees from over 80 countries from Customs administrations, international organizations, academia and private sector. The Conference had 4 panel sessions, 3 round tables and 42 workshops. The WCO appreciated the great contribution of Mexico Customs. The next AEO Conference will be held in Uganda in 2018.

37. The ABAC made a presentation on its recommendations crafted to the Leaders regarding the AEO this year (2016/SOM3/SCCP/0xx). Primarily AEO programs aimed at balancing supply chain security with trade facilitation; second ABAC asked Leaders to promote Mutual Recognition Agreements and third ABAC has been urging the Leaders to increase benefits for AEOs. ABAC pointed that number of APEC economies with MRAs has increased from 17 to 37 and the number of MRAs between APEC economies from 14 to 25. ABAC mentioned that PSU Study provided 9 potential recommendations to be adopted by APEC Customs Administrations, among which business sector found that the 4 recommendations related to conduct private sector satisfaction and inclusion surveys, compile MRA processes in the APEC region and design an APEC AEO MRA checklist, consider development of an APEC-wide automated electronic data exchange system and compatible trade identification number systems, and conduct an impact evaluation quantifying the trade benefits of MRAs should be picked out as main recommendations for this year.

38. The Philippines shared that a new law for Customs has been enacted in May 2016. There is specific provision whereby Customs is required to establish an AEO program, and announced that they would present a draft proposal for a Workshop and In-Economy Capacity Building Initiatives on AEO Programs for comments

intersessionally since they are seeking funding approval in 2017 once support has been gathered.

AGENDA ITEM 9: INFORMATION TECHNOLOGY AND RISK MANAGEMENT

39. PSU provided a briefing on the Global Data Standards (GDS), project under SCAP Chokepoint 7 'Regulations and Standards' developed to harmonize cross-border standards, enabling supply chain activity to be messaged between stakeholders in a globally consistent language and provides benefits in supply chain activity such as efficiency, integrity, visibility and innovation.

40. Two pilots were conducted to test GDS utilization in supply chain connectivity in APEC. APEC Member Economies were invited to complete a survey on the adoption of GDS in their trade activities, indicating their preference for global data standards to be implemented through businesses, having made a judgment on the business value to be derived from this capability where costs are unknown and there is no evidence about benefit. Businesses participating in the pilots indicated benefits that they could capture. APEC GDS Survey shows that industry sectors are motivated to adopt global data standards for commercial gain and that industry and government should work together on integrating this capacity into regulatory activities.

41. New Zealand mentioned that there will be three pilots related to exports of durian from Malaysia to China, asparagus from Peru to the United States and tequila from Mexico to the United States, which would benefit Customs on the traceability related to food safety/security and Customs should take the opportunity to work with quarantine agencies.

42. Japan agreed with the GDS basic concept, and still would like to know more about the entire picture, particularly its cost, data structure, application, its impact in the clearance risk management process, asking what is the cost implication on EPCIS; and how GDS would contribute to mitigate challenges faced in Customs operations while the pilots did not cover the Customs procedures. PSU answered that for MSMEs cost was about $12,000 and 20,000, indicating that in the next 3 pilots hope getting the relevant findings relevant on customs linkages and cost implication to incorporate GDS might be significant but the project is focused on cost/benefits from pilot to set up GDS system.

43. Peru reported on its Customs Risk Management and Trade Facilitation where the steps of Risk Management process in Peru, indicating that there are 3 control channels: red, orange, green. The facilitation framework of standards includes legal instruments to reduce the control, like pre-arrival clearance, frequent importers and other mechanism such as previous bond and AEO. Peru's current status of selectivity considers facilitation, minimum control as much as possible, Customs control and compliance. In order to continue reducing the control, as much as possible, the % of physical and documentary review import declaration was reduced, with risk management techniques, without reducing the level of control and with the help of IT tools (2016/SOM3/SCCP/0xx).

44. Japan informed that the PNR becomes mainstreaming in the APEC, including 2015 AELM and AMM; and a CTWG regional workshop on API/PNR was held in August

2015 and an advance workshop takes place in August 2016. As the work in the SCCP, it presented the Follow-on questionnaire regarding Customs use on Passenger Name Record (PNR) (2016/SOM3/SCCP/0xx). A preliminary survey was conducted and the result was presented to 2015 SCCP2. In April 2016, SCCP agreed on the "Introduction and Implementation of Passenger Name Record" as a new SCCP CAP. This questionnaire has been prepared and designed in order to follow-on the 2015 preliminary survey, taking into account the structure and substances of the WCO Guidance on PNR adopted in July 2016. Japan suggested that the inputs to the questionnaire be returned to the Lead economy no later than September 30, 2016. The results will be reported to the SCCP and shared with PNR-related APEC sub-fora.

45. New Zealand and the Philippines expressed their support for this initiative. Peru requested for time to reflect on the proposal and submit comments intersessionally. Japan agreed with Peru as the questionnaire was sent to the Secretariat on August 3 but not distributed to the Economies until August 12.

46. Japan proposed to have Member Economies to submit comments no later than 1 September 2016 where if there are no comments, the SCCP will consider the proposal as endorsed. However if there are comments, the annotated proposal will be circulated again and given an additional two weeks for comments. Japan also formally requested the Secretariat to circulate meeting documents available to the APEC Secretariat on time among Members for its corresponding perusal and comments.

47. According to SCCP Terms of Reference, the APEC Secretariat took note.

48. Chinese Taipei reported on the use of information technology and risk management system (2016/SOM3/SCCP/0xx), informing about the evolvement, intelligence driven and achievement of risk management. Regarding the actions, it has been enhancing information technology application and advancing profiling and targeting. Chinese Taipei hopes to strengthen partnership with AEOs and to be able to share information with government agencies, foreign customs and agencies. Seminars and on site trainings periodically as well as workshops on specific themes will be held.

49. Korea briefed on Risk Management Techniques in KCS (2016/SOM3/SCCP/0xx)., mentioning which are the main challenges in a changing operating environment such as changing the paradigm in Customs administrations, increasing international Trade and expanding FTAs. Korea's presentation showed the developments of risk management system in Customs administrations over the years.

AGENDA ITEM 10: INTELLECTUAL PROPERTY RIGHTS

50. The United States introduced its IPR Operation proposal to conduct a mutual enforcement operation implementing practices and focusing on counterfeit transportation items and border protection in order to protect consumers and Economies in cross-border trade (2016/SOM3/SCCP/0xx). The operation included multiple modes of transportation and international mail, express consignment, and ocean cargo environments. Nine APEC Member Economies participated in a joint

customs enforcement operation focusing on counterfeit transportation items, namely Chile; China; Hong Kong, China; Japan; Peru; the Philippines; Singapore; the United States; and Vietnam over a non-consecutive 10-day period between April 18 and May 27, 2016, tracking the results of the operation and reported information.

AGENDA ITEM 11: CROSS-BORDER E-COMMERCE

51. The WCO introduced its initiatives on cross-border e-commerce to establish the Working Group on E-commerce whose first meeting will be held on 21-23 September 2016. Members' practices and initiatives on E-commerce from 45 Members who have responded to the survey were collected and its result will be reported to the E-commerce Working Group. The WCO pointed out that together with the UPU (Universal Postal Union) have worked closely to promote the advance electronic exchange of information between Post and Customs and its linkage with the implementation of "de minimis" threshold. Finally the WCO suggested to check Annex C to the 'Addressing the Tax Challenges of the Digital Economy' issued by the OECD (2016/SOM3/SCCP/0xx).

52. Japan updated the collaborative efforts with Postal Office and informed on the current cross-border postal shipment and its vision between Japan Post and Japan Customs. Japan mentioned that there are things to be improved such as data quality, identification of sender, profiling, risk indicators setting, but most important foreign postal operators' data input and electronic data exchange between postal operators. Japan highlighted on a possible CAP Indicator for implementation in order to promote Postal operator's participation in the UPU electronic data exchange and data inputs. Japan strongly encouraged Member Economies to cooperate with Postal Offices and also consider its proposal (2016/SOM3/SCCP/0xx).

53. The Japan's proposal received explicit support from the Philippines, Australia, and Vietnam. Singapore asked clarification on the proposed activity. China questioned if Customs can ask the Postal Office to work along with the Japan's proposal. The WCO shared the information of the letter recently circulated to the Customs administrations and Postal Offices, jointly signed by WCO SG and UPU President. China considered the proposal potentially supportive but wish consulting with the stakeholders and rephrasing. Japan and China agreed, and the SCCP Chair supported, to work jointly to revise the text and the revised text would be circulated to the Member Economies for their review and endorsement intersessionally.

AGENDA ITEM 12: COLLECTIVE ACTION PLAN

54. Indonesia stated about APEC Workshop – Enhancing Travel Facilitation and Security through the Implementation of PNRGOV that will be in 23-24 November 2016. It will permit to identify the costs, benefits, challenges, and best practices from member economies that have implemented PNRGOV and creating an action plan in order to promote its implementation in the Asia-Pacific Region. (2016/SOM3/SCCP/0xx).

55. Viet Nam updated information on the Time Release Survey CAP, which is co-sponsored by Korea. Viet Nam proposed to conduct a survey on TRS

implementation and proposing recommendations. Under the proposed project, a two-day workshop would be held in August 2017 in Viet Nam to share customs best practices, benefits and challenges on TRS. Viet Nam requested Korea, New Zealand, Japan and Peru to be co-sponsors.

AGENDA ITEM 13: COLLABORATION WITH APEC COMMITTEES, SUB-FORA AND WORKING GROUPS

56. The Philippines updated on the Philippines' MAG proposal on the 2016 Information Gathering Exercise on Simplification of Documents and Procedures (2016/SOM3/SCCP/0xx), where SCCP Members have coordinated to self-report with MAG representatives on elements of CO validity, waiver and minimum data requirements for Cos and IT in procedures related to ROO. Coordination with the SCCP was expressly sought because of the close linkage between the MAG and the SCCP in this area.

57. The Philippines provided a copy of the preliminary results of the study and the annexes. The preliminary results of the study are based on the submission of 11 economies. Based on inputs and addition survey instruments received, MAG will be able to assess its next steps and engage relevant APEC groups, including SCCP on the way forward.

58. Japan informed on the progress of TFI updates and recommendations. Travel Facilitation Initiative (TFI) and a six-pillared approach to making travel in the region more efficient, more secure, and less stressful was approved by APEC Leaders in 2011. Japan also briefed that TFI Steering Council is now seeking endorsement from the SCE on recommendations that have been endorsed by all five sub-fora (CTWG, TWG, SCCP, BMG and TPTWG) and sent to the CTI for information (2016/SOM3/SCCP/0xx).

59. China briefed on the 6° APEC e-Commerce Business Alliance forum held successfully in China in 29 June 2016, where the main theme was Promoting Inclusive Trade through Cross-border E-commerce and the objective was to play a full role of multilateral system to greatly advance regional application and cooperation of cross-border e-commerce and to contribute to the regional trade prosperity and the growth of SMEs. More than 300 officials, experts, representative of entrepreneurs from 13 APEC economies participated in this Forum. As an important achievement it is established the 2nd Experts Committee of APEC-ECBA, and issued appointment letters to 32 experts from the UN, ITC, USA, UK, Korea, Germany, Chile, Peru, Chinese Taipei, Vietnam, Japan, Malaysia, the Philippines, Australia, China, etc.

60. The United States briefed on APEC Dialogue Customs proposal highlighting that it is important due to chemicals raw materials are the cornerstone and foundation on which a variety of industries are built and are necessary to many other manufacturing sectors and many countries are considering updating or implementing new chemical control laws and because it provides opportunities to streamline with other Member Economies (2016/SOM3/SCCP/0xx).

61. It is proposed to start a discussion on ways of addressing the issue and making comparison of current customs procedures in APEC Economies for seeking a

solution, and the possibility of developing an import self-certification form. It is expected the participation from all interested economies and delegates from SCCP and CD to contributing to this work. This work builds on the supply chain and chokepoint initiatives that are underway in the SCCP. Economies interested in helping to advance the work should notify APEC Secretariat by September 1st.

62. Japan introduced the 10th STAR Conference (Safe Trade in the APEC Region), i.e., the Public Private Dialogue on Counter-terrorism policy and measures. The meeting would take place August 20 and 21 and focused in Secure Supply Chain that is quite relevant to Customs. Japan encouraged the Member Economy Customs to participate in the STAR Conference

AGENDA ITEM 14: OTHER MATTERS

63. Russia and Chile presented the updated information of establishment of an APEC C2C Advance Electronic Data Exchange Expert Group (EGDE) (2016/SOM3/SCCP/0xx). SCCP Members discussed this proposal and shared their views on the matter. Russia and Chile thanked for the inputs and comments and agreed to continue the intersessional discussion of the EDGE establishment prior to SCCP1 Meeting in Viet Nam.

64. Japan requested to clarify the objectives since conducting a survey or study should not pose problem for SCCP and expressed that such proposal should not impose a financial burden on participants. The United States considered that a dialogue or a virtual group might be a good first step for this proposal instead of establishing an experts group and that the proposal may be focused on what they are trying to achieve and specific steps. The WCO expressed that they would provide technical experience and knowledge on this area as well as IT experts.

65. Russia agreed on elaborating on issues and stated that the current draft proposal circulated did not include comments from Member Economies and stressed out that the EDGE reports to SCCP will be non-binding and there will be no additional financial commitment related to EDGE activity. Russia and Chile agreed to think over the possibility of conducting a survey of international legal instruments and current practices of Advance Electronic Data Exchange between APEC Economies.

66. The SCCP Chair took note and agreed to work intersessionally on the proposal.

67. Peru reported on its experience in the fight against drugs and trafficking in ports and airports (2016/SOM3/SCCP/0xx), mentioning that the key aims have been to ensure compliance with state policies and laws applicable to cross-border movement of goods, combat smuggling, and secure borders, whilst ensuring facilitation of legitimate trade. Peru also uses information gathering, information exchange, risk management and investigation and partnerships with governmental entities and non-governmental.

68. The United States presented a video on the results WCO Compendium of Customs Operational Practices for Enforcement and Seizures (COPES) regarding the workshop held in July 2015 in Lima, Peru, being the first country in South America to do so.

69. Peru noted that the COPES became a vital tool and is an unavoidable consultation in implementing control customs actions, enabling us to reconsider operational practices in enforcement and seizure matters. COPES invites to reconsider coordination and cooperation with government agencies, whereas with the support of the United States and the WCO Peru will promote the implementation of COPES II.

70. The WCO briefed on its Security Programme (2016/SOM3/SCCP/0xx), which is divided into Passenger Control based on WCO Recommendation on API/PNR and New Guidance on the use of PNR and API endorsed in July 2016; the Global Shield Programme, which aims at prevention of smuggling and illicit diversion of precursor chemicals; the Strategic Trade Controls Enforcement Programme to prevent illicit trafficking and smuggling of weapons of mass destruction; the Small Arms and Light Weapons Project in cooperation with the UN Office of Disarmament Affairs; and different activities related to detect and prevent terrorist financing.

71. The Virtual Working Group reported on the work done mentioning that in SOM3 it was agreed that it would not hold an in-person meeting and mentioned key areas of work such as WTO TFA, de minimis, e-commerce, GDS, data privacy, among others. The VWG also updated membership lists of participants from the private sector and acknowledged they needed to better use their leverage time and resources.

72. Japan enquired if the VWG discussed digital economy in SOM/CTI and Chile asked if there was a report on the level of participation of the private sector in the VWG.

73. The VWG mentioned that they would consult Japan's enquiry for position regarding this matter and that the VWG works with constraints from ToR regarding membership of private sector.

74. The 2016 SCCP Chair introduced the upcoming Chair for 2017 APEC SCCP.

75. The 2017 SCCP Chair thanked Peru for hosting 2016 meetings and expressed Viet Nam is honored to host the upcoming meetings of SCCP1 in the margins of SOM1 from 20 February to 3 March 2017 and SCCP2 in the margins of SOM2 from 15 to 28 august 2017, and invited all Delegate to actively participate next year. Viet Nam also thanked APEC Secretariat and the Friends of the Chair Group comprised by Australia, Japan, New Zealand, Papua New Guinea, the Philippines, Chinese Taipei, the United States and Peru for their valuable support.

AGENDA ITEM 15: UPDATE OF THE 2016 SCCP WORK PROGRAM

76. The Member Economies reviewed and adopted the 2016 updated SCCP Work Program.

AGENDA ITEM 16: ADOPTION OF THE 2016 SCCP SECOND MEETING REPORT

77. The SCCP Chair called upon the Members to review and adopt the Summary Report of the 2016 SCCP Second Meeting. After providing their comments, the SCCP adopted the Summary Report.

DOCUMENT ACCESS

78. Member Economies determined the confidentiality of meeting documents and reports (2016/SOM3/SCCP/0xx).

CLOSING REMARKS

79. The SCCP Chair expressed his gratitude to all delegates and the 2016 Friends of the Chair of SCCP for their support during the meeting.