

Annex II Stakeholder Engagement

Background

The International Convention on the Simplification and Harmonization of Customs procedures (Kyoto Convention) entered into force in 1974. To ensure that it met the current demands of governments and international trade, it was revised, and the Revised Kyoto Convention (RKC) entered into force on February 3, 2006. There have not been any amendments to the RKC since 1999. The only changes made, were introduced into the Guidelines accompanying the legal provisions, which are not a binding part of the Convention. The proposals to update the RKC were raised in 2009. However, no actions were undertaken in that respect. Since that time, there has been growing awareness amongst Members, that in light of significant changes in the global socio-economic environment, there was a need to revise the Convention. Taking that in mind, a Virtual Working Group was established to chart the review process, with the following key objectives:

- An updated Convention that responds to the future developments, expectations and requirements of governments and private sector to reflect the dynamic, rapid and changing role of Customs
- Mechanisms to “future proof” the Convention to ensure its ongoing currency and relevance while minimizing the need for parliamentary approval, noting that this is subject to individual sovereignty requirements which might differ from country to country.

Thematic Approach

In order to effectively engage with external stakeholders it is prudent to approach such engagement based upon a thematic approach. By doing so, it is envisaged that all stakeholders will be able to approach the review of the RKC in a more holistic manner and therefore engage effectively with customs administrations on this important issue. This engagement with our external partners is not simply about taking a snapshot in time and examining where the RKC works or does not work. This review is about preparing for the future and creating something which can adapt to the ever changing role of Customs as well as the ever changing nature of Trade. The evolution in Global Value Chains shows no sign of stopping and the RKC can be a vital tool in ensuring Customs meets these changes with the necessary flexibility required for trade facilitation as well as meeting the needs of citizens.

Our vision for the work being undertaken in revising the RKC is to create an organic document which will ensure to the extent possible that Customs and external actors work together in harmony for the benefit of all. In order to create this vision, we have recognised the need for all external actors to come together to share their experiences, both past and present. However we do not intend to stop there, we want to learn from our external partners about their visions for the future also and how they believe customs can or should adapt with them.

The vision for the use of these themes is to keep all interested parties focused on what the RKC ultimately aims to achieve and to identify where it falls short. The aim of our external engagement is to ensure that as part of our efforts to revise the RKC, we do not forget its impact on not only trade but other international organisations which Customs interacts with on a day to day basis.

What we wish to achieve is a broad and meaningful engagement and to generate innovative ideas as to how the RKC should ensure that Customs administrations achieve their potential both in the present day and into the future.

It is hoped that our engagement strategy will energise the contributions of not only our partners in Trade, but also those in the NGO Sector as well as Academia. We cannot in good conscience exclude these stakeholders from our work. It is essential for the management of this revision process that all those who wish to voice their opinions are listened to.

Building on our external stakeholder engagement also includes engagement with those non-contracting parties who may well inject their viewpoints as to the barriers they face in acceding to the RKC.

Engagement timeline and process

It is not feasible to invite our external partners for every single meeting of the VWG, however efforts should therefore be made to organise dedicated sessions, built upon the Action Plan to be agreed by the VWG. In that way our stakeholders can target their contributions, as well as their experts who wish to attend.

The themes explained

The themes identified are not exhaustive and it is envisaged that following on from engagements with external stakeholders more may be identified and refined. As is shown below, while there may of course be overlap between the themes it is critical that such overlaps are embraced though with the understanding that there may well be particular issues which cut across all aspects of Customs Administration work. Also included below are a selection of issues under each theme to give an idea what particular issues could be raised. However there is no exhaustive list and the most important element of the process which we embarking upon is that every engagement with a stakeholder will be based upon mutual respect and a willingness to engage. It may well be possible that in the midst of our discussions with our external partners, issues are raised not pertinent to the RKC, but these shall be communicated to the WCO Secretariat for action in the appropriate forum.

- 1. Target and confront those who do not comply**
 - a. Post Clearance Audit including e-auditing**
 - b. Impact on control measures on trade and NGO's**
 - c. Customs penalties and enforcement techniques**
 - d. Appeals procedures**
- 2. Increase Compliance and reduce risk**
 - a. AEO and Trusted Trader Programmes**
 - b. Information exchange**
 - c. Tax and Customs Co-operation**
 - d. Public perception of Customs**
 - e. Integrity Issues**
 - f. Co-ordinated Border Management**
 - g. SSTL/ISCM**
- 3. Make it easier and less costly to comply**
 - a. Customs formalities**

- b. Electronic services including single window**
 - c. Simplification of customs procedures**
 - d. Dissemination of necessary information**
 - e. Publication of guidelines**
 - f. Advanced rulings – methods and procedures**
 - g. Time Release Studies**
 - h. Data Harmonisation**
 - i. Automation**
- 4. Contribute to social and economic growth**
 - a. Effective risk management to hinder illicit trade and support legitimate trade**
 - b. Integrity of Customs procedures and processes**
 - c. Awareness of technological changes and advancements**
 - d. Engagement with external stakeholders as a pillar Customs policy**
 - e. Ensuring awareness of trade facilitation measures**
 - f. Investment in personnel and technology**
 - g. Dispute resolution**
 - h. Monitoring implementation**

Outcomes

While we cannot fully foresee the actual outcomes from our engagement with our external partners, nevertheless it is hoped that as the process moves forward and our understanding of the relevant issues evolves, we will be able to focus our efforts on the areas where the RKC falls short and where it succeeds.

Our external engagement will feed into the overall process of revising the RKC and will lead to a more efficient and effective convention for all those engaged in Customs.

