



Report of the 5th Meeting of the ASEM Working Group on Customs Matters

19 and 20 April 2011

Utrecht / the Netherlands

Introductory Note

The 5th Meeting of the ASEM Working Group on Customs Matters (AWC) took place on 19 and 20 April 2011 in Utrecht, the Netherlands. There were 45 participants at the meeting, from 29 ASEM members, namely: Australia, Austria, Belgium, Brunei, Bulgaria, Cambodia, China, Cyprus, Denmark, European Commission, Finland, France, Germany, Hungary, Ireland, Indonesia, Japan, the Netherlands, Korea, Malaysia, New Zealand, Poland, Singapore, Slovenia, Spain, Sweden, Thailand, United Kingdom and Vietnam. The list of participants is enclosed as Annex 1.

The main aim of the 5th AWC meeting was to discuss the state of play and the way forward with regard to the actions of the ASEM Action Plan and make preparations for the 9th ASEM Customs Directors General/Commissioners meeting to be held in October 2011 in Thailand.

The 5th AWC meeting further evaluated the usefulness and results of the second ASEM Customs – Trade Day, which took place on 18 April 2011. The focus of the 2nd ASEM Customs – Trade Day was on two major themes: (1) Trade Facilitation and (2) Customs Trade Cooperation. The agenda and separate minutes of the 2nd ASEM Customs – Trade Day are enclosed as Annex 2.

Report

1. Opening session

Mr. Hans van Bodegraven, Director Customs and Consumer Taxes of the Ministry of Finance of the Netherlands opened the meeting. Ms. Angelique Berg, Director General for Tax and Customs Policy and Legislation welcomed the delegates, underlined the importance of the work of the AWC and valued the contribution to the overall goals of ASEM. The AWC was briefed by Japan on the situation and the development for reconstruction since the earthquake and tsunami hit the northeastern part of Japan in March.

2. Adoption of the agenda

The agenda of the meeting was adopted and is enclosed as Annex 3.

3. Main conclusions of most recent ASEM meetings

Vietnam gave a report of the first ASEM Customs Trade Day and the 4th AWC meeting that took place in Vietnam during 5-7 May 2010. The written report of this meeting was distributed shortly after the meeting in Vietnam. The main aim of the meeting was to launch the ASEM Customs Action Plan as agreed by the ASEM Customs Directors General/Commissioners at their 8th meeting in Heraklion, Greece in October 2009.

China gave a brief report of the ASEM Customs Seminar on Trade Security and Facilitation that took place in Shanghai in July 2010. The main outcome of this seminar was the seminars' active contribution to promoting and enhancing cooperation between Asia and Europe (customs and business) with regard to security and facilitation.

4. ASEM Customs - Trade Day

The Netherlands gave an overview of the issues discussed and presented during the 2nd ASEM Customs – Trade Day on 18 April 2011. In the morning the main topic was Trade Facilitation, during the afternoon the focus was on cooperation and dialogue between Trade and Customs. Response from the trade representatives at the end of this Customs Trade Day was positive.

A point of attention raised by traders was the absence of Asian traders. While there is agreement amongst ASEM members that the preparation of the Customs Trade Day is the responsibility of the host country, a number of suggestions were put forward for consideration on how to extend trade participation from Asian and European traders:

- Define topics in advance and ask traders what they want to discuss.
- Use the ASEM customs administrations to intermediate between the hosting country and traders that possibly want to take part in the next ASEM Customs – Trade Day.
- Use the national embassies to intermediate between the hosting country and traders that possibly want to take part in the next ASEM Customs – Trade Day.
- Use national websites and the ASEM website to promote the ASEM Customs – Trade Day.

All ASEM members present agreed that it was a successful day for trade and customs and that it should be advised to the forthcoming DGs meeting in Thailand to continue with this initiative.

5. ASEM Action Plan: presentation and report of action coordinators

The European Commission introduced this agenda point and proposed a way forward to present results of the actions to the Directors General/Commissioners and ensure appropriate follow-up, in particular for the various papers on "good practices". In addition to the full reports as presented at the AWC meeting, it is suggested:

- To prepare a short summary paper (max. 2 pages) for the Directors General/Commissioners, focusing on:
 - o "good practices" identified;

- o “good practices” recommended for implementation or adoption by ASEM members and;
- o Proposals for follow-up;
- To identify "deliverables" that should be included in the TFAP
- AWC could e.g. be asked to develop indicators of achievement and/or to monitor implementation of recommendations or proposed follow-up (this could also be included in the TFAP as "deliverable" and would involve AWC).

The ASEM members present **agreed** to the proposed way forward.

5.1 Action 1: Support ASEM members to set up national AEO programs (Japan/UK)

Japan presented the summary of questionnaire replies and draft paper prepared by Japan and the United Kingdom with regard to setting up national programs for AEO's. The most important areas of the survey were: objectives, compatibility and comparability of AEO programs with regard to objectives, beneficiaries, benefits, requirements, penalties, application and authorization process, monitoring, organizational structure, training of customs officers and Customs–Private sector partnership.

A number of best practices could also be identified, in particular as regards group of beneficiaries, requirements, the application and authorization process, monitoring, the organizational structure and the training of customs officers. A gap analysis and recommendations are also included in the paper.

Some comments were made by ASEM members which the chair summarized:

- AEO is not only important for importers and exporters, but also for carriers, shipping agents, air freight handlers etc.
- With regard to the review of the implementation process the monitoring of the degree in which the expectations are met by the results, e.g. lesser customs controls for AEO's, should be reflected as one of the recommendations.
- As one of the benefits for trade should be included the recognition an AEO gets within the business community (quality mark).
- Many countries are still working on the implementation of an AEO scheme. Therefore they are not capable yet to start discussions on mutual recognition.
- As AWC was asked to prepare a gaps/needs analysis, it should be considered to prepare a more precise overview of shortcomings or requests for support individual countries may have. At the Directors General/Commissioners meeting, countries may be found to support such requests (or some of them).
- AWC considered the final paper should be shared with the WCO.

The coordinators for this action Japan and the United Kingdom asked all ASEM members to discuss the report with their national AEO experts. They asked to send comment before **15 June 2011** to both of them so they can finalize the report for the Directors General/Commissioners meeting meeting in Thailand.

5.2 Action 3: Implement Diabolo 2 (EU COM/OLAF)

The EU Commission recalled that at the 4th AWC meeting held on 6-7 May 2010 in Hanoi / Vietnam, the Commission (OLAF) provided a draft proposal with the pre-requisite and the timing for the implementation of a potential Joint Customs Operation (JCO) DIABOLO III.

OLAF considered offering again to assume the preparation and the coordination of the next JCO provided that all the ASEM members will confirm their participation.

The conclusion of the 4th AWC regarding action 3 should be presented to the 9th ASEM Customs Directors General/Commissioners meeting in Thailand.

5.3 Action 2: TFAP on customs matters (Korea/European Commission)

Presentations were made by Korea and the European Commission. Korea presented the state of play with regard to the TFAP 2010-2012, based on results of a questionnaire distributed to ASEM members. The survey also examined difficulties and needs ASEM members reported in relation to implementation of TFAP deliverables. On that basis, Korea found already some partners for ASEM members requesting assistance in specific areas and invited members to consider supporting the remaining requests. This invitation should be repeated at the Directors General/Commissioners meeting.

The European Commission presented a preliminary draft for the TFAP 2012-2014.

The European Commission proposed the following considerations for the new TFAP:

- Review current deliverables against new formal requirements (e.g. new legislation, new standards?)
- Review current deliverables against implementation status
 - delete deliverables which are implemented;
 - take account of progress made in implementation (adapt deliverable to "next step" of implementation);
- Review TFAP deliverables against ASEM priorities (e.g. take out deliverables of low priority or ASEM relevance);
- Include deliverables to ensure follow-up of ASEM actions, in particular recommendations and "good practice" papers.

ASEM members are asked to submit their comments to the coordinators Korea and the European Commission before **15 June 2011**.

5.4 Action 5: Implement EU study on the role of customs in enforcing environmental law.

Action 6: Prepare paper on best practice: customs role in enforcing environmental law.

Action 5: The European Commission (action coordinator) presented a PowerPoint presentation with the findings of the "Study on the role of customs in enforcement of the European Community legislation governing the protection of the environment and its best practice", focusing on the export of waste from the EU to Asian ASEM members.

The study was commissioned by the European Commission following the last ASEM Customs Directors General/Commissioners meeting in Greece in October 2009 and conducted by an independent consultancy company (O'Laoire Russell Associates Environmental Consultants), i.e. a customs expert and an environmental expert. ASEM members contributed via questionnaire, interviews or study visits to the study.

The final report, which was submitted by the consultants just before the 5th AWC meeting, was distributed at the meeting to all participants.

The European Commission invited all ASEM members to read the report, so that further discussions or conclusions could be made at the Directors General/Commissioners meeting in Thailand. The EU also now has to study the report and analyze findings and recommendations.

Action 6: The European Commission, action coordinator together with Cambodia, recalled that it was agreed at the 4th AWC meeting in Vietnam that the preparation of the "draft best practice paper" on the customs role in enforcing environmental law should be postponed until the results of the study (action 5) are available. The coordinators will now analyze the findings and recommendations of the study, identify points relevant for ASEM customs and prepare a draft paper on that basis. The draft will be circulated to all members in due course for comments.

5.5 Action 4: Overview of best practices of customs IPR enforcement (Germany / Japan)

A presentation on this topic was done by Germany. By means of a questionnaire which was sent to all ASEM Members, Germany and Japan identified a number of best practices in the field of IPR enforcement.

ASEM members are requested to comment before **15 June 2011** on the draft best practice paper with a view to prepare a final document for the Directors General/Commissioners meeting in Thailand.

As different levels and forms of statistical data were provided in the questionnaire replies, it was agreed to leave the statistical data out of the report and refer to data available on websites.

The European Commission proposed to include the collection of statistics as a recommendation for "good practice", as it is an important indicator to monitor developments and trends and a basis for customs to better target its actions.

The chair invited the coordinators to finalize their proposal, taking into account the comments that will be made by ASEM members and the structure proposed by the delegate of the European Commission, so it can be submitted to the Directors General/Commissioners meeting in Thailand.

5.6 Action 8: Prepare a paper on best practices for dialogue with traders (Sweden / Singapore)

Sweden made a comprehensive presentation on best practices for a dialogue with traders, based on the analysis of questionnaire replies of ASEM members. An important conclusion by the coordinator of this action point is that all respondents have a dialogue with trade in their own countries. The

dialogues take place on all levels (strategic, tactical and operational level) with various frequencies and forms.

Many examples of the ongoing dialogue between customs and trade were presented by the coordinator such as meetings, press releases, websites with information, training activities, testing of new systems and have combined pilots, availability of help desks and two case studies were presented.

The ASEM members were invited to provide comments on the draft papers, including recommendations, and to submit case studies they want to add. Comments and suggestions should be made before **15 June 2011**, taking account also of the comments and structure proposed by the delegate of the European Commission.

5.7. Summary of agenda item 5

Mr. Hans van Bodegraven summarized all the work done under agenda item 5 (ASEM Action Plan).

Reactions and comments on all papers should be submitted to the respective action coordinators before 15 June 2011.

With regard to the preparatory work for the Directors General/Commissioners meeting in Thailand the following approach is suggested:

- **In addition to the full report and finalization of draft best practice papers, prepare short summary papers (2 pages max.) for the ASEM DGs/Commissioners meeting in Thailand with key issues (in particular best practices identified), concrete recommendations and proposals for follow-up and expected decisions;**
- **Define/Identify action points that could/should be made part of the TFAP;**
- **Identify/suggest the role AWC should play, e.g. development of indicators of achievement and/or monitoring of implementation of recommendations and;**
- **With regard to TFAP, review priorities and relevance of deliverables.**

Coordinators will prepare revised draft documents on the basis of comments received before 15 June 2011) and circulate them to all members in time before the October 2011 ASEM Customs Directors General/Commissioners meeting (before 15 September 2011) to all members.

6. ASEM visibility (Japan)

Japan drew the AWCs attention to the existing website of the ASEM customs fora, hosted by Japan customs. Japan presented the website, which has been updated by Japan with basic information since the initial creation and endorsement at the ASEM Procedures Working Group (PWG), a predecessor of the AWC, in 1999. Recalling that the enhancement of ASEM visibility stressed in the recent Summit meetings, Japan proposed to make good use of this website and offered to coordinate it. It reminded ASEM members that contributions from all are required to optimize it.

Apart from information on general ASEM meetings and the ASEM customs fora, direct links to all national websites of the ASEM member customs administrations were introduced.

ASEM members are requested to check the links from the existing website <<http://www.customs.go.jp/asem/asem.htm>> to their national Customs websites and confirm the correctness to Japan.

Members are also invited to submit ideas how to improve the website and its use, in particular with a view to increase visibility. Japan will update the website before the DGs meeting in Thailand, based on the comments received.

Japan offered to maintain the AWC website but also invited other members of ASEM to participate.

Suggestions should be submitted to the Japanese coordinator before **15 June 2011**.

7. Future Meetings

7.1 9th ASEM Customs Directors General/Commissioners meeting October 2011 (Thailand)

Thailand made a presentation on the progress of preparations and inputs required from ASEM members. She confirmed Thailand's offer to host the 9th ASEM Customs Directors General/Commissioners meeting and informed that the Meeting is tentatively scheduled to be held on 11th -12th October 2011, in "Hua Hin", one of the premier beach resort towns on the Gulf of Thailand located approximately 200 km south of Bangkok. Transportation from the Suvarnabhumi Airport (BKK airport) to Hua Hin, and vice versa, will be arranged by Thai Customs.

Thailand also presented the draft agenda of the next Directors General/Commissioners meeting. ASEM members are invited to provide inputs/suggestions/comments **by the end of July 2011** to the European Commission <Christiane.Klahr@ec.europa.eu> and Thai Customs <thaicustoms@mof.go.th>. It is explained that the main focus of the meeting should be that the DGs/Commissioners approve results and recommendations of the ongoing actions, agree their follow up and define priorities and the work of the AWC for the next two years. Thailand expected to distribute an invitation letter together with the revised Draft Agenda to all ASEM members in the beginning of August 2011.

7.2 6th ASEM AWC meeting spring 2012 (Asian country)

The issue will be put on the agenda of the Directors General/Commissioners meeting in Thailand.

8. Any other business

ASEM members are requested to update the list of participants and add a second person as contact point for the AWC so organizers of the next meeting have at least two persons they can get in contact with. The list of contact points as it stands at the moment is attached as Annex 1.

9. Conclusion and closing remarks

Mr. Hans van Bodegraven concluded that it had been a very fruitful meeting with a lot of contributions of all participants. He emphasized the importance of presenting good and concrete proposals to the Directors General/Commissioners meeting in Thailand. He thanked the action coordinators for their excellent work and contribution to the AWC. He invited all participants of the

AWC to respect the agreed approach and deadlines with regard to all points of action to ensure a smooth preparation for the 9th ASEM Customs Directors General/Commissioners meeting in Thailand.