



THE 8TH MEETING OF THE ASEM WORKING GROUP
ON CUSTOMS MATTERS
19-20 MARCH 2014
SIEM REAP, CAMBODIA



Draft Report of the 8th Meeting of the ASEM Working Group on Customs Matters

As 02 May 2014

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Introductory Note

The 8th Meeting of the ASEM Working Group on Customs Matters (the 8th AWC/Meeting) took place in Siem Reap, Cambodia from 19-20 March 2014. The 8th AWC was officially opened by H.E. Dr. Pen Siman, Delegate of the Royal Government in-charge of the General Department of Customs and Excise, his opening remark is attached as **Annex 1**. There were 44 participants from 27 ASEM Member States namely: Austria, Belgium, Brunei Darussalam, Bulgaria, Cambodia, China, Denmark, European Commission, Finland, Germany, Hungary, India, Indonesia, Italy, Japan, Korea, Lao PDR, Latvia, Malaysia, the Netherlands, New Zealand, Poland, Singapore, Sweden, Switzerland, Thailand, and Viet Nam. The WCO's representative was also attending the 8th AWC as a capacity of observer. The list of participants is enclosed as **Annex 2**.

Report

Agenda Item 1: Opening Remark

Dr. Kun Nhem, Deputy Director General of the General Department of Customs and Excise of Cambodia (GDCE) chaired the Meeting. In his opening remark, he welcomed all delegates to the 8th AWC in Siem Reap and briefed about the achievements made from the previous meetings of AWC. Then, he valued the goods outcomes being implemented so far by the ASEM Member States, in particular the set action plans to be applied as guidance for member states as listed in the Trade Facilitation Action Plan (TFAP) recommended by Action Coordinators. In addition, he reiterated the five prioritized areas adopted by the 10th ASEM Directors General/Commissioners Meeting held in Vienna, Austria in 2013 including: (i) Trade facilitation and Security of the Supply Chain (ii) Combating Counterfeiting and Customs IPR Enforcement (iii) Protecting the Society (iv) Involving Business and (v) Communication and Visibility Enhancement of ASEM.

Agenda Item2: Adoption of the Agenda

Dr. Kun Nhem, DDG of GDCE presented the draft agenda to the Meeting, the draft agenda is enclosed as **Annex 3** and the Meeting adopted the agenda after having included inputs by the European Commission, Korea and China, the adopted agenda is enclosed as **Annex 4**.

The Meeting was held in plenary.

Agenda Item3: Main Review on most recent ASEM Customs Meetings

Austria reported final draft report of of the 10th ASEM Customs DGs/Commissioners Meeting held in Vienna from 17-18 October 2013, the report is attached as **Annex 5**.

Agenda Item4: 5th ASEM Customs Trade Day

Cambodia briefed the Meeting on the outcomes of the 5th ASEM Customs Trade Day by providing a succinct discussion between the ASEM Customs Administrations and the Cambodian private sector. Her presentation is enclosed as **Annex 6**. In this regard, Cambodia brought to the attention of the Meeting on the proposal made by the Cambodian private sector to involve the private sector of the two regions to join the Customs Trade Day.

Then, the Meeting evaluated the usefulness and positive outcomes of the Customs Trade Day and agreed to maintain this forum in the future meetings. In addition, the Meeting also agreed to take note and encourage the next host of AWC to consider inviting the private sectors of the two regions to the future meeting of the ASEM Customs Trade Day in order to expand another layer of cooperation between the private sectors i.e. Business to Business (B2B).

Agenda Item5:

Agenda 5.1: Action 1-Trade Facilitation Action Plan (TFAP)

Korea briefed the outcomes of TFAP 2012-2013 which she had coordinated with the EC and updated the new preparation of TFAP 2014-2015 since its adoption at the 10th ASEM Customs DGs/Commissioners Meeting held in Vienna Austria in 2013. The new ideas were identified after the conclusion of TFAP 2012-2013 such as: used specific and clear wordings in designing the questionnaires and answers; make ASEM Website available for all ASEM Member States using COPIS platform for the exchange of information, sharing data, meeting materials etc.; identified training needs and training supplies by inserting two additional columns; prioritized recommendations to be implemented in the TFAP 2014-2015 with clear timeframe and priority list for the implementation before the next AWC Meeting. She encouraged comments and feedbacks from the previous action coordinators to be included in the priority list by end of April 2014 and by the ASEM Member States by end of May 2014. Then, the final questionnaire will be distributed to the ASEM Member States by end of June 2014. Subsequently, the submission of responses are expected be received by coordinating countries 3 months before the 9th AWC Meeting. The detail TFAP 2014-2015 and presentations are enclosed as **Annex 7.1 and 7.2**.

In this relation, she informed the Meeting that the new TFAP 2016-2017 will be drafted and discussed at the next Meeting of AWC and after the conclusion of the TFAP 2014-2015 by coordinating countries. Then, the draft TFAP 2016-2017 will be examined and adopted in the next DGs/Commissioners Meeting to be held in Asia 2015.

Agenda 5.2: Action 2-Supply Chain Security

Japan and Poland reported to the Meeting on the progress of preparation of this action plan. There were 4 draft proposed action plans to be achieved including: Authorized Economic Operator-AEO Mutual Recognition Agreement-MRA and Public Awareness, Trader Identification for the implementation of AEO/MRA, IT Solutions for the Implementation of AEO/MRAs, and Cooperation between Customs and other authorities in relation to AEO and relevant security programmes.

Draft questionnaire were drafted and will be circulated to ASEM Member States for comments and feedback by end of May 2014 and the final questionnaire will be send to ASEM Member States for their responses by end of June 2014. Subsequently, the submission of responses are expected be received by coordinating countries 3 months before the 9th AWC Meeting. The draft questionnaire and presentations are enclosed as **Annex 8.1, 8.2, 8.3 and 8.4**. Then, the conclusion of this action will be brought for the consideration in the next AWC in 2015 before submitting for the consideration and adoption by the DGs/Commissioners Meeting in 2015.

Agenda 5.3: Action 3-Coordinated Border Management-CBM

Korea and the Netherlands briefed the Meeting on the background of requirement to establish CBM for the consideration by the ASEM Member States, in particular the application of Global Single Window as recommended by the WCO under the SAFE Framework of Standard. In this regard, two activities were identified as following: an establishment of CBM Foundation and an initiating Pilot Project of Korea-Netherlands for the pilot implementation of CBM between the two countries including the involvement of all related stakeholders. The main objectives of the pilot project are: to test Smart and Secure Trade Lane (SSTL) concept with trade between Korea-Netherlands which involving governments, traders and academic institutions; to find trade lanes between coordinating countries and identify all business partner within those lanes; to organize a seminar on the trade and the government benefits off increased visibility created by better data sharing in supply chains; and to set up pilots on the concept of SSTL as introduced by the WCO SAFE Framework. The briefing presentation is enclosed as **Annex 9**.

The coordinating countries wished to get comments on the content of the survey from the ASEM Member States by **31st July 2014**. Then, the questionnaire will be distributed by **31st August 2014**. In this connection, the Joint Project between the coordinating countries will be commenced by **1st September 2014**. The deadline for the responses to the questionnaire shall be **31st October 2014**. Next, the results of the surveys will be presented in the next AWC Meeting and the Final Paper will be submitted for the consideration and adoption by the 11th ASEM DGs/Commissioners' Meeting in 2015.

Agenda 5.4: Action 4-IPR in Trade Day

Cambodia presented to the Meeting on the lessons learned on the IPR related issues which have been presented and discussed during the 5th ACTD. The core components of IPR Enforcement include: the need to have sufficient laws and regulations, the active participation by enforcement agencies as well as the right holders. In this regard, she also highlighted the Meeting about the IPR related issues and solutions found from the presentations made by various speakers at the CTD such as: Border measures and Customs enforcement against counterfeit and IPR infringement products, the good experiences and practices of using IT tools in the European Union: Poland and Germany to detect counterfeit goods, and the negative effects to consumers of using Toyota counterfeit spare-parts.

The speakers of IPR related issues included representatives from the Cambodian private sector, Cambodia Customs Administration, the Ministry of Commerce of Cambodia and the ASEM Member States from the EU including Germany, Poland and the European Commission. The briefed presentation is enclosed as **Annex 10**.

Agenda 5.5: Action 5-IT Tools for IPR

India and Germany jointly briefed the Meeting on the methodology needed to develop a best practice guide on IT Tools used for Customs IPR Enforcement, in particular the application of IT Tools to detect and combat IPR infringements. In addition, the methodology would also explore synergies between compatible IT-Tools and develop best practices regarding traceability devices and standards.

In this regard, the coordinating countries would like to have comments and inputs from the Meeting to draft the questionnaire. Then, it will be distributed to ASEM Member States by **end of June 2014** and by the **3rd quarter 2014** the questionnaire will be returned and analysed by the coordinating countries in the **4th quarter of 2014** before concluding to the next AWC Meeting. The briefed presentation and questionnaire are enclosed as **Annex 11.1 and 11.2** respectively.

Agenda 5.6: Action 6-Product Safety (TBC-Czech)

The EC-TAXUD informed the Meeting that Czech Customs Administration is the coordinating country from the EU side to develop the Action 6 and looks forward to cooperating with the Asian counterpart in the near future. Her brief paper regarding this action is enclosed as **Annex 12**.

In this relation, the Meeting agreed with the suggestion by the Chair to urge Czech Customs Administration to start drafting the paper on Action 6 and encourage the Asia side to volunteer to be the country coordinator and the expression of interest to be the Asia country coordinator till **June 2014**, in particular this matter will be forward for another round of discussion by the ASEM DGs/Commissioners during the WCO Council Session in June and if till then there is still no volunteer, Cambodia will take the role.

Agenda 5.7: Action 7-Waste Management

Denmark briefed the Meeting on way forward to implement Action 7 by organizing a workshop aiming to engage the European and Asian working together to identify the issues, challenges and potential improvements taking into account the respective national policies, legal frameworks and good practices. In addition, Denmark indicated that she needed 8 moderators working in the workshop to facilitate the discussion and there will be 100 participants from both regions. In this case, China and Denmark volunteered to be moderators. Likewise, the workshop will be held in Denmark from 16-18 September 2014 and two participants per Member State will be invited and the invitation letter be circulated in due course. Furthermore, Denmark and China also informed the Meeting that the questionnaire about waste management and other paper works will be subsequently drafted and circulated to Member States for comments. The presentation and questionnaire are enclosed as **Annex 13.1 and 13.2** respectively.

In relation to the two participants to the workshop per country, the Chair suggested Denmark to consider inviting one participant from Customs Administration and the other from competent authority.

Agenda 5.8: Action 8-Dialogue with Traders

Singapore and Sweden jointly presented to the Meeting about their success in developing a model for dialogue with trader. In this relation, they have already developed a package workshop to involve two volunteer countries, Asia and Europe, for the testing. The package workshop aims to discuss four main aspects: Accessibility of Customs Information, Response to Traders' Enquiries, Training for the Trade and Co-ordination between Trade and Customs. In this regard, the coordinating countries also encouraged the ASEM Member States who are interested in using the model may request for assistance. The presentation is enclosed as **Annex 14**.

Agenda 5.9: Action 9-Joint operation Replica (EC-OLAF)

EC-OLAF updated the Meeting on the recent developments in the Joint Operation-Replica. There were 29 ASEM Member States (11 from Asia) had joint the operation and some ASEM Member states like China have decided to send her liaison officers to take responsibilities of coordination. There were three ways for the Replica: identified all containers in the deep sea, flow of the counterfeit goods and types of counterfeit goods being targeted. The presentation is enclosed a **Annex 15**.

Agenda 5.10: The internal and external communication using the PICS platform and visibility of ASEM Customs activities

EC-TAXUD informed the Meeting about way forward to enhance communication between ASEM Member States through the use of the Programme Information and Collaboration Space (PICS) platform, which is an online collaborative platform on which information & documentation can be shared, uploaded, updated and stored. In particular, ways to increase the visibility of ASEM

Customs activities into the ASEM InforBoard Website for the uses of Member States, general public, business, media, executive and parliamentary representatives in ASEM partners. The presentation is enclosed as **Annex 16**.

Agenda 5.11: Other Updates

1-WCO being responsive to global challenges

The WCO ROCB provided an updated core component of the latest WCO initiatives “the four packages” toward a global standard. The four core components include ECP-Economic Competitiveness Package, RP-Revenue Package, CEP-Compliance of Enforcement Package and ODP-Organizational Development Package for achieving the ultimate goals of WCO Strategic Plan, Modern working method for Customs in the 21st Century. The presentation is enclosed as **Annex 17**.

2-International Conference on Rule of Origin

Korea presented the outcomes of organizing the International Conference on Rule of Origin last year in Korea consist of 680 attendees from 25 countries. The main aim of the conference is to harmonize the global system of origin. The presentation is enclosed as **Annex 18**.

3-Sharing experience in participating in WCO Joint Operation Demeter III

China shared her experience on her participating in the WCO Joint Operation Demeter III via video demonstration which indicated her achievements in waste management. In particular, the video demonstration indicated new international trends for cooperation between China Customs, RILO AP, UNEPE, Interpol and other international organisations.

Agenda 5.12: ASEM Coordination Committee

Korea raised the concern on difficulties in coordinating the hosting mechanism of the AWC Meeting in the Asia side and proposed to the Meeting to consider an agreed mechanism of hosting and preparation for the ASEM Customs Meeting in the future. She suggested that a coordinating committee should be established. The Committee might include member states from the previous host, the current host and the next host as well as active and volunteer member states.

Likewise, EC-TAXUD shared her experiences in coordinating the meetings and agreed that the issue of hosting mechanism should be reviewed to find the best way to engage other member states.

In line with the hosting mechanism, China appreciated the effort of coordination ever done by member states and suggested more attention should be given to the coordination on Asia side since Asia had faced some difficulties of coordination. Moreover, China elaborated that a virtual steering group could be established in Asia for better coordination or its own. This group could work separately under the umbrella of ASEM coordination committee mainly through emails or telephones. The group could have a very short and efficient meeting for resolving the major disputes that failed to be coordinated and resolved virtually. The current host, previous host and next host by turn could be the convener or chief coordinator for the virtual steering group meeting.

In this regard, the Meeting agreed to task Korea to initiate first draft scope of work of the committee for further comment and feedback from member states before tabling to the next meeting of the ASEM DGs/Commissioners for their consideration and adoption.

Agenda 5.13: Discussion of possibilities of adding Trade Facilitation Agreement-TFA to the future meeting agenda of ASEM

China suggested to raise the international profile of ASEM by adding TFA implantation to the agenda of the coming AWC and DG meetings and if possible, to establish a new action plan of implementing TFA.

The Meeting took note the importance of this topic and agreed to bring back for the consultation from the capital. The Meeting also agreed that China would prepare a paper for elaborating the necessity of making this proposal.

Agenda Item6: Future meetings

EC-TAXUD reported to the Meeting that the next AWC Meeting will be held in EU country in April 2015 and the host country will be confirmed later.

India informed the Meeting that she will host the next ASEM Customs DGs/Commissioners Meeting in October or November 2015. The venue and exact dated will be informed in due course.

Germany informed the Meeting that the next ASEM Customs DGs/Commissioners Meeting will be held in Germany in 2017. The exact date and venue will be informed in due course.

Agenda Item7: Other Business

The Meeting updated the contact list which appeared as Annex2.

There was no other business being discussed.

Agenda Item8: Conclusions and Closing remarks

The Chairman concluded the key objectives of the Meeting and thanked all participants for their inputs and fruitful discussion. Additionally, he informed that the draft AWC Meeting report would be circulated for comments in fourth Week of April 2014.

The Meeting thanked the General Department of Customs and Excise of Cambodia for her excellent arrangement the 8th AWC Meeting and in particular special thanked to the action coordinators and the secretariat staff for their works, supports and cooperation.

