



**Asia-Pacific  
Economic Cooperation**

APEC Committee on

# **Trade and Investment**

Annual Report to Ministers

# 2011

**Advancing Free Trade for Asia-Pacific Prosperity**



**Asia-Pacific  
Economic Cooperation**

**APEC Secretariat**

35 Heng Mui Keng Terrace Singapore 119616

Tel: (65) 68 919 600 Fax: (65) 68 919 690 Email: [info@apec.org](mailto:info@apec.org) Website: [www.apec.org](http://www.apec.org)



**Asia-Pacific  
Economic Cooperation**

**2011  
ANNUAL REPORT TO MINISTERS**

**COMMITTEE ON TRADE AND INVESTMENT**

**November 2011  
Honolulu**

Published by  
APEC Secretariat  
35 Heng Mui Keng Terrace Singapore 119616  
Tel: (65) 68919 600 Fax: (65) 68919 690  
Email: [info@apec.org](mailto:info@apec.org) Website: [www.apec.org](http://www.apec.org)

© 2011 APEC Secretariat

APEC#211-CT-01.5      ISSN 0219-1865

Dear Ministers

I am honored to present to you the APEC Committee on Trade and Investment's (CTI) 2011 Annual Report for your review and endorsement. The report provides an overview of CTI's work this year along with a series of recommendations to advance the Committee' APEC's continued work program in pursuit of the **Bogor Goals** of free and open trade in the Asia-Pacific region.

This year, CTI's work was framed in the context of direction provided by Leaders and Ministers in Yokohama, Japan in November 2010 and the priorities established for APEC 2011, toward a "Seamless Regional Economy". Accordingly, CTI's key work priorities in 2011 focused on the three priority areas established for APEC 2011: (1) strengthening regional economic integration and expanding trade; (2) promoting green growth; and (3) advancing regulatory convergence and cooperation.

APEC 2011 has been a productive year for the CTI and the 8 sub-groups and 3 industry dialogues it oversees. Some important outcomes have been produced and good progress has been made in all priority areas. The CTI also undertook work related to APEC-wide priorities, in particular, implementation of APEC's Growth Strategy and discussion on possible pathways to a Free Trade Area of the Asia-Pacific (FTAAP). Some significant CTI deliverables for 2011 are highlighted below.

- CTI developed a set of guidelines for implementing recommendations/measures to track progress of APEC economies towards achieving Bogor Goals in 2010.
- CTI, with the support of the Policy Support Unit (PSU), completed the final assessment of the implementation of APEC's Second Trade Facilitation Action Plan (TFAPII) and agreed on a methodology to use internal and external indicators for measuring progress towards the 10% improvement of supply-chain performance by 2015.
- In response to Leaders' instructions last year in Yokohama, CTI worked with APEC economies to produce a list of three next generation trade and investment issues: facilitating Global Supply Chains (GSCs); enhancing small and medium-sized enterprises (SMEs) participation in Global Production Chains and promoting effective, non-discriminatory, and market-driven innovation policy as well as to develop specific work to address these issues.
- CTI, in collaboration with the SME Working Group, produce a list of 9 barriers that SMEs face in trading in the region that was endorsed at the first Joint MRT-SME Ministers Meeting in Big Sky Montana last May. CTI worked with APEC economies to identify concrete actions to address those barriers related to TILF by AELM as instructed by MRT-SME Ministers.
- CTI identified "interoperability standards for smart grid" as the first emerging regulatory issue to be worked on in 2011 under the APEC Regulatory Cooperation Advancement Mechanism on Trade Related Standards and Technical Regulations (ARCAM) that was established in 2010 and agreed on a set of recommendations to promote interoperable standards for smart grid.
- CTI developed two new pathfinders: *Pathfinder to enhance Supply Chain*

*Connectivity by Establishing a Baseline De Minimis Value* that seeks to exempt express and postal shipments from customs duties or taxes and from certain entry documentation requirements for shipments and *Pathfinder on Facilitating Trade in Remanufactured Goods* that ensures participating economies do not apply measures specifically concerning used goods to remanufactured goods.

- CTI made substantive progress in the implementation of the actions plans endorsed in 2010 to address the 8 chokepoints under the Supply-Chain Connectivity (SCI) Framework.
- CTI commenced work to promote trade and investment in environmental goods and services (EGS) and environmental technology dissemination.

The outcomes listed above and throughout the report was made possible as a result of the hard work, commitment and cooperation of all representatives, sub-fora Convenors, industry dialogue Chairs, ABAC, APEC Secretariat, Policy Support Unit, as well as the support and guidance of our Senior Officials. Finally, let me express special thanks to Catherine Wong, whose work and experience contributed to a great extent to another successful CTI's year.

Yours sincerely,



Mónica Contreras Rosales  
Chair, APEC Committee on Trade and Investment

# Contents

Recommendations.....	1
Introduction .....	3
Section I: Bogor Goal’s Review Process .....	5
Section II: Strengthening Regional Economic Integration and Expanding Trade.....	7
Section III: Trade Facilitation and Supply-Chain Connectivity .....	14
Section IV: Next Generation Trade and Investment Issues (NGTI) .....	23
Section V: Environmental Goods and Services (EGS)/Green Growth .....	24
Section VI: Advancing Regulatory Convergence and Cooperation .....	27
Section VII: Collective Actions, Pathfinder Initiatives and Industry Dialogues	
• Collective Action Plans.....	30
• Pathfinder Initiatives .....	33
• Automotive Dialogue.....	34
• Chemical Dialogue .....	34
• Life Sciences Innovation Forum.....	35
Section VIII: CTI’s Contribution to APEC-wide Initiatives and SOM Priorities	
• Support for the Multilateral Trading System .....	36
• Possible Pathways to a Free-Trade Area of the Asia-Pacific (FTAAP) .....	37
• Improving the Business Environment.....	38
• Implementation of the Growth Strategy .....	38
Section IX: Interaction with the APEC Business Advisory Council (ABAC) .....	41
<b>Appendices</b>	
Appendix 1 - Bogor Goals Progress Report Guidelines .....	1-1
Appendix 2 - Services Action Plan (SAP) Matrix of Action (2011 Update) .....	2-1
Appendix 3 - Investment Facilitation Action Plan (IFAP): IEG’s Recommendations on Next Steps and Measuring Progress .....	3-1
Appendix 4 - APEC Non-Binding Investment Principles (2011 Update) .....	4-1
Appendix 5 – Effective Practices to Address Unauthorized Camcording .....	5-1
Appendix 6 – APEC Cross-Border Privacy Rules (CBPR) System – Policies, Guidelines and Directories) .....	6-1
Appendix 7 - Initiatives to Address the Top Barriers Small and Medium Enterprises Face..... in Trading in the Region (as tasked to CTI)	7-1
Appendix 8 - Supply-Chain Connectivity (SC) Action Plan (2011 Update) .....	8-1
Appendix 9 – Pathfinder to Enhance Supply Chain Connectivity by Establishing a Baseline De Minimis Value .....	9-1
Appendix 10 – Enhancing SMEs Participation in Global Production Chains .....	10-1

Appendix 11 - Environmental Goods and Services Work Program Mapping Matrix.....	11-1
Appendix 12 - Pathfinder on Facilitating Trade in Remanufactured Goods .....	12-1
Appendix 13 - Facilitating the Diffusion of Advanced Technology and Alternative..... –Fueled Demonstration Motor Vehicles proposal	13-1
Appendix 14 - Recommendations on Smart Grid Interoperability .....	14-1
Appendix 15 - CTI’s Sub-fora Collective Action Plans .....	15-1
Appendix 16 – CD Report on Progress in GHS implementation .....	16-1
Appendix 17 - Glossary of Terms .....	17-1



## Recommendations

CTI recommends that Ministers **endorse**:

- CTI's 2011 Annual Report, including the Collective Action Plans in *Appendix 15*.
- Bogor Goals Progress Report Guidelines for implementing recommendations to track progress of APEC economies towards meeting the Bogor Goals (*Appendix 1*)
- Investment Facilitation Action Plan (IFAP) - IEG Recommendation on Next Steps and Measuring Progress. The plan addresses: (1) how IFAP will be implemented in the years ahead; and (2) how APEC economies can demonstrate progress in IFAP implementation. (*Appendix 3*).
- Updated Non-Binding Investment Principles (U-NBIPs), which aim to facilitate foreign investment in the APEC region through the improvement and further liberalization of members' investment regimes and that respond to an ABAC recommendation for revisions to ensure the NBIP reflect changing conditions of the business environment (*Appendix 4*).
- Proposed actions to address the next generation trade and investment issues endorsed by MRT in May: "Enhancing SMEs Participation in Global Production Chains". (*Appendices 10*)
- Initiatives to address the top barriers SME face in trading in the region that are tasked to CTI (*Appendix 7*)
- Pathfinder to Enhance Supply Chain Connectivity by Establishing a Baseline De Minimis Value (*Appendix 9*).
- Effective Practices to Address Unauthorized Camcording (*Appendix 5*)
- Pathfinder on Facilitating Trade in Remanufactured Goods that ensures participating economies do not apply measures specifically concerning used goods to remanufactured goods. (*Appendix 12*)
- Facilitating the Diffusion of Advanced Technology and Alternative-Fueled Demonstration Motor Vehicles proposal (*Appendix 13*)
- Recommendations on Smart Grid Interoperability from the first APEC Regulatory Cooperation Advancement Mechanism on Trade Related Standards and Technical Regulations (ARCAM) dialogue (*Appendix 14*)
- Cross-border privacy rules (CBPR) system under APEC Data Privacy Pathfinder that provides effective mechanisms for the protection of privacy in the APEC region while maintaining the free flow of personal information between APEC economies. (*Appendix 6*)
- Strategic framework for achieving regulatory convergence for medical products by 2020<sup>1</sup>
- Approaches for Consideration by APEC Economies in Applying GHS Principles to Classification & Labelling of Consumer Products" as a significant step forward in the implementation of GHS (*Appendix 16*)

---

<sup>1</sup> See 2011/AMM/004att1

- Action Plan for Addressing the Chronic Disease Challenge in the APEC region: an Innovative Approach to Collaborative Action<sup>2</sup>, jointly developed by Life Sciences Innovation Forum (LSIF) and the Health Working Group

**welcome:**

- Contribution to the “next generation issue” of "Promoting Effective, Non-Discriminatory, and Market-Driven Innovation Policy" as an Annex to the APEC Economic Leaders’ Declaration.
- Contribution to the Statement on Trade and Investment in EGS as an Annex to the APEC Economic Leaders’ Declaration.
- Contribution to the development of an APEC EGS Technology Dissemination Action Plan.
- The results of the Trade Facilitation Action Plan II (TFAP II) assessment that based on a direct estimation approach and assessment of contributions of the relevant sub-fora, indicates that APEC has achieved the TFAP II target of a 5 percent further reduction in trade transaction costs (for a savings of USD 58.7 billion).
- The agreement to send a constructive message on the importance of the WTO Information Technology Agreement (ITA) remaining relevant and APEC's continued leadership role in this area; and explore ways in which CTI and its sub-fora can contribute to advancing work on strengthening and expanding the ITA.
- Progress made in implementing the action plans under the Supply-Chain Connectivity (SC) Framework, in particular the work done on advance rulings and supply chain visibility initiative; results from the Workshop on Performance Measurement of Supply Chains, Study Program for Enhancing the Capacity of APEC local/regional Logistics Sub-providers and a trade policy dialogue (TPD) on Trade Benefits of Submarine Cable Protection. (*Appendix 8*)
- The methodology proposed by the PSU on the use of internal and external indicators for measuring progress towards the 10 percent improvement in supply-chain performance.
- The recommendations on solar technologies and green buildings as CTI’s contribution to promoting green growth.
- The work in APEC to increase awareness of the challenges posed by different regulatory approaches to chemicals in articles, an issue that has a potentially significant economic impact on our major downstream industries.
- Progress in Implementation of the Globally Harmonised System (GHS) of classification, labelling and Safety Data Sheets for Chemicals (*Appendix 16*)

and **note:**

- Updates made to the Services Action Plan (SAP) Matrix of Actions; Environmental Goods and Services Work Program Mapping Matrix to respectively reflect all services-related and EGS-related work underway in various APEC fora and sub-fora (*Appendices 2 and 11*)

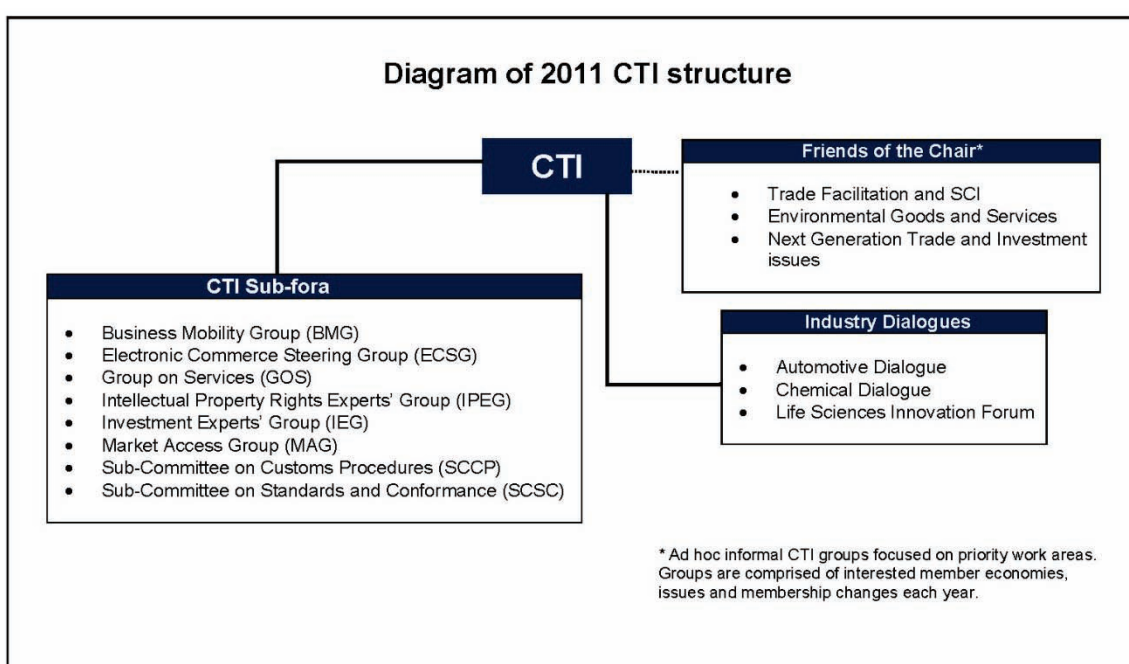
---

<sup>2</sup> See 2011/AMM/004att1

## Introduction

The APEC Committee on Trade and Investment (CTI) is the key body responsible for delivery of APEC's work on trade and investment. CTI encourages APEC member economies to undertake individual and collective actions to liberalize and facilitate trade and investment within the APEC region, in order to achieve the Bogor Goals. This work is supported by economic and technical cooperation (ECOTECH) initiatives, aimed at building capacity in member economies to assist them in undertaking trade and investment liberalization and facilitation.

The CTI oversees eight sub-groups and three industry dialogues (see diagram below). CTI also works closely with other specialist APEC Committees, Task Forces and Working Groups to ensure that Leaders' and Ministers' instructions on trade and investment issues are implemented in a coordinated manner.



The CTI Annual Report to Ministers for 2011 outlines the Committee's accomplishments and recommendations in the key priority areas of APEC's Trade and Investment Liberalization and Facilitation (TILF) agenda in support of APEC's 2011 priorities under the theme of building towards a "seamless regional economy". Collective Action Plans (CAPs) in various *Osaka Action Agenda* (OAA) issues areas, which were first reported in 1996, continued to be the Committee's main vehicle for advancing APEC's trade and investment agenda.

The key elements of CTI's work program for 2011 were organized around the APEC 2011 Priorities of (i) Strengthening Regional Economic Integration and Expanding Trade; (ii) Promoting Green Growth and (iii) Advancing Regulatory Convergence and Cooperation. This work included identifying and addressing, through specific and substantive outcomes, 21<sup>st</sup> century agreements in the region, including the Free-Trade Area of the Asia-Pacific (FTAAP); taking steps to reduce the time, cost and uncertainty of moving goods and services through the supply chain; accelerating efforts to address barriers to trade; improving the quality of the regulatory environment; and implementing the 2010 APEC Leaders' Growth Strategy. Three "Friends of the Chair (FOTC)" groups, comprising between 15-16 economies, were established in the CTI to advance work and/or develop work plans with time frames, objectives and deliverables in three key areas: Trade Facilitation and the Supply-Chain Connectivity Initiative (SCI); Environmental Goods and Services (EGS)/Green Growth; and Next Generation Trade and Investment Issues. The additional

eight focus groups, comprising 4-10 members that were created in 2010 were retained to oversee the implementation of the action plans to address the designated chokepoints identified in the Supply-chain Connectivity (SC) Framework adopted in 2009.

The Committee has continued to collaborate closely with the Economic Committee (EC) to ensure that their respective work programs on business facilitation, ease of doing business (EoDB) initiative, and regulatory reform are complementary. CTI also worked with Telecommunications and Information Working Group (TEL) and Transportation Working Group (TPTWG) to develop action plans to address the SC chokepoints identified in connection with the network industry; and with the Small and Medium Enterprises Working Group (SMEWG) to identify a list of top barriers facing small and medium-sized enterprises (SMEs) in trading in the region in addition to collaboration on the SC action plans. The Committee also started exploring with the Human Resources Development Working Group (HRDWG) possible areas of collaboration.

CTI also continued to work closely with the APEC Business Advisory Council (ABAC) throughout 2011, ensuring that its work plans and deliverables took into account the needs of the business community. Representatives of both CTI and ABAC participated in each others' meetings, maintaining consistent and constructive dialogue on key issues, such as next generation trade and investment issues, public-private partnerships, investment liberalization, and trade facilitation.

The Policy Support Unit (PSU) continued to provide invaluable support to the CTI by undertaking assessment/analytical work relating to CTI's key priorities. The PSU completed the final assessment of the APEC's Second Trade Facilitation Action Plan (TFAP II) by analysing the aggregate reduction in total trade transaction costs as well as the contributions made by the APEC sub-fora involved in the four priority action areas – Customs Procedures, Standards and Conformance, Business Mobility, and Electronic Commerce. It supported the Committee in developing a measurement framework for the Individual Action Plan (IAP) Peer Review Process for progressing towards the Bogor Goals and identifying KPIs and proposing an assessment methodology for the Supply-Chain Connectivity Initiative.

## Section I: Bogor Goals Review Process

At their meeting in Yokohama in November 2010, APEC Ministers instructed officials to explore in 2011 an appropriate process to review APEC economies' progress toward the Bogor Goals of free and open trade and investment. Senior Officials discussed at the ISOM in Honolulu in December 2010 how best to take forward the Yokohama instructions, recognizing the need to review existing Individual Action Plan (IAP) processes, its pros and cons and explore options for a more robust and less resource intensive mechanism to track progress towards the Bogor Goals. CTI was tasked to work with the APEC Secretariat, the Policy Support Unit (PSU) and the APEC Business Advisory Council (ABAC) to develop a revised IAP and IAP Peer Review process for Senior Officials' consideration.

### Highlights:

- At CTI1, the Committee had an extensive exchange of views on how it could respond to SOM's instruction to provide recommendations on ways to review economies' progress towards the achievement of the Bogor Goals and agreed that in the interest of balancing transparency and efficiency some form of streamlining of the IAP process was necessary.
- There was a common understanding amongst members that all 21 economies should keep working towards achieving the Bogor Goals by 2020. To that end, the importance of maintaining a mechanism in APEC to continue tracking the progress of economies to achieve the Bogor Goals was highlighted, for both 2010 economies (5 industrialized economies and 8 volunteering economies assessed in 2010) and 2020 economies. 2010 economies noted that they would be in a position to help other economies overcome more easily the challenges that the latter faced.
- CTI agreed that such mechanism will have to be simplified from the current process, more efficient, less resource intensive, less financially burdensome and that economies should take advantage of the APEC Secretariat, the PSU and ABAC to improve the current IAP and IAP Review Process, taking into account the availability of data compiled by other international organizations and how they might complement the APEC process, e.g. WTO Trade Policy Review.
- At CTI2, CTI developed a list of recommendations for consideration at SOM II on an appropriate process to review APEC economies' progress toward the Bogor Goals by 2020, by making it less resource intensive and less financially burdensome. The changes proposed included:
  - The use of a simplified template, with the option to include other measures that economies consider important for progressing towards the Bogor Goals. The reporting categories will be based on the existing agreed areas which include the original areas of the Osaka Action Agenda.
  - Economies would report every two years in 2012, 2014, and 2018; in 2016 and 2020, economies would respectively undertake a second term review and a final assessment.
  - The PSU could prepare a short report with key highlights on members' main achievements and remaining areas for improvement in the year of review. This would include information setting out the prevailing situation of trade and investment liberalization and facilitation of the economies, and use, where possible, indicators to facilitate the assessment. SOM could then discuss these reports during one of their meetings.

- For the final assessment in 2020, the template prepared by Japan in 2010 could be used as the basis for the evaluation, to keep consistency as much as possible with the 2010 assessment.
  - The PSU could develop around one-page “Regional Integration Metrics” or “Dashboard” as recommended by ABAC.
  - Review process would be renamed as “Bogor Goals Progress Report” to make it more immediately understandable to business and the public.
  - The APEC Secretariat and the PSU could be tasked to make the APEC-IAP website more user-friendly, as well as to improve its functionality to enhance the website’s usefulness and accessibility to the business community
- CTI agreed on a set of guidelines (drawn from the agreed recommendations) to give direction to its review of implementation of measures towards achieving the Bogor Goals in 2020. (See *Appendix 1*). CTI also agreed that for 2012, economies will submit their IAPs based on the agreed simplified template (Annex 1 to the Guidelines) by SOM I in February 2012 in order for the PSU to prepare the 1-2 page report for discussion at SOMII in June/July 2012.
  - CTI agreed that the proposed one-page Dashboard, to be finalised by the PSU, could be kept as a “living” document and members could consider portraying the information on a collective basis, taking into account that economies will submit their IAP and that the PSU’s reports will be done on an individual basis.
  - CTI also agreed to hold a working session with international organizations in the margins of CTI1 next year to have a better understanding of external indicators that were suggested to be included in the Dashboard.

## Section II: Strengthening Regional Economic Integration and Expanding Trade

### Highlights:

#### *Making Rules of Origin More Business Friendly*

- CTI welcomed the successful completion of the APEC Self-Certification of Origin Capacity Building program that was adopted in 2010. Following the first APEC Self-Certification Workshop held in Kuala Lumpur, Malaysia from 11-12 October 2010, three more in-economy self-certification workshops were organised this year. They took place in Manila, the Philippines on 10-11 February; Banda Seri Begawan, Brunei Darussalam on 4-5 April and Ha Noi, Viet Nam on 28-29 July. The results of all these workshops have been consolidated and made available on the APEC website. The Market Access Group (MAG) which was tasked to oversee the implementation of the APEC Self-Certification Pathfinder initiative will consider in 2012 possible next steps to build on the momentum generated by these workshops, including possible use of targeted case studies. In addition, MAG members have also agreed to, where appropriate, report on a yearly basis, on progress towards implementing self-certification, thereby encouraging more economies to join the Pathfinder Initiative.
- CTI took note of the progress made in the MAG on the implementation of the APEC Elements for Simplification of Documents and Procedures Related to ROOs initiative adopted in 2009. MAG collected information on two remaining elements: “harnessing IT to ease documentation and procedures of APEC elements for simplifying customs documents” and “minimum data requirements in FTAs” through two surveys launched this year. On the “harnessing IT to ease documentation and procedures”, 13 economies had responded to its survey. The responses could give only a basic insight into the use of IT to ease documentation and procedures, and provide a qualitative rather than quantitative analysis. On “minimum data requirements”, 14 economies had responded to the survey, which encompassed 40 FTAs or preferential trade agreements. From the responses that were provided, it was observed that not one of the 40 agreements had a single data requirement in common.
- CTI welcomed the agreement by MAG and the ECSG-Paperless Trading sub-group to collaborate and explore greater cooperation with each other on common elements in the work program pertaining to rules of origin.
- CTI and MAG received presentations from Ms Mette Azzam, head of the WCO Origin Sub-Directorate on the ROO work of the WCO. The WCO was interested to work with APEC on rules of origins issues of relevance. WCO has been granted 3-year guest status in the SCCP until 31 December 2013.

#### *Improving Transparency of Information on Tariffs and Rules of Origin*

- CTI took note that MAG had agreed and was looking at ways to improve APEC Website on Tariffs and ROOs (“WebTR”) that was launched in 2010, including expanding its scope and functionality.

### *APEC Services Initiative*

- CTI continued to update the APEC Services Action Plan's matrix of action (SAP) to reflect all the services-related activities underway, across the various APEC fora and sub-fora so that it may serve as a valuable tool for all economies in the identification of priorities and capacity building needs in relation to individual and collective efforts to boost services trade and development. (See Appendix 2).

### *Investment*

- CTI reviewed the implementation of the APEC Strategy for Investment that was adopted in 2010 and welcomed the 1<sup>st</sup> session of the APEC Public-Private Dialogue on Investment held on 4 March in Washington, D.C. under the theme of Investing for Growth: How to Spur Tangible and Robust Private Sector Investment in Infrastructure and Economic Growth. Over 70 participants with diversified backgrounds attended the Dialogue<sup>3</sup> and discussed three major topic areas: (i) infrastructure development through improvements in the investment climate; (ii) leveraging Foreign Direct Investment (FDI) for economic growth; and (iii) prevention and resolution of investment disputes. IEG also undertook several projects and activities to implement the three pillars of the 2010 APEC Strategy for Investment (see Table 1 below).
- CTI welcomed efforts made by the IEG to address how the Investment Facilitation Action Plan (IFAP) will be implemented in the years ahead and how APEC economies can demonstrate progress in IFAP implementation. CTI endorsed the plan developed by the IEG for such future implementation. (See Appendix 3). The plan seeks to sustain and build on the positive results achieved to-date under the IFAP and to respond to appeals from APEC stakeholders to develop a credible mechanism to track IFAP's progress. The IEG has played a major role over the past 3 years in implementing the IFAP. It has made significant progress in implementing the 15 priority actions it selected to address the 3 priority themes of IFAP agreed by APEC Ministers in 2008, namely e-transparency, reducing investor risk and simplifying business regulation.
- CTI commended the IEG's successful efforts in updating the 1994 Non-Binding Investment Principles (NBIP). IEG had extensive discussions on the NBIP updates; taking into consideration member suggestions, as well as improvements recommended by ABAC to ensure that the NBIP reflects changing conditions of the business environment. The group agreed on a final revised text consisting of 15 key principles aimed at facilitating foreign investment in the APEC region through the improvement and further liberalization of members' investment regimes. CTI endorsed this text, 2011 Update of the APEC Non-Binding Investment Principles (see Appendix 4) for transmission to Ministers and Leaders.

### *Digital Economy and Strengthening Intellectual Property Rights*

- ECSG contributes to the CTI's work under the digital prosperity agenda. It enables economies to utilize ICTs as catalysts for growth and development. In doing so, the ECSG is building on its current work streams and projects, including data privacy and paperless trading, which are key elements of ICT-enabled growth.
- IPEG supports CTI's work on strengthening intellectual property rights, covering a range of IP issues including: issues related to the protection of geographical Indications, effective practices to address unauthorized camcording, cooperation to improve efficiencies in patent examination, issues related to IPR protection on standards development and IPR protection and enforcement, including counterfeiting and piracy issues. As for the key IPEG deliverable for 2011, the group discussed a proposal on "Effective Practices for Addressing Unauthorised Camcording" and finalized it for transmission to the CSOM and Ministers in November. (see

---

<sup>3</sup> See 2011/SOM2/IEG/013 for the Dialogue's Summary.



*Appendix 5).* The effective practices assist affected economies to raise public awareness of unauthorized camcording; engage with the private sector on capacity building for effectively responding to unauthorized camcording; and put in place legal framework to effectively deter unauthorized camcording in cinemas.

**Table 1: Sub-fora Outcomes in Support of Accelerating Regional Economic Integration**

SUB-FORA	WORK UNDERTAKEN
<b>Market Access Group (MAG)</b>	<p>MAG noted that it had almost completed the task given by Ministers with respect to implementing the WebTR with only one economy remaining that has yet to provide their tariff and ROO information in English. It had also agreed to explore an idea to build further information in the WebTR to introduce search function on tariffs and ROOs across the region.</p> <p>Completion of sectoral analyses undertaken on machine tools and parts; and on toys and games.</p> <p>Successful completion of all four self-certification capacity building workshops. Consideration of possible next steps to build on the momentum generated by these workshops, which participating economies had found useful, including possible use of targeted case studies.</p> <p>Productive exchange of views with ECSG Paperless Trading Sub-Group (PTS) Chair on common elements in the work programmes of MAG and PTS on ROO, with agreement to continue this exchange at PTS at SOM1 2012.</p>
<b>Group on Services (GOS)</b>	<p>GOS developed the “APEC Services Trade Access Requirements (STAR) Database” which will be a business friendly tool to facilitate service providers’ market access, business mobility and establishment of commercial presence throughout the APEC region. The STAR Database will initially contain requirements for market entry in the financial, mining and energy, transport and logistics, telecommunications and professional services sectors.</p> <p>GOS developed a databank of attorneys who work on trade and investment in the APEC region and capacity building seminars for international business lawyers under the APEC Legal Services Project. The Project also collated links to business attorneys working in the APEC region for public use. A Friendship Arrangement was signed by the Project Overseer with the Inter-Pacific Bar Association (IPBA) in April 2011 as a collaborative arrangement for development of legal services in the APEC region and the implementation of the project.</p> <p>GOS has completed the APEC Legal Services Initiative website which includes a compilation and comparison of regulatory regimes for foreign lawyers in APEC member economies and contacts for regulating and peak professional bodies in APEC member economies. The site is now live at <a href="http://www.legalservices.apec.org">www.legalservices.apec.org</a> and GOS members were encouraged to promote the website to their legal services sector. Feedback and updates to the website were welcomed.</p> <p>GOS conducted a Workshop on Addressing SME Business Constraints through Services in Washington, D.C. on 2 March 2011. The workshop examined the role that backbone services - including ICT, logistics and financial services - play in enabling SMEs to better achieve their business and export potential.</p> <p>GOS held a workshop under the APEC Accounting Services Initiative in San Francisco on 12-13 September 2011. It aimed to identify impediments to the provision of accounting and auditing services across APEC economies. In addition, an electronic repository of information on the regulation of accounting and auditing services by foreign professionals in the APEC region has been developed; and Non-Binding Guidelines for the Regulation of Foreign Accountancy Professionals are currently being discussed.</p> <p>GOS conducted a “Sharing Key Success Factors and Experiences in Trade in Services for SMEs” workshop in San Francisco on 14-15 September 2011. The</p>

SUB-FORA	WORK UNDERTAKEN
	workshop looked at the factors leading to successful export performance by services SMEs, including successful policies to promote or facilitate SMEs' services exports.
<b>Investment Experts Group (IEG)</b>	<p>(I) <u>Advanced Principles and Practices</u></p> <p>Core Elements Project- Moving beyond phase III (Activity 1) A report on Core Elements of IIAs in domestic investment frameworks will be published electronically by the end of 2011.</p> <p>Core Elements Project- Moving beyond phase III (Activity 2 &amp; 3) A Handbook and Seminar for Negotiators (Steps 2&amp;3). An APEC-UNCTAD seminar for Negotiators of international investment agreements (IIAs) was held in Chile in April 2011. The Seminar was a three-day peer-review meeting to discuss the draft of a Handbook for Negotiators of IIAs that is being prepared in the context of the APEC-UNCTAD core elements projects. The Handbook will aim to be published electronically by the end of 2011.</p> <p>Core Elements Project- Moving beyond phase III- (Activity 4). A report on Transparency in IIAs will be published electronically by the end of 2011.</p> <p>An APEC-UNCTAD Workshop on Investor-State Dispute Settlement (Core Elements Project- Moving beyond phase III- Activity 6) was held in June 2011. The workshop, held in Manila, was attended by 63 participants from 13 APEC economies. The three-day capacity building workshop on investor-State dispute settlement (ISDS) dealt with the most recent cases involving the interpretation and application of Core Elements in international investment agreements (IIAs).</p> <p>An APEC-UNCTAD Workshop on Best Practices in Investment Policy Formulation in the APEC Region will be held in Moscow on 29-30 November 2011.</p> <p>(II) <u>Facilitation</u></p> <p>The 7<sup>th</sup> edition of the APEC Guide to Investment Regimes has been published electronically. IEG will continue discussions on further development of the e-portal site.</p> <p>The IEG jointly with the Small and Medium Enterprises Working Group (SMEWG) held the EoDB Workshop on "Best Practice Guide: Improving business regulation in APEC member economies, based on knowledge shared from the Ease of Doing Business/Private Sector Development Workshops series". A draft best practice guide based on the outcomes of a series of completed EODB/PSD workshops has been completed. The guide is expected to be published electronically in 2011.</p> <p>(III) <u>Promotion</u></p> <p>A report on filling the infrastructure gaps in APEC developing economies is under preparation and is intended to be published electronically by the end of 2011. A Workshop is intended to be held in Viet Nam on 1-2 December 2011.</p> <p>IEG conducted the APEC Seminar on Infrastructure Investment in San Francisco on 17 September 2011. The seminar was convened as a follow-up of the Public-Private Dialogue on investment held in Washington DC during the SOM1 and had over 70 participants from public sector as well as private sector. The seminar aimed to: a) Share Information on the current state of infrastructure in the region and introduce ideas about a comprehensive regional development plan; b) Coordinate with relevant APEC works, such as the APEC Supply-Chain Connectivity Framework Action Plan on transport infrastructure, and Public-Private-Partnership (PPP) infrastructure project at the APEC Finance Minister Process; and c) Implement the APEC Strategy for Investment by providing an effective forum allowing for intensive and direct discussions to identify possible ways to promote investment in the infrastructure sector in the APEC region.</p>

SUB-FORA	WORK UNDERTAKEN
	<p>The FMP Project “Workshop on Infrastructure Financing: Public Investment Management to Public-Private Partnership (PPP)” was held in the USA on 22-23 June 2011. The output of this workshop was discussed at IEG APEC seminar on Infrastructure Investment.</p>
<p><b>Sub-Committee on Customs Procedures (SCCP)</b></p>	<p>SCCP conducted a Mutual Enforcement Operation in postal and express courier facilities targeting counterfeit pharmaceuticals in order to identify model practices for enforcing IPR violations in the express courier environment.</p> <p>Development of APEC Guidelines for Customs Border Enforcement on IPR Infringement.</p>
<p><b>Intellectual Property Rights Experts Group (IPEG)</b></p>	<p>The Advanced APEC Project for Training Intellectual Property Right Information Facilitators using e-learning contents, IP Xpedite commenced implementation in April 2011. The project is a follow up to a 2009 project on the training of intellectual property rights information facilitators with the e-learning contents IP Expedite. Compared to the 2009 project, this project will take a more advanced approach and cover a broader scope of subjects based on the feedback received from last year’s attendees. This course comprises 3 stages: i) on-line course held in early 2011; ii) off-line training course held in Korea, in October, 2011; and, iii) publication of e-learning education contents drawing on lessons learned from the courses.</p> <p>The Seminar on “Successful Experiences Implementing Tools for Traditional Knowledge Protection was held in Lima, Peru on 1-2 September 2011 where the participants discussed and shared experiences on issues related to the treatment and protection of traditional knowledge. The seminar builds on outcomes of a previous project, “Raising Awareness and Providing Insights on Promoting Appropriate Access and Protection of Genetic Resources and Traditional Knowledge in APEC Economies.”</p> <p>IPEG continued to implement its Intellectual Property Academy Collaborative Initiative (iPAC Initiative), a web-based platform aimed at facilitating effective information sharing among IP Academies (human resources development institutions focused on the IP field)</p> <p>The annual IPEG-ABAC Dialogue was held in Washington, D.C. on 3 March. The Dialogue covered two panels: a) Leveraging Cutting Edge Technologies for Economic Growth; and b) Recent Developments in Online Counterfeiting and Piracy.</p> <p>IPEG and Anti-Corruption and Transparency Experts Working Group (ACT) jointly organised the “Workshop on Investigating and Prosecuting Corruption and Illicit Trade: Stemming the Flows of Counterfeits and Dismantling Illicit Networks” on 14 September 2011 in San Francisco. The workshop builds on the work in IPEG and various APEC sub-fora over the years, to build a common agenda on combating corruption, illicit trade, counterfeits—including counterfeit medicines—and other cross-border illicit threats that impact our economies, including with respect to human health and safety.</p> <p>IPEG completed two surveys, the “Survey on Opposition and the “Survey on Certification Marks Practices”. The reports and charts are to be uploaded on the website so that the economies can use them as resource documents to provide guidance and information on APEC economies’ practices regarding trademark oppositions and practices concerning of certification marks.</p> <p>IPEG discussed and agreed to continue work on the proposal for an “APEC Work-Sharing Statement” encouraging IP offices to avoid unnecessary duplication of</p>

SUB-FORA	WORK UNDERTAKEN
	<p>work.</p> <p>IPEG “revisited” the 2005 “APEC Anti-Counterfeiting and Piracy Initiative” and agreed for some members to work on a proposal to identify the relation between counterfeiting/piracy and criminal organisations’ networks for consideration at IPEG34 in 2012.</p>
<p><b>Business Mobility Group (BMG)</b></p>	<p>The BMG will support regional economic integration and trade expansion by facilitating the movement of business people through the ABTC scheme. At SOM 2, the BMG realized the agreed work plan by these key actions:</p> <ul style="list-style-type: none"> <li>• Approving a reporting arrangement for assessing performance of each economy against the Client Service Framework.</li> <li>• Continuing the intersessional survey among members on managing the growth of the ABTC scheme and looking at future work strategies to ensure the scheme can grow while preserving the benefits of the card to clients.</li> <li>• Commencing a discussion on the future prospect of extending the validity of the ABTC from 3 to 5 years.</li> <li>• Collecting members’ feedback on the assessment of suggested ways to improve the processing of renewal applications (in response to ABAC’s 2010 recommendations).</li> </ul>
<p><b>Electronic Commerce Steering Group (ECSG)</b></p>	<p>An element of the ECSG’s work is to support the Next Generation Trade and Investment Issues pursued in CTI. In particular, the work of Data Privacy Subgroup (DPS) helps promote effective, non-discriminatory, and market-driven innovation policy by enhancing trust and confidence in the Internet as well as facilitating the flow of personal information used by organizations in conducting domestic and international business.</p> <p>The ECSG endorsed the CBPR system as satisfying the requirements of the APEC Data Privacy Pathfinder at the 24<sup>th</sup> ECSG meeting on 21 September 2011. The CBPR system will provide effective mechanisms for the protection of privacy in the APEC region while maintaining the free flow of personal information between APEC economies. It will result in predictable and more effective procedures in a system that is trusted by consumers, less burdensome for organisations, and more effective for government agencies responsible for data privacy.</p> <p>A workshop was also held in San Francisco on 17 September called <i>APEC Cross Border Privacy Rules: The Value to Industry, Financing and Technology Compliance Aids</i>. The Workshop provided an opportunity to consider issues related to the benefits and costs of participating in the CBPRs as well as how the associated administrative costs can be financed. Sessions discussed the CBPR value propositions for industry, consumers and governments, as well as the remaining challenges to participation (for example, effective education and capacity building) and how these challenges can be overcome.</p>
<p><b>Automotive Dialogue (AD)</b></p>	<p>AD agreed to greater coordination and mutual recognition among various security programs.</p> <p>AD was called to develop a common single recommended definition of CKD in coordination with the SCCP.</p> <p>Continued efforts to assist SMEs to participate more meaningfully in the market integration of the automotive sector in APEC.</p> <p>AD agreed that regulatory convergence efforts should focus on leading edge automotive technologies (such as electric vehicle charging stations) before different national standards or regulations are established.</p>

SUB-FORA	WORK UNDERTAKEN
<b>Chemical Dialogue (CD)</b>	<p>Review of economic contributions of the chemical sector to the Asia Pacific region.</p> <p>Implementation of a Revised Strategic Framework for Chemicals in the Asia-Pacific Region, 2011-2013.</p> <p>Approaches for consideration by APEC economies in applying GHS principles to classification and labelling of consumer products.</p>
<b>Life Sciences Innovation Forum (LSIF)</b>	<p>LSIF examined how innovations can enhance health outcomes and reduce the economic burden of disease; especially through public-private partnerships.</p> <p>Completion of the Enablers of Investment Checklist in 2011 by the United States and Canada.</p> <p>Completion of the LSIF Health ICT Survey which examines the role of information technology in health systems.</p>

## Section III: Trade Facilitation and Supply-Chain Connectivity

### Highlights:

#### *Trade Facilitation*

- CTI reviewed implementation of the APEC's Second Trade Facilitation Action Plan (TFAP II) and agreed on an approach for the final assessment of the TFAP II to be undertaken by the PSU<sup>4</sup>, which entailed (i) direct estimation of the change in trade transactions costs over the TFAP II period (2007-2010) using the World Bank's Trading Across Borders data from its Doing Business project; and (ii) assessment of the contribution of the relevant actions and measures from the Business Mobility Group (BMG); Electronic Commerce Steering Group (ECSG); Sub-Committee on Customs Procedures (SCCP) and Sub-Committee on Standards and Conformance (SCSC) towards reducing trade transaction costs. The 2<sup>nd</sup> part included a mix of quantitative measurement of the revised KPIs, case study/ies, and qualitative analysis of actions and measures.
- Based on the Direct Estimation study using the World Bank's Trading Across Border indicators, APEC has achieved the TFAP II target of a 5% further reduction in trade transaction costs, which resulted in total savings of USD 58.7 billion. Together with the individual reports prepared for each of the sub-fora, this shows that significant achievements were made at both the aggregate and micro levels.
- At the sub-fora level, the final assessment found that they have made significant progress to improve trade facilitation and reduce transactions costs through measures implemented under TFAP II. In the area of business mobility, there have been substantial reductions in terms of business travel costs through the APEC Business Travel Card (ABTC) scheme. In the area of electronic commerce, significant progress was achieved towards developing a consistent approach to information privacy protection across the region and towards assisting member economies to build capacity in domestic legislation. In addition, a case study on the application of an electronic Certificate of Origin between two economies revealed cash savings and reduction in processing time for exporters and importers. A significant reduction in time costs was also achieved within Customs, as well as increasing alignment in technical regulations and domestic standards to international practice.
- CTI noted that the assessment has recommended that it should continue trade facilitation efforts beyond the TFAP II through greater focus on the APEC Supply-Chain Connectivity Initiative (SCI), with a view to achieving the target of a 10% improvement in terms of time, cost and uncertainty of moving goods and services through the Asia-Pacific region by 2015 can be achieved.
- CTI welcomed the progress made by the ECSG in the implementation of the Data Privacy Pathfinder that was adopted in 2007 and endorsed two final set of documents dealing with elements of the Cross-Border Privacy Rules (CBPR) System, namely: (i) Workplan for the Development of a Directory of CBPR Certified Organisations and APEC-Recognised Accountability Agents; and (ii) Policies, Rules and Guidelines, thus completing all necessary elements needed to establish the policy framework for the implementation of a Cross-Border Privacy Rules (CBPR) system in APEC. CTI endorses the completed CBPR system that will provide effective mechanisms for the protection of data privacy in the APEC region while maintaining the free flow of personal information between APEC economies. It will result in

---

<sup>4</sup> The Summary Report of Final Assessment by the PSU was tabled at CSOM as 2011/CSOM/018. The Executive Summary was tabled at AMM as 2011/AMM012

predictable and more effective procedures in a system that is trusted by consumers, less burdensome for organizations, and more effective for government agencies responsible for data privacy. (see Appendix 6 for the complete set of Policies, Guidelines and Directories).

- CTI and SMEWG identified a list of barriers facing small and medium-sized enterprises (SMEs) in trading in the region. The list was endorsed at the Joint MRT-SME Ministers Meeting in Big Sky Montana on 20 May. In response to Ministerial instructions to identify and undertake specific and concrete actions to address each of these barriers by AELM in November, CTI has commenced work on those barriers designated to it:
  - Barrier #5: *Customs clearance delays caused by difficulties in navigating overly complex customs requirements and documentation*
    - CTI considered and agreed to a proposal which involves the creation of a simple APEC webpage that includes links to basic information on import procedures like commonly required customs forms, contact information for relevant customs authorities, and other SME-specific resources available on APEC economies' customs websites.
  - Barrier #6: *Problems navigating differing legal, regulatory, and technical requirements*
    - CTI noted that there was ongoing work on this through an existing project in the GOS - the APEC Services Trade Access Requirements (STAR) database, an online tool that seeks to help small business obtain information about how to set up a new business in an export market, deliver a service across borders and get their people into an economy on a temporary basis to provide services.
  - Barrier#7: *Difficulty with intellectual property acquisition, protection and enforcement*
    - CTI adopted proposal that sought to (i) increase IP information input from the public sector, (ii) strengthen consultation function of government, and (iii) share IP learning materials with inputs from IPEG members.
  - Barrier#8: *Inadequate Policy and Regulatory Frameworks to Support Cross-Border Electronic Commerce for Small and Medium Enterprises*
    - To address this barrier, CTI agreed to a proposal to review and update the 1998 Blueprint for Action on Electronic Commerce to reflect advances in technology and innovations in business models by enhancing the use of e-commerce and related services in the region in a way that takes into account the special role that SMEs play in APEC economies as exporters and engines of growth.
  - Barrier #9: *Difficulty in Taking Advantage of Preferential Tariff Rates and Other Aspects of Trade Agreements*
    - CTI considered and agreed to a proposal to help improve SMEs' understanding of how to utilize FTAs. A workshop is being planned to take place in 2012 for sharing information on how FTAs can be used and exchanging experiences on how economies support SMEs to use FTAs among government and quasi-government organisations, the chamber of commerce, SMEs and other relevant entities. Based on the result of the workshop, a "FTA utilization Guidebook in APEC" and a "Compendium of best practice to promote FTA utilization policy" will be developed.

(see Appendix 7 for the above initiatives to address the said barriers).

#### *Supply-Chain Connectivity*

- CTI continued to review the progress made in implementation of the action plans agreed to in 2010 to address the eight chokepoints to smooth flow of goods, services and business

travellers throughout the region as set out in the Supply-Chain Connectivity (SC) Framework. CTI also endorsed the methodology proposed by the PSU at CTI1 on the use of internal and external indicators for measuring progress towards the 10% improvement in supply-chain performance by 2015. (See *Appendix 8* for the 2011 updates to the action plans).

- CTI also agreed to organize a Symposium in the margins of CTI2 in 2012 to follow up on the implementation of the Supply-chain Connectivity Framework and to build on the Symposium held in Sendai in 2010. Key activities in each of the action plans undertaken by CTI and its sub-fora are highlighted below.
  - *Checkpoint #1: Lack of transparency/awareness of full scope of regulatory issues affecting logistics; Lack of awareness and coordination among government agencies on policies affecting logistics sector; Absence of single contact point or champion agency on logistics matters*
    - A general survey on advance rulings to assist in the development of a capacity building program was conducted. The results of the survey indicated a need to focus technical assistance on the issuance of advance rulings for valuation and other practices related to the use of binding rulings. Some responding economies reported a need for technical assistance on auditing procedures related to the issuance of advance rulings for valuation. Some identified the publication of customs laws, regulations, and guidelines as another area for technical assistance while some others noted the need for technical assistance related to “informed compliance” and “enforced compliance” by customs administrations.
    - A trade policy dialogue (TPD) on *Advance Rulings: Increasing Certainty and Predictability in Supply Chains* was held on 21 September in San Francisco. The TPD was a follow up to the *2010 APEC Guidelines for Advance Rulings* and the *2011 Advance Rulings General Survey*. The objectives of the TPD were to: (i) enhance economies’ understanding of the trade facilitative benefits of advance rulings; (ii) share economies’ experiences in the use of advance rulings; and (iii) identify next steps that can be taken to promote the use of advance rulings. A broad range of speakers participated in the TPD from the OECD, the private sector, and six economies (Japan, Korea, Malaysia, Peru, the Philippines, and the United States). The audience was made up of representatives from the CTI and SCCP. The TPD highlighted the significant beneficial impact on trade flows and trade costs, even when compared to other actions to facilitate trade, and reinforced the importance of advance rulings in making progress towards the goal of a 10 percent improvement in supply chain performance by 2015, in terms of reducing the time, cost, and uncertainty of moving goods through the region. Two general themes that can assist APEC in determining potential next steps were shared by the speakers at the TPD. The first theme was that the governance, or how advance rulings are administered, is key to their effectiveness and the resulting benefits. The second theme was that expanding the scope of advance rulings practiced by economies can enhance trade facilitation within the region. With these themes in mind, APEC could develop a work plan to promote the implementation of valuation advance rulings and enhance the governance, or administration, of advance rulings. In particular, APEC economies could agree to establish a capacity building vehicle through which a firm commitment is reached to more concretely promote implementation of valuation advance rulings by economies.
  - *Checkpoint #2: Inefficient or inadequate transport infrastructure; Lack of cross border physical linkages (e.g. roads, bridges).*
    - A Workshop on Performance Measurement of Supply Chains was held on 18 September in San Francisco with the objective to determine the status of



performance measurement of supply chains within APEC organization and the situation leading to the identification of bottlenecks for an optimization of inter-regional supply chains within APEC. Experts of the OECD and World Bank shared experiences on tools they used to assess and measure connectivity, and logistics performance.

- **Checkpoint #3: *Lack of capacity of local/regional logistics sub-providers.***
  - CTI agreed to a program for enhancing the capacity of APEC local/regional logistics sub-providers. The program comprised two parts: (i) a survey of the existing policy and institutional arrangements related to logistics development in APEC region; status quo of small and medium logistics enterprises and other related enterprises; constraints affecting engagement of SMEs and overall trend for development of regional logistics; and (ii) a seminar including a field visit, which served as a follow-up discussion based on the findings of the survey. The seminar, including a field visit, was held on 24-25 August in Suzhou, China. Various issues constraining the logistics sub-providers were discussed, and some recommendations for further enhancing their capacity were generated from the seminar. The preliminary results of the survey were also presented in the seminar to facilitate the discussions. The final report of the study program was circulated and welcome by CTI. A number of follow-up actions were identified by the report.
  - ECSG completed an “APEC E-Trade and Supply Management Training Course which sought to introduce the latest logistic management models for SMEs through education, among APEC members especially developing member economies; to identify the role of logistics supply chain management and its impact on SMEs as well as policy makers; and to have an in-depth discussion on challenges and opportunities by the expansion of logistic supply chain management.
- **Checkpoint #4: *Inefficient clearance of goods at the border; Lack of coordination among border agencies, especially relating to clearance of regulated goods ‘at the border’***
  - CTI discussed a proposal to establish a commercially useful de minimis value baseline for APEC. The objective of the proposal was to help further integrate supply chains by providing businesses with an additional level of predictability for low value shipments. A de minimis value exempts certain types of low value shipments from the collection of customs duties or taxes, and removes the requirement for certain customs entry documents for those shipments, resulting in a more streamlined customs clearance process recognizing, however, that economies may choose not to apply such exemptions for restricted goods or from taxes that are also applied to domestic goods. CTI agreed to adopt a pathfinder approach to take the proposal forward. The APEC *Pathfinder to Enhance Supply Chain Connectivity by Establishing a Baseline De Minimis Value* (see Appendix 9) will include a capacity building program to enhance economies’ understanding of the benefits of higher de minimis values and assist economies in joining the pathfinder. Ten economies (Brunei Darussalam; Hong Kong, China; Japan; Korea; Malaysia; New Zealand; Russian Federation; Singapore; Chinese Taipei and United States) have committed to join the pathfinder.
  - SCCP continued to work on the development of Single Window (SW) system by 2020 and accelerate seamless data sharing between/among SW systems. SCCP organised a Regional Workshop on Single Window on 3-6 October in Chinese Taipei. The objective of the workshop was to identify the bottlenecks that APEC economies are facing in implementing SW systems.

- **Checkpoint #5: *Burdensome procedures for customs documentation and other procedures (including for preferential trade)***
  - CTI/MAG successfully completed the APEC Self-Certification of Origin Capacity Building program that was adopted in 2010. Three in-economy self-certification workshops were held in Manila, the Philippines on 10-11 February; Banda Seri Begawan, Brunei Darussalam on 4-5 April and Ha Noi, Viet Nam on 28-29 July. MAG to consider in 2012 possible next steps to build on the momentum generated by these workshops, including possible use of targeted case studies.
  - MAG agreed on the desirability of expanding the scope and functionality of the APEC Website on Tariff and Rules of Origin (ROOs) (WebTR).
  - The electronic certificate of origin (ECO) project has been successfully implemented between two member economies since May 2010. The project is moving beyond its pilot stage with several other economies preparing or considering their participation in the implementation of ECO.
  - ECSG held a workshop on Supply Chain Connectivity: e-Commerce as a Main Driver and Integration Tool in San Francisco on 19 September to discuss ways for improving the “soft infrastructure” of supply chain by e-commerce tools implementation.
- **Checkpoint #6: Underdeveloped multi-modal transport capabilities; inefficient air, land, and multimodal connectivity.**
  - Work is underway to implement the Supply Chain Visibility (SCV) Initiative in SCSC by recommending a set of standards to APEC members for the purpose of the realization of the SCV. This work is to be conducted in 3 phases. Phase I (implemented by May) collected information about current status of the supply chain in APEC region through the questionnaire survey to transportation players (forwarders, land and sea transporters, port operators, shipper, consignee, customs and other relevant authorities) through an APEC funded project. Phase II (self-funded, conducted in August) conducted pilot examinations under the SCV network. At Phase III, a set of draft recommendations for member economies to establish common technical grounds for visualized, trans-border logistics in the APEC region will be developed based on results of Phase I and II and other additional input from other economies’ experiences. They will be discussed at the dialogue to be held in the margins of CTI2, 2012 in Singapore, cooperating with the other related fora such as SCCP and TPTWG.
- **Checkpoint #7: *Variations in cross-border standards and regulations for movements of goods, services and business travellers.***
  - A TPD on Trade Benefits of Submarine Cable Protection<sup>5</sup> was held on 18 September in San Francisco for trade officials, submarine cable regulators and industry to raise awareness of the importance of international submarine telecommunication cables to APEC economies and the risk to trade in goods and services and international financial markets posed by submarine cable disruption. Recognising the importance that dialogue participants placed on increased collaboration between industry and government on submarine cable matters, the key recommendation was to establish a tri-partite working arrangement between CTI, TEL and International Cable Protection Committee (ICPC) as the basis for a regional business-government partnership approach.

---

<sup>5</sup> See 2011/CSOM/019 for a copy of the report on the TPD outcomes.

- **Checkpoint #8: Lack of regional cross-border customs-transit arrangements.**
  - At CTI1, seven impediments that companies operate in the APEC region faced in cross-border customs-transit arrangements were identified<sup>6</sup>. At CTI2, the Committee took note of the compilation of suggested approaches in addressing the impediments, based on industry feedback and inputs from economies<sup>7</sup>.
  - SCCP completed a questionnaire on the treatment of transit by a non-party for application of preferential treatment, including how and which documents are required for this compliance at the customs administration of the importing economy.
  - CTI took note of the progress in developing a set of Customs-Transit Guidelines for APEC FTAs and looks forward to its completion in 2012. The objective of the guidelines is to develop a common understanding (not only for APEC Customs Administrations but also for trade operators), concerning the most suitable way of regulating direct transit of goods with a view to claiming preferential tariff treatment.

#### Work Plan:

In 2011, CTI adopted a work plan on trade facilitation and supply-chain connectivity with the following objectives:

- Complete the final assessment of TFAP II in terms of targeted reduction of trade transaction costs by 5 percent in the period 2007-2010, and agree on the way forward for TFAP sub-fora's trade facilitation work;
- Implement the APEC Supply-Chain Connectivity (SC) Framework Action Plan, and develop measurement methodology for tracking APEC's progress towards the ten percent improvement by 2015 in supply-chain performance; and
- Continue to work closely with ABAC and the wider business community.

**Table 2: Sub-fora Outcomes - Trade Facilitation and Supply-chain Connectivity**

SUB-FORA	WORK UNDERTAKEN
<b>Market Access Group (MAG)</b>	<p>MAG discussed a proposal on Facilitating Trade in Remanufactured Products, suggesting three elements: transparency, capacity building, and a pathfinder initiative.</p> <p>MAG conducted a successful workshop held on managing remanufactured products at the border, which helped to build greater awareness of what these products are and the trade measures they face.</p> <p>MAG completed surveys on the use of IT in ROO and on minimum data requirements in FTAs.</p>
<b>Sub-committee on Customs Procedures (SCCP)</b>	<p>Completed the evaluation of TFAP II customs procedures implementation using the following agreed Key Performance Indicators (KPI):</p> <ul style="list-style-type: none"> <li>• Time Release of Goods: <ul style="list-style-type: none"> <li>- Import clearance time</li> <li>- Export clearance time</li> </ul> </li> <li>• Implement APEC Framework based on the WCO Framework of Standards <ul style="list-style-type: none"> <li>- Number of authorized economic operators</li> <li>- Percentage of trade covered by authorized economic operators</li> </ul> </li> </ul>

<sup>6</sup> See 2011/SOM1/CTI/018

<sup>7</sup> See 2011/SOM2/CTI/012

SUB-FORA	WORK UNDERTAKEN
	<ul style="list-style-type: none"> <li>• Simplification and Harmonization based on the Revised Kyoto Convention <ul style="list-style-type: none"> <li>- Number of documents required by Customs for import of goods</li> <li>- Number of documents required by Customs for export of goods</li> </ul> </li> <li>• Paperless and/or Automation of Trade-Related Procedures <ul style="list-style-type: none"> <li>- Percentage of import declarations lodged and processed electronically</li> <li>- Percentage of export declarations lodged and processed electronically</li> </ul> </li> </ul> <p>Agreed to a Capacity Building Framework for AEO comprising next steps for capacity building development for AEO and a proposal to establish a Pathfinder Initiative on Mutual Recognition.</p> <p>Held 2 Joint BMG-SCCP meetings and agreed to work in collaboration to develop some model practices on interagency collaboration.</p> <p>The 2011 APEC Customs Business Dialogue (ACBD) was held on 17 September in San Francisco, California, under the theme: "Change, Challenge and Opportunity". ACBD participants were to reflect on the "change" in the role of Customs environment following 11 September 2001; identify the "challenges" posed by this shift; and identify future "opportunities" for establishing sustainable and efficient partnerships that will aid in meeting the need to secure and facilitate trade as a means to economic growth and prosperity.</p>
<b>Business Mobility Group (BMG)</b>	<p>As part of the final assessment of APEC's Second Trade Facilitation Action Plan (TFAP II), the APEC Policy Support Unit (PSU) has assisted the BMG with the measurement of its agreed Key Performance Indicators (KPIs). The study came out with quantifiable findings, proving that the work of BMG has helped business people save time and money for doing business across the border in a substantive manner. As a result of the ABTC scheme, transaction costs for ABTC holders were reduced by 38.0% between March-July 2010 and March-July 2011, representing a total savings of USD 3.7 million. Total at-the-border immigration time savings experienced by ABTC holders for the period March-July 2010 through March-July 2011 is 62,413 hours, a monetary value of USD 1,905,202.</p> <p>The BMG has been working to facilitate the entry and temporary stay of business people as set out in the APEC Strategy on Movement of Business People through these actions:</p> <ul style="list-style-type: none"> <li>- Undertaking work to continue to identify and assess ways to simplify and shorten the processing of renewal applications and recommending that member economies make their own assessment as to whether they are able to adopt any of the suggested ways to help them meet the processing timeframes set out in the ABTC Operating Framework.</li> <li>- Approving a reporting arrangement for assessing performance of each economy against the Client Service Framework, which is a further step towards standardizing the service for ABTC holders.</li> <li>- Identifying 10 possible strategies that could further assist economies in managing and processing ABTC applications, including the consideration of extending the validity of the ABTC from 3 to 5 years suggested by ABAC.</li> <li>- Extending Canada's transitional membership status for another 3 year period to ensure their continued participation in the ABTC scheme.</li> </ul> <p>BMG continuing work on developing an APEC Best Practice in Border Capabilities Model including:</p> <ul style="list-style-type: none"> <li>- identifying the major steps of the traveller pathway for those travelling by air (by</li> </ul>

SUB-FORA	WORK UNDERTAKEN
	<p>SOM II);</p> <ul style="list-style-type: none"> <li>- determining that there should be an APEC Best Practice in Border Capabilities Model for each mode of travel between borders, given the large differences in issues to be addressed (by SOM II);</li> <li>- commencing the process of identifying the types of capabilities that would be ideal to have to ensure secure travel while facilitating movement at each point of the traveller pathway (by SOM III).</li> </ul>
<p><b>Electronic Commerce Steering Group (ECSG)</b></p>	<p>As a follow-up to the Workshop on Global Value Chains that was held in March last year, an ECSG informal meeting was held on 6 March 2011 and discussed what further initiatives that ECSG would take and how the ECSG could enhance the linkages with the CTI and other CTI groups on the GVC.</p> <p>With regard to information network for sharing cargo status (chokepoint 6), the Pan Asian e-Commerce Alliance shared its experiences of developing a cross border cargo tracking platform among Chinese Taipei, China and Korean ports for trading and logistics community to track real-time container movement. Member economies were encouraged to look into this as it relates directly with Chokepoint 6 of SCI.</p> <p>With regards to the assessment of the implementation of TFAPII and the suggested KPIs, the work of ECSG has been assessed by the two methods: (1) analysis of Data Privacy Sub-group (DPS) work based on previous KPIs endorsed in 2008; and (2) a case study on electronic certificate of origin (e-CO) for the work of PTS. First, the results of the study on DPS work highlighted the real progress that the DPS made in building capacity in the APEC region as well as developing guidelines and implementing projects that established a common approach to data privacy. By working to develop a simple and transparent system for the protection of personal information that moves across APEC economies, the activities of the DPS clearly improve trade facilitation in the APEC region. Additionally, building a foundation of trust and confidence in cross-border data privacy ensures the growth of electronic commerce in the region, thus allowing businesses and consumers to reap the benefits associated with electronic commerce, including reduced trade transaction costs. Second, a case study of e-CO conducted by the PSU, in cooperation with the PTS, found that the cross-border exchange of e-CO service saved significant time and cost for both exporter and importers and contributed to trade facilitation. The projected reduction on trade transaction costs varied according to different scenarios, from 0.2% to 10.4%, and a medium rate of APEC wide e-CO adoption scenario projected a reduction of 6.8%.</p> <p>Completion of the Data Privacy Pathfinder projects establishing policy framework for the implementation of the CBPR system. Practical steps to implement the CBPR system (such as developing the webpage and establishing governance structure) will be undertaken in 2012 to allow the practical commencement of the CPBR system in 2012.</p> <p>Completion of the workshop on Operationalizing the APEC Cross-border Privacy Trade Rules System (March) and the workshop on APEC Cross Border Privacy Rules: The Value to Industry, Financing and Technology Compliance Aids (September). Both workshops were recognized by participants as providing useful capacity building information and addressed key issues in the development of the CBPR system.</p>
<p><b>Automotive Dialogue (AD)</b></p>	<p>A call to develop a common single recommended definition of CKD in coordination with the SCCP.</p> <p>Continued efforts to assist SMEs to participate more meaningfully in the market integration of the automotive sector in APEC.</p>

SUB-FORA	WORK UNDERTAKEN
<b>Chemical Dialogue (CD)</b>	<p>Implementation of a Revised Strategic Framework for Chemicals in the Asia-Pacific Region, 2011-2013</p> <p>Submission to Ministers Responsible for Trade of paper entitled, "The Economic Importance of Chemicals in the APEC Economies" outlining the economic contributions of the chemical industry to the Asia Pacific region</p>
<b>Life Sciences Innovation Forum (LSIF)</b>	<p>Continued implementation of LSIF regulatory harmonisation training program.</p> <p>Conduct LSIF Health ICT Survey to examine the role of information technology in health systems</p> <p>Completion of the Enablers of Investment Checklist in 2011 by the United States and Canada with Korea and Mexico considering being next to complete the Checklist</p> <p>Organize self-funded workshop on safe medicines and detection technologies in Beijing , China on 27-28 September 2011 as part of the LSIF Anti-Counterfeit Medicines Action Plan</p>

## Section IV: Next Generation Trade and Investment Issues

### Highlights:

- CTI convened a Trade Policy Dialogue (TPD) on 7 March to discuss what APEC could do to define, shape and address next generation trade and investment issues in response to the APEC Leaders' instruction from Yokohama. CTI members had extensive discussion on what kinds of issues could be considered next generation as well as the need to discuss them based on a discussion paper titled "APEC Agenda on Next Generation Trade and Investment Issues". There was general agreement that the best approach was for APEC economies to select some issues that all will consider as next generation and develop actions to address them in 2011. CTI agreed that next generation trade and investment issues could fall into one of the two categories: (i) issues that have been considered to be traditional trade and investment issues, but need to be addressed in new ways due to changes in the global trading environment; or (ii) issues that either did not exist or were not considered trade issues 15 years ago but now have a real impact on companies' ability to do business in the region.
- An FOTC on next generation trade and investment issues<sup>8</sup>, led by the United States, was subsequently established to take the work forward in 2011, including to develop a potential list of next generation trade and investment issues to be submitted for consideration at CTI2.
- At CTI2 in May, CTI considered and agreed on (i) Facilitating Global Supply Chains; (ii) Enhancing SMEs Participation in Global Production Chains; and (iii) Promoting Effective, Non-Discriminatory, and Market-Driven Innovation Policy as possible "next generation trade and investment issues" that APEC undertakes work in 2011 on.
- CTI discussed specific work to address each of these issues. On (i) Facilitating Global Supply Chains, CTI had a discussion on the four possible components of the GSC, and agreed that more work needed to be done in 2012 to fully address issues related to GSC, including by holding a workshop and undertaking a series of case studies to promote better understanding of key implications of GSC." On (ii) Enhancing SMEs Participation in Global Production Chains, CTI agreed on a set of core elements that economies could include in their FTAs to address this issue and to organise a seminar to share experiences and best practices on the subject. (see *Appendix 10*). For (iii) Promoting Effective, Non-Discriminatory, and Market-Driven Innovation Policy, CTI contributed to the development of a set of policies economies would adopt to promote innovation without distorting global markets.
- An APEC Conference on Innovation, Trade, and Technology was held on 19-20 September in San Francisco. High-level representatives from nearly all APEC member economies attended the Conference, and that speakers from 11 economies provided a wide range of diverse views on the topic. CTI noted that several themes emerged that emphasised the connection between open and competitive markets, and the ability for economies to promote innovation. Particular issues raised in the Conference included standards, intellectual property rights, cloud computing and investment.

---

<sup>8</sup> Members of the FOTC: Australia; Canada; Chile; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Peru; Russia; Singapore; Thailand and the United States.

## Section V: Environmental Goods and Services/Green Growth

### Highlights:

- CTI with the assistance of MAG further updated the EGS Work Program Mapping Matrix consisting over fifty activities underway in APEC fora and sub-fora. (see *Appendix 11*)
- A Seminar on Dissemination of Environmental Technologies was held on 11 May 2011 in Big Sky, Montana. The Seminar recognised that APEC, through its pursuit of open trade and investment, could play an active role in promoting and facilitating environmental technology dissemination with a view to addressing climate change and other regional and global environmental challenges. CTI took note of the recommendations from the Seminar, which included further coordination and harmonization between environmental protection, trade policy and development, capacity building and information sharing, assessment of APEC economies' actions activities and needs, enhancing infrastructure, improvement of enabling environment, policy dialogue and coordination, particularly for sharing successful experiences, as well as enhancing business engagement in policy making process. CTI also noted that there is general support that further work should be pursued to promote environmental technology dissemination in the region.
- CTI discussed a proposal for an APEC EGS Technology Dissemination Action Plan, which stems from the recommendations of Seminar to amongst others; promote better understanding of the role of environmental technology dissemination.
- CTI held a half-day TPD on environmental goods Non-Tariff Measures (NTMs) where private sector speakers identified NTMs, and put forward ideas for what APEC can do under this area of APEC. One speaker noted that a significant amount of resources would be needed to advance clean energy and much of this will need to come from private sector trade and investment. Several speakers mentioned that APEC action to address NTMs that can impede open trade and investment in clean technologies is important while one speaker questioned that whether APEC is an appropriate forum to address them, considering the nature of APEC. NTMs that were mentioned by multiple speakers were government procurement practices; local content requirements; divergent codes and standards; lack of transparency; inadequate protection of intellectual property; subsidies; import clearances and approvals; and export and import quotas. Some speakers also emphasized the role of government to support the development of clean energy. CTI took note of recommendations from the TPD which included amongst others, conducting further dialogues among key stakeholders and developing best practices on government support policies for clean energy; eliminating local content requirements that distort trade and investment in EGS; expanding SCSC's work on EGS standards and codes and working toward increased alignment; promoting greater transparency; performing additional surveys and analysis of EGS NTMs in the region; and providing additional technical assistance and capacity building.
- Building on the recommendations from environmental goods NTMs TPD, CTI considered a draft statement on trade and investment in EGS to be annexed to the 2011 APEC Leaders Declaration. The statement, which calls on APEC economies to undertake specific actions that would promote trade and investment in environmental goods and services, was further discussed and considered by Senior Officials before finally being adopted by APEC Leaders.
- CTI and MAG discussed a proposal to facilitate trade in remanufactured products, including a proposed pathfinder initiative on Trade Facilitation Measures Concerning Remanufactured



Goods. There was general support to pursue the work on remanufactured products on a pathfinder basis. CTI agreed that MAG will take forward the pathfinder, to which eleven economies (Australia, Canada, Chile, Japan, Korea, Mexico, New Zealand, Papua New Guinea, Singapore, Chinese Taipei and the United States) have agreed to join the pathfinder. (see *Appendix 12*)

- MAG continued to contribute to the CTI's work on EGS. In addition to updating the EGS work program matrix and maintaining the APEC's Environmental Goods and Services Information Exchange (EGSIE), the group was also given the task to oversee the implementation of the EGS case studies. The case studies were developed in response to APEC Leaders' instruction to identify "capacity-building activities to help ensure that APEC economies, especially developing economies, are able to cultivate and further develop their EGS sectors and meet their sustainable growth goals. They seek to identify the key EGS policies and market drivers, and challenges associated with promoting trade and investment in EGS in the selected APEC economies' markets, provide a more comprehensive picture of the economies domestic marketplaces, and suggest ideas on how to achieve greater "green growth." Final case studies will be made available on EGSIE. To-date, case studies on Malaysia's and Mexico's EGS markets have been completed and the case studies of Chile and Viet Nam are being finalised. MAG also discussed a proposal to keep the EGSIE relevant by updating regulatory information already on the EGSIE by providing new specific links to environmental regulations regarding particular subsectors and agreed that such contributions would continue to be on a voluntary basis.
- On remanufactured products, MAG had a dialogue with private sector experts on remanufactured products in the margins of its meeting in Big Sky Montana in May. The dialogue helped increased the group's understanding of remanufactured products and issues around remanufactured products. MAG also organised a Workshop on Managing Remanufactured Products at the Border on 17 September in San Francisco which helped to advance the understanding of remanufactured products and the remanufacturing process. The presentations and discussions described how economies treat remanufactured products at the border, experiences of remanufacturing companies at the border, the characteristics of the remanufacturing industry, and the specific economic and environmental benefits of the industry.
- GOS held a TPD on Environmental Services in Big Sky, Montana, in May 2011. The TPD aimed to identify: the scope of environmental services; the state of the environmental services market in APEC; the state of trade in environmental services, and the relationship between trade in environmental services and trade in environmental goods and technologies.
- GOS would undertake new work on environmental service through developing a proposed "Study Program on APEC Environmental Services-Related Technology Market" for implementation in 2012. The proposed program would survey and analyse the environmental services-related technology market within APEC economies. It is aimed at facilitating potential environmental services and environmental-services-related technology trade and investment and promoting greater dissemination of environmental services-related technology.
- GOS has begun discussing a proposal for a work plan on environmental services that would identify key policy issues relevant to the environmental services sector and what GOS can do to contribute to the EGS agenda.
- CTI endorsed concrete outcomes pursuant to the SCSC activities described in the section on Advancing Regulatory Cooperation and Convergence to prevent barriers to trade in emerging

technologies in the area of Green Buildings and Solar technologies to be presented to Ministers for information and as the Committee's contribution to promoting green growth.

- SCSC also implemented two energy-management or efficiency related events. An APEC Conference on Aligning Energy Efficiency Regulations for ICT Products was held on 12 September in San Francisco to explore ways to drive convergence in the energy efficiency regulatory landscape for ICT products, especially computers and servers. The event attracted a large number of industry experts and provided an opportunity for a full dialogue among regulatory authorities, customers relying data centres, energy efficiency experts standards developers and trade officials.
- The SCSC held a Conference on Implementation of Energy Management Systems Standards on 13-14 September. The conference sought to promote the use of energy efficiency and conservation management systems by government and private sector entities that are supported by credible and competent certification systems throughout the region.
- Automotive Dialogue (AD) summarised and brought to the attention of APEC Energy and Transport Ministers, AD's work on harmonisation of leading edge automotive technologies, government policies to promote innovative and green technologies, and work to facilitate the diffusion of advanced automotive technologies through streamlined import procedures for demonstration vehicles. CTI had endorsed the AD's proposal on "Facilitating the Diffusion of Advanced Technology and Alternative-Fueled Demonstration Motor Vehicles", which is designed to streamline import procedures for energy-efficient test vehicles and design common elements of policies and regulations that best facilitate their diffusion in the APEC region. (see *Appendix 13*).
- AD agreed to further work to underscore the importance of cooperation between government and industry to encourage ongoing improvement in environmental performance.
- AD discussed enhancing understanding of the Green Growth business practice of remanufacturing automotive parts, the largest segment of the remanufacturing industry, and the importance of remanufactured auto parts to new vehicle producers in the aftermarket and for servicing vehicles.
- CTI discussed ways to combat illegal logging and associated trade, promote trade in legally harvested forest products, and build capacity. The discussion also included a proposal to establish an experts group on the topic. CTI, however, was unable to reach a consensus and sought further guidance from SOM on this. SOM subsequently decided to task the SCE to carry forward this work by overseeing the experts group in 2012.

## Section VI: Advancing Regulatory Convergence and Cooperation

CTI's work contributing to the APEC's 2011 Priority on Advancing Regulatory Convergence and Cooperation comes largely from the implementation of the APEC Regulatory Cooperation Advancement Mechanism on Trade Related Standards and Technical Regulations (ARCAM) that was established by Ministers last November and its sub-fora, the Sub-Committee on Standards and Conformance (SCSC).

### Highlights:

- As a first step in the ARCAM process, CTI discussed and agreed at CTI1 on “interoperability standards for Smart Grid” would be the emerging regulatory issues for discussion in 2011. This proposal to initiate discussions in ARCAM on interoperability standards was deemed to strongly complement the work underway in the Energy Working Group's APEC Smart Grid Initiative (ASGI), including by providing the larger trade and investment context to the EWG work on technologically feasible solutions to support integration of renewable energies into Smart Grid. As an emerging regulatory issue, smart grid interoperability standards have tremendous potential impact on trade and will affect many APEC member economies. One study predicted that the potential market for smart grid products would be more than \$170 billion in 2014.
- The first ARCAM dialogue on the issue of Interoperability Standards for Smart Grid was held in Big Sky, Montana on 12-13 May. The dialogue<sup>9</sup> brought together trade officials, regulators and private sector stakeholders aiming to achieve the following objectives as outlined in the ARCAM:
  - Develop a shared understanding of the issue;
  - Improve understanding of how the issue relates to legitimate regulatory objectives; and
  - Improve understanding of how this issue relates to trade and investment flows and economic integration.

The Dialogue confirmed that many APEC economies were actively promoting or considering promoting, Smart Grid as a central means to achieve critical objectives related to environmental sustainability, energy security and economic growth. Information presented at the Dialogue indicated that such promotion efforts in several APEC economies were going down well with several economies having established overarching frameworks to guide rapid development and deployment of standards for Smart Grid.

- CTI reviewed the outcomes and recommendations arising from the Dialogue, where APEC economies committed to prevent unnecessary obstacles to trade and investment related to Smart Grid Interoperability Standards. To enable greater collaboration on technical solutions in this fast-moving area; to foster coherence in architectural approaches to interoperability; and, to promote standards and conformance solutions that facilitate trade and investment across the APEC region and globally; CTI endorsed the list of recommendations (see *Appendix 14*) put forth that will:
  - Promote Transparency, Collaboration and Global Solutions in the Development of Smart Grid Interoperability Standards;
  - Enable Competition and Innovation in Specific Markets for Smart Grid Technologies; and

---

<sup>9</sup> See 2011/SOM2/CTI/043 rev2 for the report of the Dialogue which contains a set of consensus outcomes developed by participants in the dialogue and provides brief summaries of the presentations and discussions.

- Integrate ARCAM Outcomes into Cooperative Work on Smart Grid Interoperability Standards in APEC and other Fora.
- According to the ARCAM, the second year of its operation will follow the same process as established for year one. At the start of the third year the ARCAM would be reviewed by CTI in consultation with the SCSC to ensure that process contributes to prevent technical barriers to trade (TBTs) through regulatory cooperation.
- SCSC held its 6<sup>th</sup> Conference on Good Regulatory Practice (GRP) in Washington, D.C on 1-2 March 2011. The Conference provided a forum for regulators, policy officials and representatives of the private sector and international organizations to discuss the benefits and challenges of implementing good regulatory practices. There was considerable agreement among conference participants that GRP produces significant economic and social benefits, and contributes to an environment more conducive to trade and investment. In addition, participants were of the view that regulatory cooperation can effectively advance greater alignment of technical requirements and build the capacity of regulatory institutions to efficiently and effectively address policy goals. However, participants also noted significant challenges to greater implementation of GRP, and to achieving greater alignment through regulatory cooperation. To address these challenges, several recommendations were offered for consideration by SCSC members. SCSC was directed to complete a reference document that outlines the ways in which use of GRPs can strengthen implementation of the WTO TBT Agreement and facilitate trade. Preparation of this Draft Reference Document “Supporting the TBT Agreement with Good Regulatory Practices” is underway and when complete, would be transmitted to the WTO TBT Committee to inform its work under its triennial review of implementation of the TBT Agreement.
- SCSC completed a conference on Green Buildings and Green Growth: the Enabling Role of Standards and Trade on 3-4 March in Washington, D.C. The conference was part of an approved APEC-funded project on “Sustainability in Building Construction (Commercial Buildings) – Efficiency and Conservation” which also included a survey of APEC member economies on sustainability in building construction (commercial buildings) carried out in early 2011 focusing on sustainability in commercial buildings and looked specifically at the enabling role of standards in trade in promoting commercial green buildings. The second component of the project consisted of two case studies: (i) Case Study 1 looked at the trade impact of Life Cycle Analysis in multi-attribute certification programs for two products—flooring and plumbing products; and (ii) Case Study 2 surveyed green building rating systems that are being used throughout the Asia Pacific region and the trade impacts of assessment tools, common and differing standards, and conformity assessment requirements. The final component was the organization of a second green buildings workshop, jointly with the ASEAN Consultative Committee for Standards and Quality (ACCSQ) in Singapore from 12-13 September. The workshop<sup>10</sup> succeeded in providing greater transparency about the varying green building requirements that exist in the region. Several areas for potential forward at domestic, regional and international levels were put forth. It was noted that such work on commercial green buildings also contributed to the APEC green growth agenda.
- SCSC implemented a project entitled “T Solar (PV) Standards and Conformance Measures Survey and Workshop” which sought to understand APEC member economies’ use of standards and conformity assessment schemes of solar PV technologies and opportunities for harmonization and cooperation. A survey on three categories of solar technologies (PV cells, solar water heaters, concentrated solar power) was conducted. The survey addressed standards, conformity assessment, regulatory framework, and government engagement of solar technologies at various phases of their production and use; and focused on standards

---

<sup>10</sup> See 2011/SOM1/SCSC/049a and 2011/SOM3/042 for the reports of the conference and workshop.

and conformity assessment of solar technologies in three particular phases: manufacturing, installation and recycling and end-of life and targeted for completion by SOM II with a conference on solar technologies being scheduled at SOM3. Results of the survey were reported to the Conference on Facilitating Trade of Solar Technologies through Standards and Conformity Assessment<sup>11</sup> held on 15-16 September in San Francisco. The proposed outcomes focus on practical ways to reduce costs, increase safety, and improve reliability of three major technologies of the solar industry – photovoltaic modules, concentrated solar power and solar water heating and cooling. These outcomes will increase the performance of solar technologies and speed their adoption, advancing significant environmental and societal benefits in the APEC region and globally and are a contribution towards the 2010 APEC Leaders' instruction in Yokohama, Japan for officials to work to address non-tariff measures on environmental goods, as well as towards the broader 2009 APEC EGS Work Program. A second Workshop on Ensuring Photovoltaic Reliability and Durability was held in Chinese Taipei from 12- 13 October.

- The SCSC endorsed the report on the outcome of CTI 01/2010T on Capacity Building in Food Safety: Managing Food Safety Incidents and Developing Food Safety Plans for the Supply Chain which was held on 5-7 November 2010 in Beijing, China: This project responded to a Food Safety Cooperation Forum (FSCF) Partnership Training Institute Network (PTIN) capacity building priority. The first two days focused on general best practices in supply chain management and the third day focused specifically on the aquaculture sector. Two of the first open source PTIN training modules are under development based on the content of the workshop: one on development of generic food safety plans and the other on applying supply chain management to the aquaculture sector.
- A Memorandum of Understanding (MoU) between APEC SCSC-FSCF and the World Bank was signed as part of the FSCF suite of events, held in Big Sky, Montana, during SOM2. The key purpose of the MoU is to strengthen high level support from within the Bank for food safety issues and to provide a positive statement on the importance of food safety capacity building, at a regional and global level.
- SCSC noted the report on the progress of a self-funded workshop on FSCF PTIN Laboratory Capacity Building held 25-26 August 2011 in Bangkok Thailand. It was noted that strengthening laboratory systems is one of the priority work areas of the Food Safety Cooperation Forum, and one where PTIN work under the SCSC can yield positive outcomes in facilitating trade. The workshop had a number of objectives including highlighting the global context of food safety; explaining the importance of food safety laboratory competency and the complexities involved in meeting diverse food safety standards.
- The Wine Regulatory Forum was held on 18-19 September 2011 with the objective to increase cooperation in addressing standards and conformance issues in the rice, grape and other fruit wine trade including certification, analysis, oenological practices and labelling.

---

<sup>11</sup> See 2011/SOM3/043 for outcomes of the conference

## Section VII: Collective Actions, Pathfinder Initiatives and Industry Dialogues

### Collective Action Plans

Collective Action Plans (CAPs) continue to frame the work plans of the CTI and its sub-fora. These CAPs are living documents and, in 2011, they were revised and enhanced in pursuit of the Bogor Goals (see *Appendix 15*).

Many of these improvements were made in response to the priorities set by Leaders and Ministers, including the call to ensure deliverables in CAPs are relevant to business. The revised CAPs also increase the transparency of trade and investment policies, lower transaction costs of cross-border trade, stimulate competition and result in greater certainty and predictability.

The **Market Access Group (MAG)** met three times in 2011 to advance work in support of CTI's contributions to the APEC 2011 priorities of Strengthening Regional Economic Integration and Expanding Trade and Promoting Green Growth. The key issues covered by MAG at its meetings during the year included the issue of facilitating trade in remanufactured products and possible capacity-building efforts in the area of remanufacturing; results of two surveys relating to simplification of customs documentation and procedures: the first on the harnessing of IT in ROO and the second on minimum data requirements in FTAs; further strengthening the WebTR portal and the EGSIE website; and addressing NTMs and NTBs affecting trade and agricultural products in the region. The group was also assigned to oversee and progress the APEC Pathfinder Initiative for Self-certification of Origin and the EGS case studies.

In 2011, the **Group on Services (GOS)** continued to advance its service work program through the implementation of new and on-going projects/initiatives, which included: (i) development of the "APEC Services Trade Access Requirements (STAR) Database", a business friendly tool to facilitate service providers' market access, business mobility and establishment of commercial presence throughout the APEC region; (ii) Workshop on "Addressing SME Business Constraints through Services"; (iii) Workshop on "Sharing Key Success Factors and Experiences in Trade in Services for SMEs"; (iv) launch of the APEC Legal Services Initiative website ([www.legalservices.apec.org](http://www.legalservices.apec.org)); and development of a databank of attorneys who work on trade and investment in the APEC region; and (v) APEC Accounting Services Initiative. GOS noted a Friendship Arrangement had been signed with the Inter-Pacific Bar Association (IPBA) in April 2011 as a collaborative arrangement for development of legal services in the APEC region and the implementation of a APEC legal services project.

The **Investment Experts Group (IEG)** continued to support the CTI's efforts in progressing the Investment Facilitation Action Plan (IFAP) that was adopted by Ministers and Leaders in 2008. It also oversees the implementation of the APEC Strategy for Investment that developed in the CTI in 2010 by undertaking several projects and activities to progress the three pillars of the Strategy: (i) Advanced Principles and Practices; (ii) Facilitation and (iii) Promotion. The IEG successfully concluded a set of recommendations to measure progress of IFAP implementation (see *Appendix 3*) and updated the 1994 APEC Non-Binding Investment Principles (see *Appendix 4*).

The 2011 work program of the **Sub-committee on Standards and Conformance (SCSC)** comprised several activities that contribute directly to APEC 2011 priorities of "Promoting Green Growth" and "Advancing Regulatory Convergence and Cooperation". The Sub-committee was also active in progressing work on food safety under the auspices of the APEC Food Safety Cooperation Forum (FSCF) that was established in 2007 and the Implementation Plan for Strengthening Food Safety Practices in APEC economies for 2008-2011 that was drawn up in 2008. A Memorandum of Understanding (MoU) between APEC SCSC-FSCF and the World Bank was signed as part of the

FSCF suite of events, held in Big Sky, Montana, during SOM2. The key purpose of the MoU is to strengthen high level support from within the Bank for food safety issues and to provide a positive statement on the importance of food safety capacity building, at a regional and global level. The SCSC also completed TFAPII assessment on standards.

The **Sub-committee on Customs Procedures (SCCP)**'s work program for 2011 focused on trade facilitation, trade security and related enforcement matters. SCCP completed the evaluation of TFAP2 on customs procedures using the agreed KPIs. It adopted two new CAP items for 2011: Single Windows (SW) System and Authorised Economic Operator (AEO) Programs and Mutual Recognition Agreements. SCCP continued to work on the development of SW by 2020 and accelerate seamless data sharing between/among SW systems. In implementing the AEO action plan from 2010, SCCP agreed to an AEO Capacity Building Framework outlining the next steps for capacity building development for AEO and a proposal to establish a Pathfinder Initiative on Mutual Recognition. SCCP also approved the APEC Guidelines for Customs Border Enforcement of Counterfeiting Piracy.

For 2011, the **Intellectual Property Rights Experts' Group (IPEG)** was active, as with previous years, in undertaking a range of activities and initiatives, including capacity programs in carrying out its IP-related work. The group met twice, both times preceded by events that enhanced the capacity of participants and raised their awareness to better appreciate the issues in hand. The IP issues covered during the year include: issues related to the protection for Geographical Indications, unauthorized camcording, cooperation on work sharing, issues related to IPR protection in standardization; IPR protection and enforcement including counterfeiting and piracy issues. Members also updated each other on key domestic and regional IP developments.

The work of the **Business Mobility Group (BMG)** continued to be focus on facilitating business travel while ensuring passenger safety and border security. This work is carried out in accordance with a set of business mobility goals developed by the group at the start of each year. For 2011, the agreed goals were: (i) to promote an economically integrated community through implementing the agreed BMG Collective Action Plan and the APEC Strategy on the Movement of Business People; (ii) contribute to a robust community through structural reform, innovative technologies, and capacity building; and (iii) build a secure economic community by implementing agreed BMG and relevant *Secure Trade in the APEC Region (STAR)* initiatives, including enhancing the use of information and communications technology to facilitate the safe and secure movement of business people. A newly designed, security-enhanced APEC Business Travel Card was launched by SOM III. Being less susceptible to counterfeit and fraud, this card assists in promoting APEC's vision of a secure economic community, in particular, the safe and secure movement of business people. BMG also began work on developing an APEC Best Practice in Border Capabilities Model to assist economies in enhancing travel for business people but also as a basis for other APEC sub fora to consider how they might adopt a similar approach to tackle issues such as counter-terrorism or secure trade.

The **Electronic Commerce Steering Group (ECSG)**, supported by two sub-groups, the Data Privacy Sub-group (DPS) and the Paperless Trading Sub-group, helps coordinate APEC's e-commerce activities as set forth in the 1998 APEC Blueprint for Action on Electronic Commerce. For 2011, the DPS completed the projects for the Cross Border Privacy Rules (CBPR) system and will work on its successful implementation beginning next year. The Paperless Trading Sub-Group will integrate further elements of its work plan into a comprehensive initiative on paperless trade solutions, such as e-certificates of origin. The group considers that several elements of its work program directly support two key work areas of the CTI, SCI and digital economy. ECSG's work implements action plans for chokepoint 5 to simplify customs and other cross-border trade procedures, as well as action plans for chokepoint 6 to improve the efficiency of air, land and multi-modal connectivity. The group has been working closely with other relevant fora, such as the MAG and SCSC, to explore joint initiatives to promote SCI and to avoid any possible

duplication in these areas. The *Workshop on Supply Chain Connectivity: E-Commerce as a Main Driver and Integration Tool* was held in San Francisco on 17 September and provided an opportunity for participants to consider issues related to the development of “soft infrastructure,” such as regulation, licensing, governance and safety, to facilitate the implementation of supply chain connectivity in APEC region. Other projects implemented in 2011 or planned to promote e-trade and support SCI action plans are as follows: 1) Informal Meeting on Global Value Chains (March 2011); 2) APEC Forum on Digital Economy and E-Commerce Development (July 2011); and 3) Workshop on Readiness of ECO Implementation in Cross-Border Trade in APEC Region (February 2012).



### Pathfinder Initiatives

In 2011, lead economies continued to promote increased participation in the existing TILF-related Pathfinder initiatives.

**Table 3: Status of TILF-Related Pathfinders (as at November 2011)**

Pathfinder	Lead economy	APEC Forum responsible	Membership status - Sept 2004	Membership status
<b>Trade and the Digital Economy</b>	United States	N/A (launched at Leaders level; CTI has oversight)	18	20
<b>Advance Passenger Information (API)</b>	Australia	BMG	All agreed on API standards; 6 either fully implemented or committed to implementation; 8 undertaken feasibility studies; 6 committed to undertaking feasibility studies.	All agreed on API standards; 16 either fully implemented or committed to implementation; 11 undertaken feasibility studies.
<b>E-Cert SPS</b>	Australia & New Zealand	ECSG	6	6
<b>Kyoto Pathfinder</b>	Australia	SCCP	15 participating in Part A; 8 participating in Parts A & B.	Has become a CAP in the SCCP.
<b>Mutual Recognition Arrangement of Conformity Assessment on Electrical and Electronic Equipment</b>	Australia	SCSC	15 participating in Part I; 3 participating in Parts II & III.	18 participating in Part I; 5 participating in Part II; 4 participating in Part III.
<b>Electronic Certificates of Origin</b>	Korea and Chinese Taipei	ECSG	3	3 Chile, China, Malaysia Philippines, Thailand and Vietnam have indicated an interest to join in the pathfinder.
<b>Food MRA</b>	Thailand	SCSC	5	5
<b>Technology Choice Principles</b>	United States	CTI	N/A (adopted in 2006)	15
<b>Data Privacy</b>	Australia, Canada, & United States	ECSG	N/A (adopted in 2007)	16
<b>Self-Certification of Origin</b>	Australia, New Zealand, Singapore & United States	CTI	N/A (adopted in 2009)	9
<b>Facilitating Trade in Remanufactured Goods</b>	Japan & United States	MAG	N/A (adopted in 2011)	11
<b>APEC Baseline De Minimis Value</b>	United States	CTI/SCCP	NA (adopted in 2011)	10

## Industry Dialogues

### ***Automotive Dialogue***

The **Automotive Dialogue (AD)** met twice in 2011 – in March in Washington DC and in September in San Francisco. The AD's work is highly supportive of the US 2011 themes of Regional Economic Integration (REI), green growth, and regulatory cooperation and convergence. Of particular note, in 2011, the AD reached consensus on an initiative to streamline and expedite procedures for the temporary importation of small numbers of advanced technology and alternative-fuelled demonstration vehicles. Facilitating the entry of these vehicles throughout the APEC region will allow economies to have improved access to the environmental benefits of these energy-efficient, low-emission, green technology test vehicles. In addition, the AD exchanged views on how government policies can promote innovation and sustainability in the automotive sector. The AD also discussed the importance of remanufactured auto parts to the auto parts aftermarket, and heard a Peer Review from Russia. Much of the AD's work falls under its five working groups covering the areas of (i) market access; (ii) customs; (iii) harmonization of regulations and road safety; (iv) small and medium size enterprise development; and (v) intellectual property rights. The AD also sent a letter to the September 2011 Joint Transportation and Energy Ministerial outlining AD activities of direct interest to these ministries. The letter conveyed the AD's view that international efforts to achieve regulatory convergence should focus on leading edge technologies before different domestic standards or regulations are established, the need for cooperation between governments and industry to encourage ongoing improvements in vehicle efficiency and environmental performance, and sought (and subsequently received) support for the AD's demonstration vehicle initiative (see *Appendix 13*).

### ***Chemical Dialogue***

The **Chemical Dialogue (CD)** has an expanding work program going forward to 2013 under its updated Strategic Framework<sup>12</sup>. Aligning closely with APEC priorities of regional economic integration, green growth, and regulatory cooperation and convergence, the CD work program emphasizes the continuing integration of the Dialogue's work with the international chemicals agenda including the 2012 SAICM and Rio+20 processes, elaboration of the role of chemicals in providing innovative solutions to sustainable growth, and expanding the robust chemical regulatory cooperation agenda. The CD continued with its program to address issues relating to the implementation of the Globally Harmonized System (GHS) for chemical classification and labelling, and in 2011 reached consensus on a guidance document for applying GHS principles to consumer products, which has been submitted for endorsement. (see *Appendix 16*). A GHS web portal, launched in 2010 as a self-funded project under the CD, now includes information on the GHS in 32 languages, and has received over 18,000 visits. Also in 2011, the CD produced reports on the status of GHS implementation across the APEC region, and on the economic importance of the chemical industry. The CD and its regulators forum are addressing issues related to the sound management of chemicals, and to encourage the use of common approaches to risk assessment. Interest in the CD's work has expanded to include regular participation by downstream users of chemicals. In 2011, the CD agreed to launch work to raise awareness of the challenges posed by different regulatory approaches to chemicals in articles. Finally, the industry side of the CD is developing a web-based tool to assist first responders in companies in chemical emergency situations.

---

<sup>12</sup> Tabled at SOM2 as 2011/SOM2/021 Anx 6

### ***Life Sciences Innovation Forum***

The **Life Sciences Innovation Forum** (LSIF) continues to attract significant high level attention from scientists, health economists, senior government policymakers and industry experts and has had several major accomplishments this year. In 2011, the LSIF collaborated with the Health Working Group to organize a Health Systems Innovation Dialogue, which attracted 150 senior level participants from 19 APEC economies, including six Ministers. This Dialogue generated considerable momentum for a work program going forward that will involve public-private sector cooperation on innovations to implement outcomes from the September 2011 UN High Level Meeting on non-communicable disease prevention and control. An APEC Action Plan to reduce the economic burden of Non-Communicable Disease<sup>13</sup> was developed jointly with the Health Working Group and has been submitted for endorsement. This was a key area of focus by APEC Leaders when they directed the establishment of the LSIF in 2004. The LSIF also met in special session to discuss its on-going work program, which includes a robust regulatory cooperation agenda, addressing the growing problem of hospital acquired infections, techniques to ensure the safety and efficacy of medical products; policies that enable investment in life sciences, and the importance of policies to ensure that medical innovations are diffused throughout health systems so that APEC economies can address increasingly complex health challenges of ageing populations and chronic and infectious diseases.

Illustrative of APEC's regulatory convergence and cooperation priorities, and in accordance with APEC Trade Ministers direction, LSIF agreed on a strategic framework outlining a multi-year program of activities for achieving regulatory convergence for medical products (both devices and medicines) by 2020<sup>14</sup>, which also has been submitted for endorsement. LSIF has continued its program of largely self-funded advanced training projects in areas that support the achievement of regulatory convergence, including on Multi-Regional Clinical Trials, stem cell quality assurance and quality management, Good Review Practices, Good Clinical Practices, ICH Q8/Q9/Q10 guidelines, and regional training seminars for government regulators. The Regulatory Harmonization Steering Committee (RHSC) held an "open house" for all APEC officials at SOM3 to brief them on RHSC activities and elements of the strategic framework. It was suggested that this could be a good model for other APEC groups to follow. As part of LSIF's continuing program of activity to assure safe medicines and guard against counterfeits, LSIF held a very successful APEC LSIF Drug Safety and Detection Technology Workshop in Beijing in September, which attracted over 200 participants including 100 provincial drug regulators.

---

<sup>13</sup> Tabled at AMM as 2011/AMM/004att2

<sup>14</sup> Tabled at AMM as 2011/AMM/004att1

## Section VIII: CTI's Contribution to APEC-Wide Initiatives and SOM Priorities

In 2011, CTI undertook work in response to a number of APEC-wide priorities. While some of this work is reflected in earlier sections of this report, this chapter provides an overview of our activities in the following areas that respond to APEC-wide priorities: Support for the Multilateral Trading System; Exploring a Free Trade Area of the Asia-Pacific (FTAAP); Improving the Business Environment and Implementation of the Growth Strategy.

### Support for the Multilateral Trading System

CTI and its sub-fora continued to affirm that "Support for the Multilateral Trading System" remains a key priority and that they would continue to look for ways where they could provide inputs to the WTO process, and where possible, add value to the Doha negotiations. CTI held a TPD workshop on the Information Technology Agreement – Then, Now and in the Future on 19 September. The workshop was divided into two main topic areas: first, a panel on the ITA – Then and Now, and then a second panel on the future of the ITA and possible next steps. The workshop participants agreed that ITA had contributed significantly to productivity and economic growth and on the need to keep up with the times. They also noted that further work in clarifying the product coverage of the existing ITA and identifying additional products for an expanded ITA and addressing convergence issues was needed. Their recommendations as endorsed by the CTI were:

- send a constructive message on the importance of ITA remaining relevant and APEC's continued leadership role in this area; and
- explore ways in which CTI and fora can contribute to advancing work on strengthening and expanding ITA.

**Table 4: Sub-fora Outcomes - Support for the Multilateral Trading System**

SUB-FORA	WORK UNDERTAKEN
<b>Market Access Group (MAG)</b>	<p>MAG continued to support on-going DDA/NAMA negotiations. It discussed and shared information on the developments and concerns, if any relating to products covered or to be covered by the Information Technology Agreement (ITA). MAG conducted an information exchange session on the recent developments and remaining issues to be solved under the WTO Information Technology Agreement (ITA) at its meeting on 10 May.</p> <p>MAG members registered the sense of urgency and the importance of a successful conclusion, with every effort needing to be made by members to help reach a breakthrough in the negotiations.</p>
<b>Group on Services (GOS)</b>	<p>GOS continued to look at ways to reinvigorate the WTO services negotiations, including convening APEC caucus meetings in the margins of services meetings in Geneva, in an effort to contribute to the successful outcome of the WTO services negotiations.</p> <p>GOS noted that two of its activities, "Workshop on Addressing SME Business Constraints through Services" and "APEC Accounting Services Initiative", which was designed to improve the transparency and integration of the regulation of accounting and auditing services by foreign professionals in the APEC region could support the WTO services negotiations.</p>

SUB-FORA	WORK UNDERTAKEN
<b>Sub-committee on Standards and Conformance (SCSC)</b>	<p>The SCSC advanced work to strengthen implementation of the WTO agreements on technical barriers of trade and sanitary and phyto-sanitary measures (SPS and TBT agreements) in several ways:</p> <ul style="list-style-type: none"> <li>• SCSC produced a draft study on “Supporting the TBT Agreement with Good Regulatory Practices.” This study seeks to establish the linkages of the ways in which GRPs strengthen implementation of WTO obligations and work to facilitate trade and investment.</li> <li>• SCSC worked to prevent technical barriers of trade in several emerging technologies related to solar and green building and endorsed several outcomes. These outcomes, formally endorsed by the SCSC, contain concrete actions for APEC members to collaborate and to align on standards and conformance measures related to these technologies.</li> </ul>
<b>Sub-committee on Customs Procedures (SCCP)</b>	<p>SCCP adopted amongst others, contributions to the negotiations on trade facilitation at the World Trade Organization’s (WTO) and enhancement of cooperation with the World Customs Organization (WCO) as priority work areas in 2011.</p> <p>SCCP encouraged active engagement by members to the ongoing WTO Trade Facilitation (TF) negotiations. In the same respect, the SCCP is working to bear in mind the work being done by the WTO as it continues to build upon its own TF agenda. In the same vein, the SCCP is engaging the WCO in its work, including inviting a representative of the WCO to participate in SCCP meetings and events as well as strengthening the sharing of information between the SCCP and the WCO.</p>
<b>Intellectual Property Rights Experts Group (IPEG)</b>	<p>IPEG members reported on their respective progress in developing IP systems consistent with the WTO and other international norms.</p>

### **CTI’s Contribution to SOM’s Discussions on Possible Pathways to a Free Trade Area of the Asia-Pacific (FTAAP)**

On the 2008 Convergences and Divergences Study of APEC FTAs, updates were made to the market access, sanitary and phyto-sanitary measures (SPS), customs procedures and technical barriers to trade (TBT) chapters based on four FTAs (New Zealand-Malaysia; New Zealand-Hong Kong, China; China-Peru and EU-Korea, which was included due to its significant economic implications for the region). CTI also noted Chinese Taipei’s intention to update the TBT chapter and the possibility of enlisting the help of think tanks to update the analytical overviews of these chapters. Discussion on the possible next steps to be taken to further progress the study was deferred. The database in which the study is stored was successfully migrated back into the APEC Secretariat’s web domain and is accessible via <http://fta.apec.org>.

CTI reviewed the results of the survey that was conducted in 2010 to help developing economies to identify their capacity building needs, including upgrading of negotiation skills for establishing larger-scale FTAs/RTAs<sup>15</sup>. CTI considered a proposal<sup>16</sup> for a multi-year capacity building action plan to take forward the recommendations of the survey. As called for in the proposal, the

<sup>15</sup> See 2011/SOM1/CTI/023

<sup>16</sup> See 2011/SOM2/CTI/024

Committee set aside a two-hour session at CTI3 on 22 September for members, ABAC and representatives from the Asian Development Bank and the World Bank to exchange information/experiences on improving economies' ability to engage in high-quality trade agreements. One of the outcomes from the session was a proposal to develop a multi-year action plan by SOM2/MRT in 2012 to take forward the REI Capacity Building Needs initiative.

### **Improving the Business Environment**

The CTI Chair and the EC Chair continued to maintain close contact with each other to ensure they worked in a seamless way and to ensure complementarities and links between the two committees were strengthened. The CTI and EC Chairs attended each others' meetings to brief the respective Committees on their work programs. They continue to collaborate and take forward APEC's work on SCI and Ease of Doing Business (EoDB).

Particularly, on the EoDB, CTI is contributing to APEC-wide aspirational target of making it cheaper, faster and easier to do business by 25 percent by 2015 in five priority areas, with an interim five percent improvement target by 2011. The CTI contributes through one of the five priority areas: Trading Across Borders. For the phase 2 of this program, Mexico and Peru will be assessed by technical experts of the lead economy: Singapore and will receive practical recommendations to improve on this indicator.

### **CTI's Contributions to Implementation of the 2010 APEC Leaders' Growth Strategy**

In 2010 APEC Economic Leaders agreed on a Growth Strategy that would provide a comprehensive long-term framework for promoting high-quality growth in the region. APEC Leaders committed to implement the Growth Strategy out to 2015, focussing on 5 desired attributes of balanced, inclusive, sustainable, innovative, and secure growth. APEC Leaders also tasked Senior Officials to conduct "annual progress reviews on APEC's relevant work programs while finding ways to take stock of progress, and making any needed adjustments in the work programs to maximize APEC's efforts to promote the Five Growth Attributes".

The contributions of CTI and its sub-fora to the promotion of the five growth attributes are not even. As noted last year, while Committee had done work on Green/Sustainable Growth; Innovative Growth and Secure Growth through various work streams like EGS (see section V); digital economy and IPR (see Section II), BMG and SCCP, its role with respect to inclusive and balance growth is less clear.

**Table 5: Contributions of Sub-fora to the Growth Attributes**

SUB-FORA	WORK UNDERTAKEN
<b>Market Access Group (MAG)</b>	<i>Green Growth/Sustainable Growth</i> • See Section V
<b>Group on Services (GOS)</b>	<i>Green Growth/Sustainable Growth</i> • See Section V
<b>Sub-committee on Standards and Conformance (SCSC)</b>	<i>Green Growth/Sustainable Growth</i> • See Section V and VI
<b>Sub-committee on Customs Procedures (SCCP)</b>	<i>Innovative Growth</i> • Completed a Mutual Enforcement Operation in postal and express courier facilities targeting counterfeit pharmaceuticals. Written report identifying effective practices for IPR enforcement in postal and express courier facilities (result of the aforementioned operation)

SUB-FORA	WORK UNDERTAKEN
	<ul style="list-style-type: none"> <li>• Development of APEC Guidelines for Customs Border Enforcement on IPR Infringement</li> <li>• Continued to work on the development of SW and accelerate seamless data sharing between SW systems through information sharing.</li> <li>• Held an APEC Regional Workshop on Single Window in Chinese Taipei in October. The workshop focused on the implementation of SW systems and the promotion of interoperability between the various systems.</li> </ul> <p><i>Secure Growth</i></p> <ul style="list-style-type: none"> <li>• Implementation of the Authorised Economic Operator (AEO) action plan including the development of an AEO Capacity Building Plan and an AEO Best Practices Document. SCCP held an AEO roundtable discussion on 1 March 2011 in which the AEO working group members met with their business stakeholders to discuss ongoing experiences and challenges associated with AEO programs. SCCP agreed that the session was useful and recommended that Russia as 2012 APEC Host/Chair to continue having such a session. The SCCP has also commenced discussion on a proposal to launch a Pathfinder Initiative on AEO Mutual Recognition that would involve: (1) pathfinder participants agreeing to pursue mutual recognition arrangements with fellow pathfinder participants of their choosing; and (2) the sharing of experiences and practices based on their experiences to assist with the development of capacity building tools.</li> <li>• Completed a TRP survey and agreed on a way forward: (i) approved addition of the Basic Essential Elements of Information (EEI) as an Annex to the APEC Trade Recovery Guidelines and strongly recommended their utilisation; (ii) approved the addition of the Supplemental EEI as an Annex to the Guidelines with a recommendation that economies consider including them when constructing their internal trade recover protocols; (iii) supported the sharing of the APEC findings with the WCO in support of its parallel Trade Recover efforts; and (iv) endorsed a follow-on cooperative effort among the CTTF, SCCP and TPT to identify and pilot potential methods to exchange the EEIs.</li> <li>• Development of a Trade Recovery Communications Mechanism to facilitate the resumption of trade.</li> <li>• Continuation with the sharing of information on new technologies and equipment applied for customs activity to secure trade.</li> </ul>
<b>Intellectual Property Rights Experts Group (IPEG)</b>	<p><i>Innovative Growth</i></p> <ul style="list-style-type: none"> <li>• Updating the Intellectual Property Academy Collaborative Initiative (iPAC Initiative), a web-based platform aimed at facilitating effective information sharing among IP Academies</li> <li>• “Leveraging Cutting Edge Technologies for Economic Growth” was one of the issues covered in the IPEG-ABAC Dialogue held on 3 March. The panel explored the factors to promote the development and diffusion of new technologies and discussed policies which could be adopted by APEC members to continue to promote innovative economies and technological development</li> </ul>
<b>Business Mobility Group (BMG)</b>	<p><i>Secure Growth</i></p> <ul style="list-style-type: none"> <li>• Putting into circulation the newly designed ABTC that includes enhanced security features.</li> <li>• Development of an APEC Best Practice in Border Capabilities Model, which would set out the ideal capabilities APEC economies would include in a modern border management system. One desired outcome of this project would be to identify efficiencies in immigration procedures (to facilitate and accelerate travel) while managing the risks posed by non-genuine travellers. Another desired outcome would be to explore innovation and the use of information and communication technologies in border management. There is potential that this may, in turn, lead to structural reform, improvement of coordination mechanisms and the development of capacity building projects in the region;</li> <li>• Investigating the technical readiness of BMG members to trial the use of ABTC cardholders’ biometrics through existing Automated Border Control Systems in the</li> </ul>

SUB-FORA	WORK UNDERTAKEN
	<p>region and proposing guidelines for member economies who may wish to participate in such a trial.</p> <ul style="list-style-type: none"> <li>• Progressing the implementation of a web-based trial of RMAS between the Philippines and Australia. This initiative, if successful, will offer significant potential for the expansion of RMAS to other economies due to the reduced start-up costs, lower ongoing maintenance costs and avoidance of substantial costs associated with dedicated leased communications lines.</li> <li>• Enhancing cooperation with other APEC working group fora, such as the CTTF and the SCCP in 2011. Two joint BMG-SCCP meetings have been held at SOM I and SOM III to share knowledge and best practice with a view to building a comprehensive and integrated view on border management. The BMG Chair also met and exchanged view with the CTTF at SOM II.</li> </ul> <p><i>Inclusive/Human Resource and Entrepreneurship Development</i></p> <ul style="list-style-type: none"> <li>• Reviewing the BMG's Professional Immigration Service standards. A desired outcome of this review would be to highlight the importance of professional conduct, ethics, courtesy, efficiency, and systems support in developing a workforce of skilled border officials and encouraging the implementation of professional immigration service standards by all member economies.</li> </ul>
<b>Electronic Commerce Steering Group (ECSG)</b>	<p><i>Innovation Growth</i></p> <ul style="list-style-type: none"> <li>• ECSG's work on the Digital economy agenda naturally supports the innovative growth pillar.</li> <li>• The work of the DPS on privacy is an essential element of the policy and regulatory framework by both enhancing trust in emerging technologies through responsible information management and facilitating global data flows that are the currency of the digital economy. The APEC Privacy Framework is based on the concept of accountability, obligations flowing with cross border data flow which maps well to today's new and ever more global and interconnected markets and the need to appropriately protect personal data to assure continued participation in existing services and adoption of new technologies.</li> </ul>
<b>Automotive Dialogue (AD)</b>	<p><i>Green/Sustainable Growth</i></p> <ul style="list-style-type: none"> <li>• Discussion on a proposed agreement to streamline import procedures for demonstration vehicles to facilitate the diffusion of advanced automotive technology throughout the APEC region.</li> <li>• An agreement to further work to underscore the importance of cooperation between government and industry to encourage ongoing improvement in environmental performance.</li> <li>• Discussion to enhance understanding of the Green Growth business practice of remanufacturing automotive parts, the largest segment of the remanufacturing industry, and the importance of remanufactured auto parts to new vehicle producers in the aftermarket and for servicing vehicles.</li> </ul>
<b>Life Sciences Innovation Forum (LSIF)</b>	<p><i>Secure Growth/Human Security</i></p> <ul style="list-style-type: none"> <li>• Organize self-funded workshop on safe medicines and detection technologies in Beijing September 27-28, 2011 as part of the LSIF Anti-Counterfeit Medicines Action Plan</li> <li>• Development of a white paper showing the benefits of prevention, detection, early intervention and integrated disease management programs on key chronic disease health indicators that could be addressed by health and wellness programs in the APEC Economies; and would serve as an APEC contribution to the UN Summit on Non-Communicable Diseases</li> </ul>



## Section IX: Interaction with ABAC

CTI and its sub-fora collaborate with the business community to ensure that private sector perspectives contribute to APEC's trade and investment outcomes. In 2011, the Committee continued to engage with ABAC as the key voice of the business community in the APEC process. The CTI Chair accepted invitations to attend ABAC's 2011 meetings to brief ABAC on the Committee's work programs and exchange views on issues of mutual interest. Senior representatives from ABAC also participated in meetings of the Committee and a number of its sub-fora. CTI welcomed their active participation.

CTI and its sub-fora delivered outcomes consistent with ABAC's 2010 recommendations as outlined in the following table:

**Table 6: CTI /CTI sub-fora Responses to key ABAC TILF-related Recommendations**

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p><b>Re-Committing to the achievement of the Bogor Goals and developing a new vision</b></p> <p>ABAC's own review of progress towards the Bogor Goals clearly identifies that many member economies have become considerably more open since 1994. Further, ABAC acknowledges the important steps that have been taken to improve the ease of conducting business within APEC regional supply chains and value chains since the Bogor Goals were first conceived. However, the existence of remaining barriers to trade and investment and the changing nature of modern regional supply chains and value chains mean that more needs to be done to achieve the goals of free and open trade and investment in the region.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• Re-commit to the Bogor Goals of achieving free and open trade within the APEC region by 2020.</li> <li>• Instruct the APEC Secretariat to devise and publish annually a set of regional integration metrics to monitor each economy's progress toward greater economic integration. ABAC recommends the creation of a one-page "Regional Integration Dashboard" for each economy showing the level and change in various indicators of liberalization, including, but not limited to, the flows of goods, services, investment, technology and people across the region.</li> <li>• Agree that any new vision for economic integration should seek to liberalize flows of goods, services, investment, technology and talent across the region, and have a strong emphasis on balanced and inclusive growth and sustainable development.</li> <li>• Agree that as any new vision for APEC is developed, the business community should be closely engaged so that policy makers draw on business leaders' expertise in identifying practical initiatives and proposing workable solutions. To that end, ABAC recommends that the links between the Senior Officials' Meeting (SOM) and ABAC processes be better defined and integrated.</li> </ul>	<ul style="list-style-type: none"> <li>• CTI developed a list of recommendations on an appropriate process to review APEC economies' progress towards the Bogor Goals by 2020, which was endorsed by SOM in Big Sky, Montana. Subsequently, in San Francisco, CTI agreed on a set of guidelines to provide direction to its review of the implementation of measures towards achieving the Bogor Goals in 2020.</li> <li>• Economies will submit templates with information concerning the areas related to the Bogor Goals by SOM 1 2012. PSU will prepare short reports based on this information by SOM 2 2012.</li> <li>• A dashboard with metrics to help assess the progress of APEC member economies toward the Bogor Goals is being developed by the PSU. Discussions on the content of the dashboard are still on-going. CTI plans to liaise with international organizations that have developed the indicators proposed in the dashboard in order to get a better understanding of their nature.</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p><b>Making further progress towards achieving FTAAP</b></p> <p>ABAC believes that the Free Trade Area of the Asia-Pacific (FTAAP) is an aspirational but achievable vehicle for delivering free and open trade and investment within the Asia-Pacific region. The recent analytical study completed for APEC senior officials showed that comprehensive tariff elimination combined with trade facilitation and services liberalization could result in a 2.9% increase in the region's GDP and gains to welfare of US\$527 billion. These are potentially significant gains that cannot be neglected.</p> <p>ABAC sees FTAAP ultimately as being more than just a traditional free trade agreement. It should encompass the widest possible definition of economic integration in the region. FTAAP should aim to expand market access by eliminating, where possible, existing barriers to trade and putting in place rules of origin which enable businesses to cumulate the benefits of existing trade agreements in the region. Beyond this, FTAAP should also address market integration issues, including facilitating investment and services as well as the movement of goods, promoting regulatory reform and cooperation between member economies, harmonizing standards and eliminating other non-tariff barriers and matching talent needs in the region..</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• Make decisions in Yokohama on possible pathways to FTAAP.</li> <li>• Instruct Ministers and senior officials to provide greater detail on the preferred modalities and processes towards FTAAP to enable active involvement by the business community.</li> <li>• Continue to develop existing regional trade initiatives such as TPP, ASEAN+1, ASEAN+3 and CEPEA.</li> <li>• Invite Leaders of economies engaged in evolving regional arrangements to direct their officials to share knowledge and substance about their respective negotiations in a timely and transparent fashion, while respecting the negotiating sensitivity of some issues.</li> </ul>	<ul style="list-style-type: none"> <li>• A survey to help developing economies to identify their capacity building needs, including upgrading of negotiation skills for establishing larger-scale FTAs/RTAs has been conducted. A copy of the report was tabled at CT11 in Washington, D.C as 2011/SOM1/CTI/023.</li> <li>• The CTI has commenced working on a multi-year work plan to take forward the recommendations of the survey it conducted last year to identify capacity building needs for strengthening regional economic integration. A two-hour Policy Dialogue session was organized during CTI3 in September 2011 for members together with ABAC and representatives from the Asian Development Bank and the World Bank to exchange information and experiences on improving members' ability to engage in high-quality trade agreements. One of the outcomes of the session was a proposal to develop a multi-year action plan by SOM2/MRT in 2012 to take forward the REI Capacity Building Needs initiative.</li> <li>• The CTI held a trade policy dialogue on 7 March to discuss what APEC could do to define, shape and address next generation trade and investment issues in response to APEC Leaders' instructions in Yokohama last year. A Friends of the Chair (FOC) group was established to work towards determining a list of next generation trade and investment issues.</li> <li>• At CTI2, the Committee agreed on a list of "next generation trade and investment issues" to be worked on in 2011: (i) Facilitating Global Supply Chains; (ii) Enhancing SME Participation in Global Production Chains; and (iii) Promoting Effective, Non-Discriminatory, and Market-Driven Innovation Policy. These were presented to Senior Officials and the Ministers Responsible for Trade.</li> <li>• At CTI3, CTI discussed initiatives including specific actions to address the three next generation trade and investment issues. CTI agreed on a proposal to address "Enhancing SME Participation in Global Production Chains". The proposal included a set of core elements that could be considered on a voluntary basis to serve as model guidelines for the next generation FTAs, including a possible FTAAP and ideas for a seminar to be held in 2012 to exchange experiences and best practices of the enhancement of SMEs in the global production chains. CTI continues working intersessionally in the lead up to CSOM/AMM in November on specific initiatives to address the other two next generation trade and investment issues.</li> </ul>
<p><b>Identifying new business requirements (regulatory principles, services, digital economy)</b></p> <p>ABAC has developed further ideas on new business requirements that could be included in future Free Trade Agreements (FTAs), whether FTAAP or other pathfinder agreements. Alongside market access, future FTAs should address market integration and take into account the needs of the digital economy, the services sector as well as principles for regulatory cooperation and processes for achieving regulatory cooperation and coherence.</p>	<ul style="list-style-type: none"> <li>• As agreed at CTI 1, the first dialogue of the APEC Regulatory Cooperation Process Advancement Mechanism (ARCAM) on the issue of Interoperability Standards for Smart Grid was held in the margins of CTI2 in Big Sky, Montana on 12-13 May 2011. The dialogue brought together trade officials, regulators, and private sector stakeholders to (i) develop a shared understanding of the issue; (ii) improve</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• Include in future agreements provisions related to regulatory principles, regulatory coherence, the digital economy, and services as follows: <ul style="list-style-type: none"> <li>○ <i>Regulatory Principles and Coherence</i> <ul style="list-style-type: none"> <li>- Adopt in relation to regulatory chapters the following set of guiding principles: non-discrimination, comprehensiveness, transparency, accountability and “least efficiency distorting”.</li> <li>- Develop options for promoting enhanced regulatory coherence by promoting dialogue and cooperation between regulatory agencies.</li> </ul> </li> </ul> </li> </ul>	<p>understanding of how the issue relates to legitimate regulatory objectives; and (iii) improve understanding of how this issue relates to trade and investment flows and economic integration in the region.</p> <ul style="list-style-type: none"> <li>• CTI endorsed the recommendations for advancing further regulatory cooperation in Smart Grid Interoperability Standards, viz: (i) Promote Transparency, Collaboration and Global Solutions in the Development of Smart Grid Interoperability Standards; (ii) Enable Competition and Innovation in Specific Markets for Smart Grid Technologies; and (iii) Integrate ARCAM Outcomes into Cooperative Work on Smart Grid Interoperability Standards in APEC and Other fora. <i>The 6th Conference on Good Regulatory Practice was held on 1-2 March 2011 in Washington DC.</i></li> <li>• <i>The Toy Safety Initiative started since 2007.</i> The objective of this initiative is to increase transparency, encourage better alignment and reduce unnecessary impediments to trade related to toy safety standards and practices in the APEC region. <i>Besides workshops held in 2009, the initiative includes the consultation and coordination among ISO, CEN and ASTM International.</i> There were discussions on toy safety at the CPSC-AQSIQ (Consumer Product Safety Commission/ the General Administration of Quality Supervision, Inspection and Quarantine) Consumer Product Safety Summit in October 2011 and ongoing collaboration among the USA, Canada, Europe, and Australia on the alignment of safety standards for window coverings, booster seats, and baby slings.</li> </ul>
<ul style="list-style-type: none"> <li>○ <i>Digital Economy</i> <ul style="list-style-type: none"> <li>- Reaffirm compliance with the ITA and eliminate any remaining customs duties on all ICT products, components and equipment. All new ICT items should also be subject to zero duties without prejudice to their customs tariff classification or how they are used (e.g., consumer electronics, automotive, telecommunications, gaming, process control or any other ICT-enabled application).</li> <li>- Affirm that computer and related services commitments ensure coverage for all information technology services, even as these services evolve with changes in technology.</li> <li>- Include a permanent prohibition on the application of customs duties to e-commerce. Parties would agree to non-discriminatory treatment of digital products.</li> <li>- Establish principles and procedures for transparency, cooperation on and participation in the development of standards, technical regulations and conformity assessment affecting ICT.</li> <li>- Eliminate non-tariff barriers for ICT products.</li> <li>- Provide strong protection of intellectual property rights in a manner which facilitates and encourages innovation in</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• At CTI1, the Committee discussed a proposal for an APEC Initiative on Innovation and Trade in Technology that is intended to assist APEC economies in fulfilling Leaders’ instructions by (i) developing and agreeing on core concepts of effective, non-discriminatory, market-driven innovation policy; and (ii) developing an implementation and capacity-building plan that will assist economies in incorporating the core concepts into their innovation policies.</li> <li>• A high-level, public-private APEC Conference on Innovation, Trade, and Technology, was held in the margins of SOM3 on 19-20 September in San Francisco, where several themes emerged that emphasized the connection between open and competitive markets, and the ability for economies to promote innovation. Standards, intellectual property rights, cloud computing and investment were issues raised at the Conference.</li> <li>• CTI held a TPD workshop on the Information Technology Agreement – Then, Now and in the Future on 19 September. The workshop was divided into two main topic areas: first, a panel on the ITA – Then and Now, and then a second panel on the future of the ITA and possible next steps. The workshop participants agreed that ITA had contributed significantly to productivity and economic growth and on the need to keep up with the times. They also noted that further work in clarifying the product coverage of the existing ITA and identifying additional products for an expanded ITA and addressing convergence issues was needed. CTI endorsed the TPD’s recommendations that it (i) send a constructive message on the importance of ITA remaining relevant</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>the digital economy.</p>	<p>and APEC's continued leadership role in this area; and (ii) explore ways in which CTI and fora can contribute to advancing work on strengthening and expanding ITA.</p> <ul style="list-style-type: none"> <li>• At SOM3, ECSG completed the projects comprising the Cross-Border Privacy Rules (CBPR) system and endorsed the entire CBPR system as satisfying the requirements of the Data Privacy Pathfinder. The complete CBPR system was subsequently endorsed at CTI3.</li> </ul>
<ul style="list-style-type: none"> <li>○ <i>Services</i> <ul style="list-style-type: none"> <li>- Agree to liberalize services trade across the region by eliminating all barriers to trade in services except in a strictly limited number of agreed areas.</li> </ul> </li> </ul>	<p>GOS has implemented the following activities under the APEC Services Action Plan:</p> <ul style="list-style-type: none"> <li>• The Workshop on Addressing SME Business Constraints through Services was held in March 2011 in Washington, D.C. The workshop examined the role that backbone services i.e. business, ICT, logistics, and financial services play in enabling SMEs to better achieve their business and export potential.</li> <li>• A workshop under the APEC Accounting Services Initiative was held in San Francisco in September 2011. In addition, an electronic repository of information on the regulation of accounting and auditing services by foreign professionals in the APEC region has been developed. Non-Binding Guidelines for the Regulation of Foreign Accountancy Professionals are also currently being discussed.</li> <li>• A workshop on Sharing Key Success Factors and Experiences in Trade in Services for SMEs was held in San Francisco in September 2011.</li> <li>• The APEC Legal Services Initiative website (<a href="http://www.legalservices.apec.org">http://www.legalservices.apec.org</a>), which includes a compilation and comparison of information on regulatory regimes for foreign lawyers in APEC member economies and contacts for regulating and contacts for regulating bodies and industry associations in APEC member economies, was developed.</li> <li>• The development of a databank of attorneys who work on trade and investment in the APEC region and capacity building seminars for international business lawyers under the APEC Legal Services Project.</li> <li>• The APEC Services Trade Access Requirements (STAR) Database which will be a business-friendly tool to enable services businesses to identify requirements affecting market entry for trade in services in APEC member economies is under development.</li> </ul>
<p><b>Facilitating investment flows</b></p> <p>ABAC believes that APEC economies must step up efforts to make investing in the region easier, cheaper and faster. In addition to a focused program on investment facilitation, APEC must also maintain an active program to promote liberalization of investment. Progress towards APEC's stated objectives must be measured to ensure that APEC's efforts improve the ability of the private sector to conduct business across the region. ABAC supports the adoption and implementation of the Roadmap for Investment in a manner that achieves results and recognizes the realities of doing business. ABAC has reviewed the 1994 APEC Non-Binding Investment Principles and recommends that Leaders adopt its proposed improvements to ensure that they</p>	<ul style="list-style-type: none"> <li>• The 1st session of the APEC Public-Private Dialogue on Investment was held on 4 March 2011 in Washington. At IEG3, the Group discussed the future work that IEG can undertake and the possible agenda for the next Dialogue to be possibly in 2012.</li> <li>• CTI/IEG continues to work on how it could best take forward the implementation of the IFAP, including an assessment of the progress on the implementation of IFAP. The draft plan for future implementation of the IFAP was endorsed at IEG3 and CTI3 in San Francisco. (see Appendix 3)</li> <li>• IEG discussed the ABAC proposal on updating the Non-Binding Investment Principles. Broad agreement was reached on the scope of the updated NBIPs at</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>continue to promote both foreign and domestic investment in the face of the changes in the way business is conducted in the region.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• Establish a consultative mechanism within APEC for government and private sector representatives to discuss ways in which the investment environment can be improved. Economies should also consider an APEC mechanism for consultation on proposed regulations so that the implications of new measures can be considered before they are put into effect.</li> <li>• Based on ABAC's input, review and, as necessary, update the 1994 Non-Binding Investment Principles to ensure they continue to promote both foreign and domestic investment in the face of the changes in the way business is conducted in the region.</li> <li>• Further liberalize investment in services to promote the ability of companies to establish comprehensive supply chains from material procurement to after sales service.</li> <li>• Enhance capacity building and peer-review programs to support the implementation of APEC principles and best practices.</li> </ul>	<p>IEG2. At IEG3, the Group discussed the revised draft and agreed to seek approval from their relevant experts of a possible text that emerged from the meeting. Revised text was finalised intersessionally for consideration by CTI and transmission to Ministers and Leaders, if approved. (See Appendix 4 for finalised NBIP text as presented to AMM)</p>
<p><b>Facilitating the flow of goods and services</b></p> <p>ABAC welcomes ongoing efforts to simplify, harmonize and increase the transparency of regulations and processes related to the flow of goods and services across borders through the Single Window, Trade Facilitation Action Plan (TFAP) II and Supply Chain Connectivity Framework initiatives. However, economies need to undertake further and more far-reaching efforts in order for the private sector to benefit fully from the results of APEC's trade facilitation initiatives. ABAC urges APEC to consider improving on existing measurements and indices as a reference to assess progress under TFAP II and the Investment Facilitation Action Plan. It urges APEC economies to share experiences in order to identify best practices that will contribute to the facilitation of business operations across the region</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• Reinvigorate the Single Window Initiative to ensure that economies that have not fully implemented single window systems make progress toward that end and place a priority on interoperability between systems to enhance the sharing of documents such as certificates of origin.</li> <li>• Advance implementation of the Supply Chain Connectivity Framework in a manner that incorporates ABAC's input from 2010 and focuses on areas that provide the most benefit to businesses.</li> <li>• Continue to implement TFAP II and conduct an assessment of progress toward the stated goal of reducing transaction costs by 5% to ensure that efforts are resulting in tangible benefits for businesses.</li> <li>• Utilize and improve on existing measurements and indices such as the World Bank Ease of Doing Business Index, World Economic Forum Competitiveness Index, Heritage Foundation Index</li> </ul>	<ul style="list-style-type: none"> <li>• PSU assisted the CTI in the preparation of the final assessment of the Trade Facilitation Action Plan II (TFAP II), which was presented in September 2011 at CTI, BMG, SCSC, SCCP and ECSG meetings. It comprised the following components: (i) Direct estimation (aggregate measurement) of the change in trade transaction costs over the TFAP II period (2007-2010), utilizing the annually updated World Bank data from its Doing Business project, ensuring continuity with the Interim Assessment results; and (ii) Assessment of the contribution of relevant actions and measures in each TFAP sub-group towards the goal of trade transaction cost reduction. The assessment showed that APEC economies collectively reduced trade transaction costs by 5% between 2007 and 2010, which is equivalent to USD 58.7 billion in savings.</li> <li>• CTI continues to utilize the FOTC and its focus groups to oversee the implementation of the action plans under the Supply-Chain Connectivity Framework (SCI) to address the eight choke points. It adopted a work plan (2011/SOM2/021 Anx4) to guide its work on implementing TFAP II and the SCI. Several initiatives were being pursued. Details can be found in the CTI Report to SOM (2011/SOM2/021 and 2011/SOM3/032). The CTI is also considering holding a Symposium in the margins of CTI2 in 2012 to follow-up on the implementation of the Supply-chain Connectivity Framework and to build on the Symposium held in Sendai in 2010.</li> <li>• CTI agreed to adopt the APEC <i>Pathfinder to Enhance Supply Chain Connectivity by Establishing a Baseline De Minimis Value</i> (see Appendix 9) will include a capacity building program to enhance economies' understanding of the benefits of higher de minimis</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>of Economic Freedom and others to assess progress under TFAP II and IFAP</p>	<p>values and assist economies in joining the pathfinder.</p> <ul style="list-style-type: none"> <li>• The CTI also endorsed the methodology proposed by the PSU on the use of internal and external indicators for measuring progress towards the target of 10% improvement in supply-chain performance. PSU, with the guidance from CTI, is currently fine-tuning the methodology to include a self-assessment survey in preparation of the 2013 interim assessment.</li> <li>• ECSG has been working to implement Supply-Chain Connectivity Framework and Action Plan, in particular, action plans for chokepoint 5 (Burdensome procedures for customs documentation and other procedures). At SOM3, ECSG discussed the electronic certificate of origin (ECO), a Paperless Trading Subgroup (PTS) pathfinder project that addresses chokepoint 5, and noted its successful implementation between two member economies and a continuous increase in the number of users and transactions.</li> <li>• A regional workshop on Single Window Activity was held on 3 – 5 October in Chinese Taipei.</li> <li>• A series of four APEC Self-Certification Workshops has been completed since the adoption of the APEC Self-Certification of Origin pathfinder: in Kuala Lumpur, Malaysia on 11-12 October 2010; in Pasig City, Metro Manila, Philippines on 10-11 February 2011; in Brunei Darussalam on 4-5 April 2011; and in Ha Noi, Viet Nam on 28-29 July. The presentations given at each of the four workshops can be accessed at <a href="http://www.apec.org/Home/Groups/Committee-on-Trade-and-Investment/Rules-of-Origin">http://www.apec.org/Home/Groups/Committee-on-Trade-and-Investment/Rules-of-Origin</a>. In addition, MAG agreed that members would provide a yearly report on the progress made towards implementing self-certification and how close they are to being able to join the Pathfinder.</li> </ul>
<p><b>Accelerating SMME capacity building efforts</b></p> <p>There is a pressing need, in recognition of the economic contribution by small, medium and micro-enterprises (SMMEs), to create a conducive environment to strengthen their role in APEC economies by delivering balanced, inclusive, sustainable, innovative and secure growth. ABAC encourages targeted policies in the areas of productivity, innovation, financial inclusion and export fostering. SMME education is another important capacity building activity since raising awareness on tools and resources, such as ICT, skills development programs and new business models, can help SMMEs grow. Outreach programs to capture, disseminate and foster micro-enterprise activities would secure inclusiveness and broaden the base for economic contributions. ABAC urges APEC economies to further improve SMME access to finance, facilitate greater ICT utilization by regional SMMEs, undertake capacity building programs to advance innovative growth, and develop common principles for ethical business practices for SMEs.</p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Identify enablers or barriers to ICT utilization by SMMEs to help facilitate greater use of ICT in APEC</li> </ul>	<ul style="list-style-type: none"> <li>• The Joint Meeting of MRT-SME Ministers at Big Sky Montana on 20 May 2011 identified 9 top barriers facing SMEs in trading in the region and tasked CTI and SMEWG to work with relevant fora and subfora to tackle these barriers, namely: (i) lack of access to financing (SMEWG); (ii) lack of capacity to internationalize and difficulty in identifying foreign business opportunities (SMEWG); (iii) need for open and transparent business environments (SMEWG); (iv) high transportation and related costs (SMEWG); (v) customs clearance delays due to difficulties in navigating overly complex customs requirements and documentation (CTI); (vi) problems navigating differing legal, regulatory, and technical requirements (CTI); (vii) difficulty with intellectual property acquisition, protection, and enforcement (CTI); (viii) inadequate policy and regulatory frameworks to support cross-border electronic commerce (CTI); and (ix) difficulty in taking advantage of preferential tariff rates and other aspects of trade agreements (CTI). At CTI3, several economies had volunteered to lead work to address the barriers designated to CTI and it was agreed that member economies as well as</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>economies.</p> <ul style="list-style-type: none"> <li>• Reduce broadband costs and increase its supply to SMME end-users, whether it be by increased competition or the provision of incentives, with a particular focus on underserved areas.</li> <li>• Develop policies to promote awareness on the benefits of ICT utilization for SMMEs.</li> <li>• Use the indicators established by ABAC as a reliable tool in reviewing and enhancing policies to support the growth and development of SMMEs.</li> <li>• Expand various programs that combine ICT with other fields for post-secondary students, internally educated professionals and current ICT workers.</li> <li>• Inculcate training for ICT applications into the life-long learning system.</li> <li>• Establish an Institute of Excellence in collaboration with companies and some of the best universities/institutions in the world.</li> <li>• Expand ICT infrastructure investment from hardware to software in order to boost ICT-enabled services, including the possibility of introducing a certification system.</li> <li>• Provide an institutional mechanism and framework for shared training facilities and infrastructure at minimal cost.</li> <li>• Promote standard integration, encourage cross-licensing of technology between the public and private sectors and among firms, and partially allow open innovation to reduce the fixed cost for developing application services.</li> <li>• Encourage venture capitalists to vertically integrate important functions together such as market viability research and technology evaluation in order to provide more complete services for start-up companies.</li> <li>• Encourage cooperation between international developers to provide multi-option ready-to-move-in industrial parks or living campuses so as to test emerging applications.</li> <li>• Equip and establish SMMEs with relevant information through “market knowledge centers” which may include consultancy, organizing of overseas business missions and provision of integrated market research data.</li> <li>• Support efforts to develop common principles for ethical business practices for SMEs across a range of sectors beginning with the medical device sector in 2011.</li> </ul>	<p>relevant subfora will provide comments on the proposals tabled put forth with a view to implementing measures to address the said barriers by AELM in November 2011.</p> <ul style="list-style-type: none"> <li>• CTI &amp; SMEWG members have been working inter-sessionally to identify concrete actions to address each of the barriers to trade for SMEs that were identified at the Joint Meeting of APEC MRT-SME Ministers on 20 May 2011.</li> </ul>
<p><b>Ensuring food security</b></p> <p>The recommendations contained in ABAC’s document “Strategic Framework for Food Security in APEC” should be integrated into APEC’s food security work plan. ABAC urges APEC to pay particular attention to: (a) re-commitment by Leaders to an APEC Food System that ends subsidies, import restrictions and other distortions in food trade; (b) creation of a high-level entity, that includes the private and research sectors, to coordinate APEC’s work on food issues; and (c) achievement of a true sense of food security by committing APEC economies to ending all export embargoes, quantitative restrictions and export taxes for food products traded between APEC member economies</p>	<ul style="list-style-type: none"> <li>• MAG agreed at SOM1 to launch a new work stream to address NTBs affecting food and agricultural trade in the region.</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• Undertake a food system approach. Leaders should recommit unequivocally to the regional APEC Food System approach rather than addressing issues in a piecemeal manner. This includes ending distorting measures such as import restrictions and subsidies.</li> <li>• Establish a coordinating mechanism. There needs to be an ongoing, high-level mechanism to ensure policy coherence and continuity, as well as the technical cooperation, necessary to successfully address the many issues that will combine to create regional food security. This mechanism, reflecting the Leaders' 2009 Declaration that food security is a "major priority for APEC", must formally include the private and research sectors if it is to have the dynamism and access to current information to be able to address the many complex issues that affect food security. It must also have sufficient authority to provide priorities for APEC and to coordinate the various APEC fora working on food and food security-related issues.</li> <li>• End export restrictions. Leaders should commit to formally ending all export embargoes, quantitative restrictions and export taxes for all food products traded between APEC member economies. Simply put, trade cannot reliably enhance domestic production, or allow for efficient specialization, if supply is not completely reliable.</li> <li>• Advance the Doha Round agricultural negotiations through the APEC Caucus. The pursuit of regional food security through a food system approach in APEC could be instrumental in making progress in the Doha Round.</li> </ul>	
<p><b>Ensuring trade security</b></p> <p>ABAC welcomes the establishment of APEC's Authorized Economic Operator (AEO) Working Group and their decision to commence a study on an APEC-wide AEO program. It urges the AEO Working Group to develop a concrete program which focuses on mutual recognition and puts emphasis on tangible benefits for AEO-certified companies. Further consideration is also necessary to eliminate redundancy between the AEO program and other security programs</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• Introduce a tiered approach on the AEO status and benefits, such as allowing real "green lane" treatment for AEOs meeting the highest security requirements and grant basic benefits for AEOs meeting minimum security requirements.</li> <li>• Identify specific benefits for AEO certified entities. Benefits for various kinds of logistical service providers such as warehouses, customs brokers, freight forwarders and carriers, etc., in addition to those for exporters and importers, should be identified.</li> <li>• Promote sharing of data on AEOs between customs authorities and waive pre-departure/pre-arrival data filing requirements such as the so-called "24-hour rule" and "10+2 rule" under the mutual recognition scheme.</li> <li>• Study the possibility of giving special favorable</li> </ul>	<ul style="list-style-type: none"> <li>• The SCCP endorsed the Capacity Building Plan as a next step in the AEO Action Plan.</li> <li>• The SCCP, based on the Trade Recovery Survey, endorsed the four action item: <ul style="list-style-type: none"> <li>- Adopt the basic Essential Elements of Information (EElS) as an annex</li> <li>- Adopt the addition of the supplemental EElS as an annex</li> <li>- Share APEC findings with the WCO</li> <li>- Work with the Counter-Terrorism Task Force (CTTF) and the Transportation Working Group (TPTWG) to identify and pilot potential methods to exchange EElS</li> </ul> </li> </ul>



ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>consideration to an economic operator which implements internal security management equivalent to a certified AEO in an economy which has not established an AEO program.</p> <ul style="list-style-type: none"> <li>Develop an AEO status which recognizes not only the head office but also its subsidiaries deployed in the APEC region as an AEO unit.</li> </ul>	
<p><b>Improving business mobility</b></p> <p>The APEC Business Travel Card (ABTC) has improved the mobility of business people in the APEC region, and is an example of an APEC initiative that provides direct and tangible benefits to business. While ABAC welcomes the ongoing efforts of the APEC Business Mobility Group (BMG) to improve the operation of the ABTC scheme, more needs to be done especially in the area of shortening the application processing period.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>Continue to improve the operation of the ABTC by shortening the processing time for pre-clearance, simplifying the renewal process, improving online service, ensuring recognition of ABTC at the borders, and providing clearly marked priority ABTC lanes.</li> <li>Study the possibility of extending additional benefits for ABTC holders, such as expanding the area of usage of ABTC beyond APEC economies, especially to include the EU.</li> <li>Provide sufficient capacity building for immigration officials so as to avoid confusion at the borders.</li> <li>Consider expanding eligibility in the ABTC scheme to include highly skilled workers, such as engineers, architects, and academic researchers.</li> <li>Urge ABTC transitional economies to accelerate efforts towards full membership status, including the issuance of cards.</li> </ul>	<ul style="list-style-type: none"> <li>The 3<sup>rd</sup> BMG meeting in San Francisco (13-16 September 2011) reviewed the implementation of the BMG goals of the year 2011. It was noted that BMG has worked consistently towards meeting its goals in 2011 and important milestones have been achieved:</li> <li>According to the Final Report on “The Impact of Business Mobility in Reducing Trade Transaction Costs in APEC” by the Policy Support Unit, the ABTC scheme reduces transaction costs for ABTC holders by 38.0% between March-July 2010 and March-July 2011, representing a total savings of USD 3.7 million. Total at-the-border immigration time savings experienced by ABTC holders for the period March-July 2010 through March-July 2011 is 62,413 hours, a monetary value of USD 1,905,202.</li> <li>To strengthen regional economic integration and expand trade, the BMG has actively implemented the agreed BMG Collective Action Plan and the APEC Strategy on the Movement of Business People, in particular the Group has: (i) consistently encouraged members to implement the APEC Business Travel Card (ABTC) scheme to the fullest extent possible, (ii) approved a reporting arrangement for assessing performance of each economy against the Client Service Framework, which is a further step towards standardizing the service for ABTC holders, (iii) identified 10 possible strategies that could further assist economies in managing and processing ABTC applications, including the consideration of extending the validity of the ABTC from 3 to 5 years suggested by ABAC, (iv) agreed to extend Canada’s transitional membership status for another 3 year period to ensure her continued participation in the ABTC scheme.</li> <li>Towards ensuring a secure community, the BMG has implemented relevant Secure Trade in the APEC Region (STAR) initiatives, including enhancing the use of ICT to facilitate the safe and secure movement of business people. The Group has (i) put into circulation the newly designed ABTC that includes enhanced security features, (ii) investigated the technical readiness of BMG members to trial the use of ABTC cardholders’ biometrics through existing Automated Border Control Systems in the region and proposing guidelines for member economies who may wish to participate in such a trial and, (iii) enhanced cooperation with other APEC working group fora, such as the CTF and the SCCP in 2011.</li> <li>Towards building a robust community, the BMG has carried out work in the area of structural reform, innovative technologies and capacity building. The Group has finalized a conceptual framework of possible capabilities in the air-based traveler’s pathway within the Border Capabilities Model. The framework will identify the types of capabilities that</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
	<p>would be ideal to have to ensure secure travel while facilitating movement at each point of the air-based traveler pathway.</p> <ul style="list-style-type: none"> <li>PSU presented at BMG3 a study on the impact of the ABTC in reducing trade transaction costs. The suggestions include: (i) expanding the ABTC scheme among new card holders in the APEC region and encouraging the three transitional members to become full members of the scheme; (ii) targeting business people who engage in international business travel most frequently as well as small and medium enterprises to maximize the benefits that the ABTC scheme provides to the business community; (iii) reducing the processing times for new ABTC applications and for renewals, including simplifying the procedures to re-issue ABTCs when new passports are required; (iv) considering the extension of the validity period of the ABTC to five years; (v) considering the centralization of processing ABTC applications in order to maximize operational efficiencies; (vi) standardizing the requirements to obtain an ABTC across the APEC member economies; and (vii) endeavoring the use of information and communications technology to reduce costs and improve client service by offering online processing of visa applications as well as Online Status Tracker to monitor the progress of ABTC applications.</li> </ul>
<p><b>Strengthening intellectual property rights cooperation</b></p> <p>Patents are an important tool for protecting intellectual property rights and promoting innovative growth. Explosive growth in global investment in research and development has contributed to a backlog of 3.5 million unprocessed patent applications. Critical to addressing this increase in patent applications will be enhancing and broadening patent acquisition cooperation efforts between patent offices in the Asia-Pacific.</p> <p>ABAC urges APEC to develop a set of framework principles that would govern patent applications work sharing and develop legal and technical modalities necessary for their implementation. To improve border enforcement of intellectual property rights, ABAC recommends enhanced information sharing among patent offices as well as the private sector. It also attaches importance to the necessity of maintaining a proper balance between the protection of the intellectual property rights of holders and the rights of the general public.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>Enhance and broaden patent acquisition cooperation efforts between patent offices in the Asia-Pacific to address the increase in patent applications.</li> <li>Consider eliminating unnecessary duplication of work among patent offices enhance patent examination efficiency and quality, and guarantee the stability of patent right.</li> <li>Improve the functioning of the Patent Cooperation Treaty (PCT) to promote efficient work-sharing among different offices in the region.</li> <li>Work towards enhanced information sharing among customs agencies as well as the private sector. APEC should also look towards the development of a</li> </ul>	<ul style="list-style-type: none"> <li>The SCCP endorsed the "Operation APEC" report on the SCCP collaboration to conduct a mutual voluntary enforcement operation of counterfeit pharmaceuticals in the postal and express consignment environment.</li> <li>The SCCP endorsed the APEC Guidelines for Customs Border Enforcement of Counterfeiting &amp; Piracy, drafted by Hong Kong, China and Japan.</li> <li>ACT, IPEG and LSIF jointly hosted an "APEC Dialogue on Corruption and Illicit Trade: Combating Counterfeit Medicines and Strengthening Supply Chain Integrity" at SOM1. A follow-up joint ACT-IPEG Workshop on "Stemming the Flows of Counterfeits and Dismantling Illicit Networks" was held in the margins of SOM3 in San Francisco.</li> <li>An IPEG-Private Sector Dialogue was held at SOM1, which covered two issues: recent developments in online counterfeiting and piracy, and leveraging cutting edge technologies for economic growth.</li> <li>A number of IP-related projects are currently under implementation, including a proposed workshop on copyright limitations and exceptions; strategic use of IP for SMEs in developing economies; Seminar on Successful Experiences Implementing Tools for Traditional Knowledge Protection (held in Lima on 1-2 September); Training for Trainers on Intellectual Property Issues: Management and Commercialization; an Advanced APEC Project for Training Intellectual Property Rights Information Facilitators using e-learning contents, IP Xpedite; and an APEC One Village One Brand project: Product Branding through the Strategic use of IP.</li> <li>IPEG continues work on the initiative on "More Coherence under the APEC Cooperation Initiative on Patent Acquisition Procedures which is a one-stop</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>framework for coordinated engagement against piracy and counterfeiting.</p>	<p>website which allows patent system users to download request/petition forms to be used when they are requested by an IP office to submit or they request an IP office to conduct examination by referring to the results of search/examination already carried out by another IP office.</p>
<p><b>Promoting environmental friendly goods and services (EGS)</b></p> <p>The introduction of energy efficiency labeling accelerates dissemination of environmental goods and services (EGS) and ABAC is pleased that many economies have already implemented these labeling systems. ABAC also encourages APEC to accelerate efforts to promote energy efficiency and conservation actions on the demand side. In particular, it urges APEC economies to explore mutual recognition of other economies' labeling systems on a pathfinder basis, identify ways to pursue policies to help dissemination such as through incentives, and develop criteria to measure the energy efficiency of buildings.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• Explore mutual recognition of other economies' labeling systems on a pathfinder basis. Explore ways to pursue policies to help dissemination such as through incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• At their meeting in Big Sky, Montana, MRT committed to integrate their priority of "free and open trade and investment in the Asia-Pacific" and economic development and common prosperity with their commitment to protecting the environment. They agreed to continue strengthening dialogue and capacity-building activities under the EGS work program. The Ministers also committed to explore ways to promote greater liberalization of trade in environmental goods and services and instructed officials to develop a work plan by November 2011. They also instructed officials to take further steps to promote dissemination of environmental technologies by November 2011.</li> <li>• To date, two case studies on economies' EGS markets/industries have been completed: Malaysia's (November 2010) and Mexico's (May 2011). Case studies on Chile and Viet Nam are being finalized.</li> <li>• A Seminar on Dissemination of Environmental Technologies was held on 11 May 2011 in Big Sky, Montana. The seminar helped to improve the understanding of members on dissemination of environmental technologies so as to help economies identify possible cooperative actions. CTI took note of the recommendations from the Seminar.</li> <li>• CTI is considering an APEC EGS Technology Dissemination Action Plan that aims at promoting and facilitating environmental technology dissemination.</li> <li>• A Trade Policy Dialogue on EGS Non-Tariff Measures (NTMs) was held in Big Sky on 12 May 2011. CTI agreed to build on the recommendations from TPD to deliver on Leaders' instructions to address EGS NTMs and contribute to APEC's green growth goals.</li> <li>• GOS held a Trade Policy Dialogue on Environmental Services in Big Sky on 9 May 2011. The TPD aimed to identify: the scope of environmental services; the state of the environmental services market in APEC; the state of trade in environmental services; and, the relationship between trade in environmental services and trade in environmental goods/technologies.</li> <li>• At SOM I, AD group endorsed an initiative on facilitating the diffusion and dissemination of Advanced Technology Demonstration Motor Vehicles throughout the Asia-Pacific region.</li> <li>• The US and Japan presented a revised joint proposal at MAG3 on the issue of "Facilitating Trade in Remanufactured Products". The proposal includes three key elements: (1) Increasing the transparency of economies' existing import-related measures concerning remanufactured goods; (2) Developing a plan to build the capacity of economies on the issue of remanufactured goods; and (3) Endorsement of a pathfinder initiative to not apply tariff or non-tariff measures concerning used goods to remanufactured goods. The revised proposal is currently being</li> </ul>

ABAC 2010 RECOMMENDATION	CTI/SUB-FORA RESPONSE
	<p>considered at the CTI level.</p> <ul style="list-style-type: none"> <li>• A workshop on Managing Remanufactured Goods was held in the margins of SOM3 in San Francisco. Specific topics that were addressed at the workshop included methods for identifying remanufactured goods at the border, identifying used goods, classifying remanufactured goods for the purpose of assessing tariffs and other border charges.</li> <li>• At MAG3, economies were encouraged to update their information on the EGSIE in order to make it a more useful resource for the private sector.</li> <li>• At the 32<sup>nd</sup> Meeting of the SMEWG Japan reported on the “APEC Global One Village One Product (OVOP) Support Measure Best Practices” (Gifu Initiative) project. As the first phase of the project, a survey which collects and analyses OVOP measure best practices in APEC economies will be conducted. As the second phase, the results and lessons learned in the survey will be reported at the seminar which will be held in the margin of 33<sup>rd</sup> SMEWG in Thailand this November.</li> </ul>

## APPENDIX 1

### BOGOR GOALS PROGRESS REPORT GUIDELINES

#### I. PURPOSE

The *Bogor Goals Progress Report Guidelines* will be implemented for reviewing 21 economies' progress towards achieving free and open trade and investment by 2020.

#### II. RATIONALE FOR A REVISED MECHANISM

In Montana, in May 2011, Senior Officials (SOM) endorsed recommendations prepared by the Committee of Trade and Investment (CTI) for a more robust mechanism to track progress towards the Bogor Goals. Background information can be found at: 2011/SOM2/021anx2.

#### III. BOGOR GOALS PROGRESS REPORT GUIDELINES

##### (a) Format of the Individual Action Plan (IAP)

- Economies will report on the *IAP Template* (annex 1) new trade and investment policies and procedures and the improvements planned for the remaining areas to fill the gap in moving closer to achieving the Bogor Goals. If policy settings remain the same from one reporting period to the next, then there is no need to collect and repeat the same information. 2010 economies<sup>1</sup> might give emphasis to those areas where shortcomings were highlighted in the *Leaders' Statement on 2010 Bogor Goals Assessment*.
- The areas to be reported will be based on the *Osaka Action Agenda* plus those added afterwards:
  - Tariffs
  - Non-tariff measures
  - Services
  - Investment
  - Standards and conformance
  - Customs procedures
  - Intellectual property
  - Competition policy
  - Government procurement
  - Deregulation/regulatory review
  - World Trade Organization (WTO) obligations including rules of origin
  - Dispute mediation
  - Mobility of business people
  - Official websites that gather economies' information
  - Transparency
  - Regional Trade Agreements / Free Trade Agreements (RTAs/FTAs)

---

<sup>1</sup> Economies assessed in 2010, on the achievement of the Bogor Goals: APEC industrialized economies: Australia, Canada, Japan, New Zealand, and the United States, and volunteer developing economies: Chile; Hong Kong, China; Korea; Malaysia; Mexico; Peru; Singapore and Chinese Taipei.

- Other voluntary reporting areas

- Economies will describe, in brief points only, significant new developments under each chapter heading. The information provided should be succinct but sufficient for the reader to understand the outline of the measure being described. Refer to the IAP reporting templates revised in 2004 together with *2000 APEC IAP Format Guidelines* as guidance for reporting on each issue area.
- Wherever possible entries should include a reference point (website, document, contact address, etc.) where further information can be obtained.

**(b) Reporting from the Policy Support Unit**

- The Policy Support Unit (PSU) will prepare a short one- to two-page report with key highlights on members' main achievements and remaining areas for improvement in the year of review. This would include information setting out the prevailing situation of trade and investment liberalization and facilitation of the economies, and use, where possible, indicators to facilitate the assessment. Economies would have the opportunity to examine the PSU's report ahead of the SOM discussion, preferably with a few months' leeway to ensure that each economy has sufficient time to review the report, make comments and highlight any factual errors, if any. Senior Officials will also have an opportunity to respond to the PSU's report at their meeting, and also pose questions to each other, before it is finalized and made public as an independent report by PSU.
- In response to ABAC's recommendation, the PSU will also prepare a "Dashboard" to complement the brief report abovementioned.

**(c) IAP Peer Review Process**

Regular Senior Officials' review

- Economies will be reviewed by Senior Officials in: 2012, 2014, and 2018. In each previous year, the CTI will table for SOM's endorsement the schedule to prepare the IAP submission and PSU report, taking into account the calendar for that APEC's year.
- For 2012, economies will submit their templates by SOM1, February 2012. Senior Officials will discuss the brief reports prepared by the PSU by SOM2, June/July 2012.

Second-term review

- Economies will be assessed in 2016, as a second term review.
- 2010 economies might give emphasis to those areas where shortcomings were highlighted in the Leaders' Statement on 2010 Bogor Goals Assessment.
- The host economy in 2016 supported by the APEC Secretariat and the PSU will lead the assessment based on the information provided in the *IAP Template*, and also information setting out the prevailing situation of trade and investment liberalization and facilitation of the economies, and use, where possible, indicators to facilitate the assessment.

- The APEC Secretariat and the PSU could complement this assessment by using, where appropriate, data from the World Trade Organization, International Monetary Fund and other respectable sources, considering that data could be available for tariffs, but similar information for non-tariff measures, services and investment might be less visible.

#### Final Assessment

- In 2020, economies will undertake a final assessment toward the achievement of the Bogor Goals.
- The template prepared by Japan in 2010 could be used as the basis for the evaluation, to be consistent as much as possible with the 2010 assessment.
- The host economy in 2020 supported by the APEC Secretariat, the PSU will lead the assessment based on the individual IAP reports and information provided in the abovementioned templates.
- The APEC Secretariat and the PSU could complement this assessment by using, where appropriate, data from the World Trade Organization or other international organizations.

#### **(d) Public Access to the IAP Information**

- The APEC Secretariat and the PSU would make the APEC-IAP website more user-friendly as well as improve its functionality, among other measures: i) the *IAP Template* might be divided by chapters, so users can download only the section of their interest; and ii) to include a point of contact in the APEC Secretariat to attend requests for further information. Additionally, visits to the website could be tracked.
- The IAP Template submitted by economies and the report prepared by the PSU will be made publicly available on the internet.

Individual Action Plan Update for [Economy] for [Year/s]
<b><i>Highlights of recent policy developments which indicate how [economy] is progressing towards the Bogor Goals and key challenges it faces in its efforts to meet the Goals.</i></b>

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since [Year] IAP	Further Improvements Planned
<b><i>Tariffs</i></b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b><i>Non-Tariff Measures</i></b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b><i>Services</i></b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b><i>Investment</i></b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b><i>Standards and Conformance</i></b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b><i>Customs Procedures</i></b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>



IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since [Year] IAP	Further Improvements Planned
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Intellectual Property Rights</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Competition Policy</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Government Procurement</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Deregulation/Regulatory Review</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Implementation of WTO Obligations/ROOs</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Dispute Mediation</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since [Year] IAP	Further Improvements Planned
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Mobility of Business People</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Official websites that gather economies' information</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		
<b>Transparency</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		

RTAs/FTAs	
<b>- Description of current agreements</b>	<i>Please use Part 1 of the RTA/FTA reporting template to provide a short description or hyperlinks to any new agreements and to report improvements to existing agreements.</i>
<b>- Agreements under negotiation</b>	<i>Please provide information on agreements that are currently under negotiation eg issues being covered in the negotiation and the status of the negotiation.</i>
	<b>Agreement #1</b>
	<b>Agreement #2</b>

<b>Agreement #3</b>	
<b>Agreement #4</b>	
<b>Agreement #5</b>	
<b>Agreement #6</b>	
<b>Agreement #7</b>	
<b>Agreement #8</b>	
<b>Agreement #9</b>	
<b>Agreement #10</b>	
<b>Agreement #11</b>	
<b>Agreement #12</b>	
<b>Agreement #13</b>	
<b>Agreement #14</b>	

	<b>Agreement #15</b>	
	<b>Agreement #16</b>	
	<b>Agreement #17</b>	
	<b>Agreement #18</b>	
	<b>Agreement #19</b>	
	<b>Agreement #20</b>	
	<b>- Future plans</b>	
	<i>Website for further information:</i>	
	<i>Contact point for further details:</i>	
<b>Other voluntary reporting areas</b>	<i>Provide brief points only</i>	<i>Provide brief points only</i>
<i>Website for further information:</i>		
<i>Contact point for further details:</i>		

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Policy Issues</b>				
<b>Policy Issue</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
GENERAL				
	Policy Framework for Work on Services	Provide a structure and mechanisms to develop APEC's work on services. Identify and study specific sectors and functional issues, such as sound regulatory practices and transparency.	GOS 2000	Completed
	Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment. Menu Of Options...- Phase II (CTI 03/2001T)	Provide APEC members with a broad range of policy choices and options in the services area suitable for different economic circumstances, but which will all be relevant to the liberalization, facilitation and Economic and Technical Cooperation elements of services trade.	GOS 2001	Completed
	APEC Principles for Cross-Border Trade in Services	Provide a common direction and coherence to APEC's work on services trade and to build greater convergences among APEC member economies with respect to their policy frameworks to foster the development of open and efficient services markets in the APEC region.	CTI 2009	Completed
	APEC Services Action Plan	Draw together APEC's services-related work into a consolidated document which will serve as a comprehensive policy framework that supports the expansion of services trade in the APEC region.	CTI/GOS	Ongoing
GROWTH STRATEGIES				
	Workshop for Capacity Building on the Role of Cross-Border Services Trade in New Growth Strategies (CTI 04/2010T, Korea)	Increase knowledge and understanding among APEC member economies of how services industry and cross-border services trade can contribute to new growth strategies	GOS 2010	Completed
IMPACT OF SERVICES TRADE				
	Training Program on Trade in Services (CTI 16/1998T, China)	Share experiences on liberalisation of services and increase knowledge of the current situation and future developing trends of the services sectors in the Asia Pacific region.	GOS 1998	Completed
	Trade Policy Dialogue on Trade in Services	Broaden perspectives and sharing approaches on issues of interest.	CTI/GOS 2000	Completed
	Workshop On Service Trade Facilitation	Enhance the understanding of importance of facilitation in service trade and investment.	GOS 2000	Completed
	Studies on the Costs and Benefits of Services Trade Liberalization (CTI 17/2002T, Indonesia)	Illustrate the benefits and indicate how the costs can be managed to maximize the support for services trade liberalization.	GOS 2003	Completed
	Transparency Standards on Services (Section A to APEC Leaders' Statement on Transparency Standards)	Enhance transparency as a means to regain investors' confidence.	CTI 2003	Completed
	IEG/GOS Joint Workshop on the Relationship Between Investment and Trade in Services in RTAs and Other International Investment Agreements (CTI 32/2007T, Australia)	Increase understanding of the interaction of the investment and services chapters of APEC RTAs and BITs.	GOS/IEG 2007	Completed

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Policy Issues</b>				
<b>Policy Issue</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
IMPACT OF SERVICES TRADE				
	APEC Seminar on The Impact of Liberalization on Trade in Services (CTI 04/2008Trev1, Indonesia)	Increase understanding of the impact of liberalization of trade and ways to measure the impact.	GOS 2008	Completed
	Capacity Building for Sharing Success Factors of Improvement of Investment Environment (CTI 32/2008T, Japan)	To provide capacity building to enhance the abilities of government officials to plan, develop and implement policies concerning international investment rules. To share successful experiences of APEC economies in investment liberalization, facilitation and promotion in the APEC region through identifying key success factors including improved policies. "Trade in Services" was one of three topics discussed.	IEG 2008	Completed
	Converges/Divergences Study of FTAs: Cross-Border Services	Increase knowledge of the similarities and differences across 42 RTAs/FTAs within APEC. Highlights the policy challenges in cases where divergences are identified.	CTI 2009	Completed
	Capacity Building for Cross-Border Services Trade (CTI30/2008T, United States)	Increase understanding of the commercial realities, opportunities and impediments to trade in cross-border services	GOS 2009	Completed
	Trade in Services in the APEC Region: Patterns, Determinants, and Policy Implications	To get a better understanding of the nature and the extent of the factors that determine cross-border trade in services in the APEC region. The report highlights areas and sectors in which policy reforms could have particularly large payoffs, also suggests that gains from reforms in services markets may be even greater than those for goods markets. The report also shows the relevance of these measures as factors contributing into the overall development pathway in the APEC region.	PSU 2010	Completed
	Progressing towards the APEC Bogor Goals: Perspectives of the APEC Policy Support Unit	This report includes a section that evaluates the progress achieved by 5 industrialized economies and 8 developing (volunteering) economies in reducing barriers to trade in services. It includes an analysis of WTO commitments and Revised Offers; progress through RTA/FTAs; and domestic measures and other liberalization initiatives.	PSU, SOM 2010	Completed
	Reducing trade transaction costs in APEC through electronic commerce: A case study of Electronic Certificate of Origin (ECO)	The aim of this study is to assess the contribution of the actions and measures of the E-Commerce Steering Group towards reducing trade transaction costs by using a case study of an Electronic Certificate of Origin	ECSG-PTS PSU 2011	Being implemented.
	The Contribution of Data Privacy in Improving Trade Facilitation in APEC	This report seeks to evaluate the impact that the activities of the Data Privacy Sub-Group have made towards improving trade facilitation in the APEC region.	ECSG-DPG PSU 2011	Being implemented.
	APEC Model Measures for RTAs/FTAs: Trade in Services	Encourage a coherent and consistent approach to the design and content of FTAs, contributing to promotion of high-quality and comprehensive FTAs in the Asia-Pacific region.	CTI 2006	Under consideration

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Policy Issues</b>				
<b>Policy Issue</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
REGULATORY ISSUES				
	Menu Of Options For Voluntary Liberalization, Facilitation And Promotion Of Economic And Technical Cooperation In Services Trade And Investment – Phase III (CTI 04/2002T, Chinese Taipei) Included workshop: “Towards Improving Regulation in the Service Sector”	Build capacity in the areas of domestic regulation, regulatory impact analysis and transparency.	GOS 2003	Completed
	APEC-IDRC Conference on Competition Policy Issues in Services Sectors	Examine the impact of competition in selected services sectors using various case studies.	CPDG/ GOS 2008	Completed
	Capacity Building for Cross-Border Services Trade(CTI30/2008T, United States) [seminar on Regulatory Issues in Cross-Border Services Trade]	Increase awareness of mechanisms for addressing regulatory issues in cross-border services trade	GOS 2009	Completed
	6th Conference on Good Regulatory Practice (CTI 20/2010T) - US	To share experiences on advances to date in improving regulatory practices, with a goal of identifying avenues to promote further improvements in the development and adoption of new regulations among members; and, to promote discussion among government officials, private business, and international organizations on the critical issues facing the APEC community to ensure regulations achieve desired public policy outcomes without creating unnecessary obstacles to trade.	SCSC	Being implemented.
HORIZONTAL ISSUES				
	Symposium on Movement of Natural Persons (Japan)	Discuss issues impeding the movement of skilled and unskilled labour.	CTI	Completed
	The Impact of Business Mobility in Reducing Trade Transaction Costs in APEC	To calculate and assess the agreed Key Performance Indicators (KPIs) in order to estimate the contribution of business mobility, specifically the ABTC scheme, towards the TFAP II goal of a reduction in transaction costs.	BMG/PSU 2011	Ongoing

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Technical Issues</b>				
<b>Technical Issue</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
<b>SERVICES TRADE STATISTICS</b>				
	APEC Seminar of Statistical Reporting on Service Trade (CTI 04/2000T, China)	Update framework of statistic reporting and data collection of trade in services; Improve methodology used for analysing the service trade data and its inference in the macro economy of APEC developing economies; and, Increase transparency by identifying issues affecting service trade with means of interpreting the service trade statistic data.	GOS 2000	Completed
	Capacity building seminar-workshop on the measurement of international trade in services (CTI03/2008, Philippines)	Boost capacity of APEC economies to measure trade in services.	GOS 2008	Completed
<b>CLASSIFICATION ISSUES</b>				
<b>RELATED TO WTO NEGOTIATIONS</b>				
	Transparency of Mode 4 Commitments (CTI 24/2004T, Canada)	Creation of a template for APEC economies which would identify common approaches for providing additional information on mode 4 commitments.	GOS 2005	Completed
	APEC Seminar on Scheduling of Commitments under the GATS (CTI 20/2005T, Hong Kong, China)	Provide support to APEC economies in their preparation of services offers under the GATS and participation in the on-going WTO negotiations.	GOS 2005	Completed
	Workshop on WTO Rules Negotiation of Trade in Services (CTI 27/2006T, China)	Improve member economies', especially developing economies', understanding on WTO rules negotiation and help them better participate in the WTO service s negotiations.	GOS 2006	Completed



<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
CROSS-CUTTING/ MULTISECTORAL				
	Best Practice Study of Efficient and Effective Administrative Arrangements for the Flow of Goods and Services Across Borders (CTI 28/2001T, Australia)	Identify capacity building opportunities and programs that could be developed to assist APEC economies wanting to improve their administrative processes for the free flow of goods and services across borders.	MAG	Completed
	Addressing SME Business Constraints Through Services (CTI 13/2010T, United States)	Examine the role that services play in enabling small- and medium-sized enterprises (SMEs) to better achieve their business and export potential, focusing on three sectors in particular – information and communication services, logistics services, and financial services.	GOS 2011	Completed
	APEC Services Trade Access Requirements (STAR) Database - Phases 1 and 2 (CTI-GOS 29/2010T, Australia)	Provide both industry and policy makers with a user friendly, easily accessible database through which they can identify the broad range of services market access, behind the border requirements and requirements affecting trade in services in APEC member economies.	GOS 2011	Being implemented
	Sharing Key Success Factors and Experiences in Trade in Services for SMEs (CTI-GOS 10/2010T, Chile)	Develop understanding of factors leading to successful export performance by services SMEs, including successful policies to promote or facilitate SMEs' services exports.	GOS 2012	Being implemented
PROFESSIONAL SERVICES				
	APEC Directory on Professional Services, Phase I (CTI 30/1999T, Australia)	Identify requirements for the provision of professional services in member economies and present this information to business in a user-friendly format.	GOS	Completed
	Symposium on Mutual Recognition Agreements (CTI 26/2004T, Chile)	Share experiences regarding mutual recognition and temporary licensing systems within the APEC region.	GOS 2005	Completed
	Forum on international trade in the professional services in APEC economies (TP 02/2006T, Malaysia)	Explore practices and challenges of professional services providers and promote closer cooperation, transparency and networking	WGTP 2007	Completed
	Mapping of Qualifications Frameworks across APEC Economies (HRD 04/2008)	Identify formal and informal qualifications framework systems, associated descriptors and quality assurance frameworks, and recognition agencies across APEC.	HRDWG	Completed
Engineering services	APEC Engineers project	Facilitate trade in engineering services across the APEC region	HRDWG	Completed
Architecture services	APEC Architects project	Facilitate trade in architectural services across the APEC region.	HRDWG	Completed
Legal services	APEC Legal Services Initiative (CTI 05/2009A, Australia)	Facilitate the provision of services in foreign and/or international law throughout the APEC region.	GOS 2010	Completed
	APEC Legal Services Project (CTI 26/2010T, Japan)	Creation of a databank of attorneys who work on trade and investment in the APEC region and capacity building seminars for international business lawyers.	GOS 2011	Completed
Accounting services	APEC Accounting Services Initiative (CTI 27/2010A, Australia)	Facilitate trade in accounting services across the APEC region.	GOS 2011	Being implemented

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
EDUCATION SERVICES				
	Identification of Measures Affecting Trade and Investment in Education Services (Australia)	Increase transparency by identifying measures affecting trade and investment in education services; and study the impact of free and open trade and investment in the education services sector.	GOS 2000	Completed
	Improving the Institute Capacity of Higher Education under Globalization: Joint Schools among APEC (HRD 03/2003, China)	Share the past experience of joint schools in higher education among APEC economies. Analyse the present barriers and difficulties in joint schools of higher education among APEC. Explore the possible better ways of joint schools in higher education in future among APEC economies.	HRDWG 2003	Completed
	Forum on Trade in Education Services—APEC Participation (HRD 02/2004T, Australia)	Promote understanding of trade and investment liberalisation in Education Services, one of the three pillars of APEC as adopted in the Osaka Action Agenda. Focus discussion on the challenges that developing economies face as importers and exporters of education. Enable transfer of knowledge and experience from developed to developing economies, particularly concerning trade negotiations and the establishment of accreditation and quality assurance frameworks.	HRDWG 2004	Completed
	Capacity-building seminar on transnational education (TNE) services (CTI 02/2008, Philippines)	Forum for exchanging insights on “best” practices and standards on TNE regulations, with focus on domestic regulations that strike a balance between promoting opportunities for TNE on one hand while ensuring the establishment of and managing quality of legitimate TNE arrangements.	GOS 2008	Completed
	Measures affecting cross border exchange and investment in higher education in APEC region (HRD 02/2008T, Australia)	Identify costs and benefits of cross border exchange and investment in higher education in the APEC region across four modes of supply	HRDWG 2009	Completed
	Comparability and benchmarking of competencies and qualification frameworks in APEC Region (pilot area: construction/welding) (HRD02/2009, Philippines/China)	Boost awareness and information exchange on qualifications frameworks (QFs) and recognition agencies; identify capacity building needs for development and implementation of QFs to take advantage of freer movement of human capital and wider employment opportunities and address mismatch of skills and labour market requirements.	HRDWG 2010	Completed Follow-up proposal under development [Seminar on Qualifications Frameworks across APEC Economies (Philippines)]
	Case Studies of Public Education and Information Campaigns in APEC economies, and Development of Best Practice Guidelines	The end-of-project target is transfer of existing knowledge, experience and guidelines concerning public information and education campaigns related to liquefied natural gas to developing APEC economies either contemplating or embarked upon expansion of LNG imports into their energy economy, enabling needed capacity-building in this area.	EWG 2010	Completed
	Higher education diploma supplement (HRD 12/2009, Australia)	Raise awareness of Diploma Supplement (DS) as a tool for increasing transparency and reliability of information on higher education systems in APEC region, develop ‘agreed principles’, and identify capacity building needs of economies to develop and implement DS.	HRDWG 2010	Completed

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
EDUCATION SERVICES				
	Capacity building for policies and monitoring of cross-border education in the APEC region (HRD 01/2010A, China)	Contributing to improve the cross-border education quality assurance network, and to explore a cooperative mechanism for policy-making and monitoring among economies, esp. developing a network between and among the APEC economies in sharing information.	HRDWG 2011	Completed
	Quality in Higher Education: Identifying, Developing, and Sustaining Best Practices in the APEC Region(HRD 04/2010)	Identify ways in which quality initiatives are being defined, developed, and practiced within higher education programs, institutions, or governments in the APEC region and in the process discover common and sustainable elements that are attributes of exemplary practice.	HRDWG 2011	Being implemented
	APEC SCSC Strategic Education Program for Trade Facilitation - Phase III. Exchange Program for Higher Education.	This project is designed to assist both developing and developed economies in promoting education programs about standardization at university level in the region. The exchange program will include a special workshop to share perspectives and practices at university level education programs on standardization, and operate trial program in eight individual universities within the region to trigger standardization education programs and information exchange in practice.	SCSC	Being implemented
ENERGY SERVICES				
	APEC training seminar on trade in energy services (CTI 05/2008T, Philippines)	Enhance understanding of, and capacity to participate in negotiations on trade in energy services	GOS 2008	Completed
	Reducing Barriers to trade through development of a common protocol for measuring the measuring the seasonal energy efficiency (SEER) of air conditioners. (EWG01/2009T).	The program helps reach the goal of global energy saving and reduce barriers in trade to stimulate the APEC economy of air-conditioning markets. This platform is applicable to both constant-speed air conditioners and inverter-type air conditioners, with a capacity under 14 kW.	EWG 2009	Completed
	Energy and Water Efficiency in Water Supply: Practical Training on Proven Approaches. (EWG12/2009A)	To inform water utilities and municipalities in APEC economies of the benefits of launching efficiency programs in their water supply services and/or wastewater treatment facilities, and to build capacity in developing APEC economies, through training and the provision of guidance materials and tools, to carry out energy and water efficiency programs.	EWG	Completed
	APEC Energy Standards Information System (ESIS)	To provide up-to-date information about appliance and equipment energy standards and regulations and to provide "Communities of Practice" for experts and officials to discuss efforts to harmonize and rationalize the testing, labelling, and minimum energy standards for specific appliances and equipment; and others.	EWG	Completed [ESIS website ongoing at: <a href="http://www.apec-esis.org">http://www.apec-esis.org</a> ]
	Reducing Trade Barriers for Environmental Goods and Services (Energy Efficient Products) in the APEC Region (Japan)	To reduce unnecessary compliance costs, save energy and mitigate the impact of climate change by reducing barriers to trade and investment in environmental goods and services, specifically energy efficient products.	EWG	Completed

APEC SERVICES ACTION PLAN				
Matrix of Actions: Sector-specific				
Sector-Specific Work	Initiative	Objectives	Forum/ End Date	Status
ENVIRONMENTAL SERVICES				
	Study on Impacts of Financial Crisis in SE Asia on Trade Liberalization in Environmental Goods and Services within APEC Economies (CTI 16/2000T, China)	Study impact of financial crisis in South East Asia on trade in environmental goods and services within APEC economies.	CTI/ Env. EVSL Expert Group	Completed
	Study of impacts on APEC economies of measures to liberalize and facilitate trade in environmental services (CTI 19/2003T, China)	Examine impacts on APEC economies of liberalization of trade in environmental services.	GOS 2004	Completed
	APEC Climate Center for Climate Information Services to Society	APCC processes the collected data from 15 major climate centres in the APEC region and disseminates most optimized climate prediction information to 21 APEC members, including those members which have no capability to produce the high-cost climate information.	IST 2008	Completed
	Building adaptive capability to extreme climate events through the networking among APEC Economies and relevant organizations/ projects.	The proposed project facilitates the implementation and the operation of an early warning system for extreme climate events, based on the sharing of latest climate information through APEC Climate Network.	IST 2009	Completed
	Environmental goods and services (climate change) one day workshop (CTI 30 2008T, New Zealand)	Increase understanding of opportunities to liberalize trade in environmental goods and services relevant to climate change	MAG 2009	Completed
	Environmental Goods and Services Workshop (CTI 32/2009T, Australia, Japan, New Zealand, Singapore)	Enhance understanding of i) role and relevance of developing economies to EGS, ii) technologies for achieving greater energy conservation and efficiency, and iii) ideas for a common platform to eliminate/moderate existing obstacles to EGS.	MAG 2009	Completed
	Workshop on Trade and Environment (Australia, Indonesia)	Facilitate the sharing of ideas, information and experiences between participants to provide APEC policy-makers with tools to develop effective environmental regulations and to develop policies and regulations that do not distort trade in environmental technologies, goods and services.	MAG 2009	Completed
	Survey on APEC trade liberalization in environmental services (CTI 31/2008T, China)	Facilitate exchange of information relevant to liberalisation of trade in environmental services (ES) and ES-related technology	GOS 2010	Completed.
	Information Exchange of Environmental Services (CTI-GOS 25/2010T, China)	Follow-up to "Survey on APEC trade liberalization in environmental services" (CTI 31/2008T, China). Will facilitate the exchange of information on both liberalization and technology aspects of environmental services within APEC economies.	GOS 2011	Completed
	Reducing Trade Barriers for Environmental Goods & Services in APEC region (Mapping Exercise of Energy Efficient Products)	To facilitate trade in environmental goods and services (EGS) by reducing non tariff barriers that currently exist for energy efficient products. Also, to reduce unnecessary compliance costs, save energy and mitigate the impact of climate change by reducing barriers to trade and investment in environmental goods and services, specifically energy efficient products.	EWG	Completed
	Conference on Standards and Conformance for Green Harmonization (SCSC 44/2009T, Japan)	Share information on energy-efficiency regulation systems among government, business and international organizations.	SCSC/ EWG/EGEE&C	Completed

APEC SERVICES ACTION PLAN				
Matrix of Actions: Sector-specific				
Sector-Specific Work	Initiative	Objectives	Forum/End Date	Status
ENVIRONMENTAL SERVICES				
	Reducing Trade Barriers for Environmental Goods and Services (Energy Efficient Products) in the APEC Region (Japan) EWG 01/2010T	To reduce unnecessary compliance costs, save energy and mitigate the impact of climate change by reducing barriers to trade and investment in environmental goods and services, specifically energy efficient products.	EWG	Completed
	Study on Good Regulatory Practices for Goods and Services Necessary or Desirable for Climate Change Mitigation and Adaptation	Assist member economies to adopt trade-facilitating regulatory measures and to identify key impediments and drivers for trade in environmental goods and services.	CTI	Being implemented
	Bio-fuel Transport and Distribution Options for APEC Economies	Develop a set of criteria and best practices for evaluating options to expand the transportation infrastructure for bio-fuels and to examine effective approaches to facilitate the expansion of distribution infrastructure for ethanol and biodiesel.	EWG	Being implemented
	Addressing Challenges of AMI Deployment in APEC EWG 07 2011A –	An AMI system typically consists of three components – a “smart meter” at the customer’s premise, a communications network between the smart meter and the utility, and a “meter data management application” (MDMA) at the utility. The system can enable more intelligent energy consumption decisions for customer side and provide more efficient and reliable grid for utility side.	EWG	Being implemented.
	Conference on Implementation of Energy Management Standardization (CTI-SCSC 34/2010T, US)	To understand the value that energy management standards can have to businesses, consumers, and the environment; and the role that energy management standards can play in assisting businesses (in emerging and developing markets) to become more competitive internationally.	SCSC	Being implemented
	Cooperative Study on Efficient Renewable Resources Integration and Distribution Technologies for Smart Grid Construction (IST 01 2011A)	With wide participation of APEC economies in this project, not only the latest technologies would be studied and analyzed, the recommended technologies of renewable sources integration and customer-end management will also be utilized by prosperous enterprises to achieve the potential cooperation and technology transfer.	IST	Being implemented
	APEC Environmental Goods and Services Information Exchange (EGSIE) portal (US, Canada, New Zealand)	Provide public and private stakeholders in APEC economies with a means to access and share the latest information, studies, projects and commitments on EGS.	MAG	Ongoing
	Environmental Goods and Services Case Studies (US, New Zealand and Australia)	To identify the key EGS policies, market drivers, and challenges associated with promoting trade and investment in EGS in the selected APEC economies’ markets, provide a more comprehensive picture of the economies domestic marketplaces, and suggest ideas on how to achieve greater “green growth. Final	CTI/MAG	Ongoing. Case studies on Malaysia’s and Mexico’s EGS markets completed

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/End Date</b>	<b>Status</b>
ENVIRONMENTAL SERVICES				
	Survey of Market Compliance Mechanisms for Energy Efficiency Programs (EWG 07/2010A)	One of the greatest opportunities for reducing energy needs and carbon emissions is increasing the energy efficiency of appliances and equipment that are used to provide services to consumers and businesses. For consumer appliances and office equipment that are subject to energy efficiency standards or labeling requirements, it is critical to ensure that products in the market are properly tested to see that they meet the standards and requirements that are set.	EWG	Project under development
FINANCIAL SERVICES				
	APEC/WTO Capacity Building: GATS Financial Services Agreement Training Program (CTI/20/2001T)	Project conducted under the auspices of the APEC Strategic Plan for WTO-related capacity building to deliver a short-term training course to strengthen, in a sustainable way, the capacities of APEC developing economies to implement the provisions of the WTO Financial Services Agreement. The program also enabled participants to better understand the different market access commitments and scheduling requirements of the Financial Services Agreement.	WTO CBG 2002	Completed
HEALTH SERVICES				
	Skills standardization for nursing profession (CTI 19/2005T, Indonesia)	Develop a common competency standard of nursing skills within the APEC region.	GOS 2007	Completed
	Workshop on the comparability of qualifications in the health sector within the APEC region (HRD 07/2006A, Philippines)	Assessment of comparability of existing academic and professional qualifications and competencies in the selected health professions of APEC member economies. Development of database of qualifications, competency, and experiences requirements in the selected health professions of APEC member economies. Formulation of a Mutual Recognition Framework for the health sector in the Asia Pacific Region.	HRDWG	Completed
	Seminar on trade in health services (CTI 37/2003T, Japan)	Deepen understanding of the factors facilitating or inhibiting health services trade	GOS	Completed
	APEC Seminar on Trade in Health Services (CTI 33/2009T, Philippines)	Facilitate trade and investment in health services by conducting a review of trade in health services and factors that facilitate or inhibit health services trade, and examining the actions and policies necessary for the development of competitive health sectors.	GOS 2010	Completed
TELECOMMUNICATIONS SERVICES				
	Two seminars on Preparation and Confidence Building for the Familiarization and Mutual Understanding of the Member APEC Economies Equipment Certification Requirements and conformance Assessment Procedures (TEL04/1997T, Canada)	Provide better understanding of the requirement for equipment certification and conformance assessment procedures within APEC economies	TEL 1997	Completed

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
TELECOMMUNICATIONS SERVICES				
	Universal Services Seminar (TEL01/1998, Australia)	Promote universal access to telecommunications services, in the most efficient and effective manner, through the sharing of information and experience of the policy, regulatory and commercial strategies that have proven successful.	TEL	Completed
	APEC TEL MRA Implementation Project (TEL 01/1998T, Australia)	Assist APEC economies to implement the APEC Telecommunications Mutual Recognition Arrangement by identifying the administrative, legal, industrial and commercial barriers to the efficient implementation of the APEC Telecommunication MRA, and recommending ways to overcome those barriers.	TEL 1999	Completed
	Implementation of WTO Agreement on Basic Telecommunication Project (TEL 02/1999T, Chinese Taipei)	Facilitate the implementation of the WTO Agreement on Basic Telecommunications among APEC WTO member economies and to help fulfilment of WTO rules in telecommunications for APEC non-WTO member economies.	TEL 1999	Completed
	MRA-HRD Delivery Project: Orientating and Training Regulators for MRA implementation. (TEL 01/2000T, Canada)	Designed to overcome MRA implementation barriers and directed at : - Senior regulatory managers, Regulatory managers, and Regulatory implementers and focusing on the specific needs of economies	TEL 2003	Completed
	APEC/WTO Capacity Building: GATS Basic Telecommunications Training Program (CTI/18/2001T)	Strengthen, in a sustainable way, the capacities of APEC developing economies to implement the provisions of the WTO Agreements on Basic Telecommunications. Enable participants to better understand the different market access commitments and scheduling requirements of the Basics Telecommunications Agreement.	WTO CBG 2001	Completed
	Stocktake of Progress Toward the Key Elements of a Fully Liberalized Telecommunications Sector in the APEC Region (TEL 01/2003T, Australia)	Revisit elements of a fully liberalized telecommunications market and to assess whether each element is still appropriate as an identifier for a fully liberalized telecommunications market, and to recommend necessary adjustments or additional measures.	TEL 2004	Completed
	WTO Telecommunications Capacity Building Workshop (TEL 03/2003T, Singapore)	Familiarize APEC telecom officials with the broader WTO agenda and to serve as a platform for discussion, information sharing and capacity building to assist members in acceding to and implementing ICT-related WTO commitments.	TEL 2003	Completed
	A comparison of the equivalence of selected telecommunications standards (TEL 01/2004T, Australia)	Select a number of telecommunications product types, obtain the standards from those economies that have them available, compare these standards for equivalence, provide a web based comparison chart and analysis of the standards. The long-term goal is to develop an APEC TEL Mutual Recognition Arrangement on Standards Equivalence.	TEL 2004	Completed

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/End Date</b>	<b>Status</b>
TELECOMMUNICATIONS SERVICES				
	APEC – MRA HRD Project: Training Program Design for Phase II implementation (TEL 03/2004T, Australia)	Conduct a training needs analysis and design appropriate human resource development activities such as workshops, expert support and additional training resource materials to assist with the implementation and uptake of the APEC TEL MRA Phase Two.	TEL 2004	Completed
	Regulatory Training Project (TEL 03/2005, Australia)	Research and analysis into the key activities of an independent regulator and the corresponding knowledge and skills sets required in the implementation of telecommunications regulatory reforms especially as these relate to the Ministerial APEC Reference List and the WTO Basic Telecommunications Reference Paper.	TEL 2006	Completed
	WTO Capacity Building On Domestic Regulation (TEL 02/2006T, Singapore)	Familiarize APEC members to the WTO GATS Domestic Regulation disciplines and how they are applied to the ICT sector; development of a set of guidelines to assist developing economies in implementing WTO compliant domestic regulations in the ICT sector.	TEL 2006	Completed
	Evaluation of Access to Domestic and International Leased Lines in the APEC Region (TEL 01/2006T, United States)	Contribute to APEC's efforts to build competitive telecommunications markets in the Asia-Pacific region by examining the levels of access to and use of leased lines in individual economies.	TEL 2006	Completed
	Workshop(s) for Capacity Building on Telecommunications Trade Rules and Regulatory Disciplines (TEL 01/2009T and TEL 02/2009T, Singapore)	Assist APEC member economies better understand the telecommunication rules and regulatory disciplines, assist economies in the formulation of their regulatory measures domestically, facilitate the adoption of WTO telecommunication disciplines and adoption of telecoms elements in Plurilateral/Bilateral Free Trade Agreements (FTA).	TEL 2010	Completed
	International Mobile Roaming Charges (TEL 02/2009S, Australia)	Examine the issues around international mobile roaming charges in the APEC region and to consider how to promote an open environment that allows for fair market structures and effective market competition in international mobile roaming services	TEL 2010	Completed
	Workshop on Enabling Information Communications Technology Investment for Growth and Recovery at TEL40 (United States) Workshop on Enabling Information Communications Technology Investment for Growth and Recovery at TEL41 (United States)	Create a Roadmap for ICT and broadband investment	TEL 2010	Completed
	Overview of Internet Protocol version 6 (IPv6): Bridging the Digital Divide (TEL 03/2003, Canada) Workshop on IPv6: facing the future of Internet (TEL01/2009A, China) Workshop on IPv6: Transforming the Internet (TEL 01/2010S, United States) Workshop on IPv6: Securing Sustainable Growth of the Internet, at TEL42 (United States and Japan)	Share and exchange the information among TEL member economies about the IPv4 address depletion and adoption of IPv6 for a sustainable development of Internet in the APEC region.	TEL	Completed



<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
TELECOMMUNICATIONS SERVICES				
	MRA for equivalence of technical requirements for telecommunications equipment (MRA-ETR)	Streamlines conformity assessment for a range of telecommunications and telecommunications-related equipment and defines a process for the recognition of equivalent standards / tech. requirements	TEL	Completed
	Training Session on International Mobile Roaming (Australia)	Follow-up from International Mobile Roaming Charges (TEL 02/2009S, Australia)	TEL 2011	Completed
	Workshop on Infrastructure Sharing to foster Broadband Access (China)	Provide a platform for member economies to discuss issues pertaining to infrastructure sharing. Promote competition and lower the cost of deploying networks to achieve widespread and affordable access to broadband especially in developing economies.	TEL 2011	Completed
	Demand based policy approaches to foster universal broadband access (TEL 04/2009S, Chile)	Develop a study and a workshop in order to identify among the APEC economies public policies (instruments, incentives, measures, etc) developed or under current development to foster universal access to broadband.	TEL	Being implemented
	Enhancing broadband development and internet usages for improving networks and services in APEC member economies.(TEL 03/2009A, Peru)	Encourage broadband-based services usages in the region and identify best practices of internet as a tool for strengthening development and governability in the region	TEL	Being implemented
	APEC e-Government Research Center at Waseda University 2004-2009 (Japan) APEC e-Government Research Center at Waseda University Extension -2010-2012 (Japan)	Provide assistance in looking for solutions to the various challenges of e-Government	TEL 2012	Being implemented
	APII Technology Center (TEL 04/1999S Japan) APII R& D Test-bed Project (Japan)	Promote the construction and expansion of Asia Pacific Information Infrastructure (APII); improve the interconnectivity and interoperability of intra-regional research networks	TEL	Being implemented
	APII Test-bed Project (TEL09/1999S, Korea) APII Test-bed Project (Korea)	Test technology and application services to build effective APII and enhance interconnectivity and interoperability between test-beds	TEL	Being implemented
	Universal Access to Broadband Services	Design a plan of action or set of activities for the next several TELs to achieve the TELMIN7 goal of having universal access to broadband services	TEL	Being implemented
	Study Workshop on Best Practice Transfer of Green ICT for Sustainable Growth (TEL 02/2010A)	Raise awareness of the necessity of and to disseminate practical knowledge and best practices on the implementation of Green ICT across APEC economies; to develop a mechanism for building a greener regional economy and promote APEC economic integration and sustainable growth by Green ICT.	TEL	Being Implemented

APEC SERVICES ACTION PLAN				
Matrix of Actions: Sector-specific				
Sector-Specific Work	Initiative	Objectives	Forum/ End Date	Status
TELECOMMUNICATIONS SERVICES				
	ICT Applications for People with Special Needs (Seniors and People with Disabilities)( TEL02/2011A)	Create an effective platform for knowledge exchange on innovation for assistive ICT and applications for elderly and disabled people.	TEL	Being Implemented
	APEC Digital Prosperity Checklist	Provide a tool for APEC economies to evaluate whether their domestic legal, regulatory, and trade policy frameworks are designed to positively impact the capacity of ICTs to generate value for their economies. The Checklist outlines specific actions or steps economies could take in six key areas – or "I's" – that would enable them to promote the use and development of ICTs as catalysts for economic growth and development, as well as the benefits associated with each action.	ECSG	On-going
	The Report on Significant Factors for Promoting ICT-related Service Trade	Promote services trade utilizing ICT, through information sharing based on the outputs from the various sub-fora related to ICT	GOS	On-going
	APEC Privacy Framework (Pathfinder project) Workshops undertaken: - APEC Symposium on Data Privacy Implementation Mechanisms: Developing the APEC Privacy Framework (SOM 02/2004T ECSG) - Second Technical Seminar on APEC Privacy Framework (ECSG01/2005T) - Capacity Building Workshops on the International Implementation of the APEC Privacy Framework: Using Trustmarks and Enforcement Mechanisms for a Cross-Border Privacy Rules (CBPR) System (ECSG 04/2008T) - Seminar and Technical assistance workshops on the implementation of the APEC Data Privacy Pathfinder (CTI 19/2009T) - Technical Assistance and Training to APEC Developing Member Economies on Data Privacy Pathfinder (CTI 48/209T) - Technical Assistance & Training to APEC Developing Member Economies on Data Privacy Pathfinder (CTI24/2010A) - Workshop on Operationalizing the APEC Cross Border Privacy Rules System (CTI32/2010T) - Workshop on APEC Cross Border Privacy Rules: The Value to Industry, Financing and Technology Compliance Aids (CTI14/2011T)	Promote a consistent approach to information privacy protection avoid creation of unnecessary barriers to information flows and remove impediments to trade across APEC. The Framework provides technical assistance to APEC economies that have not addressed privacy from a regulatory or policy perspective (pathfinder project).	ECSG	On-going  Completed  Completed  Completed  Completed  Completed  Completed  Being implemented

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
TOURISM SERVICES				
	Tourism Occupational Skill Standard Development in the APEC Region: Bridging Projects (TWG 04/1999, Indonesia)	Development of competency standards and recommended descriptors for qualification templates.	TWG	Completed
	Best Practices on the Tourism Accessibility for Travellers with Restricted Physical Ability (RPA) (TWG 03/2001T, Canada)	Harmonize the standards in providing tourism accessibility to RPA and allow member economies to identify areas to be modified and/or improved in order to support full accessibility to travellers with RPA. The survey will help to collate all applications related to accessibility and identify business practices most effective in rendering tourism goods and services most accessible to travellers with RPA.	TWG	Completed
	Tourism Impediments Study Stage 1 (TWG 04/2001, Thailand)	Identify the current status of impediments to the growth of tourism in APEC member economies and the steps being taken to overcome them.	TWG	Completed
	Public/ Private Partnerships for Sustainable Tourism : Developing a sustainability strategy for tourism destinations (TWG 05/2001T, Korea)	Provide a framework for the sustainable development of the travel and tourism industry in the APEC region, through public/private partnerships, and to deliver a sustainability strategy for tourism destinations.	TWG	Completed
	Tourism Occupational Skill Standard Development in the APEC Region PHASE III (TWG 02/2002, Indonesia)	Provide job performance standards at the regional level to be shared by member economies, enterprises and individuals within the APEC region for improving job performance towards better positioning and higher benefits in trade liberalization.	TWG	Completed
	Tourism Impediments Stage 2 (TWG 01/2004, Thailand)	Build upon the outcomes of the first stage (TWG 04/2001). Facilitate the development of individual and collective action plans by member economies and the TWG.	TWG	Completed
	Tourism Occupational Skill Standard Development in the APEC Region PHASE IV (TWG 01/2005, Indonesia)	Further facilitate individual APEC member economies to apply the application of APEC Tourism Occupational Skill Standard System (running parallel or in conjunction with their own domestic system).	TWG	Completed
	Best Practices in Sustainable Tourism Management Initiatives for APEC Economies (TWG 02/2005, Malaysia)	Promote professionalism in the service industry by enhancing skills, knowledge, awareness and understanding of tourism dynamics so that employees are capable of strengthening their organizations through the provision of quality services to the tourists and enhancing their experiences through sustainable tourism.	TWG	Completed
	Tourism Impediments Stage 3 (TWG 01/2006T, Thailand)	Enable members to strategically plan and manage to gain an advantage both in opening up themselves to attract foreign investments and promote local employment; and in driving exports.	TWG	Completed
	Training on the Application of APEC Skill Standard Concept and System (TWG 01/2008A, Indonesia)	Ensure member economies benefit from the implementation of the benefit of APEC Skill Standard concept and system and apply the system within their tourism industry.	TWG	Completed

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
<b>TOURISM SERVICES</b>				
	APEC Ecotourism Initiative (CTI19/2010T, Japan)	Collect the success stories from APEC economies, deepen the understanding for the success stories of ecotourism promotion, and consider what guiding principles would assist in establishing tourism which serves environmental sustainability, the prosperity of local communities, and the development of tourism industries in a balanced manner., bearing in mind that ecotourism has tremendous impact on sustainable growth and inclusive growth of the APEC region.	GOS/TWG	Completed
	Capacity Building on Tourism Satellite Account as basis for Promoting Liberalization and Facilitation on Tourism Services (TWG01/2008T, Australia)	Assist TWG member economies in developing Tourism Satellite Account (TSA) methodology and understanding its uses to provide basis for promoting liberalization and facilitation in tourism services as well as in further strengthening the tourism industry's sustainability within the APEC region	TWG	Completed
<b>TRANSPORTATION SERVICES</b>				
	Towards Mutual Recognition of Transport Professional Qualifications (TPT 02/2000 and TPT 01/2001, Australia)	Identify best practice approaches to the mutual recognition of professional qualifications in transport between APEC member economies for the purpose of facilitating the mobility of qualified transport personnel and promoting transparency in regulatory requirements.	TPTWG	Completed
	Productivity and seaport facilitation services (Mexico)	Promote the development of trade facilitation on seaport services in the Asia Pacific region and help APEC economies to explore the possibilities for further liberalization through the operation improvement in services at seaports.	GOS	Completed
	International Air Services Negotiations Training Course (TPT01/2004T)	Increase knowledge relating to international air services negotiations to further the ability of APEC members to participate constructively in air services consultations with bilateral partners and in the APEC TPTWG.	TPTWG	Completed
	Liberalization of air services in the APEC Region: 1995 – 2005 (TPT 02/2006T, Australia)	Identify progress on the broad issue of liberalization of air services in the APEC region over 1995-2005 for the purposes of ascertaining the extent to which the Bogor Goals have been met in developed and developing APEC economies.	TPTWG 2006	Completed Continuous update on the progress of liberalization of air services in the APEC region, drawing on outcomes from the recent 1995-2005 study, to help member economies to consider practical ways to monitor progress and keep moving towards liberalization of air services.
	Symposium on the APEC Port Services Network (APSN) (TPT 04/2007, China)	Exchanging information, soliciting opinions and suggestions on the operation of the network and ways to enhance cross sector cooperation and capacity building of ports in the APEC region.	TPTWG 2007	Completed

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
TRANSPORTATION SERVICES				
	Study of international visitor flows and greenhouse gas emissions for a template to examine the impact on APEC economies of future market based measures applying to international transport. (TPT 02/2009 joint with TWG, Australia).	A template to be utilized by APEC economies to inform the development of future transport and tourism policies, negotiating positions in international fora, and economic development and planning activities.	TPTWG 2009	Completed
	APSN Port Development Conference	Conference was held on 2-3 November 2009 in Shenzhen, China with industry participants to discuss APEC port industry in context of Global Financial Crises.	TPTWG 2009	Completed
	Survey of Supply Chain Workforce Development Needs & Conducting Seminars on Managing Operations and Risk in Intermodal Global Supply Chain Operations (TPT 02/2009A, Indonesia and Philippines)	To identify current workforce development needs in the intermodal and global supply chain industry and develop a roadmap for APEC to use for future supply chain training initiatives.	TPTWG	Completed
	Management of Security, Safety and Emerging Technology in Intermodal Transportation and Supply Chain Systems (TPT 06/2007, USA)	Training course to increase the skills and capacities of Vietnamese industry and government officials in management of intermodal transportation systems.	TPTWG	Completed
	Study "Impacts of Trade and Transport Policy on International Cargo Shipping and Economic Activities".	To provide the quantitative effects of the policies such as trade liberalization and facilitation in APEC economies towards the Bogor Goals and developing efficient transport systems including both infrastructure investment and regulatory framework design.	TPTWG	Completed
	Survey of Aviation Emissions Management Measures in APEC member economies.	To identify actions that could remove obstacles to implementing aviation emissions management measures.	TPTWG	Completed
	Public-private Symposium on Global Navigation Satellite System (GNSS) applications in transportation modes was held on 22 June 2010 in the margins of TPTWG's GNSS Implementation Team annual meeting in Seattle (USA) on 21-24 June 2010.	To share information on each economy's Global Navigation Satellite System (GNSS) activities, facilitate GNSS applications to support seamless intermodal transportation, identify actions to facilitate and collaborate on implementations of GNSS applications for transportation in the APEC region, provide a public/industry forum to gather all stakeholders' input.	TPTWG	Completed
	Using More Inland Rivers in Intermodal Transport (TPT 01/2009A, China)	To identify advantages of intermodal transfer for ocean-river and rail-river operations to enhance the effectiveness of policies and measures for promoting inland waterway transportation and its important role in intermodal transportation.	TPTWG	Completed
	Secure and Smart Container Development for Intermodal Transport (TPT 03/2009A, China)	To introduce Secure and Smart Container (SSC) concept with a practical application mode and give a systematic solution on how the SSC will help intermodal transport to meet the challenges and to develop sustainably.	TPTWG	Completed

APEC SERVICES ACTION PLAN				
Matrix of Actions: Sector-specific				
Sector-Specific Work	Initiative	Objectives	Forum/ End Date	Status
TRANSPORTATION SERVICES				
	Airport Safety Oversight and Advanced Technologies Workshop (TPT 02/2010A, USA)	The APEC Airports Safety Oversight and Advanced Technologies Workshop will be conducted in Indonesia in September or October 2010, to assist APEC economies in identifying and improving on internal weaknesses or findings with their aerodrome certification oversight and inspection programs based on the requirements of International Civil Aviation Organization (ICAO) Annex 14 - Aerodromes. The workshop will also introduce new technologies to assist economies in enhancing overall airport safety and efficiency functions.	TPTWG	Completed
	Transport, Energy and Environmental Benefits of Intermodal Freight Strategies (TPT 01/2010A, USA)	To help APEC economies to shift freight transport from energy-intensive to energy-economising transport modes, including use of alternative fuels, with particular findings on capacity building in intermodal transport for developing economies which are planning major infrastructure expansion. Benefits of intermodal freight transport would be evaluated in terms of reduced oil imports, reduced greenhouse gas emissions, and reduced transit times for freight shipments.	TPTWG	Being implemented
	Security Monitoring Model and Network for Regional Supply Chain with a particular focus on food security (TPT 03/2010A, China)	The goal of this proposed project is to assess the feasibility to establish a network among APEC economies to monitor the supply chain security for transport of containers, with a particular focus on food containers. This information will help to ensure food containers can be transported between the economies safely and securely	TPTWG	Being implemented
	Transport, Energy and Environmental Benefits of Transit Oriented Development (TPT 04/2010, USA)	To assess the energy, transport and environmental benefits of transit-oriented development strategies that can help cities in APEC economies reduce automobile traffic through the clustering of commercial and residential buildings around urban transit routes.	TPTWG	Being implemented
	Road Safety Measures for Heavy Vehicles in APEC Transport Supply Chains (TPT 05/201A, Australia)	To empower developing economies to develop their own road safety measures for heavy vehicles in APEC transport supply chains. Improving heavy vehicle safety offers the potential to greatly improve supply chain productivity through lower costs relating to road crashes.	TPTWG	Being implemented
	Transborder Control and Optimal Transborder Logistics (TPT 06/2010, Russia)	To determine APEC principles of transborder logistics services optimization, covering government and industry transactions. The full scope of regulatory issues affecting logistics as well as matching of government border control and transport flows will be thoroughly examined.	TPTWG	Being implemented
	Compendium of Best Practices and Benefits of National Logistics Associations in Selected APEC Economies (Australia)	To promote the collaboration between relevant government agencies and industry on logistics supply chain connectivity to improve transparency of the regulatory environment and increase awareness of these issues among government agencies and companies in selected APEC economies.	TPTWG	Being implemented

APEC SERVICES ACTION PLAN				
Matrix of Actions: Sector-specific				
Sector-Specific Work	Initiative	Objectives	Forum/ End Date	Status
TRANSPORTATION SERVICES				
	International Ship and Port Facility Security (ISPS) Code Implementation Assistance Program (ICIAP) (TPT 07/2010A, USA)	To support the ongoing activities of the Maritime Security Sub-Group's International Ship and Port Facility Security (ISPS) Code Implementation Assistance Program (ICIAP). The ICIAP aims to assist APEC Economies develop the capacity required to effectively implement the ISPS Code. The program scope encompasses a transfer of knowledge, lessons learned and best practices related to the implementation of the ISPS Code by subject matter experts located in APEC Economies.	TPTWG	Being implemented
	International Ship and Port Facility Security (ISPS) Code Port Security Visit Program (PSVP) (TPT 08/2010A, Australia)	Funding will allow for the continuation of the PSVP by conducting four additional PSVP visits over the course of the project cycle. At the most recent TPT-WG a number of Economies expressed a desire to host or participate in a PSVP visit, including the People's Republic of China, Peru, Mexico, Singapore, Malaysia, Chinese Taipei, and Russia.	TPTWG	Being implemented
	APEC Airport Safety Evaluation Visit Program (ASEVP) (TPT 01/2011A, USA)	The Airport Safety Evaluation Visit Program (ASEVP) will assist developing APEC economies to effectively implement all airport safety requirements in accordance with International Civil Aviation Organization (ICAO) Annex 14 – Aerodromes, find cost effective solutions to build up capacity at airports, and introduce the Runway Safety Action Team (RSAT) concept as a best practice for identifying, mitigating, and continuous monitoring of runway safety risks on airport grounds.	TPTWG	Being implemented
	Sustainable Intermodal Transportation Network Using Short Sea Shipping: 2nd Phase of Short Sea Shipping Study that Can Improve Intermodal Efficiency and Reduce Pollution, Congestion, Fuel Costs and Green House Gas Emissions (TPT 02/2011, Korea)	The objective of the project is to extend our previous study on Short Sea Shipping as suggested in its original proposal, which was funded by APEC Transportation Working Group in 2007. This new phase study aims at achieving two-fold goals: (1) To develop a comprehensive intermodal transportation network model, which can enhance more seamless, efficient and effective interconnectivity among various modes while reducing pollution, congestion, noise and other externalities; and (2) To address the issue of green house gas (GHG) emissions from transportation sources to respond to upcoming regulations on international shipping by the IMO and surface transportation modes by the Kyoto Protocol.	TPTWG	Being implemented
	APEC Training Course on Common Principles to Shipping Policy (TPT 03/2011T, Japan)	This APEC training course will be designed to cover various aspects of the APEC Common Principles to Shipping Policy and provide staffs in maritime ministries and agencies that are responsible for the development of maritime policy and legislation makers with practical exposure to the real and complex issues of international shipping policy and other related maritime policies.	TPTWG	Being implemented

<b>APEC SERVICES ACTION PLAN</b>				
<b>Matrix of Actions: Sector-specific</b>				
<b>Sector-Specific Work</b>	<b>Initiative</b>	<b>Objectives</b>	<b>Forum/ End Date</b>	<b>Status</b>
TRANSPORTATION SERVICES				
	APSN Council and Regular (Industry) Members meeting [met in Shanghai, 16-17 September 2010]	Provide opportunities for ports and the port services community to liaise and discuss with APEC member economies on such issues as the impact of regulations and policies on various maritime industries.  Last meeting in Shenzhen on November 2-5, 2009.	TPTWG	On-going
	Continued work towards agreements or other means to achieve air services liberalization in the region	Economies to share information on progress of air services liberalization and air services arrangement in the future meetings as it can promote mutual understanding of the progress in expansion of air connectivity. Economies continue to evaluate the progress of the first priority from the 8 options (multiple airline designation) before selecting another option as the second priority.	TPTWG	On-going



## APPENDIX 3

### INVESTMENT FACILITATION ACTION PLAN (IFAP)

#### IEG RECOMMENDATION ON NEXT STEPS AND MEASURING PROGRESS

The Investment Experts Group (IEG) submits to the Committee on Trade and Investment (CTI) the following proposed plan for the next stage of APEC's Investment Facilitation Action Plan (IFAP). The plan addresses two issues: (1) how IFAP will be implemented in the years ahead; and (2) how APEC economies can demonstrate progress in IFAP implementation. The plan seeks to sustain and build on the positive results achieved to date under the IFAP, and to respond to appeals from APEC stakeholders – and in particular from the APEC Business Advisory Council (ABAC) – to develop a credible mechanism for demonstrating IFAP progress.

**The key elements of the IEG's proposed plan are as follows:**

- Re-affirmation of APEC economies' commitment to IFAP implementation beyond 2011;
- Review of IFAP priority areas during IEG1 2012 in order to establish a focus for the following two-year period, and to similar review every two years going forward;
- Refocusing of IFAP activities towards those with strong analytical and empirical foundations, guided and driven by IEG and those that seek to incorporate hard lessons from previous APEC projects and that produce concrete, tangible outcomes that can be widely distributed;
- Providing annual updates on collective actions in pursuance of IFAP goals, including expected timeframes for implementation;
- Cataloguing basic factual information corresponding to quantitative indices of IFAP implementation; and
- Voluntary reporting of activities undertaken by member economies that respond to, or contribute to, achievement of specific IFAP actions.

Details of each of these recommendations are provided below. The IEG submits this plan to the CTI for its consideration, and recommends that it be put forward to Ministers for their endorsement.

## I. PROPOSAL FOR IFAP IMPLEMENTATION — NEXT STEPS

The IEG proposes the following plan for future implementation of the IFAP:

### 1. Re-affirmation of IFAP as a continuing process

The IFAP sets out actions and general principles that economies can implement and adhere to, in order to improve their investment climates and facilitate investment. Every economy, irrespective of system of government or level of development, can continually take new action in one or more IFAP areas to improve its investment climate, while the IFAP's eight guiding principles provide a timeless framework for investment facilitation. The IFAP, therefore, is a continuing process, as affirmed by its inclusion in the Roadmap on Investment endorsed by Ministers in Yokohama in 2010.

As a first component of the plan for IFAP next steps, the IEG proposes that APEC economies **re-affirm their commitment to IFAP implementation beyond 2011**, confirming that the IFAP will continue to serve as a key component of APEC's strategy on investment, and a critical tool in continued achievement of the Bogor Goals.

### 2. Determining IFAP implementation priorities

Since its endorsement in 2008, the IFAP has been a highly valuable planning tool around which many of the activities of the IEG are based. For the first three years of IFAP's implementation, APEC economies agreed to focus on three priority themes and 15 priority actions (the IFAP contains eight themes and nearly 60 actions). Given the breadth of recommended actions in the IFAP, the occasional identification of priority areas can be useful for focusing APEC's investment facilitation work. At the same time, it is important that economies preserve flexibility of implementation, in order to keep pace with new policy challenges, and to ensure that APEC activities remain responsive to evolving member-economy and stakeholder priorities.

In this regard, the IEG proposes that APEC economies **hold a discussion at IEG1 of 2012 to review IFAP priority areas**. During this discussion, the IEG would solicit member-economy and ABAC input on IFAP priorities, and decide which areas of IFAP should be the focus of collective APEC actions for the following two-year period. A similar discussion and review would take place every two years.

### 3. Assuring more concrete IFAP outcomes

The first three years of IFAP implementation have seen a number of investment facilitation activities, including a range of different projects. Many of these projects have taken the form of workshops or seminars. Though extremely valuable as forums for education and exchange of information, seminars can often have a limited impact, benefiting only those officials who are able to attend, and often lack follow-up potential or sustainable benefits.

In order to increase the value of IFAP as a tool for capacity building and for making a lasting contribution to improvement of investment climates, the IEG proposes that APEC economies **agree on a refocusing of IFAP activities** towards: activities with strong analytical and empirical foundations, guided and driven by IEG (for example, case studies and expert reports); activities that seek to incorporate hard lessons from previous APEC projects; and activities that produce concrete, tangible outcomes that can be widely distributed. Rigorous capacity-building should remain an essential component of IFAP implementation.

## II. PROPOSAL FOR DEMONSTRATING IFAP PROGRESS

Credibility of the IFAP depends upon a robust mechanism for demonstrating progress in its implementation. The IEG therefore proposes the following three-part process for demonstrating IFAP progress. Collection of information relevant to each component of the reporting process would be arranged by the IEG Convenor, and compiled into a report that would be submitted to Annual Ministerial Meetings. The burden on individual members would therefore be minimal.

### 1. Reporting of collective APEC actions

As noted above, the IFAP is primarily composed of a set of recommended actions, organized on the basis of eight investment facilitation principles. However, the IFAP also contains a ‘timetable’ column that describes the timeframe within which APEC economies expect to implement certain of the IFAP’s actions, as well as an appendix of ‘actions underway’, which describes the work APEC has undertaken – and is undertaking – in pursuance of IFAP goals.

As a first component of demonstrating progress in IFAP implementation, the IEG proposes that economies **update these two elements of the IFAP document annually**, to reflect new APEC projects and initiatives that are relevant to the IFAP. In this respect, the IFAP will become a “living document,” and stakeholders will be more directly aware of the range of APEC activities that are contributing to IFAP objectives.

### 2. Reporting of factual developments

The IFAP includes a number of actions, the achievement of which can be measured in simple numerical terms. These include, for example, its recommendation to “Adopt central registry of laws” or “Establish an investment promotion agency or similar body”. Cataloguing information such as the number of investment promotion agencies in the APEC region or the number of international investment agreements among APEC economies is a relatively easy task. Much of the “raw data” for such a catalogue already exists in publications of UNCTAD, the WTO, and the World Bank, as well as in the data already collected and published in the *Guidebook for Investment Regimes of APEC Economies*.

Therefore, as a second component of describing IFAP implementation progress, the IEG proposes that economies **catalogue quantitative indices of IFAP implementation**. By compiling these numerical indicators into a single document that is updated annually, APEC economies will provide stakeholders a single reference point for information about institutions and agreements relevant to investment facilitation.

### 3. Voluntary reporting of individual actions

The IFAP contains a comprehensive range of recommended actions that touch on all aspects of economies’ investment regimes. All APEC economies are continuously undertaking reforms and policy improvements that are directly relevant to IFAP actions, but that often go unreported or unrecognized.

As a final component of a plan to demonstrate progress in IFAP implementation, the IEG proposes that APEC economies voluntarily **report activities they have undertaken within the last year that respond to or contribute to achievement of specific IFAP actions**. Such reporting would provide economies a high-profile avenue for highlighting measures undertaken to improve their investment climates, while ensuring that the APEC stakeholder community is aware of the range of actions being implemented by economies that are directly responsive to IFAP actions and principles.

## APPENDIX 4

### APEC NON-BINDING INVESTMENT PRINCIPLES

Jakarta, November 1994

Honolulu, November 2011

In the spirit of APEC's underlying approach of open regionalism,

Recognising the importance of investment to economic development, the stimulation of growth, the creation of jobs and the flow of technology in the Asia-Pacific region,

Emphasising the importance of promoting domestic environments that are conducive to attracting foreign investment, such as stable growth with low inflation, adequate infrastructure, adequately developed human resources, and protection of intellectual property rights,

Reflecting that most APEC economies are both sources and recipients of foreign investment,

Aiming to increase investment including investment in small and medium enterprises, and to develop supporting industries,

Acknowledging the diversity in the level and pace of development of member economies as may be reflected in their investment regimes, and committed to ongoing efforts towards the improvement and further liberalisation of their investment regimes,

Without prejudice to applicable bilateral and multilateral treaties and other international instruments,

Recognising the importance of adherence to the WTO Agreement on Trade-Related Investment Measures,

APEC members aspire to the following non-binding principles:

#### **Transparency**

- Member economies will make all laws, regulations, administrative guidelines and policies pertaining to investment in their economies publicly available in a prompt, transparent and readily accessible manner.

#### **Consistency of Interpretation and Implementation**

- Member economies will seek to ensure consistent interpretation of laws, regulations, administrative procedures and policies governing foreign investment, as well as prompt, transparent, and predictable licensing and approval processes, coordinated across all levels of government.

#### **Non-discrimination**

- Member economies will extend to investors from any economy treatment in relation to the establishment, expansion and operation of their investments that is no less favourable than that

accorded to investors from any other economy in like circumstances, without prejudice to relevant international obligations and principles.

#### **National Treatment**

- With exceptions as clearly provided for in domestic laws, regulations and policies, member economies will accord to foreign investors in relation to the establishment, expansion, operation and protection of their investments, treatment no less favourable than that accorded in like circumstances to domestic investors.

#### **Regulatory Protections**

- Member economies will not relax health, safety, labour, and environmental regulations as an encouragement to foreign investment.

#### **Investment Incentives**

- With limited and specified exceptions, member economies will avoid the use of investment incentives which distort fair competition within or between their economies, or which are inconsistent with these principles.

#### **Performance Requirements**

- Member economies will minimise the use of performance requirements that distort or limit expansion of trade and investment.

#### **Expropriation and Compensation**

- Member economies will not expropriate foreign investments or take measures that have a similar effect, except for a public purpose and on a non-discriminatory basis, in accordance with the laws of each economy and principles of international law and against the prompt payment of adequate and effective compensation.

#### **Transfers and Convertibility**

- Member economies will maintain their goal of the free and prompt transfer of funds related to foreign investment, such as capital contributions, profits, dividends, royalties, loan payments and liquidations, in freely convertible currency.

#### **Settlement of Disputes**

- Member economies accept that disputes arising in connection with a foreign investment will be settled promptly through consultations and negotiations between the parties to the dispute or, failing this, through procedures for arbitration in accordance with members' international commitments or through other arbitration procedures acceptable to both parties.

#### **Protection and Enforcement of Rights**

- Member economies will ensure non-discriminatory access to dispute resolution mechanisms, including tribunals, courts, and appeal processes, and, with due regard to judicial independence,

will seek to ensure the availability of resources to enable timely delivery and enforcement of judgments and arbitration awards.

**Entry and Sojourn of Personnel**

- Member economies will permit, in a timely manner, the temporary entry and sojourn of key foreign technical and managerial personnel for the purpose of engaging in activities connected with foreign investment, subject to relevant laws and regulations.

**Avoidance of Double Taxation**

- Member economies will endeavour to avoid double taxation related to foreign investment.

**Investor Behaviour**

- Acceptance of foreign investment is facilitated when foreign investors abide by the host economy's laws, regulations, administrative guidelines and policies, just as domestic investors should, and when investors take into account guidelines related to CSR that have been developed by multilateral bodies, as appropriate.

**Removal of Barriers to Capital Exports**

- Member economies accept that regulatory and institutional barriers to the outflow of investment will be minimised.

## APPENDIX 5

### EFFECTIVE PRACTICES FOR ADDRESSING UNAUTHORIZED CAMCORDING

Unauthorized camcording as the source of copyright piracy has grown exponentially over the last few years, tracking the development of camcorder technology that makes detection difficult and the copies nearly perfect digital quality. Normally this recording is captured for economic gain, and copies of the film are quickly disseminated for mass reproduction and distribution. An unauthorized recording may include a video capture, an audio capture, or more commonly, both.

Unauthorized camcording affects all points of a film's life cycle – from the box office to rental to sales, damaging the film industry's ability to generate revenue in other markets as unauthorized copies are shipped to other economies and, with increasing frequency, are uploaded to the Internet where they are made available around the world. This activity not only affects the film and related industries, including many local businesses, but also impacts the economies of affected APEC members and others due to the loss of tax revenue from legitimate sales and because of the frequent involvement of organized criminal organizations in the illicit trade of movies derived from unauthorized camcording.

Because unauthorized camcording may develop in those markets where laws either do not address the problem or where enforcement is weak, anti-camcording piracy legislation imposing effective deterrent remedies, and effective enforcement practices, is necessary to address this problem.

APEC economies are committed to reducing unauthorized camcording. Steps that affected economies may take to address the challenges of unauthorized camcording in cinemas include: (1) educating the public about the problems posed to businesses and the consumer by unauthorized camcording; (2) working with the private sector to identify and prevent unauthorized camcording in cinemas; and (3) developing and implementing legal measures to effectively deter unauthorized camcording.

#### **Effective Practices**

##### **(1) Public Awareness**

Member economies can educate the public about the problems associated with the unauthorized camcording in cinemas by providing citizens with information about what unauthorized camcording is; how and why it is detrimental to local businesses, such as cinemas, advertisers, and local home video distributors; and how it affects jobs and the local economy. Public awareness campaigns can include trailers in local theaters, signage outside and inside cinemas, and public service announcements. Public-private partnerships can effectively maximize resources. Recognizing the differences between the experiences and resources of APEC member economies, affected APEC members can explore ways to strengthen technical cooperation in this regard.

##### **(2) Engage with Private Sector on Capacity Building for Effectively Responding to Unauthorized Camcording**

Member economies can collaborate with the private sector to educate and train theater managers and employees on how to detect unauthorized camcording in cinemas and how to safely respond to a patron suspected of engaging in such activity. Training materials for cinema staff are readily available online at sites such as [www.fightfilmtheft.org](http://www.fightfilmtheft.org). Member economies can also work with the

private sector to educate local law enforcement officials about the economic impact of camcording, linkages to organized criminal networks, and any national anti-camcording statutes.

### (3) Legal Framework to Effectively Deter Unauthorized Camcording in Cinemas

Member economies are encouraged, at least when there is a demonstrable need, to put into place or have in place appropriate legislation or regulations to effectively deter the unauthorized recording of a motion picture in a cinema.

A number of APEC members have enacted legislation or are considering legislation to this effect. Some examples include (*to be updated as appropriate*):

Australia – Section 132AD and sub-s 132AL(2) of the Copyright Act 1968

Canada – Section 432 of the Criminal Code “Willful and Forbidden Acts in Respect of Certain Property” as amended by Bill C-59 – an Act to amend the Criminal Code (Unauthorized Recording of a Movie)

Hong Kong, China - Copyright Ordinance (Chapter 528) – section 118(1), (2A) (4) and (8), sections 119, 122, 131 and 132 and Prevention of Copyright Piracy Ordinance (Chapter 544) – sections 31C, 31F, 34 and 35

Japan – Act on the Prevention of Unauthorized Recording of Movies in Theatres

Malaysia – anti-camcording provisions are included in the currently proposed legislation to revise the Copyright Act 1987.

Mexico – anti-camcording legislation is pending before the Senate.

The Philippines – The Anti-Camcording Act of 2010, Republic Act 10088.

Thailand – anti-camcording legislation is being considered by relevant government agencies.

United States – 18 U.S.C. § 2319B – Unauthorized recording of Motion pictures in a Motion picture exhibition facility

[Other APEC economies:]



## APPENDIX 6

### APEC CROSS-BORDER PRIVACY RULES (CBPR) SYSTEM – POLICIES, GUIDELINES AND DIRECTORIES

Endorsement request	6-3
Intake questionnaire	6-7
Accountability agent recognition criteria	6-29
Program requirements for use by accountability agents	6-46
Workplan for the development of a directory of CBPR certified organizations and APEC-recognized accountability agents	6-72
APEC cooperation arrangement for cross-border privacy enforcement	6-77
Policies, rules and guidelines	6-101



**APEC DATA PRIVACY PATHFINDER**  
**CROSS-BORDER PRIVACY RULES SYSTEM**  
**ENDORSEMENT REQUEST**

**OVERVIEW**

The ECSG Data Privacy Sub-Group (the DPS) has completed the projects comprising the Cross-Border Privacy Rules (CBPR) system under the APEC Data Privacy Pathfinder<sup>1</sup>. The purpose of this document is to:

- seek endorsement of the CBPR system, which will recognise the successful completion of the development of the Data Privacy Pathfinder;
- provide a brief overview of the CBPR system and how it satisfies the Pathfinder requirements;
- provide as attachments a package of all documents detailing the elements of the CBPR system (including those previously endorsed); and
- provide a plan for the practical roll-out of the CBPR system between APEC members.

**ENDORSEMENT**

In considering the documents establishing the CBPR system members should be aware of the following key points:

- a Joint Oversight Panel will be established, comprising member economies nominated by the DPS, to manage the operation of the CBPR system, including undertaking the functions detailed in the Charter of the Joint Oversight Panel;
- the Joint Oversight Panel will report to DPS meetings which will monitor and review the operation of the CBPR system, and report through ECSG to CTI;
- the ECSG will be the forum which economies will notify their intention to participate in the CBPR system; and
- the DPS will conduct a review of the CBPR system two years after commencement to monitor the operation of the system and its implementation by economies (including any proposals for capacity-building programs to assist implementation by economies) and will report to the ECSG on any necessary changes or modifications.

Members should be aware that endorsement of the CBPR system as satisfying the Data Privacy Pathfinder does not mean that an Economy is committed to participate in the CBPR system. Participation is a separate decision to be made by economies as appropriate. The requirements for economies who wish to participate are as follows:

- The Economy informs the Chair of the ECSG that it intends to participate and confirms that it has at least one Privacy Enforcement Authority which participates in the APEC Cross-Border Privacy Enforcement Arrangement (and which has the ability to take enforcement actions under applicable domestic law and regulations that have the effect of protecting personal information consistent with the CBPR program requirements);
- the Economy indicates its intention to make use of at least one APEC recognised relevant Accountability Agent;
- the Economy, after consulting with the Joint Oversight Panel, submits to the Chair of the ECSG an explanation of how the CBPR System program requirements may be enforced in that Economy; and

---

<sup>1</sup> Subject to final endorsement of two documents at SOM III in San Francisco.

- the Joint Oversight Panel submits to the Chair of the ECSG a report as to how the conditions set out above have been satisfied.

Guidance and assistance for economies on data privacy issues, including domestic implementation of the APEC Privacy Framework, is a key role of the Data Privacy Sub-Group and can be addressed through capacity building activities.

### OVERVIEW OF CBPR SYSTEM

In November 2004, Ministers for the twenty-one APEC Member Economies endorsed the APEC Privacy Framework<sup>2</sup>. The Framework comprises nine privacy principles and guidance on implementation to assist APEC members in developing consistent domestic approaches to personal information privacy protections. It also forms the basis for the development of a regional approach to promote accountable and responsible transfers of personal information between APEC member economies.

The APEC Data Privacy Pathfinder was endorsed by APEC Ministers in September 2007. The goal of the Data Privacy Pathfinder is to develop a simple and transparent system that can be used by organisations for the protection of personal information that moves across APEC member economies. Domestic laws or other regulatory requirements will continue to cover the collection and management of personal information within economies.

The aim of an APEC system to protect personal information that moves across borders is to encourage organizations to develop and implement their own internal business rules on privacy policies and procedures in accordance with certain requirements governing the movement of personal information across borders. These business rules developed by organizations are known as cross-border privacy rules. The purpose of the Pathfinder is to develop a Cross-Border Privacy Rules (CBPR) system. The CBPR system relies on self-assessment by organisations and on independent assessment of compliance with the requirements of the CBPR system, including meeting the minimum standards set by the APEC Privacy Principles. It will be the responsibility of specified accountability agents to make the independent assessment and certify an organization's compliance with the requirements of the CBPR system.

The elements of the CBPR system were identified in the Pathfinder and formed the basis of project groups to develop the necessary information on each element. Documents developed through this process were subsequently endorsed by ECSG and CTI as they were completed, as follows:

- a detailed self-assessment questionnaire based on the nine APEC Privacy Principles for use by an applicant organization<sup>3</sup>;
- a set of baseline program requirements based on the nine APEC Privacy Principles against which an APEC-recognized Accountability Agent will assess an organization's completed questionnaire<sup>4</sup>;
- recognition criteria to be used by the Joint Oversight Panel when considering the recognition of an Accountability Agent<sup>5</sup>;
- the Cross Border Privacy Enforcement Arrangement<sup>6</sup> (CPEA); and
- the Charter of the Cross Border Privacy Rules Joint Oversight Panel<sup>7</sup> (JOP).

<sup>2</sup> Part IV of the Framework dealing with (a) guidance for domestic implementation and (b) guidance for international implementation was completed and endorsed by Ministers in 2005.

<sup>3</sup> See Project 1, CBPR Intake Questionnaire, 2011/SOM1/ECSG/DPS/020

<sup>4</sup> See Project 3, CBPR Program Requirements for use by Accountability Agents

<sup>5</sup> See Project 2, Accountability Agent Recognition Criteria, 2010/SOM1/ECSG/DPS/011

<sup>6</sup> See Projects 5/6/7, The Cross Border Privacy Enforcement Cooperation Arrangement, 2010/SOM1/ECSG/DPS/013

The CBPR system does not change or take the place of an Economy's domestic laws and regulations. Participating organizations continue to need to comply with relevant domestic laws and regulations for the economies in which they operate as well as the requirements of the CBPR system for personal information that moves across borders.

The CBPR system only covers the transfer of personal information to another Economy. In the simplest case personal information is collected locally in one APEC Economy and is subsequently transferred to another APEC Economy. The concept of 'transfer' includes situations where the personal information is accessed remotely from another APEC Economy.

The purpose of the CBPR system is to ensure that personal information continues to be protected, in accordance with the requirements of the CBPR program requirements, when it is transferred to any other participating APEC Member Economy. Under the CBPR system, these protections, in place at the time of collection, will be enforced by a CBPR-certified Accountability Agent, against the CBPR program requirements.

APEC economies have different approaches to protecting personal information. For example, some economies use government agencies, such as consumer protection or data protection authorities; or privacy commissioners; or other public sector regulators. Some economies also use private sector bodies, such as privacy 'trust marks,' to further consumer privacy protections. Both the regulators and the private sector bodies are concerned with ensuring that organizations are accountable for their privacy practices. In the CBPR system accountability agents can be from the public or private sectors, and might have different or overlapping roles.

At the moment, accountability agents are often limited in their ability to deal with complaints that involve activities in a different Economy. To make a system to protect personal information work effectively across borders, the system must allow accountability agents to share or transfer complaints. The aim is to ensure that the complaint is resolved by the action of one or more accountability agents in one or more economies. Consumers will also benefit from a simple complaint handling process no matter where they are located.

#### **ROLL-OUT PLAN**

Upon endorsement, the Data Privacy Subgroup will begin the process of practical implementation of the CBPR system. Key activities include, but are not limited to:

- Establishment of the JOP membership;
- Development of the CBPR system website;
- Ongoing facilitation of Economy-level participation; and
- Recognition of eligible Accountability Agents, as appropriate.

---

<sup>7</sup> See Charter of the Cross Border Privacy Rules Joint Oversight Panel, Annex A to Project 8, the APEC Cross-Border Privacy System – Policies, Rules and Guidelines

## **PATHFINDER PROJECTS ENDORSEMENT BACKGROUND**

### ***Singapore July/August 2009***

The DPS, ECSG and CTI endorsed:

- Pathfinder projects 5, 6 and 7 establishing the APEC Cross-Border Privacy Enforcement Arrangement.

### ***Japan, Sendai, September 2010***

The DPS ECSG and CTI endorsed:

- Pathfinder project 1 – self-assessment questionnaire for organizations; and
- Pathfinder project 2 – recognition criteria for public and private sector Accountability Agents.

### ***United States, Washington, March (by ECSG)/August 2011 (by CTI)***

The DPS, ECSG and CTI endorsed:

- Pathfinder project 3 - CBPR program requirements for use by Accountability Agents.

## **EDITORIAL CORRECTIONS TO PATHFINDER PROJECT DOCUMENTS**

Minor modifications have been made to the previously endorsed Pathfinder project documents to ensure consistency between all documents. Modifications are editorial and do not raise matters of policy. In particular, the following modifications are noted:

- Projects 1 and 3 – alignment of question 13; and
- Project 2:
  - Re-worked purpose section to reflect the process in the Project 8 document;
  - New numbering;
  - Removed all reference to Project 8 and inserted JOP or appropriate government entity;
  - In paragraph 4, inserted the phrase “that meet the CBPR program requirements developed and endorsed by APEC member economies” to anticipate the mapping that will be required to get APEC endorsement of an AA’s program requirements; and
  - Made the signature block re-certification timeline align with the Project 8 timeline.

## APEC CROSS-BORDER PRIVACY RULES SYSTEM INTAKE QUESTIONNAIRE

GENERAL .....	6-8
NOTICE 4	
QUALIFICATIONS TO THE PROVISION OF NOTICE .....	6-10
COLLECTION LIMITATION.....	6-13
USES OF PERSONAL INFORMNATION .....	6-14
CHOICE 10	
QUALIFICATIONS TO THE PROVISION OF CHOICE MECHANISMS .....	6-16
INTEGRITY OF PERSONAL INFORMATION .....	6-19
SECURITY SAFEGUARDS .....	6-20
ACCESS AND CORRECTION.....	6-22
QUALIFICATIONS TO THE PROVISION OF ACCESS AND CORRECTION MECHANISMS	
ACCOUNTABILITY .....	6-26
GENERAL	
MAINTAINING ACCOUNTABILITY WHEN PERSONAL INFORMATION IS TRANSFERRED	

**GENERAL**

i. Name of the Organization that is seeking certification:

\_\_\_\_\_

ii. List of subsidiaries and/or affiliates governed by your privacy policy to be covered by this certification, their location, and the relationship of each to you:

\_\_\_\_\_

iii. Organization's Contact Point for Cross Border Privacy Rules ("CBPR")

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

iv. For what type(s) of personal information are you applying for certification? Please check all that apply.

Customer/ Prospective Customer \_\_\_\_\_

Employee/Prospective Employee \_\_\_\_\_

Other (Please describe) \_\_\_\_\_

v. In which economies do you, your affiliates and/or subsidiaries collect or anticipate collecting personal information to be certified under this system? Please check all that apply.

<input type="checkbox"/> Australia <input type="checkbox"/> Brunei Darussalam <input type="checkbox"/> Canada <input type="checkbox"/> Chile <input type="checkbox"/> People's Republic of China <input type="checkbox"/> Hong Kong, China <input type="checkbox"/> Indonesia <input type="checkbox"/> Japan <input type="checkbox"/> Republic of Korea <input type="checkbox"/> Malaysia <input type="checkbox"/> Mexico	<input type="checkbox"/> New Zealand <input type="checkbox"/> Papua New Guinea <input type="checkbox"/> Peru <input type="checkbox"/> Philippines <input type="checkbox"/> Russia <input type="checkbox"/> Singapore <input type="checkbox"/> Chinese Taipei <input type="checkbox"/> Thailand <input type="checkbox"/> United States <input type="checkbox"/> Viet Nam
---	--

vi. To which economies do you, your affiliates and/or subsidiaries transfer or anticipate transferring personal information to be certified under this system? Please check all that apply.

<input type="checkbox"/> Australia <input type="checkbox"/> Brunei Darussalam <input type="checkbox"/> Canada <input type="checkbox"/> Chile <input type="checkbox"/> People's Republic of China <input type="checkbox"/> Hong Kong, China <input type="checkbox"/> Indonesia <input type="checkbox"/> Japan	<input type="checkbox"/> New Zealand <input type="checkbox"/> Papua New Guinea <input type="checkbox"/> Peru <input type="checkbox"/> Philippines <input type="checkbox"/> Russia <input type="checkbox"/> Singapore <input type="checkbox"/> Chinese Taipei <input type="checkbox"/> Thailand
---	---



<input type="checkbox"/> Republic of Korea	<input type="checkbox"/> United States
<input type="checkbox"/> Malaysia	<input type="checkbox"/> Viet Nam
<input type="checkbox"/> Mexico	

**NOTICE (QUESTIONS 1-4)**

*The questions in this section are directed towards:*

- (a) *ensuring that individuals understand your policies regarding personal information that is collected about them, to whom it may be transferred and for what purpose it may to be used;*  
AND
- (b) *ensuring that, subject to the qualifications listed in part II, individuals know when personal information is collected about them, to whom it may be transferred and for what purpose it may be used.*

**General**

1. Do you provide clear and easily accessible statements about your practices and policies that govern the personal information described above (a privacy statement)? Where YES, provide a copy of all applicable privacy statements and/or hyperlinks to the same.

\_\_\_\_\_

Y

\_\_\_\_\_

N

- a) Does this privacy statement describe how your organization collects personal information?

\_\_\_\_\_

Y

\_\_\_\_\_

N

- b) Does this privacy statement describe the purpose(s) for which personal information is collected?

\_\_\_\_\_

Y

\_\_\_\_\_

N

- c) Does this privacy statement inform individuals as to whether and/or for what purpose you make personal information available to third parties?

\_\_\_\_\_

Y

\_\_\_\_\_

N

- d) Does this privacy statement disclose the name of your company and location, including information on how to contact you about your practices and handling of personal information upon collection? Where YES describe below.

\_\_\_\_\_  
Y

\_\_\_\_\_  
N

- e) Does this privacy statement provide information regarding the use and disclosure of an individual's personal information?

\_\_\_\_\_  
Y

\_\_\_\_\_  
N

- f) Does this privacy statement provide information regarding whether and how an individual can access and correct their personal information?

\_\_\_\_\_  
Y

\_\_\_\_\_  
N

2. Subject to the qualifications listed below, at the time of collection of personal information, (whether directly or through the use of third parties acting on your behalf) do you provide notice that such information is being collected?

\_\_\_\_\_  
Y

\_\_\_\_\_  
N

3. Subject to the qualifications listed below, at the time of collection of personal information, (whether directly or through the use of third parties acting on your behalf), do you indicate the purpose(s) for which personal information is being collected?

\_\_\_\_\_  
Y

\_\_\_\_\_  
N

4. Subject to the qualifications listed below, at the time of collection of personal information, do you notify individuals that their personal information may be shared with third parties?

\_\_\_\_\_  
Y

\_\_\_\_\_  
N

### ***Qualifications to the Provision of Notice***

The following are situations in which the application at the time of collection of the APEC Notice Principle may not be necessary or practical.

i. **Obviousness:** Personal Information controllers do not need to provide notice of the collection, use or third-party sharing of personal information in those circumstances where consent by the individual can be inferred from the provision of the individual's information (e.g. if an individual gives his or her business card to another individual in the context of a business relationship, the individual would not expect that notice would be provided regarding the collection and normal use of that information).

ii. **Collection of Publicly-Available Information:** Personal information controllers do not need to provide notice regarding the collection and use of publicly available information.

iii. **Technological Impracticability:** Personal Information controllers do not need to provide notice at or before the time of collection in those cases where electronic technology automatically collects information when a prospective customer initiates contact (e.g. through the use of cookies). However, the notice should be provided to the individuals as soon after as is practicable.

iv. **Disclosure to a government institution which has made a request for the information with lawful authority:** Personal information controllers do not need to provide notice of disclosure to law enforcement agencies for investigation purposes where the provision of such notice to the individual will likely prejudice the investigation.

v. **Disclosure to a third party pursuant to a lawful form of process:** Personal information controllers do not need to provide notice of disclosure to a third party when such disclosure was requested pursuant to a lawful form of process such as a discovery request made in the course of civil litigation.

vi. **Third-Party Receipt:** Where personal information is received from a third party, the recipient personal information controller does not need to provide notice to the individuals at or before the time of collection of the information.

vii. **For legitimate investigation purposes:** When providing notice would compromise the availability or accuracy of the information and the collection, use and disclosure are reasonable for purposes relating to an internal or external investigation of a violation of a code of conduct, breach of contract or a contravention of domestic law.

viii. **Action in the event of an emergency:** Personal Information controllers do not need to provide notice in emergency situations that threaten the life, health or security of an individual.

**COLLECTION LIMITATION (QUESTIONS 5-7)**

*The questions in this section are directed towards ensuring that collection of information is limited to the stated purposes for which it is collected. The collection of the information should be relevant to such purposes, and proportionality to the fulfillment of such purposes may be a factor in determining what is relevant. In all instances, collection methods must be lawful and fair.*

5. How do you obtain personal information:

a) Directly from the individual?

\_\_\_\_\_      \_\_\_\_\_  
Y                      N

b) From third parties collecting on your behalf?

\_\_\_\_\_      \_\_\_\_\_  
Y                      N

c) Other. If YES, describe.

\_\_\_\_\_      \_\_\_\_\_  
Y                      N

6. Do you limit your personal information collection (whether directly or through the use of third parties acting on your behalf) to information that is relevant to fulfill the purpose(s) for which it is collected or other compatible or related purposes?

\_\_\_\_\_      \_\_\_\_\_  
Y                      N

7. Do you collect personal information (whether directly or through the use of third parties acting on your behalf) by lawful and fair means, consistent with the requirements of the jurisdiction that governs the collection of such personal information? Where YES, describe.

\_\_\_\_\_      \_\_\_\_\_  
Y                      N

**USES OF PERSONAL INFORMATION (QUESTIONS 8-13)**

*The questions in this section are directed toward ensuring that the use of personal information is limited to fulfilling the purposes of collection and other compatible or related purposes. This section covers use, transfer and disclosure of personal information. Application of this Principle requires consideration of the nature of the information, the context of collection and the intended use of the information. The fundamental criterion in determining whether a purpose is compatible with or related to the stated purposes is whether the extended usage stems from or is in furtherance of such purposes. The use of personal information for "compatible or related purposes" could extend, for example, to matters such as the creation and use of a centralized database to manage personnel in an effective and efficient manner; the processing of employee payrolls by a third party; or, the use of information collected by an organization for the purpose of granting credit for the subsequent purpose of collecting debt owed to that organization.*

8. Do you limit the use of the personal information you collect (whether directly or through the use of third parties acting on your behalf) as identified in your privacy statement and/or in the notice provided at the time of collection to those purposes for which the information was collected or for other compatible or related purposes? If necessary, provide a description in the space below.

\_\_\_\_\_

Y

\_\_\_\_\_

N

9. If you answered NO, do you use the personal information you collect for unrelated purposes under one of the following circumstances? Describe below.

a) Based on express consent of the individual?

b) Compelled by applicable laws?

10. Do you disclose personal information you collect (whether directly or through the use of third parties acting on your behalf) to other personal information controllers? If YES, describe.

\_\_\_\_\_

Y

\_\_\_\_\_

N

11. Do you transfer personal information to personal information processors? If YES, describe.

\_\_\_\_\_

Y

\_\_\_\_\_

N

12. If you answered YES to question 10 and/or question 11, is the disclosure and/or transfer undertaken to fulfill the original purpose of collection or another compatible or related purpose? Describe below.

\_\_\_\_\_

Y

\_\_\_\_\_

N

13. If you answered NO to question 12, or if otherwise appropriate, does the disclosure and/or transfer take place under one of the following circumstances?

- a) Based on express consent of the individual?
- b) Necessary to provide a service or product requested by the individual?
- c) Compelled by applicable laws?

**CHOICE (QUESTIONS 14-20)**

*The questions in this section are directed towards ensuring that individuals are provided with choice in relation to collection, use, and disclosure of their personal information. However, this Principle recognizes, through the introductory words "where appropriate" in the Framework itself, that there are certain situations where consent may be clearly implied or where it would not be necessary to provide a mechanism to exercise choice. These situations are detailed in "Qualifications to the Provision of Choice Mechanisms".*

**General**

14. Subject to the qualifications described below, do you provide a mechanism for individuals to exercise choice in relation to the collection of their personal information? Where YES describe such mechanisms below.

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

15. Subject to the qualifications described below, do you provide a mechanism for individuals to exercise choice in relation to the use of their personal information? Where YES describe such mechanisms below.

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

16. Subject to the qualifications described below, do you provide a mechanism for individuals to exercise choice in relation to the disclosure of their personal information? Where YES describe such mechanisms below.

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

17. When choices are provided to the individual offering the ability to limit the collection (question 14), use (question 15) and/or disclosure (question 16) of their personal information, are they displayed or provided in a clear and conspicuous manner?

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

18. When choices are provided to the individual offering the ability to limit the collection (question 14), use (question 15) and/or disclosure (question 16) of their personal information, are they clearly worded and easily understandable?

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N



19. When choices are provided to the individual offering the ability to limit the collection (question 14), use (question 15) and/or disclosure (question 16) of their personal information, are these choices easily accessible and affordable? Where YES, describe.

\_\_\_\_\_

Y

\_\_\_\_\_

N

20. What mechanisms are in place so that choices, where appropriate, can be honored in an effective and expeditious manner? Provide a description in the space below or in an attachment if necessary. Describe below.

### ***Qualifications to the Provision of Choice Mechanisms***

The following are situations in which the application of the APEC Choice Principle may not be necessary or practical.

- i. **Obviousness:** Personal Information controllers do not need to provide a mechanism for individuals to exercise choice in the collection, use or third-party sharing of personal information in those circumstances where consent by the individual can be inferred from the provision of the individual's information.
- ii. **Collection of Publicly-Available Information:** Personal information controllers do not need to provide a mechanism for individuals to exercise choice in relation to the collection and use of publicly available information.
- iii. **Technological Impracticability:** Personal Information controllers do not need to provide a mechanism for individuals to exercise choice in relation to those cases where electronic technology automatically collects information when a prospective customer initiates contact [e.g. use of cookies]. However, a mechanism to exercise choice as to use and disclosure should be provided after collection of the information.
- iv. **Third-Party Receipt:** Where personal information is received from a third party, the recipient personal information controller does not need to provide a mechanism for individuals to exercise choice in relation to the collection of the information. However, if the personal information controller engages a third party to collect personal information on its behalf, the personal information controller should instruct the collector to provide such choice when collecting the personal information.
- v. **Disclosure to a government institution which has made a request for the information with lawful authority:** Personal Information controllers do not need to provide a mechanism for individuals to exercise choice in relation to disclosure to law enforcement agencies for investigation purposes where the provision of such mechanism to the individual will likely prejudice the investigation.
- vi. **Disclosure to a third party pursuant to a lawful form of process:** Personal information controllers do not need to provide a mechanism for individuals to exercise choice in relation to the disclosure to a third party when such disclosure was requested pursuant to a lawful form of process such as a discovery request made in the course of civil litigation.

- vii. **For legitimate investigation purposes:** When providing a mechanism for individuals to exercise choice would compromise the availability or accuracy of the personal information and its collection, use and disclosure are reasonable for purposes relating to an internal or external investigation of a violation of a code of conduct, breach of contract or a contravention of domestic law.
  
- viii. **Action in the event of an emergency:** Personal Information controllers do not need to provide a mechanism for individuals to exercise choice in emergency situations that threaten the life, health or security of an individual.

**INTEGRITY OF PERSONAL INFORMATION (QUESTIONS 21-25)**

*The questions in this section are directed towards ensuring that the personal information controller maintains the accuracy and completeness of records and keeps them up to date. This Principle also recognizes that these obligations are only required to the extent necessary for the purposes of use.*

21. Do you take steps to verify that the personal information held by you is up to date, accurate and complete, to the extent necessary for the purposes of use? If YES, describe.

\_\_\_\_\_

Y

\_\_\_\_\_

N

22. Do you have a mechanism for correcting inaccurate, incomplete and out-dated personal information to the extent necessary for purposes of use? Provide a description in the space below or in an attachment if necessary.

\_\_\_\_\_

Y

\_\_\_\_\_

N

23. Where inaccurate, incomplete or out of date information will affect the purposes of use and corrections are made to the information subsequent to the transfer of the information, do you communicate the corrections to personal information processors, agents, or other service providers to whom the personal information was transferred? If YES, describe.

\_\_\_\_\_

Y

\_\_\_\_\_

N

24. Where inaccurate, incomplete or out of date information will affect the purposes of use and corrections are made to the information subsequent to the disclosure of the information, do you communicate the corrections to other third parties to whom the personal information was disclosed? If YES, describe.

25. Do you require personal information processors, agents, or other service providers who act on your behalf to inform you when they become aware of information that is inaccurate, incomplete, or out-of-date?

\_\_\_\_\_

Y

\_\_\_\_\_

N

**SECURITY SAFEGUARDS (QUESTIONS 26-35)**

*The questions in this section are directed towards ensuring that when individuals entrust their information to an organization, their information will be protected with reasonable security safeguards to prevent loss or unauthorized access to personal information or unauthorized destruction, use, modification or disclosure of information or other misuses.*

26. Have you implemented an information security policy?

\_\_\_\_\_

Y

\_\_\_\_\_

N

27. Describe the physical, technical and administrative safeguards you have implemented to protect personal information against risks such as loss or unauthorized access, destruction, use, modification or disclosure of information or other misuses?

28. Describe how the safeguards you identified in response to question 27 are proportional to the likelihood and severity of the harm threatened, the sensitivity of the information, and the context in which it is held.

29. Describe how you make your employees aware of the importance of maintaining the security of personal information (e.g. through regular training and oversight).

30. Have you implemented safeguards that are proportional to the likelihood and severity of the harm threatened, the sensitivity of the information, and the context in which it is held through:

a) Employee training and management or other organizational safeguards?

\_\_\_\_\_

Y

\_\_\_\_\_

N

b) Information systems and management, including network and software design, as well as information processing, storage, transmission, and disposal?

\_\_\_\_\_

Y

\_\_\_\_\_

N

c) Detecting, preventing, and responding to attacks, intrusions, or other security failures?

\_\_\_\_\_

Y

\_\_\_\_\_

N

d) Physical security?

\_\_\_\_\_

Y

\_\_\_\_\_

N

31. Have you implemented a policy for secure disposal of personal information?

\_\_\_\_\_

Y

\_\_\_\_\_

N

32. Have you implemented measures to detect, prevent, and respond to attacks, intrusions, or other security failures?

\_\_\_\_\_

Y

\_\_\_\_\_

N

33. Do you have processes in place to test the effectiveness of the safeguards referred to above in question 32? Describe below.

\_\_\_\_\_

Y

\_\_\_\_\_

N

34. Do you use third-party certifications or other risk assessments? Describe below.

\_\_\_\_\_

Y

\_\_\_\_\_

N

35. Do you require personal information processors, agents, contractors, or other service providers to whom you transfer personal information to protect against loss, or unauthorized access, destruction, use, modification or disclosure or other misuses of the information by:

- a) Implementing an information security program that is proportionate to the sensitivity of the information and services provided?

\_\_\_\_\_

Y

\_\_\_\_\_

N

- b) Notifying you promptly when they become aware of an occurrence of breach of the privacy or security of your organization's personal information?

\_\_\_\_\_

Y

\_\_\_\_\_

N

- c) Taking immediate steps to correct/address the security failure which caused the privacy or security breach?

\_\_\_\_\_

Y

\_\_\_\_\_

N

**ACCESS AND CORRECTION (QUESTIONS 36-38)**

*The questions in this section are directed towards ensuring that individuals are able to access and correct their information. This section includes specific conditions for what would be considered reasonable in the provision of access. Access will also be conditioned by security requirements that preclude the provision of direct access to information and will require sufficient proof of identity prior to provision of access. The details of the procedures by which the ability to access and correct information is provided may differ depending on the nature of the information and other interests. For this reason, in certain circumstances, it may be impossible, impracticable or unnecessary to change, suppress or delete records.*

*The ability to access and correct personal information, while generally regarded as a central aspect of privacy protection, is not an absolute right. While you should always make good faith efforts to provide access, in some situations, it may be necessary to deny claims for access and correction. "Qualifications to the Provision of Access and Correction" sets out those conditions that must be met in order for such denials to be considered acceptable. When you deny a request for access, for the reasons specified herein, you should provide the requesting individual with an explanation as to why you have made that determination and information on how to challenge that denial. You would not be expected to provide an explanation, however, in cases where such disclosure would violate a law or judicial order.*

**General**

36. Upon request, do you provide confirmation of whether or not you hold personal information about the requesting individual? Describe below.

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

37. Upon request, do you provide individuals access to the personal information that you hold about them? Where YES, answer questions 37(a) – (e) and describe your organization's policies/procedures for receiving and handling access requests below. Where NO, proceed to question 38

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

a) Do you take steps to confirm the identity of the individual requesting access? If YES, please describe.

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

b) Do you provide access within a reasonable timeframe following an individual's request for access? If YES, please describe.

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

- c) Is information communicated in a reasonable manner that is generally understandable (in a legible format)? Please describe.

\_\_\_\_\_

Y

\_\_\_\_\_

N

- d) Is information provided in a way that is compatible with the regular form of interaction with the individual (e.g. email, same language, etc)?

\_\_\_\_\_

Y

\_\_\_\_\_

N

- e) Do you charge a fee for providing access? If YES, describe below on what the fee is based and how you ensure that the fee is not excessive.

\_\_\_\_\_

Y

\_\_\_\_\_

N

38. Do you permit individuals to challenge the accuracy of their information, and to have it rectified, completed, amended and/or deleted? Describe your organization's policies/procedures in this regard below and answer questions 38 (a), (b), (c), (d) and (e).

\_\_\_\_\_

Y

\_\_\_\_\_

N

- a) Are your access and correction mechanisms presented in a clear and conspicuous manner? Provide a description in the space below or in an attachment if necessary.

\_\_\_\_\_

Y

\_\_\_\_\_

N

- b) If an individual demonstrates that personal information about them is incomplete or incorrect, do you make the requested correction, addition, or where appropriate, deletion?

Y                       N

- c) Do you make such corrections or deletions within a reasonable timeframe following an individual's request for correction or deletion?

Y                       N

- d) Do you provide a copy of the corrected personal information or provide confirmation that the data has been corrected or deleted to the individual?

Y                       N

- e) If access or correction is refused, do you provide the individual with an explanation of why access or correction will not be provided, together with contact information for further inquiries about the denial of access or correction?

Y                       N

### ***Qualifications to the Provision of Access and Correction Mechanisms***

Although organizations should always make good faith efforts to provide access, there are some situations, described below, in which it may be necessary for organizations to deny access requests. Please identify which, if any, of these situations apply, and specify their application to you, with reference to your responses provided to the previous questions, in the space provided.

- i. **Disproportionate Burden:** Personal information controllers do not need to provide access and correction where the burden or expense of doing so would be unreasonable or disproportionate to the risks to the individual's privacy in the case in question, as for example when claims for access are repetitious or vexatious by nature.
- ii. **Protection of Confidential Information:** Personal information controllers do not need to provide access and correction where the information cannot be disclosed due to legal or security reasons or to protect confidential commercial information (i.e. information that you have taken steps to protect from disclosure, where such disclosure would facilitate a competitor in the market to use or exploit the information against your business interest causing significant financial loss). Where confidential commercial information can be readily separated from other information subject to an access request, the personal information controller should redact the confidential commercial information and make available the non-confidential commercial information to the extent that such information constitutes personal information of the individual concerned. Other situations would include those where disclosure of information would benefit a competitor in the market place, such as a particular computer or modeling program. Furthermore, a denial of access may also be considered acceptable in situations where, for example providing the information would constitute a violation of laws or would compromise security.



- iii. **Third Party Risk:** Personal information controllers do not need to provide access and correction where the information privacy of persons other than the individual would be violated. In those instances where a third party's personal information can be severed from the information requested for access or correction, the personal information controller must release the information after redaction of the third party's personal information.

**ACCOUNTABILITY (QUESTIONS 39-51)**

*The questions in this section are directed towards ensuring that you are accountable for complying with measures that give effect to the Principles stated above. Additionally, when transferring information, you should be accountable for ensuring that the recipient will protect the information consistently with these Principles when not obtaining consent. Thus, you should take reasonable steps to ensure the information is protected, in accordance with these Principles, after it is transferred. However, there are certain situations where such due diligence may be impractical or impossible, for example, when there is no on-going relationship between you and the third party to whom the information is disclosed. In these types of circumstances, you may choose to use other means, such as obtaining consent, to assure that the information is being protected consistently with these Principles. However, in cases where disclosures are required by domestic law, you would be relieved of any due diligence or consent obligations.*

**General**

39. What measures does your organization take to ensure compliance with the APEC Information Privacy Principles? Please check all that apply and describe below.

- Internal guidelines or policies (if applicable, describe how implemented) \_\_\_\_\_
- Contracts \_\_\_\_\_
- Compliance with applicable industry or sector laws and regulations \_\_\_\_\_
- Compliance with self-regulatory organization code and/or rules \_\_\_\_\_
- Other (describe) \_\_\_\_\_

40. Has your organization appointed an individual(s) to be responsible for your organization's overall compliance with the Privacy Principles?

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

41. Does your organization have procedures in place to receive, investigate and respond to privacy-related complaints? Please describe.

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

42. Does your organization have procedures in place to ensure individuals receive a timely response to their complaints?

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

43. If YES, does this response include an explanation of remedial action relating to their complaint? Describe.

\_\_\_\_\_                      \_\_\_\_\_  
Y                                      N

44. Do you have procedures in place for training employees with respect to your privacy policies and procedures, including how to respond to privacy-related complaints? If YES, describe.

\_\_\_\_\_

Y

\_\_\_\_\_

N

45. Do you have procedures in place for responding to judicial or other government subpoenas, warrants or orders, including those that require the disclosure of personal information?

\_\_\_\_\_

Y

\_\_\_\_\_

N

***Maintaining Accountability When Personal Information is Transferred***

46. Do you have mechanisms in place with personal information processors, agents, contractors, or other service providers pertaining to personal information they process on your behalf, to ensure that your obligations to the individual will be met (check all that apply)?

- *Internal guidelines or policies* \_\_\_\_\_
- *Contracts* \_\_\_\_\_
- *Compliance with applicable industry or sector laws and regulations* \_\_\_\_\_
- *Compliance with self-regulatory organization code and/or rules* \_\_\_\_\_
- *Other (describe)* \_\_\_\_\_

47. Do these mechanisms generally require that personal information processors, agents, contractors or other service providers:

- Abide by your APEC-compliant privacy policies and practices as stated in your Privacy Statement? \_\_\_\_\_
- Implement privacy practices that are substantially similar to your policies or privacy practices as stated in your Privacy Statement? \_\_\_\_\_
- Follow-instructions provided by you relating to the manner in which your personal information must be handled? \_\_\_\_\_
- Impose restrictions on subcontracting unless with your consent? \_\_\_\_\_
- Have their CBPRs certified by an APEC accountability agent in their jurisdiction?  
\_\_\_\_\_
- Other (describe) \_\_\_\_\_

48. Do you require your personal information processors, agents, contractors or other service providers to provide you with self-assessments to ensure compliance with your instructions and/or agreements/contracts? If YES, describe below.

\_\_\_\_\_

Y

\_\_\_\_\_

N

49. Do you carry out regular spot checking or monitoring of your personal information processors, agents, contractors or other service providers to ensure compliance with your instructions and/or agreements/contracts? If YES, describe below.

Y                                  N

50. Do you disclose personal information to other personal information controllers in situations where due diligence and mechanisms to ensure compliance with your APEC CBPRs by the recipient as described above is impractical or impossible?

                                    
Y                                  N

## ACCOUNTABILITY AGENT RECOGNITION CRITERIA

*The purpose of this document is to set out the criteria necessary for an Accountability Agent to participate in the APEC Cross-Border Privacy Rules System. The applicant must submit this form and appropriate supporting documentation to the relevant government agency or public authority for initial review. The agency or authority will forward all information received to the Joint Oversight Panel to consider recommending the applicant for recognition by member economies as an APEC Cross-Border Privacy Rules System Accountability Agent.*

### CRITERIA

#### **Conflicts of Interest**

##### 1) General Requirements

- a. An Accountability Agent must be free of actual or potential conflicts of interest in order to participate in the APEC Cross Border Privacy Rules (CBPR) System. For the purposes of participation as an Accountability Agent in the CBPR System, this means the ability of the Accountability Agent to perform all tasks related to an Applicant's certification and ongoing participation in the CBPR System free from influences that would compromise the Accountability Agent's professional judgment, objectivity and integrity.
- b. An Accountability Agent must satisfy the APEC member economies with evidence that internal structural and procedural safeguards are in place to address potential and actual conflicts of interest. Such safeguards should include but not be limited to:
  - i. Written policies for disclosure of potential conflicts of interest and, where appropriate, withdrawal of the Accountability Agent from particular engagements. Such withdrawal will be required in cases where the Accountability Agent is related to the Applicant or Participant to the extent that it would give rise to a risk that the Accountability Agent's professional judgment, integrity, or objectivity could be influenced by the relationship.
  - ii. Written policies governing the separation of personnel handling privacy certification functions from personnel handling sales and consulting functions.
  - iii. Written policies for internal review of potential conflicts of interest with Applicants and Participants.
  - iv. Published certification standards for Applicants and Participants (see paragraph 4 'Program Requirements').
  - v. Mechanisms for regular reporting to the relevant government agency or public authority on certification of new Applicants, audits of existing Participants, and dispute resolution.
  - vi. Mechanisms for mandatory publication of case reports in certain circumstances.

## 2) Requirements with respect to particular Applicants and/or Participants

- a. At no time may an Accountability Agent have a direct or indirect affiliation with any Applicant or Participant that would prejudice the ability of the Accountability agent to render a fair decision with respect to their certification and ongoing participation in the CBPR System, including but not limited to during the application review and initial certification process; during ongoing monitoring and compliance review; during re-certification and annual attestation; and during dispute resolution and enforcement of the Program Requirements against a Participant. Such affiliations, which include but are not limited to the Applicant or Participant and the Accountability Agent being under common control such that the Applicant or Participant can exert undue influence in the Accountability Agent, constitute relationships that require withdrawal under 1(b)(i).
- b. For other types of affiliations that may be cured by the existence of structural safeguards or other procedures undertaken by the Accountability Agent, the existence of any such affiliations between the Accountability Agent and the Applicant or Participant must be disclosed promptly to the Joint Oversight Panel, together with an explanation of the safeguards in place to ensure that such affiliations do not compromise the Accountability Agent's ability to render a fair decision with respect to such an Applicant or Participant. Such affiliations include but are not limited to:
  - i. officers of the Applicant or Participant serving on the Accountability Agent's board of directors in a voting capacity, and vice versa;
  - ii. significant monetary arrangements or commercial relationship between the Accountability Agent and the Applicant or Participant, outside of the fee charged for certification and participation in the APEC CBPR System; or
  - iii. all other affiliations which might allow the Applicant or Participant to exert undue influence on the Accountability Agent regarding the Applicant's certification and participation in the CBPR System.
- c. Outside of the functions described in paragraphs 5-14 of this document, an Accountability Agent will refrain from performing for its Participants or Applicants services for a fee or any interest or benefit such as the following categories:
  - i. consulting or technical services related to the development or implementation of Participant's or Applicant's data privacy practices and procedures;
  - ii. consulting or technical services related to the development of its privacy policy or statement; or
  - iii. consulting or technical services related to its security safeguards.
- d. An Accountability Agent may be engaged to perform consulting or technical services for an Applicant or Participant other than services relating to their certification and

on-going participation in the CBPR System. Where this occurs, the Accountability Agent will disclose to the Joint Oversight Panel:

- i. the existence of the engagement; and
  - ii. an explanation of the safeguards in place to ensure that the Accountability Agent remains free of actual or potential conflicts of interest arising from the engagement [*such safeguards may include segregating the personnel providing the consulting or technical services from the personnel performing the functions described in paragraphs 5 -14 of this document*].
- e. Provision of services as required in Sections 3 through 6 shall not be considered performing consulting services which might trigger a prohibition contained in this document.
- 3) In addition to disclosing to the Joint Oversight Panel all withdrawals described above in Section 1(b)(i), an Accountability Agent also shall disclose to the Joint Oversight Panel those activities or business ventures identified in subsection 1(b) above that might on their face have been considered a conflict of interest but did not result in withdrawal. Such disclosures should include a description of the reasons for non-withdrawal and the measures the Accountability Agent took to avoid or cure any potential prejudicial results stemming from the actual or potential conflict of interest.

#### **Program Requirements**

- 4) An Accountability Agent evaluates Applicants against a set of program requirements that encompass all of the principles of the APEC Privacy Framework with respect to cross border data transfers and that meet the CBPR program requirements developed and endorsed by APEC member economies (to be submitted along with this form). (*NOTE: an Accountability Agent may charge a fee to a Participant for provision of these services without triggering the prohibitions contained in paragraph 1 or 2.*)

#### **Certification Process**

- 5) An Accountability Agent has a comprehensive process to review an Applicant's policies and practices with respect to the Applicant's participation in the Cross Border Privacy Rules System and to verify its compliance with the Accountability Agent's program requirements. The certification process includes:
- a) An initial assessment of compliance, which will include verifying the contents of the self-assessment forms completed by the Applicant against the program requirements for Accountability Agents, and which may also include in-person or phone interviews, inspection of the personal data system, Web site scans, or automated security tools.
  - b) A comprehensive report to the Applicant outlining the Accountability Agent's findings regarding the Applicant's level of compliance with the program requirements. Where non-fulfillment of any of the program requirements is found, the report must include a list of changes the Applicant needs to complete for purposes of obtaining certification for participation in the CBPR System.

- c) Verification that any changes required under subsection (b) have been properly completed by the Applicant.
- d) Certification that the Applicant is in compliance with the Accountability Agent's program requirements. An Applicant that has received such a certification will be referred to herein as a "Participant" in the CBPR System.

#### ***On-going Monitoring and Compliance Review Processes***

- 6) Accountability Agent has comprehensive written procedures designed to ensure the integrity of the Certification process and to monitor the Participant throughout the certification period to ensure compliance with the Accountability Agent's program.
- 7) In addition, where there are reasonable grounds for the Accountability Agent to believe that a Participant has engaged in a practice that may constitute a breach of the program requirements, an immediate review process will be triggered whereby verification of compliance will be carried out. Where non-compliance with any of the program requirements is found, the Accountability Agent will notify the Participant outlining the corrections the Participant needs to make and a reasonable timeframe within which the corrections must be completed. The Accountability Agent must verify that the required changes have been properly completed by the Participant within the stated timeframe.

#### ***Re-Certification and Annual Attestation***

- 8) Accountability Agent will require Participants to attest on an annual basis to the continuing adherence to the CBPR program requirements. Regular comprehensive reviews will be carried out to ensure the integrity of the re-Certification. Where there has been a material change to the Participant's privacy policy (as reasonably determined by the Accountability Agent in good faith), an immediate review process will be carried out. This re-certification review process includes:
  - a) An assessment of compliance, which will include verification of the contents of the self-assessment forms (Project 1) updated by the Participant, and which may also include in-person or phone interviews, inspection of the personal data system, Web site scans, or automated security tools.
  - b) A report to the Participant outlining the Accountability Agent's findings regarding the Participant's level of compliance with the program requirements. The report must also list any corrections the Participant needs to make to correct areas of non-compliance and the timeframe within which the corrections must be completed for purposes of obtaining re-certification.
  - c) Verification that required changes have been properly completed by Participant.
  - d) Notice to the Participant that the Participant is in compliance with the Accountability Agent's program requirements and has been re-certified.

#### ***Dispute Resolution Process***

- 9) An Accountability Agent must have a mechanism to receive and investigate complaints about Participants and to resolve disputes between complainants and Participants in



relation to non-compliance with its program requirements, as well as a mechanism for cooperation on dispute resolution with other Accountability Agents recognized by APEC economies when appropriate and where possible. An Accountability Agent may choose not to directly supply the dispute resolution mechanism. The dispute resolution mechanism may be contracted out by an Accountability Agent to a third party for supply of the dispute resolution service. Where the dispute resolution mechanism is contracted out by an Accountability Agent the relationship must be in place at the time the Accountability Agent is certified under the APEC CBPR system.

10) The dispute resolution process, whether supplied directly or by a third party under contract, includes the following elements:

- a) A process for receiving complaints and determining whether a complaint concerns the Participant's obligations under the program and that the filed complaint falls within the scope of the program's requirements.
- b) A process for notifying the complainant of the determination made under subpart (a), above.
- c) A process for investigating complaints.
- d) A confidential and timely process for resolving complaints. Where non-compliance with any of the program requirements is found, the Accountability Agent or contracted third party supplier of the dispute resolution service will notify the Participant outlining the corrections the Participant needs to make and the reasonable timeframe within which the corrections must be completed.
- e) Written notice of complaint resolution by the Accountability Agent or contracted third party supplier of the dispute resolution service to the complainant and the Participant.
- f) A process for obtaining an individual's consent before sharing that individual's personal information with the relevant enforcement authority in connection with a request for assistance.
- g) A process for making publicly available statistics on the types of complaints received by the Accountability Agent or contracted third party supplier of the dispute resolution service and the outcomes of such complaints, and for communicating that information to the relevant government agency and privacy enforcement authority.
- h) A process for releasing in anonymised form, case notes on a selection of resolved complaints illustrating typical or significant interpretations and notable outcomes (see Annex A).]

### ***Mechanism for Enforcing Program Requirements***

11) Accountability Agent has the authority to enforce its program requirements against Participants, either through contract or by law.

- 12) Accountability Agent has a process in place for notifying Participant immediately of non-compliance with Accountability Agent's program requirements and for requiring Participant to remedy the non-compliance within a specified time period.
- 13) Accountability Agent has processes in place to impose the following penalties, which is proportional to the harm or potential harm resulting from the violation, in cases where a Participant has not complied with the program requirements and has failed to remedy the non-compliance within a specified time period. [NOTE: In addition to the penalties listed below, Accountability Agent may execute contracts related to legal rights and, where applicable, those related intellectual property rights enforceable in a court of law.]
  - a) Requiring Participant to remedy the non-compliance within a specified time period, failing which the Accountability Agent shall remove the Participant from its program.
  - b) Temporarily suspending the Participant's right to display the Accountability Agent's seal.
  - c) Naming the Participant and publicizing the non-compliance.
  - d) Referring the violation to the relevant public authority or privacy enforcement authority. [NOTE: this should be reserved for circumstances where a violation raises to the level of a violation of applicable law.]
  - e) Other penalties – including monetary penalties – as deemed appropriate by the Accountability Agent.
- 14) Accountability Agent will refer a matter to the appropriate public authority or enforcement agency for review and possible law enforcement action, where the Accountability Agent has a reasonable belief pursuant to its established review process that a Participant's failure to comply with the APEC Cross-Border Privacy Rules System requirements has not been remedied within a reasonable time under the procedures established by the Accountability Agent pursuant to paragraph 2 so long as such failure to comply can be reasonably believed to be a violation of applicable law.
- 15) Where possible, Accountability Agent will respond to requests from enforcement entities in APEC Economies that reasonably relate to that Economy and to the CBPR-related activities of the Accountability Agent.

**SIGNATURE AND CONTACT INFORMATION**

By signing this document, the signing party attests to the truth of the answers given.

\_\_\_\_\_  
[Signature of person who has authority [Date]  
to commit party to the agreement]

[Typed name]

[Typed title]

[Typed name of organization]

[Address of organization]

[Email address]

[Telephone number]

APEC recognition is limited to one year from the date of recognition. Each year one month prior to the anniversary of the date of recognition, the Accountability Agent must resubmit this form and any associated documentation to the appropriate government agency or public authority or as soon as practicable in the event of a material change (e.g. ownership, structure, policies).

**NOTE: Failure to comply with any of the requirements outlined in this document may result in appropriate sanctions under applicable domestic law.**

**Annex A****ACCOUNTABILITY AGENT CASE NOTE TEMPLATE**

The Accountability Agent Recognition Criteria require applicants to attest that as part of their dispute resolution mechanism they have a process for releasing, in anonymised form, case notes on a selection of resolved complaints illustrating typical or significant interpretations and notable outcomes.

The template, with associated guidance and FAQs, will assist in meeting the requirement.

***Objectives of Release of Case Notes***

Complaints handling is an important element of the Cross-border Privacy Rules (CBPR) program. The recognition criteria for Accountability Agents include an obligation to release case notes on a selection of resolved complaints in order to:

- promote understanding about the operation of the CBPR program;
- assist consumers and businesses and their advisers;
- facilitate consistency in the interpretation of the APEC information privacy principles and the common elements of the CBPR program;
- increase transparency in the CBPR program; and
- promote accountability of those involved in complaints handling and build stakeholder trust in accountability agents.

***Commentary on the Template***

The template is provided as a tool for Accountability Agents. It is acceptable to depart from the template for stylistic reasons by, for example, reordering the elements (e.g. by switching the date and citation to different ends of the note) or adding additional elements. However, it would be difficult to produce a satisfactory case note without the minimum elements mentioned in the template.

***General heading***

It is possible to combine the general heading and citation into a single heading or adopt a citation that stands in for a general heading. However, unlike a series of law reports directed exclusively at lawyers, case notes are useful as an educational tool for ordinary consumers and businesses. Accordingly, a general heading that communicates a clear straightforward message is recommended.

***Citation***

It is essential that all those that may wish to refer to a case note can do so by an accepted citation that unambiguously refers to the same note. All case notes should be issued with a citation including the following elements:

- a descriptor of the case;
- the year of publication ;
- a standard abbreviation for the accountability authority (including an indicator of which economy the Accountability Agent is based), and;
- a sequential number.

*Case report*

The style and approach of case reports can differ substantially but there are several elements that almost certainly will appear. These include:

- an account of the facts (e.g. as initially asserted on a complaint and as found after investigation)
- the relevant law (which will include the elements of the CBPR program)
- a discussion of the issues of interest and how the law applied to the facts in question
- the outcome of the complaint.

*Key terms*

It may be useful to include the standard terms used in traditional indexing or which will appear as tags in on-line environments.

**CASE NOTE TEMPLATE**

General heading
Citation
Case report <ul style="list-style-type: none"><li>· Facts</li><li>· Law</li><li>· Discussion</li><li>· Outcome</li></ul>
Date
Key terms <ul style="list-style-type: none"><li>· Tags</li></ul>

## FREQUENTLY ASKED QUESTIONS

- Q. *How many case notes should an Accountability Agent publish?*
- A. Those responsible for a CBPR program may find it useful to set targets for how many case notes should be published and make those targets public. In the initial years of a scheme's operation a greater number of case notes may be warranted so as to assist advisers and to provide reassurance to regulators and others. In later years, when there is a greater body of case notes available, fewer new notes may be needed. A scheme handling very few complaints will need to report a greater proportion of its complaints than a large scheme which can be more selective. As a general guide, a scheme handling more than 200 complaints a year might aim to publish about 8-10% of that number in case notes in the early years dropping later to, perhaps, 3-5 %.
- Q. *Which resolved complaints should be selected for case notes?*
- A. Those responsible for a CBPR program may find it useful to adopt standards to be applied in selecting case suitable for reporting. For instance, to ensure that the more serious cases are identified for reporting, criteria might refer to such indicators of systemic impact such as size of monetary settlements or awards. There is a need to report cases including significant or novel interpretations. There is also a value in reporting some typical cases which raise no novel legal issues but which illustrate the operation of the CBPR program in action.
- Q. *Why are case notes typically reported in anonymous form?*
- A. Case notes seek to illustrate the operation of the CBPR scheme, to educate about matters of interpretation and to ensure those handling complaints remain accountable. These objectives do not necessarily require the respondent to be named. The major objective of the complaints system is to resolve consumer disputes. Subject to the requirements of any particular scheme, this is often facilitated by confidential conciliation or mediation between the parties which does not require, and may even be hampered by, naming respondents publicly.
- Q. *Might it be useful to name respondents sometimes?*
- A. Sometimes it will be appropriate to name the respondent to a complaint. Indeed, some CBPR programs might have this as their usual practice. Even programs that do not usually name respondents may need to do so sometimes, for instance where the respondent has publicly announced that the program is handling the complaint or that fact has otherwise become a matter of public notoriety. Occasionally, naming a respondent is an intentional part of the complaint outcome (e.g. if the respondent is refusing to cooperate with the investigation or accept the outcome). It will be good practice for Accountability Agents to adopt transparent policies on their practices for naming respondents.
- Q. *How much detail should appear in the case notes?*
- A. When publishing case notes in anonymous form, care needs to be taken in publishing details which might inadvertently identify the parties. Anonymity is usually easily achieved through generalizing factual details. The level of useful detail in a particular case note will depend upon why it has been chosen for reporting. For example, complaints selected for a case

note to illustrate a novel matter of legal interpretation will need the legal reasoning to be set out in full detail. By contrast, a case note illustrating a fairly routine interpretation in an interesting factual setting will obviously pay more attention to the facts. In the early phases of a scheme, relatively simple case notes are acceptable to ensure that advisers understand basic concepts but these should be followed by more detailed notes as familiarity with basic concepts is established.

Q. *How should Accountability Agents disseminate case notes?*

A. Active steps should be taken to make case notes easily available. Useful approaches may include to:

- maintain a distribution list to which copies of case notes are emailed
- release case notes individually or in batches during the year with accompanying media statements
- prepare summaries and use these in newsletters to highlight the release of new case notes
- post case notes on the Accountability Agent's website with good indexing and retrieval tools
- distribute electronic copies through RSS feeds
- integrate case notes into other educative initiatives such as training packages
- co-operate in re-publication by legal publishers.

Q. *How can Accountability Agents assist in making case notes readily available throughout the Asia Pacific?*

A. The cross-border nature of a CBPR program means that case notes will be useful to consumers, businesses, regulators and advisers in a variety of economies and not just in the Accountability Agent's home economy. Extra efforts should be taken to make their case notes widely available. These extra efforts will also contribute to consistency in interpretation across the region. Two key steps that Accountability Agents can take to make their case notes accessible throughout the Asia Pacific include:

- to facilitate the efforts of those who wish to re-publish their case notes
- to provide their case notes, in electronic form, to a recognised international consolidated point of access.

Q. *How can Accountability Agents facilitate the efforts of those who wish to republish their case notes?*

A. Third party publishers can enable case notes to be made more widely available to the public, specialist bodies, advisers, researchers and regulators. Accountability Agents may facilitate re-publication by giving a general license for re-publication of case notes with proper acknowledgement. The general license should be included with the usual copyright statement posted on an Accountability Agent's website.

Q. *Is there a place where all case notes could be deposited and accessed?*

A. There is considerable value in having consolidated point of access for case notes from a variety of privacy enforcement authorities and accountability agents. The World Legal Information Institute's International Privacy Law Library available at



[www.worldlii.org/int/special/privacy](http://www.worldlii.org/int/special/privacy) provides a specialist facility for hosting privacy case notes and has for many years published case notes from privacy enforcement authorities in various Asia Pacific economies. The consolidated access point brings a variety of benefits including the ability to search seamlessly across a range of case note series from within the region. Accountability Agents are encouraged to make arrangements with WorldLII for the supply of case notes and their republication.

Q. *Is there any further published guidance on releasing case notes?*

A. The following resources discuss issues in releasing case notes and provide examples:

- International Privacy Law Library available at [www.worldlii.org/int/special/privacy](http://www.worldlii.org/int/special/privacy) - which includes many examples of privacy case note series
- Graham Greenleaf, 'Reforming Reporting of Privacy Cases: A Proposal for Improving Accountability for Asia-Pacific Privacy Commissioners', 2004 available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=512782](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=512782)
- Asia-Pacific Privacy Authorities Statement of Common Administrative Practice on Case Note Citation, November 2005, available at [www.privacy.gov.au/international/appa/statement.pdf](http://www.privacy.gov.au/international/appa/statement.pdf)
- Asia-Pacific Privacy Authorities Statement of Common Administrative Practice on Case Note Dissemination, November 2006, available at [www.privacy.gov.au/international/appa/statement2.pdf](http://www.privacy.gov.au/international/appa/statement2.pdf)
- OECD Recommendation on Cross-border Cooperation in the Enforcement of Laws Protecting Privacy, 2007, clause 20, available at [www.oecd.org/dataoecd/43/28/38770483.pdf](http://www.oecd.org/dataoecd/43/28/38770483.pdf)

**Annex B****ACCOUNTABILITY AGENT COMPLAINT STATISTICS**

The Accountability Agent recognition criteria require applicants to attest that as part of their dispute resolution mechanism they have a process for releasing complaint statistics and for communicating that information to the relevant government agency and privacy enforcement authority.

The template, with associated guidance and FAQs will assist in meeting the requirement.

***Objectives of Reporting Complaint Statistics***

Complaints handling is an important element of the Cross-Border Privacy Rules (CBPR) program. The recognition criteria for Accountability Agents include an obligation to publish and report statistics on complaints received in order to:

- promote understanding about the operation of the CBPR program;
- increase transparency across the CBPR system;
- help governments, business and others to see how a complaints system is working and to help identify trends;
- enable comparisons of parts of the CBPR program across the APEC region; and
- promote accountability of those involved in complaints handling and build stakeholder trust in Accountability Agents.

***Commentary on the Template***

The template is provided as a tool for accountability agents. It is acceptable to depart from the template by reporting additional statistics. However, the core minimum statistics should be reported in each case since they will form a common and comparable minimum data set across all APEC Accountability Agent dispute resolution processes. In particular jurisdictions, governmental authorities may require the reporting of additional statistics.

***Complaint numbers***

The total number of complaints should be reported. A format for reporting will need to be adopted that makes clear the number of new complaints received as well as older complaints carried over from the previous reporting period.

To assist readers to understand the reported figures and to aid in comparability there should be a note as to how terms are being used. For instance, some matters may be on the borderline between an enquiry about a company's information practice of concern and a complaint about that practice. Such matters may be quickly sorted out with an explanation to the enquirer or perhaps a telephone call to the company. Some programs may treat all matters as complaints while others may reserve that term for more formal dispute resolution or investigation and have another category for the matters treated less formally.

***Complaint outcomes***

This part of the template provides a picture of the processing of complaints.

***Complaints type***

The template asks Accountability Agents to provide informative breakdowns of the complaints by type. This will provide a statistical picture of who is complaining and why.

Some complaints will raise several different issues. The report should explain the basis upon which the Accountability Agent is reporting. One approach is, for example, to identify the principal aspect of the complaint and treat it for statistical purposes as being only about that issue. An alternative is to count and classify all the allegations made in a complaint. If the latter approach is taken, the totals of complaint types will exceed the total number of complaints received and this will need to be explained or it may seem to be an anomaly.

#### *Complaints process quality measures*

These statistics give a picture as to how well the complaints resolution system is working. At a minimum, some indication as to timeliness should be reported. At its simplest this might be to highlight the number of complaints that took longer than a target date to resolve (e.g. number of complaints on hand that are older than, say, three months) while some complaints systems may be able to produce a variety of more detailed statistics (e.g. the average time to resolve certain types of complaints). In a more sophisticated system other quality measures may be included and an Accountability Agent might, for example, report against internal targets or industry benchmarks if these are available.

#### *General*

The Accountability Agent should comment on the various figures reported. To set the statistics in context, it is useful to include three or four years of figures where these are available.

## COMPLAINT STATISTICS TEMPLATE

### Complaint Numbers

Number of complaints received during the year with a comment by the Accountability Agent on the significance of the number. A note should explain how the term 'complaint' is being used in the reported statistics.

### Complaint Processing and Outcomes

Complaints processed during the year broken down by the outcome.

Examples of typical outcomes include:

- complaints that could not be handled as they were outside the program's jurisdiction (e.g. against a company that is not part of the CBPR program);
- complaints referred back to a business that are resolved at that point;
- complaints settled by the Accountability Agent;
- complaints transferred to another Accountability Agent, Privacy Enforcement Authority or other enforcement authority;
- complaints for which the Accountability Agent has made a finding (such as complaint dismissed, complaint upheld in part, complaint upheld in full).

When the Accountability Agent has made findings upholding complaints, further statistical information should be given about the outcomes and any subsequent enforcement action.

The Accountability Agent should include a comment on the significance of the complaints outcomes.

### Complaints Type

Further statistics should be provided as to the type of complaints, including the subject matter of the complaint and characterization of the complainants and the respondents. Useful classifications will include:

- complaint subject matter broken down by APEC information privacy principle (notice, collection limitation, use, etc);
- basic information about complainants, where known, such as the economy from which complaints have been made;
- Information about the type of respondents to complaints – this will vary on the nature of a particularly CBPR program but may include industry classification (e.g. financial service activities, insurance), the capacity in which the respondent falls (e.g. information processor, employer, service provider), or size of company (SME, large company etc).

The Accountability Agent should comment on the significance of the reported figures.

### Complaints Process Quality Measures

An indication should be given as to about any quality measures used in relation to the particular CBPR program. A typical measure may relate to timeliness. The Accountability Agent should offer a comment upon the figures reported.

## FREQUENTLY ASKED QUESTIONS

Q. *Why does APEC require complaint statistics to be released?*

A. Complaints statistics are part of a transparent and accountable complaints handling system. The statistics will help paint a picture of how the CBPR program is operating. A number of stakeholders have an interest in seeing such a picture. For example, companies within a CBPR program, consumer advocates and regulators all have interest in knowing what happens in relation to the processing of complaints through an Accountability Agent. Transparency will promote understanding and confidence in the system.

Q. *Why do I need to release statistics on all the topics in the template?*

A. The template lists a minimum set of statistics that should be reported. To get a complete picture, all the categories of statistics are needed. Furthermore, since these are standard requirements across all APEC economies, the resultant statistics should be reasonably comparable. Over time, a picture should emerge as to how well CBPR programs are working and whether change is desirable.

Q. *How should these statistics be presented?*

A. The template provides the statistics that should be reported and requires that the Accountability Agent comment upon the significance of the figures. It is recommended that the statistics reported for a particular period should be published alongside the equivalent statistics for previous recent periods. Where available, three or four year's worth of figures should be reported. Accountability Agents are encouraged to put some effort into clearly displaying and explaining the statistics so that stakeholders can better appreciate their significance. For example, clear tables of figures with accompanying graphs are helpful.

Q. *Are there steps that can be taken to facilitate comparison across APEC jurisdictions?*

A. Accountability Agents are to include a classification in their reported statistics based on the APEC information privacy principles. This will aid comparison. In classifying respondents to complaints by industry type, it is recommended that the International Standard Industrial Classification of All Economic Activities (revised by the United Nations in 2008) be used or national or regional standards on industry classification that are aligned with that international standard. (See <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27&Lg=1>

## APEC CROSS-BORDER PRIVACY RULES SYSTEM PROGRAM REQUIREMENTS

*The purpose of this document is to provide the baseline program requirements of the APEC Cross Border Privacy Rules (CBPR) System in order to assist APEC-recognized Accountability Agents in an Applicant’s compliance review process and to ensure this process is conducted consistently throughout participating APEC Economies. Accountability Agents are responsible for receiving an Applicant’s intake documentation, verifying an Applicant’s compliance with the requirements of the CBPR System and, where appropriate, assisting the Applicant in modifying its policies and practices to meet the requirements of the CBPR System. The Accountability Agent will certify those Applicant deemed to have met the minimum criteria for participation provided herein, and will be responsible for monitoring the Participants’ compliance with the CBPR System, based on this criteria. This document is to be read in consistently with the APEC CBPR Intake Document<sup>1</sup>.*

NOTICE .....	6-47
COLLECTION LIMITATION .....	6-50
USES OF PERSONAL INFORMNATION.....	6-52
CHOICE .....	6-55
INTEGRITY OF PERSONAL INFORMATION .....	6-59
SECURITY SAFEGUARDS .....	6-61
ACCESS AND CORRECTION.....	6-65
ACCOUNTABILITY .....	6-68
GENERAL	
MAINTAINING ACCOUNTABILITY WHEN PERSONAL INFORMATION IS TRANSFERRED	

---

<sup>1</sup> *NOTE:* The APEC Cross Border Privacy Rules Intake Questionnaire lists the acceptable qualifications to the provision of notice, the provision of choice mechanisms, and the provision of access and correction mechanisms referred to in this document.

**NOTICE**

**Assessment Purpose** – *To ensure that individuals understand the applicant's personal information policies (subject to any qualifications), including to whom the personal information may be transferred and the purpose for which the personal information may be used. Refer to the APEC Cross Border Privacy Rules Intake Questionnaire for a list of acceptable Qualifications to the provision of notice.*

Question	Assessment Criteria
<p>1. Do you provide clear and easily accessible statements about your practices and policies that govern the personal information described above (a privacy statement)? Where YES, provide a copy of all applicable privacy statements and/or hyperlinks to the same.</p>	<p>If <b>YES</b>, the Accountability Agent must verify that the Applicant's privacy practices and policy (or other privacy statement) include the following characteristics:</p> <ul style="list-style-type: none"> <li>• Available on the Applicant's Website, such as text on a Web page, link from URL, attached document, pop-up windows, included on frequently asked questions (FAQs), or other (must be specified).</li> <li>• Is in accordance with the principles of the APEC Privacy Framework;</li> <li>• Is easy to find and accessible.</li> <li>• Applies to all personal information; whether collected online or offline.</li> <li>• States an effective date of Privacy Statement publication.</li> </ul> <p>Where Applicant answers <b>NO to question 1</b>, and does not identify an applicable qualification subject to the Qualifications to Notice set out <b>below</b>, the Accountability Agent must inform the Applicant that Notice as described herein is required for compliance with this principle. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
<p>1.a) Does this privacy statement describe how personal information is collected?</p>	<p>If <b>YES</b>, the Accountability Agent must verify that:</p> <ul style="list-style-type: none"> <li>• The statement describes the collection practices and policies applied to all covered personal information collected by the Applicant.</li> <li>• the Privacy Statement indicates what types of personal information, whether collected directly or through a third party or agent, is collected, and</li> <li>• The Privacy Statement reports the categories or specific sources of all categories of personal information collected.</li> </ul> <p>If <b>NO</b>, the Accountability Agent must inform the Applicant that Notice as described herein is required for compliance with this principle.</p>
<p>1.b) Does this privacy statement describe the purpose(s) for which personal information is</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant provides notice to</p>

collected?	<p>individuals of the purpose for which personal information is being collected.</p> <p>Where the Applicant answers <b>NO</b> and does not identify an applicable qualification set out below, the Accountability Agent must notify the Applicant that notice of the purposes for which personal information is collected is required and must be included in their Privacy Statement. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
1.c) Does this privacy statement inform individuals whether their personal information is made available to third parties and for what purpose?	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant notifies individuals that their personal information will or may be made available to third parties, <b><u>identifies the categories or specific third parties, and the purpose for which the personal information will or may be made available.</u></b></p> <p>Where the Applicant answers <b>NO</b> and does not identify an applicable qualification, the Accountability Agent must notify the Applicant that notice that personal information will be available to third parties is required and must be included in their Privacy Statement. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
1.d) Does this privacy statement disclose the name of the applicant's company and location, including contact information regarding practices and handling of personal information upon collection? Where YES describe.	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant provides name, address and a <b>functional</b> e-mail address.</p> <p>Where the Applicant answers <b>NO</b> and does not identify an applicable qualification, the Accountability Agent must inform the Applicant that such disclosure of information is required for compliance with this principle. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
1.e) Does this privacy statement provide information regarding the use and disclosure of an individual's personal information?	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant's Privacy Statement includes, if applicable, information regarding the use and disclosure of all personal information collected. Refer to question 8 for guidance on permissible uses of personal information. Where the Applicant answers <b>NO</b> and does not identify an applicable qualification, the Accountability Agent must inform the Applicant, that such information is required for compliance with this principle. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
1.f) Does this privacy statement provide information regarding whether and how an individual can access and correct their personal information?	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Privacy Statement includes:</p> <ul style="list-style-type: none"> <li>• The process through which the individual may access his or her personal information (including electronic or traditional non-electronic means).</li> <li>• The process that an individual must follow in order to correct his or her personal information</li> </ul> <p>Where the Applicant answers <b>NO</b> and does not identify an applicable qualification, the Accountability Agent</p>



	<p>must inform the Applicant that providing information about access and correction, including the Applicant's typical response times for access and correction requests, is required for compliance with this principle. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
<p>2. Subject to the qualifications listed below, at the time of collection of personal information (whether directly or through the use of third parties acting on your behalf), do you provide notice that such information is being collected?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant provides notice to individuals that their personal information is being (or, if not practicable, has been) collected <b>and that the notice is reasonably available to individuals.</b></p> <p>Where the Applicant answers <b>NO</b> and does not identify an applicable qualification, the Accountability Agent must inform the Applicant that the notice that personal information is being collected is required for compliance with this principle. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
<p>3. Subject to the qualifications listed below, at the time of collection of personal information (whether directly or through the use of third parties acting on your behalf), do you indicate the purpose(s) for which personal information is being collected?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant explains to individuals the purposes for which personal information is being collected. The purposes must be communicated orally or in writing, for example on the Applicant's website, such as text on a website link from URL, attached documents, pop-up window, or other.</p> <p>Where the Applicant answers <b>NO</b> and does not identify an applicable qualification set out on part II of the CBPR Self-Assessment Guidelines for Organisations, the Accountability Agent must inform the Applicant of the need to provide notice to individuals of the purposes for which personal information is being collected. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
<p>4. Subject to the qualifications listed below, at the time of collection of personal information, do you notify individuals that their personal information may be shared with third parties?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant provides notice to individuals that their personal information will be or may be shared with third parties and for what purposes.</p> <p>Where the Applicant answers <b>NO</b> and does not identify an applicable qualification set out on part II of the CBPR Self-Assessment Guidelines for Organisations, the Accountability Agent must inform the Applicant to provide notice to individuals that the personal information collected may be shared with third parties. Where the Applicant identifies an applicable qualification, the Accountability Agent must determine whether the applicable qualification is justified.</p>

**COLLECTION LIMITATION**

**Assessment Purpose** - Ensuring that collection of information is limited to the specific purposes stated at the time of collection. The collection of the information should be relevant to such purposes, and proportionality to the fulfillment of such purposes may be a factor in determining what is relevant. In all instances, collection methods must be lawful and fair

Question	Assessment Criteria
5. How do you obtain personal information: 5.a) Directly from the individual?  5.b) From third parties collecting on your behalf?  5.c) Other. If YES, describe.	The Accountability Agent must verify that the Applicant indicates from whom they obtain personal information.  Where the Applicant answers <b>YES to any of these sub-parts</b> , the Accountability Agent must verify the Applicant's practices in this regard.  There should be at least one 'yes' answer to these three questions. If not, the Accountability Agent must inform the Applicant that it has incorrectly completed the questionnaire.
6. Do you limit your personal information collection (whether directly or through the use of third parties acting on your behalf) to information that is relevant to fulfill the purpose(s) for which it is collected or other compatible or related purposes?	Where the Applicant answers <b>YES</b> and indicates it only collects personal information which is relevant to the identified collection purpose or other compatible or related purposes, the Accountability Agent must require the Applicant to identify: <ul style="list-style-type: none"> <li>• Each type of data collected</li> <li>• The corresponding stated purpose of collection for each; and</li> <li>• All uses that apply to each type of data</li> <li>• An explanation of the compatibility or relatedness of each identified use with the stated purpose of collection</li> </ul> Using the above, the Accountability Agent will verify that the applicant limits the amount and type of personal information to that which is relevant to fulfill the stated purposes  Where the Applicant answers <b>NO</b> , the Accountability Agent must inform the Applicant that it must limit the use of collected personal information to those uses that are relevant to fulfilling the purpose(s) for which it is collected.
7. Do you collect personal information (whether directly or through the use of third parties acting on your behalf) by lawful and fair	Where the Applicant answers <b>YES</b> , the Accountability Agent must require the Applicant to certify that it is aware of and complying with the requirements of the jurisdiction that governs the collection of such

<p>means, consistent with the requirements of the jurisdiction that governs the collection of such personal information? Where YES, describe.</p>	<p>personal information and that it is collecting information by fair means, without deception. Where the Applicant Answers <b>NO</b>, the Accountability Agent must inform that Applicant that lawful and fair procedures are required for compliance with this principle.</p>
---	---

## USES OF PERSONAL INFORMATION

**Assessment Purpose** - Ensuring that the use of personal information is limited to fulfilling the specific purposes of collection and other compatible or related purposes. This section covers use, transfer and disclosure of personal information. Application of this Principle requires consideration of the nature of the information, the context of collection and the intended use of the information. The fundamental criterion in determining whether a purpose is compatible with or related to the stated purposes is whether the extended usage stems from or is in furtherance of such purposes. The use of personal information for "compatible or related purposes" could extend, for example, to matters such as the creation and use of a centralized database to manage personnel in an effective and efficient manner; the processing of employee payrolls by a third party; or, the use of information collected by an applicant for the purpose of granting credit for the subsequent purpose of collecting debt owed to that applicant

Question	Assessment Criteria
<p>8. Do you limit the use of the personal information you collect (whether directly or through the use of third parties acting on your behalf) as identified in your privacy statement and/or in the notice provided at the time of collection, to those purposes for which the information was collected or for other compatible or related purposes? If necessary, provide a description in the space below.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify the existence of written policies and procedures to ensure that] all covered personal information collected either directly or indirectly through an agent is done so in accordance with the purposes for which the information was collected as identified in the Applicant's Privacy Statement(s) in effect at the time of collection or for other compatible or related purposes.</p> <p>Where the Applicant Answers <b>NO</b>, the Accountability Agent must consider answers to Question 9 below.</p>
<p>9. If you answered NO, do you use the personal information you collect for unrelated purposes under one of the following circumstances? Describe below.</p> <p>9.a) Based on express consent of the individual?</p> <p>9.b) Compelled by applicable laws?</p>	<p>Where the Applicant answers <b>NO</b> to question 8, the Applicant must clarify under what circumstances it uses personal information for purposes unrelated to the purposes of collection and specify those purposes. Where the applicant selects 9a, the Accountability Agent must require the Applicant to provide a description of how such consent was obtained, and the Accountability Agent must verify that the Applicant's use of the personal information is based on express consent of the individual (9.a), such as:</p> <ul style="list-style-type: none"> <li>• Online at point of collection</li> <li>• Via e-mail</li> <li>• Via preference/profile page</li> <li>• Via telephone</li> <li>• Via postal mail, or</li> <li>• Other (in case, specify)</li> </ul>

	<p>Where the Applicant answers 9.a, the Accountability Agent must require the Applicant to provide a description of how such consent was obtained. The consent must meet the requirements set forth in questions 17-19 below.</p> <p>Where the Applicant selects 9.b, the Accountability Agent must require the Applicant to provide a description of how the collected personal information may be shared, used or disclosed as compelled by law.</p> <p>Where the Applicant does not answer 9.a or 9.b, the Accountability Agent must inform the Applicant that limiting the use of collected information to the identified purposes of collection or other compatible or related purposes, unless permitted under the circumstances listed in this Question, is required for compliance with this principle.</p>
<p>10. Do you disclose personal information you collect (whether directly or through the use of third parties acting on your behalf) to other personal information controllers? If YES, describe.</p>	<p>Where the Applicant answers <b>YES</b> in questions 10 and 11, the Accountability Agent must verify that if personal information is disclosed to other personal information controllers or transferred to processors, such disclosure and/or transfer must be undertaken to fulfill the original purpose of collection or another compatible or related purpose, unless based upon the express consent of the individual necessary to provide a service or product requested by the individual, or compelled by law.</p>
<p>11. Do you transfer personal information to personal information processors? If YES, describe.</p>	<p>Also, the Accountability Agent must require the Applicant to identify:</p> <ol style="list-style-type: none"> <li>1) each type of data disclosed or transferred;</li> <li>2) the corresponding stated purpose of collection for each type of disclosed data; and</li> <li>3) the manner in which the disclosure fulfills the identified purpose (e.g. order fulfillment etc.).</li> </ol>
<p>12. If you answered YES to question 10 and/or question 11, is the disclosure and/or transfer undertaken to fulfill the original purpose of collection or another compatible or related purpose? If YES, describe.</p>	<p>Using the above, the Accountability Agent must verify that the Applicant's disclosures or transfers of all personal information is limited to the purpose(s) of collection, or compatible or related purposes.</p>
<p>13. If you answered NO to question 12 or if otherwise appropriate, does the disclosure and/or transfer take place under one of the following circumstances?</p> <p>13.a) Based on express consent of the individual?</p>	<p>Where applicant answers <b>NO</b> to question 13, the Applicant must clarify under what circumstances it discloses or transfers personal information for unrelated purposes, specify those purposes.</p> <p>Where the Applicant answers <b>YES</b> to 13.a, the Accountability Agent must require the Applicant to provide a description of how individual's provide consent to having their personal information disclosed and/or transferred for an unrelated use, such as:</p> <ul style="list-style-type: none"> <li>• Online at point of collection</li> </ul>

<p>13.b) Necessary to provide a service or product requested by the individual?</p> <p>13.c) Compelled by applicable laws?</p>	<ul style="list-style-type: none"> <li>• Via e-mail</li> <li>• Via preference/profile page</li> <li>• Via telephone</li> <li>• Via postal mail, or</li> <li>• Other (in case, specify)</li> </ul> <p>Where the Applicant answers <b>YES</b> to 13.b, the Accountability Agent must require the Applicant to provide a description of how the disclosure and/or transfer of collected personal information is necessary to provide a service or product requested by the individual. The Accountability Agent must verify that the disclosure or transfer is necessary to provide a service or product requested by the individual.</p> <p>Where the Applicant answers <b>YES</b> to 13.c, the Accountability Agent must require the Applicant to provide a description of how collected information may be shared, used or disclosed as compelled by law. The Applicant must also outline the legal requirements under which it is compelled to share the personal information, unless the Applicant is bound by confidentiality requirements. The Accountability Agent must verify the existence and applicability of the legal requirement.</p> <p>Where the Applicant answers <b>NO</b> to 13.a, b and c, the Accountability Agent must inform the Applicant that limiting the disclosure and/or transfer of collected information to the identified purposes of collection or other compatible or related purposes, unless permitted under the circumstances listed in this Question, is required for compliance with this principle.</p>
--	---

**CHOICE**

**Assessment Purpose** - Ensuring that individuals are provided with choice in relation to collection, use, and disclosure of their personal information. However, this Principle recognizes, through the introductory words "where appropriate" in the Framework itself, that there are certain situations where consent may be clearly implied or where it would not be necessary to provide a mechanism to exercise choice. These situations are detailed in part II of the CBPR Self-Assessment Guidelines for Organisations. Refer to the APEC Cross Border Privacy Rules Intake Questionnaire for a list of acceptable Qualifications to the provision of choice mechanisms.

Question	Assessment Criteria
<p>14. Subject to the qualifications described below, do you provide a mechanism for individuals to exercise choice in relation to the collection of their personal information? Where YES describe such mechanisms below.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant provides a description of the mechanisms provided to individuals so that they may exercise choice in relation to the collection of their personal information, such as:</p> <ul style="list-style-type: none"> <li>• Online at point of collection</li> <li>• Via e-mail</li> <li>• Via preference/profile page</li> <li>• Via telephone</li> <li>• Via postal mail, or</li> <li>• Other (in case, specify)</li> </ul> <p>The Accountability Agent must verify that these mechanisms are in place and operational and that the purpose of collection is clearly stated.</p> <p>Where the Applicant answers <b>NO</b>, the Applicant must identify the applicable qualification and the Accountability Agent must verify whether the applicable qualification is justified. Where the Applicant answers <b>NO</b> and does not identify an applicable qualification the Accountability Agent must inform the Applicant that a mechanism for individuals to exercise choice in relation to the collection of their personal information must be provided.</p>
<p>15. Subject to the qualifications described below, do you provide a mechanism for individuals to exercise choice in relation to the use of their personal information? Where YES describe such mechanisms below.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant provides a description of mechanisms provided to individuals so that they may exercise choice in relation to the use of their personal information, such as:</p> <ul style="list-style-type: none"> <li>• Online at point of collection</li> <li>• Via e-mail</li> </ul>

	<ul style="list-style-type: none"> <li>• Via preference/profile page</li> <li>• Via telephone</li> <li>• Via postal mail, or</li> <li>• Other (in case, specify)</li> </ul> <p>The Accountability Agent must verify that these types of mechanisms are in place and operational and identify the purpose(s) for which the information will be used. Subject to the qualifications outlined below, the opportunity to exercise choice should be provided to the individual at the time of collection, for subsequent uses of personal information. Subject to the qualifications outlined below, the opportunity to exercise choice may be provided to the individual after collection, but before: ]</p> <ul style="list-style-type: none"> <li>• being able to make use of the personal information, when the purposes of such use is not related or compatible to the purpose for which the information was collected, and</li> <li>• Personal information may be disclosed or distributed to third parties, other than Service Providers.</li> </ul> <p>Where the Applicant answers <b>NO</b>, the Applicant must identify the applicable qualification to the provision of choice, and provide a description and the Accountability Agent must verify whether the applicable qualification is justified.</p> <p>Where the Applicant answers <b>NO</b> and does not identify an acceptable qualification, the Accountability Agent must inform the Applicant a mechanism for individuals to exercise choice in relation to the use of their personal information must be provided.</p>
<p>16. Subject to the qualifications described below, do you provide a mechanism for individuals to exercise choice in relation to the disclosure of their personal information? Where YES describe such mechanisms below.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant provides a description of how individuals may exercise choice in relation to the disclosure of their personal information, such as:</p> <ul style="list-style-type: none"> <li>• Online at point of collection</li> <li>• Via e-mail</li> <li>• Via preference/profile page</li> <li>• Via telephone</li> <li>• Via postal mail, or</li> <li>• Other (in case, specify)</li> </ul> <p>The Accountability Agent must verify that these types of mechanisms are in place and operational and</p>



	<p>identify the purpose(s) for which the information will be disclosed. Subject to the qualifications outlined below, the opportunity to exercise choice should be provided to the individual at the time of collection, for subsequent disclosures of personal information. Subject to the qualifications outlined below, the opportunity to exercise choice may be provided to the individual after collection, but before:</p> <ul style="list-style-type: none"> <li>disclosing the personal information to third parties, other than Service Providers, for a purpose that is not related or when the Accountability Agent finds that the Applicant's choice mechanism is not displayed in a clear and conspicuous manner, or compatible with that for which the information was collected.]</li> </ul> <p>Where the Applicant answers <b>NO</b>, the Applicant must identify the applicable qualification to the provision of choice and provide a description and the Accountability Agent must verify whether the applicable qualification is justified.</p> <p>Where the Applicant answers <b>NO</b> and does not identify an acceptable qualification, the Accountability Agent must inform the Applicant that a mechanism for individuals to exercise choice in relation to the disclosure of their personal information must be provided.</p>
<p>17 When choices are provided to the individual offering the ability to limit the collection (question 14), use (question 15) and/or disclosure (question 16) of their personal information, are they displayed or provided in a clear and conspicuous manner?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant's choice mechanism is displayed in a clear and conspicuous manner .</p> <p>Where the Applicant answers <b>NO</b>, or when the Accountability Agent finds that the Applicant's choice mechanism is not displayed in a clear and conspicuous manner, the Accountability Agent must inform the Applicant that all mechanisms that allow individuals to exercise choice in relation to the collection, use, and/or disclosure of their personal information, must be clear and conspicuous in order to comply with this principle.</p>
<p>18. When choices are provided to the individual offering the ability to limit the collection (question 14), use (question 15) and/or disclosure (question 16) of their personal information, are they clearly worded and easily understandable?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant's choice mechanism is clearly worded and easily understandable.</p> <p>Where the Applicant answers <b>NO</b>, and/or when the Accountability Agent finds that the Applicant's choice mechanism is not clearly worded and easily understandable, the Accountability Agent must inform the Applicant that all mechanisms that allow individuals to exercise choice in relation to the collection, use, and/or disclosure of their personal information, must be clearly worded and easily understandable in order to comply with this principle.</p>
<p>19. When choices are provided to the individual offering the ability to limit the collection (question 14), use (question 15) and/or disclosure (question 16) of their</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant's choice mechanism is easily accessible and affordable.</p> <p>Where the Applicant answers <b>NO</b>, or when the Accountability Agent finds that the Applicant's choice mechanism is not easily accessible and affordable, the Accountability Agent must inform the Applicant that</p>

<p>personal information, are these choices easily accessible and affordable? Where YES, describe.</p>	<p>all mechanisms that allow individuals to exercise choice in relation to the collection, use, and/or disclosure of their personal information, must be easily accessible and affordable in order to comply with this principle.</p>
<p>20. What mechanisms are in place so that choices, where appropriate, can be honored in an effective and expeditious manner? Provide a description in the space below or in an attachment if necessary. Describe below.</p>	<p>Where the Applicant does have mechanisms in place, the Accountability Agent must require the Applicant to provide of the relevant policy or procedures specifying how the preferences expressed through the choice mechanisms (questions 14, 15 and 16) are honored.</p> <p>Where the Applicant does not have mechanisms in place, the Applicant must identify the applicable qualification to the provision of choice and provide a description and the Accountability Agent must verify whether the applicable qualification is justified.</p> <p>Where the Applicant answers <b>NO</b> and does not provide an acceptable qualification, the Accountability Agent must inform the Applicant that a mechanism to ensure that choices, when offered, can be honored, must be provided.</p>

## INTEGRITY OF PERSONAL INFORMATION

**Assessment Purpose** - *The questions in this section are directed towards ensuring that the personal information controller maintains the accuracy and completeness of records and keeps them up to date. This Principle also recognizes that these obligations are only required to the extent necessary for the purposes of use*

Question	Assessment Criteria
<p>21. Do you take steps to verify that the personal information held by you is up to date, accurate and complete, to the extent necessary for the purposes of use? If YES, describe.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must require the Applicant to provide the procedures the Applicant has in place to verify and ensure that the personal information held is up to date, accurate and complete, to the extent necessary for the purposes of use.</p> <p><b><u>The Accountability Agent will verify that reasonable procedures are in place to allow the Applicant to maintain personal information that is up to date, accurate and complete, to the extent necessary for the purpose of use.</u></b></p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that procedures to verify and ensure that the personal information held is up to date, accurate and complete, to the extent necessary for the purposes of use, are required for compliance with this principle.</p>
<p>22. Do you have a mechanism for correcting inaccurate, incomplete and out-dated personal information to the extent necessary for purposes of use? Provide a description in the space below or in an attachment if necessary.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must require the Applicant to provide the procedures and steps the Applicant has in place for correcting inaccurate, incomplete and out-dated personal information, which includes, but is not limited to, procedures which allows individuals to challenge the accuracy of information <b><u>such as accepting a request for correction from individuals by e-mail, post, phone or fax, through a website, or by some other method.</u></b> <b><u>The Accountability Agent must verify that this process is in place and operational.</u></b></p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that procedures/steps to verify and ensure that the personal information held is up to date, accurate and complete, to the extent necessary for the purposes of use, are required for compliance with this principle.</p>
<p>23. Where inaccurate, incomplete or out of date information will affect the purposes of use and corrections are made to the information subsequent to the transfer of the information, do you communicate the corrections to personal information processors, agents, or other service providers to whom the personal information was transferred? If YES, describe.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must require the Applicant to provide the procedures the Applicant has in place to communicate corrections to personal information processors, agent, or other service providers to whom the personal information was transferred and the accompanying procedures to ensure that the corrections are also made by the processors, agents or other service providers acting on the Applicant's behalf.</p> <p>The Accountability Agent must verify that these procedures are in place and operational, and that they effectively ensure that corrections are made by the processors, agents or other service providers acting on the Applicant's behalf.</p>

	Where the Applicant answers <b>NO</b> , the Accountability Agent must inform the Applicant that procedures to communicate corrections to personal information processors, agent, or other service providers to whom the personal information was transferred, are required for compliance with this principle.
24. Where inaccurate, incomplete or out of date information will affect the purposes of use and corrections are made to the information subsequent to the disclosure of the information, do you communicate the corrections to other third parties to whom the personal information was disclosed? If YES, describe.	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must require the Applicant to provide the procedures the Applicant has in place to communicate corrections to other third parties, to whom personal information was disclosed.</p> <p>The Accountability Agent must verify that these procedures are in place and operational.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that procedures to communicate corrections to other third parties to whom personal information was disclosed, are required for compliance with this principle.</p>
25. Do you require personal information processors, agents, or other service providers acting on your behalf to inform you when they become aware of information that is inaccurate, incomplete, or out-of-date?	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must require the Applicant to provide the procedures the Applicant has in place to receive corrections from personal information processors, agents, or other service providers to whom personal information was transferred or disclosed to ensure that personal information processors, agents, or other service providers to whom personal information was transferred inform the Applicant about any personal information known to be inaccurate incomplete, or outdated.</p> <p>The Accountability Agent will ensure that the procedures are in place and operational, and, where appropriate, lead to corrections being made by the Applicant and by the processors, agents or other service providers.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that procedures to receive corrections from personal information processors, agents, or other service providers to whom personal information was transferred or disclosed, are required for compliance with this principle.</p>

**SECURITY SAFEGUARDS**

**Assessment Purpose** - The questions in this section are directed towards ensuring that when individuals entrust their information to an applicant, that applicant will implement reasonable security safeguards to protect individuals' information from loss, unauthorized access or disclosure, or other misuses

Question	Assessment Criteria
26. Have you implemented an information security policy?	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify the existence of this written policy.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that the implementation of a written information security policy is required for compliance with this principle.</p>
27. Describe the physical, technical and administrative safeguards you have implemented to protect personal information against risks such as loss or unauthorized access, destruction, use, modification or disclosure of information or other misuses?	<p>Where the Applicant provides a description of the physical, technical and administrative safeguards used to protect personal information, the Accountability Agent must verify the existence of such safeguards, which may include:</p> <ul style="list-style-type: none"> <li>• <b><u>Authentication and access control (eg password protections)</u></b></li> <li>• <b><u>Encryption</u></b></li> <li>• <b><u>Boundary protection (eg firewalls, intrusion detection)</u></b></li> <li>• <b><u>Audit logging</u></b></li> <li>• <b><u>Monitoring (eg external and internal audits, vulnerability scans)</u></b></li> <li>• <b><u>Other (specify)</u></b></li> </ul> <p>The Applicant must implement reasonable administrative, technical and physical safeguards, suitable to the Applicant's size and complexity, the nature and scope of its activities, and the sensitivity of the personal information and/or Third Party personal information it collects, in order to protect that information from leakage, loss or unauthorized use, alteration, disclosure, distribution, or access.</p> <p>Such safeguards must be proportional to the probability and severity of the harm threatened the sensitivity of the information, and the context in which it is held.</p> <p>The Applicant must take reasonable measures to require information processors, agents, contractors, or other service providers to whom personal information is transferred to protect against leakage, loss or unauthorized access, destruction, use, modification or disclosure or other misuses of the information. The Applicant must periodically review and reassess its security measures to evaluate their relevance and effectiveness.</p>

	Where the Applicant indicates that it has <b>NO</b> physical, technical and administrative safeguards, or inadequate safeguards, to protect personal information, the Accountability Agent must inform the Applicant that the implementation of such safeguards is required for compliance with this principle.
28. Describe how the safeguards you identified in response to question 27 are proportional to the likelihood and severity of the harm threatened, the sensitivity of the information, and the context in which it is held.	<p>Where the Applicant provides a description of the physical, technical and administrative safeguards used to protect personal information, the Accountability Agent must verify that these safeguards are proportional to the risks identified.</p> <p>The Applicant must implement reasonable administrative, technical and physical safeguards, suitable to the Applicant's size and complexity, the nature and scope of its activities, and the confidentiality or sensitivity of the personal information (whether collected directly from the individuals or through a third party) it gathers, in order to protect that information from unauthorized leakage, loss, use, alteration, disclosure, distribution, or access.</p>
29. Describe how you make your employees aware of the importance of maintaining the security of personal information (e.g. through regular training and oversight).	<p>The Accountability Agent must verify that the Applicant's employees are aware of the importance of, <b>and obligations respecting</b>, maintaining the security of personal information through regular training and oversight as demonstrated by procedures, which may include:</p> <ul style="list-style-type: none"> <li>• Training program for employees</li> <li>• Regular staff meetings or other communications</li> <li>• Security policy signed by employees</li> <li>• Other (specify)</li> </ul> <p>Where the Applicant answers that it does not make employees aware of the importance of, and obligations respecting, maintaining the security of personal information through regular training and oversight, the Accountability Agent has to inform the Applicant that the existence of such procedures are required for compliance with this principle.</p>
<p>30. Have you implemented safeguards that are proportional to the likelihood and severity of the harm threatened, the sensitivity of the information, and the context in which it is held through:</p> <p>30.a) Employee training and management or other safeguards?</p> <p>30.b) Information systems and management, including network and software design, as well</p>	<p>Where the Applicant answers <b>YES</b> (to questions 30.a to 30.d), the Accountability Agent has to verify the existence each of the safeguards.</p> <p>The safeguards have to be proportional to the probability and severity of the harm threatened, the confidential nature or sensitivity of the information, and the context in which it is held. The Applicant must employ suitable and reasonable means, such as encryption, to protect all personal information.</p> <p>Where the Applicant answers <b>NO</b> (to questions 30.a to 30.d), the Accountability Agent must inform the Applicant that the existence of safeguards on each category is required for compliance with this principle.</p>

<p>as information processing, storage, transmission, and disposal?</p> <p>30.c) Detecting, preventing, and responding to attacks, intrusions, or other security failures?</p> <p>30.d) Physical security?</p>	
<p>31. Have you implemented a policy for secure disposal of personal information?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify the implementation of a policy for the secure disposal of personal information.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform Applicant that the existence of a policy for the secure disposal of personal information is required for compliance with this principle.</p>
<p>32. Have you implemented measures to detect, prevent, and respond to attacks, intrusions, or other security failures?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify the existence of measures to detect, prevent, and respond to attacks, intrusions, or other security failures.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that the existence of measures to detect, prevent, and respond to attacks, intrusions, or other security failures, is required for compliance with this principle.</p>
<p>33. Do you have processes in place to test the effectiveness of the safeguards referred to above in question 32? Describe below.</p>	<p>The Accountability Agent must verify that such tests are undertaken at appropriate intervals, and that the Applicant adjusts their security safeguards to reflect the results of these tests.</p>
<p>34. Do you use <u>risk assessments or third-party certifications</u>? Describe below.</p>	<p>The Accountability Agent must verify that such <u>risk assessments or certifications</u> are undertaken at appropriate intervals, and that the Applicant adjusts their security safeguards to reflect the results of these certifications or risk assessments. One example is whether privacy compliance audits are carried out by the Applicant and if audits are carried out, the Accountability Agent must verify whether recommendations made in the audits are implemented.</p>
<p>35. Do you require personal information processors, agents, contractors, or other service providers to whom you transfer personal information to protect against loss, or unauthorized access, destruction, use, modification or disclosure or other misuses of the information by:</p> <p>35.a) Implementing an information security program that is proportionate to the sensitivity</p>	<p>The Accountability Agent must verify that the Applicant has taken reasonable measures (such as by inclusion of appropriate contractual provisions) to require information processors, agents, contractors, or other service providers to whom personal information is transferred, to protect against leakage, loss or unauthorized access, destruction, use, modification or disclosure or other misuses of the information. The Applicant must periodically review and reassess its security measures to evaluate their relevance and effectiveness.</p>

<p>of the information and services provided?</p> <p>35.b) Notifying you promptly when they become aware of an occurrence of breach of the privacy or security of the personal information of the Applicant's customers?</p> <p>35.c) Taking immediate steps to correct/address the security failure which caused the privacy or security breach?</p>	
--	--



## ACCESS AND CORRECTION

**Assessment Purpose** - The questions in this section are directed towards ensuring that individuals are able to access and correct their information. This section includes specific conditions for what would be considered reasonable in the provision of access. Access will also be conditioned by security requirements that preclude the provision of direct access to information and will require sufficient proof of identity prior to provision of access. The details of the procedures whereby the ability to access and correct information is provided may differ depending on the nature of the information and other interests, which is why, in certain circumstances, it may be impossible, impracticable or unnecessary to change, suppress or delete records.

The ability to access and correct personal information, while generally regarded as a central aspect of privacy protection, is not an absolute right. While you should always make good faith efforts to provide access, in some situations, it may be necessary to deny claims for access and correction. Section II of the CBPR Self-Assessment Guidelines for Organisations sets out those conditions that must be met in order for such denials to be considered acceptable. When you deny a request for access, for the reasons specified herein, you should provide the requesting individual with an explanation as to why you have made that determination and information on how to challenge that denial. You would not be expected to provide an explanation, however, in cases where such disclosure would violate a law or judicial order. Refer to the APEC Cross Border Privacy Rules Intake Questionnaire for a list of acceptable Qualifications to the provision of access and correction mechanisms.

Question	Assessment Criteria
36. Upon request, do you provide confirmation of whether or not you hold personal information about the requesting individual? Describe below.	Where the Applicant answers <b>YES</b> , the Accountability Agent must verify that the Applicant has procedures in place to respond to such requests. The Applicant must grant access to any individual, to personal information collected or gathered about that individual, upon receipt of sufficient information confirming the individual's identity. The Applicant's processes or mechanisms for access by individuals to personal information must be reasonable having regard to the manner of request and the nature of the personal information. The personal information must be provided to individuals in an easily comprehensible way. The Applicant must provide the individual with a time frame indicating when the requested access will be granted. Where the Applicant answers <b>NO</b> and does not identify an applicable qualification, the Accountability Agent must inform the Applicant that the existence of written procedures to respond to such requests is required for compliance with this principle. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.
37. Upon request, do you provide individuals	Where the Applicant answers <b>YES</b> the Accountability Agent must verify each answer provided.

<p>access to the personal information that you hold about them? Where YES, answer questions 37(a) – (e) and describe your applicant's policies/procedures for receiving and handling access requests. Where NO, proceed to question 38.</p> <p>37.a) Do you take steps to confirm the identity of the individual requesting access? If YES, please describe.</p> <p>37.b) Do you provide access within a reasonable time frame following an individual's request for access? If YES, please describe.</p> <p>37.c) Is information communicated in a reasonable manner that is generally understandable (in a legible format)? Please describe.</p> <p>37.d) Is information provided in a way that is compatible with the regular form of interaction with the individual (e.g. email, same language, etc)?</p> <p>37.e) Do you charge a fee for providing access? If YES, describe below on what the fee is based and how you ensure that the fee is not excessive.</p>	<p>The Applicant must implement reasonable and suitable processes or mechanisms to enable the individuals to access their personal information, such as account or contact information.</p> <p>If the Applicant denies access to personal information, it must explain to the individual why access was denied, and provide the appropriate contact information for challenging the denial of access where appropriate.</p> <p>Where the Applicant answers <b>NO</b> and does not identify an applicable qualification, the Accountability Agent must inform the Applicant that it may be required to permit access by individuals to their personal information. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
<p>38. Do you permit individuals to challenge the accuracy of their information, and to have it rectified, completed, amended and/or deleted? Describe your applicant's policies/procedures in this regard below and answer questions 37 (a), (b), (c), (d) and (e).</p> <p>38.a) Are your access and correction mechanisms presented in a clear and conspicuous manner? Provide a description in</p>	<p>Where the Applicant answers <b>YES to questions 38.a</b>, the Accountability Agent must verify that such policies are available and understandable in the primarily targeted economy.</p> <p>If the Applicant denies correction to the individual's personal information, it must explain to the individual why the correction request was denied, and provide the appropriate contact information for challenging the denial of correction where appropriate.</p> <p>All access and correction mechanisms have to be simple and easy to use, presented in a clear and visible manner, operate within a reasonable time frame, and confirm to individuals that the inaccuracies have been corrected, amended or deleted. Such mechanisms could include, but are not limited to, accepting written or e-mailed information requests, and having an employee copy the relevant information and send it to the</p>

<p>the space below or in an attachment if necessary.</p> <p>38.b) If an individual demonstrates that personal information about them is incomplete or incorrect, do you make the requested correction, addition, or where appropriate, deletion?</p> <p>38.c) Do you make such corrections or deletions within a reasonable time frame following an individual's request for correction or deletion?</p> <p>38.d) Do you provide a copy to the individual of the corrected personal information or provide confirmation that the data has been corrected or deleted?</p> <p>38.e) If access or correction is refused, do you provide the individual with an explanation of why access or correction will not be provided, together with contact information for further inquiries about the denial of access or correction?</p>	<p>requesting individual.</p> <p>Where the Applicant answers <b>NO</b> to questions 38a-38e and does not identify an applicable qualification, the Accountability Agent must inform the Applicant that the existence of written procedures to respond to such requests is required for compliance with this principle. Where the Applicant identifies an applicable qualification, the Accountability Agent must verify whether the applicable qualification is justified.</p>
---	--

**ACCOUNTABILITY**

**Assessment Purpose** - *The questions in this section are directed towards ensuring that the Applicant is accountable for complying with measures that give effect to the other Principles stated above. Additionally, when transferring information, the Applicant should be accountable for ensuring that the recipient will protect the information consistently with these Principles when not obtaining consent. Thus, you should take reasonable steps to ensure the information is protected, in accordance with these Principles, after it is transferred. However, there are certain situations where such due diligence may be impractical or impossible, for example, when there is no on-going relationship between you and the third party to whom the information is disclosed. In these types of circumstances, you may choose to use other means, such as obtaining consent, to assure that the information is being protected consistently with these Principles. However, in cases where disclosures are required by domestic law, you would be relieved of any due diligence or consent obligations.*

Question	Assessment Criteria
<p>39. What measures do you take to ensure compliance with the APEC Information Privacy Principles? Please check all that apply and describe.</p> <ul style="list-style-type: none"> <li>• Internal guidelines or policies (if applicable, describe how implemented) _____</li> <li>• Contracts _____</li> <li>• Compliance with applicable industry or sector laws and regulations _____</li> <li>• Compliance with self-regulatory applicant code and/or rules _____</li> <li>• Other (describe) _____</li> </ul>	<p>The Accountability Agent has to verify that the Applicant indicates the measures it takes to ensure compliance with the APEC Information Privacy Principles.</p>
<p>40. Have you appointed an individual(s) to be responsible for your overall compliance with the Privacy Principles?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant has designated an employee(s) who is responsible for the Applicant’s overall compliance with these Principles.</p> <p>The Applicant must designate an individual or individuals to be responsible for the Applicant’s overall compliance with privacy principles as described in its Privacy Statement, and must implement opportune procedures to receive, investigate, and respond to privacy-related complaints, providing an explanation of</p>

	<p>any remedial action where applicable.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that designation of such an employee(s) is required for compliance with this principle.</p>
<p>41. Do you have procedures in place to receive, investigate and respond to privacy-related complaints? Please describe.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant has procedures in place to receive, investigate and respond to privacy-related complaints, such as:</p> <ol style="list-style-type: none"> <li>1) A description of how individuals may submit complaints to the Applicant (e.g. Email/Phone/Fax/Postal Mail/Online Form); AND/OR</li> <li>2) A designated employee(s) to handle complaints related to the Applicant's compliance with the APEC Privacy Framework and/or requests from individuals for access to personal information; AND/OR</li> <li>3) A formal complaint-resolution process; AND/OR</li> <li>4) Other (must specify).</li> </ol> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that implementation of such procedures is required for compliance with this principle.</p>
<p>42. Do you have procedures in place to ensure individuals receive a timely response to their complaints?</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant has procedures in place to ensure individuals receive a timely response to their complaints.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that implementation of such procedures is required for compliance with this principle.</p>
<p>43. If YES, does this response include an explanation of remedial action relating to their complaint? Describe.</p>	<p>The Accountability Agent must verify that the Applicant indicates what remedial action is considered.</p>
<p>44. Do you have procedures in place for training employees with respect to your privacy policies and procedures, including how to respond to privacy-related complaints? If YES, describe.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant has procedures regarding training employees with respect to its privacy policies and procedures, including how to respond to privacy-related complaints.</p> <p>Where the Applicant answers that it does not have procedures regarding training employees with respect to their privacy policies and procedures, including how to respond to privacy-related complaints, the Accountability Agent must inform the Applicant that the existence of such procedures is required for compliance with this principle.</p>
<p>45. Do you have procedures in place for responding to judicial or other government</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify that the Applicant has procedures in place for responding to judicial or other government subpoenas, warrants or orders, including those that</p>

<p>subpoenas, warrants or orders, including those that require the disclosure of personal information?</p>	<p>require the disclosure of personal information, as well as provide the necessary training to employees regarding this subject.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that such procedures are required for compliance with this principle.</p>
<p>46. Do you have mechanisms in place with personal information processors, agents, contractors, or other service providers pertaining to personal information they process on your behalf, to ensure that your obligations to the individual will be met (check all that apply)?</p> <ul style="list-style-type: none"> <li>• Internal guidelines or policies _____</li> <li>• Contracts _____</li> <li>• Compliance with applicable industry or sector laws and regulations _____</li> <li>• Compliance with self-regulatory applicant code and/or rules _____</li> <li>• Other (describe) _____</li> </ul>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify the existence of each type of agreement described.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must inform the Applicant that implementation of such agreements is required for compliance with this principle.</p>
<p>47. Do these agreements generally require that personal information processors, agents, contractors or other service providers:</p> <ul style="list-style-type: none"> <li>• Abide by your APEC-compliant privacy policies and practices as stated in your Privacy Statement? _____</li> <li>• Implement privacy practices that are substantially similar to your policies or privacy practices as stated in your Privacy Statement? _____</li> <li>• Follow instructions provided by you relating to the manner in which your personal information must be handled?</li> </ul>	<p>The Accountability Agent must verify that the Applicant makes use of appropriate methods to ensure their obligations are met.</p>

<p>_____</p> <ul style="list-style-type: none"> <li>• Impose restrictions on subcontracting unless with your consent? _____</li> <li>• Have their CBPRs certified by an APEC accountability agent in their jurisdiction? _____</li> <li>• Notify the Applicant in the case of a breach of the personal information of the Applicant's customers?</li> <li>• Other (describe) _____</li> </ul>	
<p>48. Do you require your personal information processors, agents, contractors or other service providers to provide you with self-assessments to ensure compliance with your instructions and/or agreements/contracts? If YES, describe below.</p>	<p>The Accountability Agent must verify the existence of such self-assessments.</p>
<p>49. Do you carry out regular spot checking or monitoring of your personal information processors, agents, contractors or other service providers to ensure compliance with your instructions and/or agreements/contracts? If YES, describe.</p>	<p>Where the Applicant answers <b>YES</b>, the Accountability Agent must verify the existence of the Applicant's procedures such as spot checking or monitoring mechanisms.</p> <p>Where the Applicant answers <b>NO</b>, the Accountability Agent must require the Applicant to describe why it does not make use of such spot checking or monitoring mechanisms.</p>
<p>50. Do you disclose personal information to other recipient <b>persons or organisations</b> in situations where due diligence and reasonable steps to ensure compliance with your APEC CBPRs by the recipient as described above is impractical or impossible?</p>	<p>If <b>YES</b>, the Accountability Agent must ask the Applicant to explain:</p> <p>(1) why due diligence and reasonable steps consistent with the above Assessment Criteria for accountable transfers are impractical or impossible to perform; and</p> <p>(2) the other means used by the Applicant for ensuring that the information, nevertheless, is protected consistent with the APEC Privacy Principles. Where the Applicant relies on an individual's consent, the Applicant must explain to the satisfaction of the Accountability Agent the nature of the consent and how it was obtained.</p>

## **APEC CROSS-BORDER PRIVACY RULES SYSTEM**

### ***WORKPLAN FOR THE DEVELOPMENT OF A DIRECTORY OF CBPR CERTIFIED ORGANIZATIONS AND APEC-RECOGNIZED ACCOUNTABILITY AGENTS***

#### ***Project Overview***

1. The purpose of this project is to develop a publicly accessible directory of organizations that have been certified as compliant with the APEC Cross Border Privacy Rules (CBPR) System by APEC-recognized Accountability Agents.
2. This directory should be accessible from all participating APEC member economies. The development of a website to host this directory is considered the most cost-effective mechanism for such a directory. This website should comply with the APEC website guidelines and associated templates.
3. At a minimum, this directory should contain the following information:
  - The relevant and up to date contact information for the certified organization;
  - The relevant and up to date contact information for the APEC-recognized Accountability Agent used to certify that organization;
  - The status of certification, including the date of certification;
  - The relevant Privacy Enforcement Authority in the jurisdiction in which the organization is seeking certification;
  - A link to the certified organization's website page that provides relevant information to the consumer about the organization's participation in the CBPR System, its privacy policies and practices, and complaint handling mechanisms; and
  - Any information about an Economy's law and regulations relevant to privacy issues, including links to APEC IAPs.
4. This directory is intended to be an information resource for consumers. It is the responsibility of the certified organization and the relevant Accountability Agent to make information available on the complaint handling process.
5. The information contained in this directory is intended to be one of multiple entry points for a consumer into the CBPR system. A consumer may also obtain information directly from certified organizations, from the appropriate government agencies or public authorities in their economy, or from APEC itself. In addition to this directory, participating APEC economies may wish to develop and maintain their own websites containing additional information related to the CBPR system.

#### ***Directory Management***

6. Each participating APEC economy will designate a contact point to collect all relevant information for CBPR-certified organizations and APEC-recognized Accountability Agents within their economy. It is the responsibility of the certified organization and Accountability Agent to ensure that all information provided to the contact point is up to date and accurate.
7. The designated contact point will forward all collected information to the appropriate website administrator for inclusion on the website.



8. Organizations will only be listed in the directory after they have been certified as compliant with the minimum requirements of the CBPR system by an APEC-recognized Accountability Agent. Should they cease participation in the CBPR system for any reason, they will be removed from the website. The listing of an Accountability Agent will only occur after they have been recognized by APEC member economies and only as long as such recognition lasts.

9. As part of the implementation of this project, a process will be developed to ensure the maintenance and review of the information contained in the directory by participating APEC economies.

#### ***Website Development and Maintenance***

10. Hosting: The Directory should be hosted on an APEC website and subject to the requirements and policies of the APEC Secretariat<sup>1</sup>.

11. Costs: There are costs associated in the development and maintenance of the website. It is not possible for the APEC Secretariat to meet these costs. These costs will need to be addressed as part of the broader implementation of the CBPR system.

#### ***Additional Functions***

12. The website may be expanded at the discretion of APEC economies and the APEC Secretariat to provide a comprehensive range of information and services regarding additional elements of the CBPR system for both stakeholders and participants. Services to be provided could include an automated technical assistance tool to help organizations develop complaint-handling privacy rules.

---

<sup>1</sup> <http://webresources.apec.org/>

## WEBSITE DEVELOPMENT WORK PLAN

### **A. Planning**

1. Consider the proposed content for the website
2. Creation of a website objectives document that articulates the goals of the website
3. Creation of a maintenance plan detailing how content will be updated and the process and frequency of such updates
4. Creation of a project brief, describing the entirety of the project
5. Consultation with relevant stakeholders, including organizations and consumer representatives, on the useful content of the website
6. Determine outside sponsorship, if necessary, and conformity with the APEC Sponsorship Guidelines:  
[http://www.apec.org/etc/medialib/apec\\_media\\_library/downloads/som/pubs.Par.0001.File.v1.1](http://www.apec.org/etc/medialib/apec_media_library/downloads/som/pubs.Par.0001.File.v1.1)

### **B. Development**

1. Conduct systems analysis of the project brief
2. Determine technical and functional specifications based on the systems analysis
3. Design iBoards (diagrams illustrating functional specifications)
4. Programming (coding of the website)
5. Create website policies on how the website is to be managed and administered
6. Targeted consultation with stakeholders

### **C. Testing**

1. Create test environment (how testing is to be done and who will be involved)
2. Create a 'Test Cases Document' detailing the steps that testers are to take. Tests are to cover the functionalities on the website.
3. Test Exercise based on test cases documentation.

### **D. Deployment**

1. Soft launch for a limited group to access and conduct a final test
2. Receive approval for 'APEC Website Status' and use of APEC Logo
3. Deploy

## REQUEST FOR CONTACT POINT INFORMATION FORM

### *Explanatory Notes*

#### ***Contact Point Collection Form***

This document is used by certified organizations and APEC-recognized Accountability Agents to submit their contact details to the appropriate government entity in their economy for inclusion in a directory of CBPR certified organizations. The contact point collection form is attached.

#### ***Purpose of the Directory***

The purpose of the directory is to serve as an entry point mechanism for consumers to access information about the CBPR system, check the accreditation of participating organizations, access the privacy policies and practices of accredited organizations, and to lodge complaints.

#### ***Role of the Contact Point***

The contact point is an organization's first point of contact for consumers seeking information about the organization's participation in the CBPR System or lodging a complaint in relation to personal information to which the CBPR system applies. The contact point is, on behalf of the organization, accountable for the organization's compliance with its business privacy rules and the requirements of the CBPR System.

#### ***Contact Point information from Accountability Agents***

The directory will also contain contact information for accountability agents. The purpose of collecting this information is to assist consumers in making contact with accountability agents. The Contact Point Form asks organizations to identify their accountability agent (if any). This information will be included in the listing for an organization, allowing consumers to directly contact the relevant accountability agent if they wish to lodge a complaint.

**CBPR SYSTEM CONTACT POINT DESIGNATION FORM**

ORGANIZATION	
APEC MEMBER ECONOMY	
CONTACT POINT NAME, TITLE/POSITION	
E-MAIL	
TELEPHONE	
FAX	
RELEVANT WEBSITE ADDRESS	
PHYSICAL ADDRESS	
CERTIFYING ACCOUNTABILITY AGENT	
ACCOUNTABILITY AGENT CONTACT POINT NAME	
ACCOUNTABILITY AGENT CONTACT POINT EMAIL	
ACCOUNTABILITY AGENT CONTACT POINT ADDRESS	
DATE OF CERTIFICATION	
DATE OF SUBMISSION OF FORM	

**Privacy Notice:** This information is being collected for the purpose of compiling a directory of contact points in certified organizations and APEC-recognized Accountability Agents in those APEC economies participating in the APEC Cross-Border Privacy Rules System. The information collected will be publicly available. Contact points may also be contacted as a group to communicate general information, updates and for the purposes of consultation.

## APEC COOPERATION ARRANGEMENT FOR CROSS-BORDER PRIVACY ENFORCEMENT

### 1 OBJECTIVES OF THIS FRAMEWORK

In endorsing the APEC Privacy Framework in 2004, APEC leaders recognised the importance of developing effective privacy protections that avoid barriers to information flows and ensure continued trade and economic growth in the APEC region.<sup>1</sup> This cross-border cooperation arrangement is a key step in achieving that goal.

The APEC Privacy Framework, Part IVB, calls on member economies to consider developing cooperative arrangements and procedures to facilitate cross-border cooperation in the enforcement of privacy laws. The APEC Privacy Framework contemplated bilateral or multilateral arrangements that include the following:

- mechanisms for promptly, systematically and efficiently notifying designated public authorities in other member economies of investigations or privacy enforcement cases that target unlawful conduct or the resulting harm to individuals in those economies;
- mechanisms for effectively sharing information necessary for successful cooperation in cross-border privacy investigation and enforcement cases;
- mechanisms for investigative assistance in privacy enforcement cases;
- mechanisms to prioritize cases for cooperation with public authorities in other economies based on the severity of the unlawful infringements of personal information privacy, the actual or potential harm involved, as well as other relevant considerations; and
- steps to maintain the appropriate level of confidentiality in respect of information exchanged under the cooperative arrangements.<sup>2</sup>

In addition, in 2007, APEC economies endorsed a 'pathfinder' for international implementation of the APEC Privacy Framework. The Cooperation Arrangement for Cross-border Privacy Enforcement is one outcome of the Pathfinder. The Pathfinder also seeks to facilitate development of a framework for accountable flows of personal information across borders, focussing on the use of Cross-Border Privacy Rules by

---

<sup>1</sup> APEC Privacy Framework, available at [http://www.apec.org/apec\\_groups/committee\\_on\\_trade/electronic\\_commerce/MedialibDownload.v1.html?url=/etc/medialib/apec\\_media\\_library/downloads/taskforce/ecsg/pubs/2005.Par.0001.File.v1.1](http://www.apec.org/apec_groups/committee_on_trade/electronic_commerce/MedialibDownload.v1.html?url=/etc/medialib/apec_media_library/downloads/taskforce/ecsg/pubs/2005.Par.0001.File.v1.1)

<sup>2</sup> Part IV, APEC Privacy Framework, available at [http://www.apec.org/apec\\_groups/committee\\_on\\_trade/electronic\\_commerce/MedialibDownload.v1.html?url=/etc/medialib/apec\\_media\\_library/downloads/taskforce/ecsg/pubs/2005.Par.0001.File.v1.1](http://www.apec.org/apec_groups/committee_on_trade/electronic_commerce/MedialibDownload.v1.html?url=/etc/medialib/apec_media_library/downloads/taskforce/ecsg/pubs/2005.Par.0001.File.v1.1)

business. The Pathfinder aims to support this cross-border privacy rules system with a framework for cross-border cooperation in the enforcement of information privacy.<sup>3</sup>

In 2007, the Organization for Economic Cooperation and Development (OECD) adopted a recommendation to promote cooperation between Member countries on the enforcement of laws protecting privacy.<sup>4</sup>

In light of this background, the goals of this Cooperation Arrangement are to:

- facilitate information sharing among Privacy Enforcement Authorities in APEC economies;
- establish mechanisms to promote effective cross-border cooperation between Privacy Enforcement Authorities on the enforcement of Privacy Law, including through referrals of matters and through parallel or joint investigations or enforcement actions;
- facilitate Privacy Enforcement Authority cooperation in enforcing Cross-Border Privacy Rules; and
- encourage information sharing and cooperation on privacy investigation and enforcement with privacy enforcement authorities outside APEC, including by ensuring this Cooperation Arrangement can work seamlessly with similar arrangements such as those developed under the OECD Recommendation.

## **2 OUTLINE OF THIS COOPERATION ARRANGEMENT**

- 2.1 This Cooperation Arrangement creates a practical multilateral mechanism for Privacy Enforcement Authorities to cooperate in cross-border privacy enforcement. It does this by creating a framework under which Privacy Enforcement Authorities may, on a voluntary basis, share information and request and render assistance in certain ways.
- 2.2 Any Privacy Enforcement Authority in an APEC economy may participate in this Cooperation Arrangement.
- 2.3 An Economy can have more than one participating Privacy Enforcement Authority provided each public body meets the criteria established in the definition of Privacy Enforcement Authority as contained in paragraph 4.1.

---

<sup>3</sup> *APEC Data Privacy Pathfinder* (2007) available at [http://aimp.apec.org/Documents/2007/SOM/CSOM/07\\_csom\\_019.doc](http://aimp.apec.org/Documents/2007/SOM/CSOM/07_csom_019.doc).

<sup>4</sup> Organisation for Economic Cooperation and Development, (2007) *Recommendation on Cross-Border Co-operation in the Enforcement of Laws Protecting Privacy*, available at: [www.oecd.org/dataoecd/43/28/38770483.pdf](http://www.oecd.org/dataoecd/43/28/38770483.pdf).

2.4 This Cooperation Arrangement is set out as follows:

- commencement of this Cooperation Arrangement (paragraph 3);
- definitions and legal limitations (paragraphs 4, 6 and 7);
- the role of the Administrator (paragraph 5);
- how to participate, or cease to participate, in the Cooperation Arrangement (paragraph 8);
- cross-border cooperation (paragraph 9);
- confidentiality (paragraph 10);
- information sharing (paragraph 11); and
- miscellaneous matters (staff exchanges, disputes, review) (paragraphs 12 to 15).

2.5 Annexed to the Cooperation Arrangement are:

- Request for Assistance form (Annex A).
- Contact Point Designation form (Annex B).
- A template for summary statement of Participant's practices, policies and activities (Annex C).

### 3 COMMENCEMENT

3.1 This Cooperation Arrangement commences one month after the Administrator is designated under paragraph 5 or such later date specified by the ECSG.

3.2 From the date of commencement any Privacy Enforcement Authority may participate in the Cooperation Arrangement as provided for in paragraph 8.

### 4 DEFINITIONS

4.1 In this Cooperation Arrangement:

**'Administrator'** means the body or bodies designated under paragraph 5.1.

**'Cooperation Arrangement'** means APEC Cooperation Arrangement for Cross-border Privacy Enforcement.

**'Cross-Border Privacy Rules'** has the same meaning as in paragraphs 46 to 48 of the APEC Privacy Framework.

**'ECSG'** means the Electronic Commerce Steering Group or the APEC committee having responsibility for the APEC Privacy Framework.

**'Participant'** means a Privacy Enforcement Authority from an APEC member economy that participates in this Cooperation Arrangement.

**'Privacy Enforcement Authority'** means any public body that is responsible for enforcing Privacy Law, and that has powers to conduct investigations or pursue enforcement proceedings.

**'Privacy Law'** means laws and regulations of an APEC economy, the enforcement of which have the effect of protecting personal information consistent with the APEC Privacy Framework.

**'Receiving Authority'** means a Participant that has received a "Request for Assistance" from another Participant.

**'Request for Assistance'** includes, but is not limited to:

- (i) a referral of a matter related to the enforcement of a Privacy Law;
- (ii) a request for cooperation on the enforcement of a Privacy Law;
- (iii) a request for cooperation on the investigation of an alleged breach of a Privacy Law; and
- (iv) a transfer of a privacy complaint.

**'Requesting Authority'** means a Participant that has made a Request for Assistance of another Participant.

## 5 ROLE OF THE COOPERATION FRAMEWORK ADMINISTRATOR

5.1 The ECSG will designate:

- (i) the APEC Secretariat; or
- (ii) a Privacy Enforcement Authority (with its consent); or
- (iii) the APEC Secretariat and a Privacy Enforcement Authority (with its consent) jointly

to perform the functions of the Administrator.

5.2 The designation under paragraph 5.1 may be for a limited duration and may be revoked or altered by the ECSG at any time. In the event that a Privacy Enforcement Authority designated as the Administrator ceases to be so designated (through expiry, revocation, resignation or through ceasing to be a Privacy Enforcement Authority) the APEC Secretariat will perform the core functions of the Administrator pending any new designation (and may perform any of the additional functions).

5.3 The Administrator will perform the following core functions:

- (i) receive:



- (a) notices of intent to participate in or cease to participate in the Cooperation Arrangement under paragraphs 8.1 and 8.2;
    - (b) letters of confirmation under paragraph 8.1;
    - (c) economy contact point forms, under paragraph 11.1;
  - (ii) receive such documents in paragraph 5.3(i) and verify that the participating authority is a Privacy Enforcement Authority as defined in this Cooperation Arrangement;
  - (iii) subject to the outcome of paragraph 5.3(ii), arrange for documents received under paragraph 5.3(i)(a) and (c) to be made available through the APEC website or other appropriate accessible means;
  - (iv) maintain and make available:
    - (a) an up-to-date list of current subscribers;
    - (b) a compilation of economy contact points;
  - (v) review the operation of the Cooperation Arrangement three years after its commencement as set out in paragraph 15;
- 5.4 The Administrator may also perform the following additional functions:
- (i) publicise the Cooperation Arrangement in conjunction with APEC, member economies and stakeholders;
  - (ii) publish a directory of any bodies, whether or not Privacy Enforcement Authorities or participants, having a role to play in the protection of privacy;
  - (iii) promote initiatives to support cooperation amongst Participants through, for instance, teleconferences, seminars, staff exchanges, and cooperation with other enforcement networks;
  - (iv) facilitate exploring, recording and reviewing common enforcement priorities.

## **6 CHARACTER OF THIS DOCUMENT**

6.1 This arrangement is to be read consistently with the APEC Privacy Framework.

6.2 Nothing in this Cooperation Arrangement is intended to:

- (i) Create binding obligations, or affect existing obligations under international or domestic law, or create obligations under the laws of the Participants' economies.
- (ii) Prevent a Participant from seeking assistance from or providing assistance to another Participant or another non-participating enforcement authority of an APEC member economy, pursuant to other agreements, treaties, arrangements, or practices.

- (iii) Affect any authority or right of a Privacy Enforcement Authority or non-participating authority to seek information on a lawful basis, including in law enforcement matters, from a person located in the territory of another Participant's economy, nor is it intended to preclude any such person from voluntarily providing information to a Privacy Enforcement Authority or non-participating authority.
- (iv) Impede governmental activities authorized by law when taken to protect security, public safety, sovereignty or other public policy of an APEC member economy.
- (v) Create obligations or expectations of cooperation that would exceed a Participant's scope of authority and jurisdiction.
- (vi) Create obligations or expectations for other, non-participating government agencies.
- (vii) affect any authority or right to use information pursuant to a mutual legal assistance treaty (MLAT) or other applicable international agreements between the Requesting and Receiving Authorities' governments.

## **7 LIMITATIONS ON ASSISTANCE**

7.1 At its sole discretion, a Participant may at any time decline to accept or proceed with a Request for Assistance, or limit its cooperation including, but not limited, under the following circumstances:

- (i) The matter is inconsistent with domestic law or policy.
- (ii) The matter is not within the Participant's scope of authority or jurisdiction.
- (iii) The matter is not an act or practice of a kind that both the Requesting Authority and Receiving Authority are authorized to investigate or enforce against under their Privacy Laws.
- (iv) There are resource constraints.
- (v) The matter is inconsistent with other priorities.
- (vi) There is an absence of mutual interest in the matter in question.
- (vii) The matter is outside the scope of this Cooperation Arrangement.
- (viii) Another body (including a private sector body, consistent with paragraph 9.4) is a more appropriate body to handle the matter.
- (ix) Any other circumstances that renders a Participant unable to cooperate. The Participant may notify the basis of these circumstances in writing.

## **8 PARTICIPATING IN THE COOPERATION ARRANGEMENT**

- 8.1 A Privacy Enforcement Authority may participate in this Cooperation Arrangement by giving written notice to the Administrator. The participation should be supported by a written letter of confirmation from the economy's ECSG delegation, or other appropriate governmental representative, that the applicant is a Privacy Enforcement Authority within the meaning of the definition in paragraph 4.1. The participation will take effect after the Administrator has formally accepted the Participant's written notice, subject to the outcomes of paragraph 5.3(ii).
- 8.2 A Participant may cease participation in this Cooperation Arrangement by giving one month's written notice to the Administrator.
- 8.3 A Privacy Enforcement Authority should, as soon as reasonably practicable after notifying the Administrator under paragraphs 8.1 or 8.2, take reasonable steps to make the participation or cessation of participation known to other Participants. This should include posting information on the Authority's website during the period it has participated in the Cooperation Arrangement and for a reasonable period after ceasing to participate.
- 8.4 A Privacy Enforcement Authority planning to cease participation in the Cooperation Arrangement that has received, or is currently acting upon, a Request for Assistance should consider whether it will be able to fulfil what is expected of it under this Cooperation Arrangement in relation to the request after it has ceased participation. If the request will be affected, the Authority should exercise its best endeavour to protect the interests of the Requesting Authority and the individuals concerned and ensure that they are advised of, or consulted upon, any actions to be taken.

## **9 CROSS-BORDER COOPERATION**

### **Cross-border cooperation on enforcement of Privacy Law**

- 9.1 Subject to paragraphs 6 and 7, Participants should assist one another by considering other Participants' Requests for Assistance and referrals for investigation or enforcement, and share information and cooperate on the investigation or enforcement of Privacy Laws.

### **Prioritisation of matters for cross-border cooperation**

- 9.2 Given that cross-border cooperation can be complex and resource-intensive, Participants may individually or collectively prioritize those matters that are most serious in nature based upon the severity of the unlawful infringements of personal information privacy, the actual or potential harm involved, as well as other relevant considerations. Participants requesting prioritisation of a particular Request for Assistance should specify the reasons in the Request for Assistance form.

- 9.3 Subject to paragraphs 7.1 and 9.2, Participants recognize the enforcement of APEC Cross-Border Privacy Rules as a priority for cooperation under this Arrangement.

#### **Cooperation with non-participating agencies and organisations**

- 9.4 Participants intend to use best efforts within the limits of their respective authority to cooperate with private sector organizations, self-regulatory bodies and non-participating Privacy Enforcement Authorities, whose responsibilities include the resolution of individuals' privacy complaints. Privacy Enforcement Authorities are in particular encouraged to cooperate with Accountability Agents involved in the enforcement of APEC Cross-Border Privacy Rules.
- 9.5 Participants intend to use best efforts within the limits of their respective authority to cooperate with other public sector bodies including law enforcement bodies, subject to paragraph 10.

#### **Steps prior to requesting assistance**

- 9.6 Before a Participant makes a Request for Assistance to another Participant, that Participant should:
- (i) ascertain that the request would be consistent with this Cooperation Arrangement and the goals of the APEC Privacy Framework;
  - (ii) seek consent, where appropriate and subject to any other requirements, policies or practices applicable to the Privacy Enforcement Authority in question, of individual complainants to provide information about their complaint to another Participant;
  - (iii) check the accessible information on the other Participant's practices, policies and activities (see paragraphs 11.2 and 11.3);
  - (iv) perform a preliminary enquiry, where appropriate and practicable, to identify which entity in the other member economy has front-line responsibility with respect to the contemplated Request for Assistance consistent with paragraphs 9.4 and 9.5; and
  - (v) perform a preliminary enquiry, where appropriate, with the contact point (designated under paragraph 11.1) of the other Participant or other appropriate entity in the other member economy and provide information as necessary, to identify if the other Participant will have and accept jurisdiction over the contemplated Request for Assistance.

#### **Requesting assistance**

- 9.7 A Participant making a Request for Assistance to another Participant should:
- (i) use the APEC 'Request for Assistance' form (attached at Annex A) to communicate key information about the matter in question;

- (ii) provide sufficient additional information (if any) for the Receiving Authority to take action, such as identifying any special precautions that should be taken in the course of fulfilling the request;
- (iii) specify the purpose for which any information requested from the Receiving Authority will be used and the persons to whom the information may be transferred; and
- (iv) provide information, or other assistance, requested by the Receiving Authority to assist with the handling of the referred matter.

9.8 A Participant whose assistance is requested should:

- (i) acknowledge the Request for Assistance as soon as reasonably practicable after receiving it;
- (ii) at the time of acknowledgement, or as soon as reasonably practicable thereafter, indicate whether it accepts or declines the request in whole or in part;
- (iii) if more information is needed from the Requesting Authority to enable a decision to be made on accepting or declining the request, promptly identify that further information is required and to clearly advise the Requesting Authority of this;
- (iv) if declining the Request for Assistance, provide the reason(s) for such a decision and refer the Requesting Authority, where feasible and appropriate, to a body which may be able to handle the request (consistent with paragraphs 9.4 and 9.5);
- (v) if limiting the extent of cooperation, provide the reason(s) for such decision and advise any condition(s) to be imposed for rendering assistance; and
- (vi) if accepting the Request for Assistance:
  - (a) process that request according to its usual policy and practice;
  - (b) where feasible and appropriate, communicate with the Requesting Authority about matters that may assist with the processing of the matter in question; and
  - (c) where feasible and appropriate, keep the Requesting Authority informed of the progress and outcome of the referred matter.

**Communication to assist ongoing investigations**

- 9.9 Participants should communicate with each other, as appropriate, about matters that may assist ongoing investigations.

### **Use of information obtained during cross-border cooperation**

- 9.10 The Requesting Authority and the Receiving Authority will, on a bilateral basis, determine permissible uses of shared information consistent with applicable law and policy.

### **Notice of possible breaches in another Participant's jurisdiction**

- 9.11 A Participant may, if it considers appropriate, provide another Participant with notice of a possible breach of the privacy laws of that other Participant's economy.
- 9.12 Where appropriate and feasible, Participants should coordinate their investigations and enforcement activity with that of other Participants to promote more effective enforcement and avoid interference with ongoing investigations.

## **10 CONFIDENTIALITY**

- 10.1 Subject to paragraphs 9.10 and 10.3, and in accordance with any laws applicable to the Requesting and Receiving Authority, consultations, other communications or information shared between Participants pursuant to this Cooperation Arrangement, are confidential and will not be disclosed.
- 10.2 Each Participant should, to the fullest extent possible and consistent with its economy's laws, use best efforts to maintain the confidentiality of any information communicated to it in confidence by another Participant and respect any safeguards sought by the other Participant.
- 10.3 Nothing in this Cooperation Arrangement prevents disclosure of confidential information to third parties, such as other law enforcement agencies, if such disclosure is required by the law of the Requesting Authority's economy. Participants should state clearly all likely requirements for disclosure in their statements of practices, policies and activities (see paragraphs 11.2 and 11.3) and an updated statement of practices, policies and activities should accompany a Request for Assistance when seeking confidential information from another Participant. Where a Requesting Authority is subject to a legal requirement to disclose, it should use best efforts to notify the Receiving Authority at least ten days in advance of any such proposed disclosure or, if such notice cannot be given, then as promptly as possible.
- 10.4 Confidential information disclosed under paragraphs 10.3 and 9.10 should be subject to appropriate confidentiality assurances.
- 10.5 Upon ceasing participation in this Cooperation Arrangement, a Privacy Enforcement Authority should maintain the confidentiality of any information provided to it in confidence by another Participant. Any information provided under the Cooperation Arrangement should be held securely and confidentially, returned

or otherwise handled in accordance with the consent of the Participant that provided it.

- 10.6 Subject to paragraphs 9.10 and 10.3, Participants intend to oppose, to the fullest extent possible consistent with their economies' laws, any application by a third party for disclosure of confidential information or materials received from other Participants, subject to consultation with the Participants that provided the information.
- 10.7 Each Participant should endeavour to safeguard the security of any information received under this Cooperation Arrangement. To this effect, a Participant should have in place appropriate measures to prevent loss, unauthorized or accidental access, processing, use or disclosure of any information received under this Cooperation Arrangement. Any information received under this Cooperation Arrangement should not be retained for longer than required by domestic law or than is necessary for the fulfillment of the purpose for which the information is to be used.

## **11 INFORMATION SHARING**

### **Contact point designation**

- 11.1 Each Participant should designate a contact for the purposes addressed in this Cooperation Arrangement and as the main, but not exclusive, point of contact for other Privacy Enforcement Authorities. The Contact Point Designation form (or an updated version provided for this purpose by the Administrator) annexed to this Cooperation Arrangement may be used.

### **Participants' statement of practices, policies and activities**

- 11.2 Participants should prepare a statement of information related to their enforcement practices and policies and other relevant activities. Participants should take steps to make this statement accessible to other Participants, for example, by posting it on their website. Availability of these statements will improve Participants' collective understanding of how enforcement is conducted within respective economies as well as assisting in the facilitation of particular Requests for Assistance.
- 11.3 The Administrator may request Participants to file summary statements of enforcement practices to be available to Participants in a central repository. If doing so, the Administrator will use the template annexed to this Cooperation Arrangement or an updated version of that template. Participants should provide the Administrator with an updated summary within a reasonable time frame if their policies or practices change.

## **Sharing of experiences**

- 11.4 Each Participant is encouraged, where feasible and appropriate, to provide information in their possession to other Participants respecting important developments in relation to matters within the scope of this Cooperation Arrangement, including:
- (i) surveys of public attitudes bearing upon enforcement matters;
  - (ii) details of research projects having an enforcement or cross-border cooperation dimension;
  - (iii) enforcement training programmes;
  - (iv) changes in relevant legislation;
  - (v) experiences with various techniques in investigating privacy violations and with regulatory strategies, including self-regulatory strategies, involving such violations;
  - (vi) information about trends and developments in the types and numbers of complaints and disputes they handle; and
  - (vii) opportunities for privacy enforcement staff training and employment.

## **12 STAFF EXCHANGES**

- 12.1 Participants may explore bilateral opportunities to arrange secondments of staff or staff exchanges or enable specialist staff to assist other Participants in particular matters.
- 12.2 Participants may also, where appropriate, consider the feasibility of:
- (i) enabling staff to participate in training programmes that another Participant is conducting;
  - (ii) developing joint training programmes;
  - (iii) sharing specialist training resources.

## **13 COSTS**

- 13.1 Each Participant bears their own costs of providing information or assistance in accordance with this Cooperation Arrangement and in otherwise cooperating as contemplated by this Cooperation Arrangement.
- 13.2 Participants may negotiate to share or transfer costs of responding to a specific Request for Assistance, offer of training, or other cooperation.



## **14 DISPUTES**

- 14.1 Any dispute between Participants in relation to this Cooperation Arrangement is to be resolved by discussions between them through their designated contacts and, failing resolution in a reasonably timely manner, by discussion between the heads of the Participants.

## **15 REVIEW AND UPDATE OF THIS DOCUMENT**

- 15.1 Through a consultative process, Participants must review this Cooperation Arrangement and its operation three years after its commencement.
- 15.2 Having completed the review, the Administrator will submit a report to the ECSG giving an account of the review and offering recommendations of any necessary or desirable changes.
- 15.3 The Administrator will manage a process for soliciting and receiving acceptances from Participants of the changes approved by the ECSG and will appropriately update the list of current Participants and make the revised Cooperation Arrangement available.

# Request for Assistance Form

Please see the instructions below

Date of the request:

## 1. Case name

## 2. Authority contact details

**From:**

Requesting Authority, Economy	
Contact Person, Title	
Telephone	
Email Address	
Postal address	

**To:**

Receiving Authority, Economy	
Contact Person, Title	
Telephone	
Email Address	
Postal address	

### 3. Confidentiality requirements

### 4. Assistance requested

### 5. Time and manner of response

### 6. Organization(s) involved

Name	
Address/URL	
Contact Person, Title	
Telephone/ Email Address	
Principal Activities	
Any additional background information:	

## 7. Individual(s) involved

Name	
Address	
Telephone/ Email Address	
Any additional background information:	

## 8. Background and status of the investigation

## 9. Type of Privacy Principles at Issue

You may add explanation under each principle if necessary.

	Yes	No
<p><b>Preventing harm</b> (<i>APEC Privacy Principle 1</i>)</p> <p>[e.g. risk of harm that may result from the misuse of personal information]</p>		
<p><b>Notice</b> (<i>APEC Privacy Principle 2</i>)</p> <p>[e.g. notification of, and information on, the existence of data processing]</p>		
<p><b>Collection Limitation</b> (<i>APEC Privacy Principle 3</i>)</p> <p>[e.g. personal information collected is limited to information that is relevant to the stated purposes of collection; has been obtained by lawful and fair means; and, where appropriate, with notice to, or consent of, the individual concerned]</p>		
<p><b>Uses of Personal Information</b> (<i>APEC Privacy Principle 4</i>)</p> <p>[e.g. personal information only used only to fulfill the purposes of collection and/or related purposes except: with the consent of the individual whose personal information is collected; when necessary to provide a service/product requested by the individual; or, by the authority of law and other legal instruments, proclamations and pronouncements of legal effect.]</p>		

<p><b>Choice</b> (<i>APEC Privacy Principle 5</i>)</p> <p>[e.g. the provision of clear, accessible and affordable mechanisms to exercise choice in relation to the collection, use and disclosure of a individual's personal information, where appropriate].</p>		
<p><b>Integrity of Personal Information</b> (<i>APEC Privacy Principle 6</i>)</p> <p>[e.g. personal information is accurate, complete and kept up-to-date to the extent necessary for the purposes of use.]</p>		
<p><b>Security Safeguards</b> (<i>APEC Privacy Principle 7</i>)</p> <p>[e.g. personal information controllers have used the appropriate administrative, technical or procedural mechanisms for insuring the confidentiality, integrity, and protection of data.]</p>		
<p><b>Access and Correction</b> (<i>APEC Privacy Principle 8</i>)</p> <p>[e.g. individuals are able to: obtain confirmation of whether or not the personal information controller holds personal information about them; challenge the accuracy and, if possible have the information rectified, completed, amended or deleted, where possible.]</p>		
<p><b>Accountability</b> (<i>APEC Privacy Principle 9</i>)</p> <p>[e.g. personal information controller is accountable for complying with measures that give effect to the APEC Privacy Principles, including</p>		

when transferring personal information domestically or internationally.]		

**10. Possible law violations, potential sanctions, on-going proceedings and contemplated proceedings**

**11. Other Relevant Information**

## Instructions

### 1. Case name

Provide a name, number or other indication that can be used to refer to the request.

### 2. Authority contact details

Provide the contact details specified in the form for the Requesting Authority and the Receiving Authority. Where appropriate, provide contact information for any other Authorities (domestic or foreign) that have been involved in the investigation or whose assistance has been requested, to help ensure effective co-ordination.

APEC maintains a directory of Privacy Enforcement Authorities. The directory may assist in the identification of Privacy Enforcement Authorities in another economy. To access this directory conditions apply. Please contact **(insert instructions based on outcome of project 5)**.

### 3. Confidentiality requirements

Indicate what confidentiality requirements are requested of the Receiving Authority. For some requests, assurances regarding confidentiality may be needed prior to transmitting this Request for Assistance (which will likely contain the information for which confidential treatment is required). Requesting Authorities can contact the Receiving Authority in advance to specify and obtain agreement on the confidentiality requirements. In addition, indicate any special instructions as to how the information provided should be handled (e.g. whether the individuals or organizations concerned can be contacted).

### 4. Assistance requested

Describe the type of information needed or other type of assistance sought and indicate why the information will be of assistance.

### 5. Time and manner of response

Indicate the preferred manner in which the response/information is to be transmitted (e.g. telephone, email, courier, computer disk) as well as any deadlines by which the information is needed. If there are any special evidentiary or procedural requirements that should be observed by the Receiving Authority these could be noted as well. Describe reasons for why the Request for Assistance should be given priority.

### 6. Organization(s) involved

Identify the organization involved in the request, including its contact details and information about its principal activities. As needed, copy and complete the table for other organizations or agents involved.

### 7. Individual(s) involved

Identify or describe the individual(s) whose personal information is at issue. As needed, copy and complete the table for other individuals whose personal data is at issue.

### 8. Background/Status

Provide a short summary of the background and current status of the investigation. This summary should include relevant background facts underlying the investigation. Possible issues to mention could include, e.g., the date and description of key activities, investigative avenues already pursued, whether there has been any attempt by the individual to seek redress from the organisation or an accountability agent and key facts that give rise to the cross-border dimension.

### 9. Type of privacy principles at issue



Indicate whether the subject matter of the Request relates to any of the privacy principles described in the table. You may add an explanation under each principle if necessary.

**10. Possible law violations, potential sanctions, on-going proceedings and contemplated proceedings**

Where appropriate, indicate the possible laws or regulations that may have been violated, the possible sanctions that could be applied, as well as information on any on-going and contemplated proceedings. Note that links to the full texts of national laws should be available elsewhere, but that some description or citation to the relevant provisions may be useful to the Receiving Authority in determining how to respond to the Request.

**11. Other relevant information**

Provide any additional information that may be helpful in responding the Request.

# Contact Point Designation Form

Economy Name: \_\_\_\_\_ Date: \_\_\_\_\_

## Contact Point

Please provide information for each category. This information will be maintained in a non-public list.

<b>Privacy Enforcement Authority</b>	
<b>Name</b>	
<b>Title/Position</b>	
<b>Address</b>	
<b>Telephone</b>	
<b>Fax</b>	
<b>E-mail</b>	
<b>Website address</b>	

<b>(Optional) Other Privacy Enforcement Authorities in your economy and their website addresses</b>	
---	--

## **Summary statement of Privacy Enforcement Authority enforcement practices, policies and activities**

*This form seeks to capture in summary form the enforcement jurisdiction and policies of each Participant in the APEC Cooperation Arrangement for Cross-Border Privacy Enforcement. The information will usually be posted on the relevant Participant's website and, when available, at a central reference point maintained by the Administrator.*

**Privacy Enforcement Authority name:**

**Economy:**

**Website address:**

**Key law(s) enforced by your authority:**

*(Consider including a link to the relevant legislation)*

**General sectors/jurisdictions regulated by your authority:**

*(Public sector, private sector, a particular industry sector? Do you operate in a particular geographical jurisdiction such as a state or province?)*

**Approach to investigation / resolution of enforcement matters:**

*(What are your key enforcement activities or roles? For example, do you receive complaints, grant approvals, investigate, mediate or make determinations on matters? Broadly speaking, what are your investigation processes? What are your enforcement powers?)*

**Prioritization policies:**

*(Does your authority have a policy on the prioritization of enforcement matters it is willing to handle? If so, please provide a link to your current policy)*

**Other relevant information:**

*(Are there any restrictions on how your agency can cooperate on enforcement? Are there any circumstances in which your agency may be required by law to provide information obtained under the Cooperation Arrangement to a third party?)*

## **APEC CROSS-BORDER PRIVACY RULES SYSTEM**

### ***POLICIES, RULES AND GUIDELINES***

*The purpose of this document is to describe the APEC Cross Border Privacy Rules (CBPR) System, its core elements, governance structure and the roles and responsibilities of participating organizations, Accountability Agents and Economies. This document is to be read consistently with the APEC Privacy Framework. Nothing in this document is intended to create binding international obligations, affect existing obligations under international or domestic law, or create obligations under the laws and regulations of APEC Economies.*

DEVELOPMENT OF THE CBPR SYSTEM .....	6-102
OPERATION OF THE CBPR SYSTEM .....	6-103
CBPR PROCESSES OVERVIEW.....	6-107
THE CBPR SYSTEM AND DOMESTIC LAWS AND REGULATIONS .....	6-109
GOVERNANCE OF THE CBPR SYSTEM .....	6-110
SUCCESS CRITERIA FOR THE CBPR SYSTEM .....	6-111
ANNEX A – CHARTER OF THE APEC CROSS-BORDER PRIVACY RULES SYSTEM JOINT OVERSIGHT PANEL.....	6-114

## DEVELOPMENT OF THE CBPR SYSTEM

1. APEC plays a critical role in the Asia Pacific region by promoting a policy framework designed to ensure the continued free flow of personal information across borders while establishing meaningful protection for the privacy and security of personal information.

2. In November 2004, Ministers for the twenty-one APEC Economies endorsed the APEC Privacy Framework<sup>1</sup>. The Framework is comprised of a set of nine guiding principles and guidance on implementation to assist APEC Economies in developing consistent domestic approaches to personal information privacy protections. It also forms the basis for the development of a regional approach to promote accountable and responsible transfers of personal information between APEC Economies.

3. The Privacy Framework provides “a principles-based ... framework as an important tool in encouraging the development of appropriate information privacy protections and ensuring the free flow of information in the Asia Pacific region.”<sup>2</sup> Four of the purposes of the framework are to<sup>3</sup>:

- develop appropriate privacy protections for personal information, particularly from the harmful consequences of unwanted intrusions and the misuse of personal information;
- enable global organizations that collect, access, use or process data in APEC Economies to develop and implement uniform approaches within their organizations for global access to and use of personal information;
- assist enforcement agencies in fulfilling their mandate to protect information privacy; and
- advance international mechanisms to promote and enforce information privacy and to maintain the continuity of information flows among APEC economies and with their trading partners.

4. In addition, the Privacy Framework calls for the development of a system of voluntary cross-border privacy rules for the APEC region in its “Guidance for International Implementation”.<sup>4</sup>

5. These four purposes and the international implementation guidance formed the basis of the APEC Data Privacy Pathfinder, which was endorsed by APEC Ministers in September 2007 in Sydney, Australia. An APEC Pathfinder is a cooperative project among participating APEC Economies. The purpose of the Data Privacy Pathfinder was to develop a simple and transparent system that can be used by organizations for the protection of personal information that moves across APEC Economies. It was determined that the system should:

- provide a practical mechanism for participating Economies to implement the APEC Privacy Framework in an international, cross-border context; domestic laws, regulations and guidelines would continue to cover the collection and management of information within Economies;
- provide a means for organizations to transfer personal information across participating APEC Economies in a manner in which individuals may trust that the privacy of their personal information is protected; and

---

<sup>1</sup> Part IV of the Framework dealing with (a) guidance for domestic implementation and (b) guidance for international implementation was completed and endorsed by Ministers in 2005.

<sup>2</sup> APEC Privacy Framework, Part I, Preamble, para 4, 2005

<sup>3</sup> APEC Privacy Framework, Part I, Preamble, para 8, 2005

<sup>4</sup> APEC Privacy Framework, Part IV, Guidance on Int'l Implementation, Section III, paras 46-48.

- apply only to organizations (that is, businesses) – it is not intended to deal with the personal information handling practices of governments or individuals.

6. In the development of the APEC Data Privacy Pathfinder, the following stakeholder considerations were identified:

- organizations should have trust and confidence that organizations with which they enter into transactions that involve personal information have appropriate policies and procedures in place that are consistent with the APEC principles and respect applicable privacy and data security laws, as well as the privacy and security representations made to the individual when the personal information was collected;
- consumers should have trust and confidence that their personal information is transmitted and secured across borders; and
- governments should ensure that there are no unreasonable impediments to cross-border data transfers while at the same time protecting the privacy and security of their citizens' personal information domestically and, in cooperation with foreign governments, internationally.

7. The Pathfinder set out to develop a voluntary APEC Cross-Border Privacy Rules (CBPR) System, consistent with the above purposes, criteria and considerations, through the development of the following core documents:

- a detailed self-assessment questionnaire based on the nine APEC Privacy Principles for use by an applicant organization<sup>5</sup>;
- a set of baseline program requirements based on the nine APEC Privacy Principles against which an APEC-recognized Accountability Agent will assess an organization's completed questionnaire<sup>6</sup>;
- recognition criteria to be used by APEC Economies when considering the recognition of an Accountability Agent<sup>7</sup>;
- the Cross Border Privacy Enforcement Arrangement<sup>8</sup> (CPEA); and
- the Charter of the Cross Border Privacy Rules Joint Oversight Panel<sup>9</sup> (JOP).

## OPERATION OF THE CBPR SYSTEM

### *Overview of the CBPR System*

8. Organizations that choose to participate in the CBPR System should implement privacy policies and practices consistently with the CBPR program requirements for all personal information that they have collected or received that is subject to cross-border transfer to other participating

<sup>5</sup> See Project 1, CBPR Intake Questionnaire, 2011/SOM1/ECSG/DPS/020

<sup>6</sup> See Project 3, CBPR Program Requirements for use by Accountability Agents

<sup>7</sup> See Project 2, Accountability Agent Recognition Criteria, 2010/SOM1/ECSG/DPS/011

<sup>8</sup> See Projects 5/6/7, The Cross Border Privacy Enforcement Cooperation Arrangement, 2010/SOM1/ECSG/DPS/013

<sup>9</sup> See Charter of the Cross Border Privacy Rules Joint Oversight Panel, Annex A

APEC economies<sup>10</sup>. These privacy policies and practices should be evaluated by an APEC-recognized Accountability Agent for compliance with the CBPR program requirements. Once an organization has been certified for participation in the CBPR System, these privacy policies and practices will become binding as to that participant and will be enforceable by an appropriate authority, such as a regulator to ensure compliance with the CBPR program requirements.

### ***Elements of the CBPR System***

9. The CBPR System consists of four elements: (1) self-assessment; (2) compliance review; (3) recognition/acceptance; and (4) dispute resolution and enforcement.

#### **CBPR ELEMENT 1 – SELF-ASSESSMENT**

##### ***Self-Assessment Questionnaire for Organizations***

10. The CBPR System relies on an organization's self-assessment of their data privacy policies and practices against the requirements of APEC Privacy Framework using an APEC-recognized CBPR questionnaire (*see para 21*). This questionnaire will be provided by the appropriate APEC-recognized Accountability Agent, in accordance with established selection requirements (*see para 38*).

##### ***Link to Compliance Review***

11. The completed questionnaire and any associated documentation will then be submitted to the APEC-recognized Accountability Agent for confidential review against the baseline standards established in the CBPR program requirements (*see para 7*).

12. The submission of this questionnaire is the first step in an evaluative process that will determine whether an organization's privacy policies and practices are consistent with the program requirements of the CBPR System. This process can also be used by organizations to help them develop privacy policies or revise existing privacy policies to meet the program requirements of the CBPR System.

13. This questionnaire may be supplemented by additional questions, documentation or requests for clarification as part of the APEC-recognized Accountability Agent's review process.

##### ***Link to Compliance Directory***

14. An organization that is found to be compliant with the CBPR program requirements by an APEC-recognized Accountability Agent will be certified as CBPR compliant and will have relevant details of their certification published in an APEC-hosted website so that consumers and other stakeholders can be made aware that the organization is an active participant in the CBPR System.

#### **CBPR ELEMENT 2 – COMPLIANCE REVIEW**

##### ***Accountability Agent Recognition Criteria***

15. To become an APEC-recognized Accountability Agent, an Accountability Agent should meet the established recognition criteria to the satisfaction of APEC Economies (*see para 33*).

---

<sup>10</sup> While not required as part of the CBPR System, participating organizations are encouraged to apply the same privacy policies and procedures to all personal information that they have collected or received even if it is not subject to cross border transfer or if it is subject to such transfer only outside of participating APEC economies.



16. These criteria provide for the evaluation of an Accountability Agent's program requirements, dispute resolution procedures, and policies and procedures for the avoidance of conflicts of interest as well as process issues, including the certification and re-certification processes, ongoing monitoring and compliance reviews and enforcement of program requirements.

17. As a condition of APEC recognition, Accountability Agents are required to release anonymised case notes and complaint statistics. Complaint handling is an important element of the CBPR System. These actions will:

- promote understanding and increase transparency about the CBPR System;
- aid consistent interpretation of the APEC Privacy Principles and the CBPR System;
- provide additional guidance to organizations on the application of the APEC Privacy Principles and CBPR System; and
- promote accountability of those involved in complaints handling and build stakeholders' trust in the process.

18. As a further condition of APEC recognition, an Accountability Agent should consent to respond to requests from relevant government entities in any APEC Economy that reasonably relate both to that Economy and to the CBPR-related work of the Accountability Agent, where possible.

19. All APEC-recognized Accountability Agents should endeavour to cooperate when appropriate and where possible in CBPR-related complaint handling matters with other recognized Accountability Agents.

### ***Compliance Review Process of CBPRs***

20. When reviewing an organization's privacy policies and practices as described in the self-assessment questionnaire, an APEC-recognized Accountability Agent should assess them against the CBPR program requirements. These program requirements are designed to provide the minimum standard that applicant organizations should meet in order to ensure that the assessment process is conducted in a consistent manner across participating Economies. An APEC-recognized Accountability Agent's assessment process may exceed this standard but may not fall below it.

21. Where an applicant Accountability Agent intends to make use of its own questionnaire and/or program requirements in lieu of the APEC-recognized self-assessment questionnaire and/or the APEC-recognized CBPR program requirements (*see para 7*), it should establish its comparability to the satisfaction of APEC Economies as a condition of APEC recognition (*see para 54*).

### **CBPR ELEMENT 3 – RECOGNITION**

#### ***Compliance Directory and Contact Information***

22. APEC Economies will establish a publicly accessible directory of organizations that have been certified by Accountability Agents as compliant with the CBPR System. The directory will include contact point information that consumers can use to contact participating organizations. Each organization's listing will include the contact point information for the APEC-recognized Accountability Agent that certified the organization and the relevant Privacy Enforcement Authority. Contact point information allows consumers or other interested parties to direct questions and complaints to the appropriate contact point in an organization or to the relevant Accountability Agent, or if necessary, to contact the relevant Privacy Enforcement Authority.

23. The directory and contact lists will be hosted by the APEC Secretariat and maintained by the Electronic Commerce Steering Group in accordance with the APEC website Guidelines<sup>11</sup>. This website may be expanded to contain FAQs and additional information on the CBPR System for potential applicant organizations and for consumers.

#### **CBPR ELEMENT 4 – ENFORCEMENT**

##### ***Cooperation Arrangement for Cross-Border Privacy Enforcement***

24. The CBPR system should be enforceable by Accountability Agents and Privacy Enforcement Authorities:

- Accountability Agents should be able to enforce the CBPR program requirements through law or contract; and
- The Privacy Enforcement Authorities should have the ability to take enforcement actions under applicable domestic laws and regulations that have the effect of protecting personal information consistent with the CBPR program requirements.

25. The CPEA, which was endorsed by APEC Ministers in November 2009 and commenced on 16 July 2010, aims to:

- facilitate information sharing among Privacy Enforcement Authorities (PE Authorities) in APEC Economies (which may include Privacy Commissioners' Offices, Data Protection Authorities or Consumer Protection Authorities that enforce Privacy Laws);
- provide mechanisms to promote effective cross-border cooperation between authorities in the enforcement of CBPR program requirements and privacy laws generally, including through referrals of matters and through parallel or joint investigations or enforcement actions; and
- encourage information sharing and cooperation on privacy investigation and enforcement with PE Authorities outside APEC (including by ensuring that the CPEA can work seamlessly with similar arrangements in other regions and at the global level).

26. The CPEA creates a framework for the voluntary sharing of information and provision of assistance for information privacy enforcement related activities. Any PE Authority in an APEC Economy may participate. Participating PE Authorities will contact each other for assistance or to make referrals regarding information privacy investigations and enforcement matters that involve each other's Economies. For example, during an investigation, a PE Authority in Economy X may seek the assistance of a PE Authority in Economy Y, if certain evidence of the alleged privacy violation (or the entity being investigated) is located in Economy Y. In that case, the PE Authority in Economy X may send a Request for Assistance to the point of contact in the PE Authority in Economy Y. The PE Authority in Economy Y may then consider the matter and provide assistance on a discretionary basis.

---

<sup>11</sup> <http://webresources.apec.org/>

## **CBPR PROCESS OVERVIEW**

27. The following provides an overview of the process for participation by APEC Economies in the CBPR System, the process for the recognition of Accountability Agents by APEC Economies, the process for the certification of an organization, and the role Privacy Enforcement Authorities.

### ***Process for Participation and Discontinuation of Participation by APEC Economies in the CBPR System***

28. To participate in the CBPR System, an Economy must first satisfy the conditions in 2.2 of the Charter of the Joint Oversight Panel. The Economy then nominates one or more Accountability Agents for APEC recognition or notifies the ECSG Chair of receipt of application(s) for such recognition. Once at least one Accountability Agent has been recognised in relation to that Economy, organisations will be able to commence participation in the CBPR system in the Economy. Where only one Accountability Agent operates in an Economy and that Accountability Agent ceases to function in that capacity, the Economy's participation in the CBPR will be suspended upon a consensus determination by all other APEC Economies (excluding the Participating Economy in question) and the certification of those organizations certified by that Accountability Agent will be terminated until such time as the Economy is able to again fulfil the requirement for participation in the CBPR System, at which time any previously-certified applicant organizations should complete a new certification process.

29. An Economy may cease participation in the CBPR System at any time by giving one month's written notice to the APEC ECSG Chair. In the event that a Participant discontinues participation in the CBPR System, any APEC-recognized Accountability Agents in that Economy should terminate participation in the CBPR System in that Economy. This requirement should be incorporated into the agreements between the Accountability Agent and any organizations they certify as CBPR compliant.

### ***Process for Recognition of Accountability Agents***

30. An Economy can nominate an Accountability Agent operating within its jurisdiction for APEC recognition or, where appropriate, notify the Joint Oversight Panel that they have received a request for such recognition and submit the received application and associated documentation for consideration (*see para 54*). In either case, the Economy should describe the relevant domestic laws and regulations which may apply to the activities of Accountability Agents operating within their jurisdiction and the enforcement authority associated with these laws and regulations. Where the Privacy Enforcement Authority of an Economy assumes the role of Accountability Agent, the nomination may be done by the Economy with a confirmation that the Privacy Enforcement Authority is a participant of the CPEA as well as a summary of how that privacy enforcement authority may enforce the program requirements of the CBPR system.

31. In those instances where an Economy proposes to make use of an Accountability Agent in another participating APEC Economy to certify an applicant organization principally located within its borders, the proposing Economy should notify the Joint Oversight Panel of this proposal. The proposing Economy should describe to the Joint Oversight Panel the relevant domestic laws and regulations which may apply to the activities of Accountability Agents operating within their jurisdiction and the enforcement authority associated with these laws and regulations.

32. All applications for recognition will include a signed attestation by the Accountability Agent and all necessary supporting documentation as stipulated in the Accountability Agent recognition criteria.

33. Upon receipt of a request for recognition pursuant to paragraphs 30 or 31, the Joint Oversight Panel will commence a review of the required documentation and request any additional

information necessary to ensure the recognition criteria have been met. When the Joint Oversight Panel has completed this review process they will issue a recommendation to APEC Economies as to whether or not to recognize the Accountability Agent. Economies will consider the Accountability Agent's request for recognition, considering the recommendation of the Joint Oversight Panel. If no objections are received within a set deadline, the request will be considered to be approved by the ECSG.

34. Any APEC Economy has the right to reject the request of an Accountability Agent for such recognition.

35. The Joint Oversight Panel can receive complaints regarding the conduct of a recognized Accountability Agent by Economies, businesses, consumers or others at any time. Where appropriate, the Joint Oversight Panel can request the relevant Privacy Enforcement Authority or other relevant Authority in the Economy where the Accountability Agent is located to investigate the compliance of that Accountability Agent with their obligations established in the Recognition Criteria. The Privacy Enforcement Authority or other relevant Authority may investigate and take remedial action as necessary at its discretion as authorized under their domestic law. The Joint Oversight Panel may consider and recommend suspension of an Accountability Agent's recognition at any time.

36. APEC recognition will be limited to one year from the date of recognition, one month prior to which, an Accountability Agent should re-apply for APEC recognition, following the same process described above. During this time the Accountability Agent's recognition will continue.

37. When considering their recommendation to APEC Economies, the Joint Oversight Panel will consider any relevant information including complaints received regarding the conduct of a recognized Accountability Agent by Economies, businesses, consumers or others in the previous year as well as any investigation request by the Joint Oversight Panel to Privacy Enforcement Authorities or other relevant Authorities.

#### ***Process for Certification of Organizations***

38. Applicant organizations should make use of Accountability Agents located within the jurisdiction in which the applicant organization is primarily located or an Accountability Agent recognized pursuant to paragraph 31.

39. Once an applicant organization selects and contacts an eligible APEC-recognized Accountability Agent, the Accountability Agent will provide the self-assessment questionnaire to the organization for completion and will review the answers and any supporting documentation based on its assessment guidelines or make use of APEC-recognized documentation and review procedures.

40. The proposed application process would be iterative and allow for back and forth discussions between the applicant organization and the Accountability Agent.

41. The Accountability Agent Recognition Criteria describe the role of Accountability Agents as follows:

- The Accountability Agent is responsible for the self-assessment and compliance review phases of the CBPR System accreditation process. Applicant organizations will be responsible for developing their privacy policies and practices and may only participate in the CBPR System if these policies and practices are certified by the relevant Accountability Agent to be compliant with the requirements of the CBPR System. It is the responsibility of the Accountability Agent to certify an organization's compliance with these requirements.

- The self-assessment questionnaire and assessment guidelines are publicly-available documents and prospective applicant organizations will have access to the guidelines so that they can see how their responses to the self-assessment questionnaire will be assessed. In considering how best to assist prospective applicant organizations, a recognized Accountability Agent may wish to develop additional documentation outlining their review process.

### ***Role of the Privacy Enforcement Authority***

42. The CPEA defines 'Privacy Enforcement Authority' as any public body that is responsible for enforcing Privacy Law, and that has powers to conduct investigations or pursue enforcement proceedings. 'Privacy Law' is then defined as laws and regulations of an APEC Economy, the enforcement of which have the effect of protecting personal information consistent with the APEC Privacy Framework.

- The Privacy Enforcement Authority must be able to review a CBPR complaint/issue if it cannot be resolved by the participating organization in the first instance or by the Accountability Agent and when appropriate, investigate and take enforcement action. The Privacy Enforcement Authority has the discretion to decide whether or not to deal with a Request for Assistance made by another Privacy Enforcement Authority.
- CPEA participation is the predicate step to any Economies' involvement in the CBPR System as the CPEA establishes that the Economy has a law in place "the enforcement of which, has the effect of implementing the APEC Privacy Framework."

### **THE CBPR SYSTEM AND DOMESTIC LAWS AND REGULATIONS**

43. The CBPR System does not displace or change an Economy's domestic laws and regulations. Where there are no applicable domestic privacy protection requirements in an Economy, the CBPR System is intended to provide a minimum level of protection.

44. Participation in the CBPR System does not replace a participating organization's domestic legal obligations. The commitments which an organization carries out in order to participate in the CBPR System are separate from any domestic legal requirements that may be applicable. Where domestic legal requirements exceed what is expected in the CBPR System, the full extent of such domestic law and regulation will continue to apply. Where requirements of the CBPR System exceed the requirements of domestic law and regulation, an organization will need to voluntarily carry out such additional requirements in order to participate. Nonetheless, Privacy Enforcement Authorities in that Economy should have the ability to take enforcement actions under applicable domestic laws and regulations that have the effect of protecting personal information consistent with the CBPR program requirements.

45. For the purposes of participation in the CBPR System, an Accountability Agent's verification will only apply to an organization's compliance with its CBPR commitments, not its compliance with applicable domestic legal requirements.

46. Where an Economy's domestic laws and regulations preclude or restrict that Economy's ability to participate in the CBPR System, it is a matter for the Economy to consider whether and how to modify the applicable domestic laws to facilitate participation.

47. It is not the purpose of the CBPR System to direct Economies on whether and how to modify domestic laws and regulations. This is a matter to be addressed through capacity building activities and other guidance run through the Data Privacy Sub-Group.

48. However, when considering whether to participate in the CBPR System, Economies may need to make changes to domestic laws and regulations to ensure the necessary elements of the CBPR System are in place – for example, Economies are to identify an appropriate regulatory authority as defined in the Cross Border Privacy Enforcement Arrangement (CPEA) to act as the privacy enforcement authority in the CBPR System.

## **GOVERNANCE OF THE CBPR SYSTEM**

### ***Objective***

49. The CBPR System requires governance mechanisms that will perform essential operations in the administration and maintenance of the System. In the development of the governance model, a number of basic principles were identified:

- Simplicity;
- Transparency;
- Low cost; and
- Accountability to APEC Economies.

50. As the APEC representative body established to deal with data privacy issues, the Data Privacy Sub-Group is responsible for the governance of the CBPR System. Governance mechanisms should enable the day-to-day running of the CBPR System without the continuous involvement of the Sub-Group, which only meets twice a year.

51. As APEC is a non-treaty organization with a small full-time staff, governance of the CBPR System cannot impose onerous duties on either the Secretariat or Economies.

### ***Functions of the Governance Model***

52. Regardless of these limitations, the governance model should nonetheless deal with the essential administrative functions required for the CBPR System to effectively operate. These essential functions include:

- Developing and maintaining a staffing and revenue structure to support the CBPR System;
- Managing the APEC-hosted compliance directory (*see para 14*);
- Facilitating participation in the CBPR System by APEC Economies, including through capacity-building activities;
- Assessing and monitoring the compliance of recognized Accountability Agents against the Recognition Criteria;
- Managing the Cross Border Privacy Enforcement Arrangement and associated documents and procedures; and

- Developing education materials to facilitate a region-wide understanding of the elements of the CBPR System and its program requirements.

### ***Joint Oversight Panel***

53. In recognition of these requirements, Economies are to establish a Joint Oversight Panel made up of nominated Economies approved by, and operating on behalf of, the Data Privacy Sub-Group. This model provides a clear line of authority for the operation of the CBPR System from the ECSG through the Data Privacy Sub-Group, in which all APEC Economies can participate.

54. The core functions of the Joint Oversight Panel are set out in 6.2 of *Charter of the APEC Cross-Border Privacy Rules System Joint Oversight Panel (Annex A)*

55. To assist the Joint Oversight Panel with the identified core functions, working groups on certification and enforcement should be established. The working groups are to provide representative oversight and leadership for the certification, operations, and enforcement of the CBPR System. The Joint Oversight Panel may establish more working groups as needed.

56. In addition to the foregoing, it is necessary to establish a process through which the Data Privacy Sub-Group can monitor, evaluate and review the entirety of the CBPR System. This process should allow Economies to develop and revise the CBPR System in response to practical experience and the changing needs of Economies.

### **SUCCESS CRITERIA FOR THE CBPR SYSTEM**

57. The CBPR System implements the Data Privacy Pathfinder. The CBPR System should recognise and incorporate the core APEC principles of voluntarism, comprehensiveness, consensus-based decision making, flexibility, transparency, open regionalism and differentiated implementation timetables for developed and developing Economies.

58. In recognition of these core APEC principles, the CBPR System should satisfy the objectives set out in the Data Privacy Pathfinder:

- promote a conceptual framework of principles of how cross-border privacy rules should work across APEC Economies;
- develop and support consultative processes between regulators, responsible agencies, lawmaking bodies, industry, third party solution providers, consumer and privacy representatives;
- produce practical documents and procedures that underpin cross-border privacy rules;
- explore ways in which various documents and procedures can be implemented in practice; and
- promote education and outreach on how an accountable CBPR System works.

59. There are three key specific criterion for judging success of both the individual projects and the Pathfinder as a whole:

- the effective protection of consumer personal information privacy in a system trusted by consumers;

- that implementation can be flexible enough to be adapted to the particular domestic legal environment of APEC Economies, while providing certainty for system participants; and
- the regulatory burden on business is minimised while allowing business to develop and comply with effective and coherent rules for cross-border flows of personal information.



**ANNEX A****CHARTER OF THE APEC CROSS-BORDER PRIVACY RULES SYSTEM JOINT OVERSIGHT PANEL****1. CHARACTER OF THIS DOCUMENT**

- 1.1 This Charter is to be read consistently with the APEC Privacy Framework. Nothing in this Charter is intended to:
- i. Create any binding obligations on APEC Economies and/or their government agencies, or affect their existing rights and obligations under international or domestic law;
  - ii. Impede any governmental activities authorized by domestic or international law;
  - iii. Create any obligations or expectations of cooperation that would exceed a CBPR Participant's scope of authority and jurisdiction; or
  - iv. Create obligations or expectations for non-participating government agencies.

**2. COMMENCEMENT OF PARTICIPATION IN THE CROSS BORDER PRIVACY RULES SYSTEM**

- 2.1 This Charter will take effect upon endorsement by the Electronic Commerce Steering Group (ECSG).
- 2.2 An APEC Member Economy is considered a Participant in the Cross Border Privacy Rules (CBPR) System (CBPR Participant), after the Chair of the Electronic Commerce Steering Group (ECSG Chair) has notified the Economy that the following conditions have been met:
- (i) The Economy's ECSG delegation, or appropriate governmental representative, submits to the ECSG Chair a letter indicating its intention to participate and confirming that at least one Privacy Enforcement Authority in that Economy is a participant in the APEC Cross Border Privacy Enforcement Arrangement (CPEA);
  - (ii) The Economy indicates its intention to make use of at least one APEC-recognized Accountability Agent subject to the procedures outlined in paragraph 6.2;
  - (iii) The Economy's ECSG delegation, or appropriate governmental representative, after consulting with the Joint Oversight Panel, submits to the Chair of the ECSG an explanation of how the CBPR System program requirements may be enforced in that Economy; and
  - (iv) The Joint Oversight Panel submits to the Chair of the ECSG a report as to how the conditions in (i)-(iii) above have been satisfied.

**3. TRANSPARENCY**

- 3.1 A CBPR Participant will provide notice to the APEC ECSG Chair of any new laws or regulations and any amendments to existing laws or regulations as well as all other developments that may affect the operation and enforcement of the CBPR System.
- 3.2 The APEC ECSG Chair will promptly notify APEC Economies of any notification received pursuant to paragraph 3.1.

#### 4. TERMINATION OF PARTICIPATION

- 4.1 A CBPR Participant may cease participation in the CBPR System by giving one month's written notice to the APEC ECSG Chair.
- 4.2 The APEC ECSG Chair will promptly notify APEC Economies of any notification received pursuant to paragraph 4.1.
- 4.3 In the event that a CBPR Participant terminates participation in the CBPR System, or is suspended or terminated from the CBPR System, recognition of any previously recognized Accountability Agent to operate in that Participant's Economy will automatically suspend or terminate and the certification of those organizations certified by that Accountability Agent will be terminated until such time as the Economy is able to again fulfil the requirement for participation in the CBPR System, at which time any previously-certified applicant organizations should complete a new certification process.

#### 5. CAUSE FOR SUSPENSION OR TERMINATION

- 5.1 Participation by an APEC Economy in the CBPR System may be suspended or terminated by a consensus determination by the other APEC Economies that one or more of the following conditions have been met:
  - i. Revocation, repeal or amendment of any domestic laws and/or regulations having the effect of making participation in the APEC CBPR System impossible;
  - ii. The CBPR Participant's Privacy Enforcement Authority as defined in paragraph 4.1 of the CPEA ceases participation pursuant to paragraph 8.2 of the CPEA; or
  - iii. Dissolution or disqualification of a previously recognized Accountability Agent where this function is provided exclusively in the CBPR Participant's Economy by that entity.
- 5.2 A request for a consensus determination that any condition identified in paragraph 5.1 has been met may be made by any CBPR Participant at any time.

#### 6. JOINT OVERSIGHT PANEL

- 6.1 The ECSG hereby establishes a Joint Oversight Panel, consisting of representatives from three APEC Economies, for a two-year appointment, subject to ECSG endorsement and the terms set out in paragraph 7.2. The ECSG will endorse a Chairperson for a two-year appointment from these three Economies. The Joint Oversight Panel will meet at the request of the ECSG, or more frequently as decided by CBPR Participants to assist in the effective implementation of the CBPR System. The ECSG may appoint succeeding panels as it may deem appropriate.
- 6.2 The Joint Oversight Panel will perform the following functions:
  - i. Engage in consultations with those Economies that have indicated an intention to participate in the CBPR System and issue a report as to how the conditions set out in paragraph 2.2 have been met;
  - ii. Make recommendations to the APEC Economies whether to recognize an applicant Accountability Agent as compliant with the requirements of the CBPR System. In making such recommendations, the Joint Oversight Panel should be satisfied of the following:

- a) The applicant Accountability Agent has a location in a CBPR Participant's Economy or is subject to the jurisdiction of the relevant privacy enforcement authority in that Economy, and
- b) The applicant Accountability Agent meets the Recognition Criteria established under the CBPR System and has provided all necessary documentation as requested by the Joint Oversight Panel;
- iii. Consider and recommend suspension of the recognition of an Accountability Agent at any time;
- iv. Collect all case notes received by recognized Accountability Agents as required under the Accountability Agent Recognition Criteria and circulate to APEC Economies;
- v. Collect complaint statistics from recognized Accountability Agents as required under the Accountability Agent Recognition Criteria and circulate to APEC Economies;
- vi. Advise recognized Accountability Agents whether or not to withdraw from particular engagements if a potential conflict is alleged, considering any evidence provided by the recognized Accountability Agents as to internal structure and procedural safeguards that are in place to address any potential and actual conflicts of interest;
- vii. Verify that each recognized Accountability Agent complies with the re-certification process as required under the Accountability Agent Recognition Criteria;
- viii. Review any reported material change by the recognized Accountability Agent (e.g. ownership, structure or policies) as required under the Accountability Agent Recognition Criteria and report to APEC Economies its recommendation as to whether such change impacts the appropriateness of recognizing the Accountability Agent as compliant with the requirements of the CBPR System;
- ix. Facilitate the review and edit of primary documentation associated with the CBPR System when necessary in conjunction with APEC Economies; and
- x. Perform all other functions as identified and decided by APEC Economies as necessary to the operation of the CBPR System.

- 6.3 All recommendations of the Joint Oversight Panel will be made by simple majority. A dissenting member of the Joint Oversight Panel may circulate its dissent from the majority's recommendation on any matter to APEC Economies.
- 6.4 In no circumstance should a member of the Joint Oversight Panel participate in any of the activities under 6.2 when the Accountability Agent is a public (or governmental) entity in the member's Economy or any of the activities under 2.2 where the interested Economy is a member of the Joint Oversight Panel. In such instances, the Data Privacy Subgroup Chair will designate another APEC Economy to temporarily function as a member of the Joint Oversight Panel.
- 6.5 The Joint Oversight Panel may establish working teams to address each of the above functions and request assistance from the APEC Secretariat or APEC Economies as necessary.
- 6.6 Recommendations by the Joint Oversight Panel will take effect upon endorsement by the ECSG.

## 7. ADMINISTRATIVE MATTERS

- 7.1 The Chairperson of the Joint Oversight Panel will provide a summary report detailing all activities carried out by the Joint Oversight Panel under paragraph 6 to the Data Privacy Subgroup Chair no later than one month in advance of each Data Privacy Subgroup meeting.

- 7.2 The initial terms of membership for the initial Joint Oversight Panel are as follows:
- i. One Chair to be appointed for a two-year term;
  - ii. One member to be appointed for an 18 month-term, and;
  - iii. One member to be appointed for a one-year term.
- 7.3 Upon expiration of the initial term, each appointment will have a two-year term subject to re-appointment at the discretion of the ECSG based on 6.1.

## **APPENDIX 7**

### **INITIATIVES TO ADDRESS THE TOP BARRIERS FACING SMALL AND MEDIUM-SIZED ENTERPRISES IN TRADING IN THE REGION**

## **Proposal to Address Customs Clearance Delays Caused by Difficulties in Navigating Overly Complex Customs and Requirements and Documentation (Barrier #5)**

Proposed by Canada and the United States

In May 2011, APEC Ministers Responsible for Trade and Ministers Responsible for Small and Medium Enterprises (SMEs) identified nine top barriers to SMEs trading in the region. Ministers agreed that APEC's work to address these barriers should provide a direct and practical benefit to SMEs, and "instructed officials to identify and undertake specific and concrete actions to address each of these barriers by the APEC Economic Leaders' Meeting in November 2011". To contribute to this goal, Canada and the United States are pleased to propose the following to address the fifth barrier identified by Ministers:

***Customs clearance delays caused by difficulties in navigating overly complex customs requirements and documentation:*** Customs clearance delays can more significantly affect SMEs because of their lower inventory volumes, their role as a provider of goods or services in larger supply chains, and other factors common to SMEs.

### **Background**

With the recently completion of the second Trade Facilitation Action Plan and work underway on the Supply Chain Connectivity Framework Action Plan, APEC continues to have a robust trade facilitation agenda. In order to further connect APEC's overall trade facilitation agenda with addressing barrier #5 identified by Trade and SME Ministers, Canada and the United States propose a two-step approach that will enhance the accessibility of economies' customs information for SMEs and identify other specific actions that APEC can undertake to further barrier #5. While customs websites tend to include a wide variety of important information exporters and importers, the first stage of the proposal would enhance accessibility by providing direct access to specific resources important to SME exporters and importers. One tool that can be used to promote transparency is the posting of relevant materials/information on websites accessible to SMEs. However, currently there is no compendium of information specific to APEC members in any form that would enable SMEs to easily and remotely access this information.

### **Proposal**

The first stage of the proposal is to create a simple APEC webpage that includes links to basic information on import procedures like commonly required customs forms, contact information for relevant customs authorities, and other SME-specific resources available on APEC economies' customs websites. To ensure a resource-effective approach that provides a broad level of accessibility, the proposed webpage would utilize the same approach as the website for Tariffs and Rules of Origin in APEC Member Economies (WebTR) in terms of layout and language. By directly linking to the resources on economies' customs websites, economies would only need to update information on their customs websites, without the need to update the separate APEC website. The goal would be to establish the website with economies' information, to the greatest extent possible, by the APEC Leaders Meeting in November.

Following consultations with APEC economies' customs administrations, Canada and the United States would undertake a review of websites currently maintained by APEC economies to compile and distribute customs-specific information to SMEs at the domestic level. Two to three examples would then be highlighted and shared with all APEC members to determine whether these websites could serve as models for APEC economies' customs administrations to facilitate the sharing of domestic practices and legislation. Economies would be encouraged to develop similar website portals catering specifically to the needs of SMEs, at both the domestic and international level. In consultations with APEC members, timelines will be encouraged for the development of such website portals.

## **Proposal to Address Problems Navigating Differing Legal, Regulatory, and Technical Requirements (Barrier #6)**

Proposed by Australia

Small and medium enterprises find it more difficult than large corporations to identify commercial opportunities to trade and invest overseas and to navigate the complex and technical rules and regulations affecting access to new markets, particularly in relation to services trade. The Services Trade Access Requirements (STAR) Database is a business-friendly, on-line tool providing services providers with simple, easy-to-understand information on how to export and invest in five major services sectors<sup>1</sup> across 11 APEC economies<sup>2</sup>. Next year, the STAR Database will be expanded to cover the entire APEC region as well as three new services sectors: education, distribution and ICT services.

---

<sup>1</sup> Sectors covered include financial services (banking and insurance), mining and energy services, transport and logistics, telecommunications and professional services (legal, accounting, architecture and engineering services).

<sup>2</sup> Initial economies covered include Australia, Chile, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, The Philippines, Singapore, Thailand and the United States.

## **Proposal to Address Difficulty with Intellectual Property Acquisition, Protection, and Enforcement (Barrier #7)**

Proposed by Japan and the Philippines

### **1. Context**

Small and Medium Enterprises (SMEs) are one of strong drivers for economic growth, therefore, to increase SMEs' trade is our mutual interest and common goal for future prosperity in the region.

As agreed in the Joint Ministerial Meeting of Ministers Responsible for Trade and Ministers Responsible for Small and Medium Enterprises in May 2011, *the lack of knowledge and resources to acquire, protect, and enforce intellectual property rights in foreign markets are major obstacles to small business owners who are deciding whether to export.*

For the purpose of enhancing awareness and resources for IP acquisition, protection and enforcement to SMEs in the region, we should follow three initiatives, namely ((1) Increase IP information input from public sector, (2) Strengthen consultation function of government, and (3) Share IP learning materials), because these three initiatives directly improve the quality and quantity of SMEs' ability to find IP information as well as their awareness of issues associated with emerging technologies. Therefore, these initiatives could be implemented in all APEC economies to the extent possible after a sufficient preparation time.

We believe that these initiatives could support SMEs which have relatively less knowledge and resources for IP, and finally lead to increase SMEs' trade and promote economic growth in the region.

### **2. Draft Action Plan**

#### 1. "IP Info Discovery" (Increase IP information input for SMEs)

- Uploading summary of IP application procedures on the website of the relevant governmental agency (e.g. Intellectual Property Office), including flowcharts or diagrams which will facilitate SMEs' understanding of processes.
- Making available information on IP for SMEs by each economy through resources such as booklets or webpages in English by each economy and, if possible in the future, an APEC regional booklet or website, compiling information on each economy's booklet or website.
- Where possible, these publications should be made in English.

#### 2. "IP Single Window" (Strengthen consultation function of government (Establishment of the IP single window))

- Promote the use of a Single Window for SMEs in each economy to find information on IP application and protection.

#### 3. "IP Education Network" (Share IP learning materials)

- Exchanging each economy's IP educational information by uploading this information on the website of the iPAC initiative (IPEG) (<http://ipac.apec.org/>) and encourage SMEs to access to this website for information on IP.
- Distributing and encouraging SMEs in the region to use a current existing APEC IP education material, namely (e.g., Strategic Intellectual Asset Management for Emerging Enterprises - Capacity Building for Successful Entry to Global Supply Chain, November 2010 (HRDWG/CBN)<sup>3</sup>) more widely.

---

<sup>3</sup> [http://publications.apec.org/publication-detail.php?pub\\_id=1101](http://publications.apec.org/publication-detail.php?pub_id=1101)



**Proposal to Address Inadequate Policy and Regulatory Frameworks  
to Support Cross-Border Electronic Commerce for Small and Medium Enterprises  
(Barrier #8)**

Proposed by the United States

In May 2011, APEC Ministers Responsible for Trade and Ministers Responsible for Small and Medium Enterprises (SMEs) identified nine top barriers to SMEs trading in the region. Ministers agreed that APEC's work to address these barriers should provide a direct and practical benefit to SMEs, and "instructed officials to identify and undertake specific and concrete actions to address each of these barriers by the APEC Economic Leaders' Meeting in November 2011". To contribute to this goal, the United States is pleased to propose the following to address the eighth barrier identified by Ministers:

***Inadequate policy and regulatory frameworks to support cross-border electronic commerce:***  
Electronic commerce is a powerful enabler for the internationalization of SMEs. Critical to the ability of SMEs to conduct this type of trade are enabling policy and regulatory frameworks in APEC economies.

**Background**

APEC has been at the forefront of identifying policies and actions to facilitate the use of electronic commerce (e-commerce) in the region. In 1998, APEC Leaders endorsed *The APEC Blueprint for Action on Electronic Commerce* containing broad themes and cooperative activities for the promotion and development of e-commerce in the region. Since then, the work undertaken by APEC has played an important role in improving the regulatory environment for e-commerce in the Asia-Pacific region, which has contributed to its tremendous regional growth. In particular, e-commerce and related services have provided SMEs in the region with an efficient mechanism to internationalize their operations in a cost effective way that has evolved significantly since the *Blueprint* was agreed to in 1998.

**Proposal**

The challenge now is for APEC is to keep pace with developments in technology and innovations in business models by enhancing the use of e-commerce and related services in the region in a way that takes into account the special role that SMEs play in APEC economies as exporters and engines of growth. To meet this challenge, and to address the barrier of "*Inadequate policy and regulatory frameworks to support cross-border electronic commerce*", APEC should update the foundational *Blueprint for Action on Electronic Commerce* to reflect advances in ways that the private and public sectors are utilizing e-commerce as a tool to expand trade and public services within APEC economies.

Additionally, the *Blueprint for Action on Electronic Commerce* should include an updated direction on the broad themes and areas of cooperative activity that can be undertaken to promote further growth in the use and development of e-commerce in the region. Without compromising the original intent of the *Blueprint*, the update would enhance it by including new issues that have resulted from advancements in technology, the growth in e-commerce based business models, and the importance of e-commerce as a tool to reach international markets for SMEs.

Attachment: Draft Revised *Blueprint for Action on Electronic Commerce*

---

**ATTACHMENT****APEC Blueprint for Action on Electronic Commerce**

APEC Ministers,

- Recognising electronic commerce as commercial transactions occurring over open networks, such as the internet, which includes both business-to-business and business-to-consumer transactions.
- Recognising the enormous growth and further potential of electronic commerce to expand business opportunities, reduce costs, increase efficiency, improve quality of life, and facilitate the greater participation of small business in global commerce and in global production networks.
- Taking into account the different stages of development of member economies, the per se regulatory, social, economic and cultural frameworks in the region.
- Taking into account that improving capability in electronic commerce among APEC economies, including through economic and technical cooperation (ECOTECH activities), is needed to enable APEC economies to enhance the benefits of electronic commerce.

Agreed to the following:

1. The need to update the 1998 APEC Blueprint for Action on Electronic Commerce to take into account the evolving nature of electronic commerce and enabling services in our economies, recognizing that advancements in technologies and business processes will continue to impact electronic commerce.
2. The business sector plays a leading role in developing electronic commerce technology, applications, practices and services.
3. The role of governments is to promote and facilitate the development and uptake of electronic commerce by :
  - Providing a legal and regulatory environment which is favourable to electronic commerce, and is predictable, transparent and consistent;
  - Providing an environment which promotes trust and confidence among electronic commerce participants;
  - Promoting the efficient functioning of electronic commerce internationally by aiming, wherever possible, to develop domestic frameworks which are compatible with evolving international norms and practices; and
  - Enhancing the use of e-government services within our economies, taking into account advances in technologies.
4. For electronic commerce to flourish, business and government should cooperate wherever possible to promote the development of affordable, accessible and interoperable communication and information infrastructure, including the promotion of universal access to high speed broadband networks.
5. Government and business should cooperate to develop and implement technologies and policies, which build trust and confidence in safe, secure and reliable communication, information and delivery systems, and which address issues including privacy, authentication and consumer protection.

To encourage the continued growth of electronic commerce in the region, we instruct officials to:

6. Work together to build trust and confidence; enhance e-government services; intensify community outreach; promote technical cooperation and experience exchange; where appropriate, work towards eliminating impediments to its uptake; and develop seamless legal, technical, operating and trading environments to facilitate the growth and development of electronic commerce, especially to meet the needs of the private sector, in particular for small and medium enterprises (SMEs).

7. Promote work that APEC can undertake to facilitate and support an enabling environment for electronic commerce activities by the private sector, in particular for small and medium enterprises (SMEs).
8. Promote the growth and use of e-government services within APEC to enhance the efficient delivery of government services and information to individuals and the private sector in our economies.
9. Provide a legal and regulatory environment which is favourable to electronic commerce, and which is predictable, transparent and consistent
10. While recognising that some degree of government regulation may be necessary, technology-neutral, market-based solutions which can be promoted by competition policy, and effective industry self-regulation, should be favoured.
11. Enhance our understanding of measures and indicators to the uptake, use, and flows of electronic commerce.
12. Enhance our understanding of linkages enabled by electronic commerce in global production networks and the participation of SMEs.
13. Encourage “identity ecosystems” that use secure, efficient, easy-to-use, and interoperable identity solutions to access online services in a manner that promotes confidence, privacy, choice, and innovation.
14. Explore further economic and technical cooperation (ECOTECH activities) to facilitate the uptake, use and maximisation of benefits of cross-border electronic commerce in APEC member economies.
15. Continue to promote an environment that facilitates greater information flows across borders through the implementation of the APEC Cross-border Privacy Rules System and related collaborative activities.
16. Promote the inclusion of provisions related to electronic commerce in trade agreements.
17. Promote a favourable environment for the growth and use of new services and business models, like mobile commerce and cloud computing, that take into account technology advancements and the role of electronic commerce in facilitating SME access to the global marketplace.
18. Recognize the importance of online dispute resolution in fostering trust in cross-border electronic commerce transactions by working with UNCITRAL and other international fora in moving forward work on legal foundations, where appropriate, for a seamless system of cross-border electronic commerce.
19. Welcome collaboration with relevant international fora.
20. APEC Ministers recognised that the task force steering approach had been an efficient and effective mechanism for providing coordination, greater focus and broad direction of the cross-cutting issue of electronic commerce. The Electronic Commerce Steering Group (ECSG) will continue its efforts to ensure continued coordination and pursuit of the Blueprint for Action through the Committee on Trade and Investment as the coordinating body for work on trade and investment liberalization and facilitation.

APEC Ministers recognise the ongoing importance of the Blueprint for Action to provide greater focus and broad direction to promote the use and development of cross-border electronic commerce. APEC economies agree to work together to promote the themes and cooperative activities in this updated Blueprint for Action on Electronic Commerce. Important in this process are the contributions from the private sector through ABAC and other representatives.

## **Proposal to Address Difficulty in Taking Advantage of Preferential Tariff Rates and Other Aspects of Trade Agreements (Barrier #9)**

### **Proposed by Japan, Peru, and United States**

#### **I. Background**

In May 2011, in Big Sky, Montana, the United States, during the first Joint Ministerial Meeting between Ministers Responsible for Trade and Ministers Responsible for SMEs, APEC Ministers noted the existence of a variety of barriers that limit the ability of SMEs to trade in the region. Nine different barriers were identified, which would be addressed by both the CTI and SMEWG in the following years.

Ministers instructed APEC officials to *“identify and undertake specific and concrete actions to address each of these barriers by the APEC Economic Leaders’ Meeting in November 2011”*.

Japan, Peru and the United States have volunteered to lead the initiatives to address one of the identified barriers: *“Difficulty in taking advantage of preferential tariff rates and other aspects of trade agreements”*. It was established that improving the understanding of how to utilize free trade agreements will make it easier for small and medium size enterprises (SMEs) to benefit from these agreements, which will lower their overall cost when exporting and, in turn, increase their competitiveness.

#### **II. Proposal**

As initial steps to improve SMEs’ abilities to take advantage of trade agreements and increase their participation in international trade, we propose the following initiatives:

- 1) *Summaries of the region’s FTA chapters, in areas of interest for SMEs, written in an easily understandable language.*

We believe that having summaries of relevant FTA chapters written in an easy to understand way will enable SMEs to better understand the advantages that these agreements give them in the global markets. While we encourage economies to be as comprehensive as possible on the chapters it summarizes, each economy will decide. In addition, we will provide suggestions on chapters that would be relevant so SMEs.

In order to achieve a better understanding about the information the economies will be requested to provide, examples will be circulated to the economies in order to provide guidance on the presentation and contents of these summaries. (Peru will provide some concrete examples in the least possible time.) Economies will summarize their FTA chapters in their own language and make English versions publicly available in the future in order to enhance accessibility of the information. Both activities, meaning summaries in economies’ own language and in English, are a deliverable for 2012. This information could be initially posted in the WebTR.

- 2) *An “Increase of FTA Utilization” Workshop; a “Guidebook on FTA Utilization in APEC” and a “Compendium of Best Practices to Promote FTA Utilization Policy in the APEC Region”.*

In order to build capacity among our economies, “Increase of FTA utilization” Workshop would be held between May to July 2012, attended by specialists from the Government, Academia, and Industrial Organizations. The objective is to share information on how SMEs can take advantage of FTAs in APEC economies and the best practices used by governments or related organizations to promote FTA utilization by SMEs.

The information collected at this workshop will be compiled in two documents. The first will be the “Guidebook on FTA Utilization in APEC”<sup>4</sup>; and it is aimed to show how SMEs can take advantages of the FTAs, for instance how to fill and use Certificates of Origin, or Customs Procedures. The second document, “Compendium of Best Practices to Promote FTA Utilization Policy in the APEC Region”, will be published as a tool for understanding how APEC economies can promote their FTAs among SMEs so they could take advantage of them. The second document, “Compendium of Best Practices to Promote FTA Utilization Policy in the APEC Region”, will be published as a tool for understanding how APEC economies can promote their FTAs among SMEs so they could take advantage of them. Both documents can be used by the public and private sectors to promote increased utilization of FTAs by SMEs.

---

<sup>4</sup> We could also encourage the participation of other international organizations that have been successful in increasing FTA utilization by SMEs.

## SAMPLE - Beneficios de los Acuerdos Comerciales para las PYMES

### 1. Acuerdo de Promoción Comercial (APC) Perú-Estados Unidos

Tema	Beneficios
Acceso a Mercados	<ul style="list-style-type: none"> <li>- Las muestras comerciales enviadas por PYMES peruanas serán admitidas temporalmente sin pago del arancel en EE.UU. Adicionalmente las muestras comerciales de valor insignificante podrán ingresar sin pago de arancel al mercado de EE.UU.</li> <li>- No es posible adoptar o mantener subsidios a la exportación de mercancías agrícolas, lo que permite a las PYMES competir de manera igualitaria en el mercado local.</li> <li>- Las PYMES peruanas que producen ciertas mercancías agrícolas se encuentran protegidas en caso exista un incremento de que la mercancías importada afecte a la producción local.</li> <li>- Desgravación inmediata por parte de EE.UU. (a la puesta en vigencia del Acuerdo que fue el 01 de febrero del 2009) para productos de exportación de interés de las PYMES, tales como manufacturas pequeñas en general, mercancías del sector textil-confecciones.</li> <li>- Desgravación inmediata por parte del Perú para maquinaria en general, insumos entre otros productos que pueden brindar competitividad a las PYMES.</li> <li>- Se mantiene la prohibición de importar mercancías como ropa usada y calzado usado, que pueden competir deslealmente con la producción de las PYMES.</li> </ul>

### 2. Acuerdo de Libre Comercio Perú-China

Tema	Beneficios
Reglas de Origen	<ul style="list-style-type: none"> <li>- Los criterios de origen para mercancías que emplean insumos no originarios se encuentran basadas principalmente en el método de cambio de clasificación arancelaria. Este es el método más claro y directo para evaluar el cumplimiento de origen.</li> <li>- Certificación de Origen a través de entidades habilitadas, hecho que garantiza el cumplimiento de origen para las mercancías exportadas por las PYMES.</li> <li>- Cuando el embarque de mercancías no superen los 600 dólares, no se requiere un Certificado de Origen. En este caso las PYMES podrán emitir una declaración de origen de las mercancías, sin la intervención de una entidad certificadora. Una auto certificación que implica menos tiempo y costos para las PYMES.</li> <li>- El Acuerdo establece la posibilidad de devolver a las PYMES los aranceles hasta un año después de la importación de la mercancía. Esto implica que dentro del primer año de importación de la mercancía, se podrá solicitar el trato arancelario preferencial con un Certificado de Origen y obtener de esta manera la devolución de lo pagado.</li> <li>- Una PYME que exporte mercancías originarias tendrán que guardar por 3 años la información que demuestre el origen de la mercancía, tales como el origen de los insumos, el proceso productivo. A diferencia con otros Acuerdos Comerciales Internacionales, el mantenimiento de información en este Acuerdo es más corto. Este hecho implica ahorros en los costos de almacenamiento de la información, en caso la información sustentatoria sea en papel.</li> <li>- Las PYMES pueden solicitar la emisión de Resoluciones Anticipadas acerca del cumplimiento de origen de las mercancías, de esta manera brinda certeza a las empresas.</li> </ul>

### Benefits of Free trade Agreements to the Peruvian SMEs

#### 1. US-Peru Free Trade Agreement

Topic	Benefits
Market Access	<ul style="list-style-type: none"> <li>- Commercial samples sent by Peruvian SMEs will be duty-free temporary admitted in USA. Additionally, the commercial samples of negligible value may enter duty-free into the American market.</li> <li>- It is not possible to adopt or maintain export subsidies to agricultural products, something that allows SMEs to compete fairly in the local market.</li> <li>- Peruvian SMEs producing certain agricultural products are protected in case there is an increase of imported goods affecting the local production.</li> <li>- Immediate tariff elimination of US customs duties (at the moment the Agreement entries into force) to SME export interesting goods, such as small manufacturing goods, textile and apparel, etc. The preferential access is going to enhance the long term market access opportunities.</li> <li>- Immediate tariff elimination of Peruvian customs duties to key SME importations, such as machinery, inputs, fuel, etc. The removal of the customs duties will reduce the cost of production and improve the competitiveness of the SMEs.</li> <li>- The Peruvian SMEs are protected to unfair competition in the field of used clothing and shoes, since the ban to import such goods is maintain.</li> </ul>

#### 2. China-Peru Free Trade Agreement

Topic	Benefits
Rules of Origin	<ul style="list-style-type: none"> <li>- The rules of origin for products using non-originating inputs are mainly based on tariff classification change method. This method is more clear and direct to evaluate the origin of the products.</li> <li>- The origin certification is by governmental entities, a fact that guaranties that the exporting goods comply with the established rules.</li> <li>- When a shipment of originating goods does not exceed 600 dollars, a certificate of Origin is not required. In this case, a SME would be able to issue a declaration of origin, without the intervention of a certifying entity. A self-certification process that implies less time and money for SMEs.</li> <li>- The Agreement provides SMEs with the possibility of a refund of customs import duties in case at the moment of the importation, it was not possible to proof the origin of the goods. So, within the first year after the good importation, it is possible to request for a preferential tariff treatment with a Certificate of origin and obtain a refund.</li> <li>- A SME that exports an originating good must maintain for 3 years information proving the origin of the good, such as cost of materials, production process, etc. In comparison with other Free Trade Agreements, the record keeping period in this Agreement is shorter and implies a cheaper storage cost, in case it is paper based.</li> <li>- SMEs may request the issuance of Advance Rulings of origin, biding documents. By this way, they are going to have certainty about the origin of the exporting products.</li> </ul>

## **APPENDIX 8**

### **APEC SUPPLY-CHAIN CONNECTIVITY ACTION PLANS (2011 Update)**



## APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK

### Action Plan for Chokepoint 1

*Lack of transparency/awareness of full scope of regulatory issues affecting logistics; Lack of awareness and coordination among government agencies on policies affecting logistics sector; Absence of single contact point or champion agency on logistics matters.*

#### **Objective**

- To improve transparency of the regulatory environment affecting logistics and increase awareness of these issues among companies doing business in APEC economies.
- To improve coordination and awareness of policies affecting the logistics sector among government agencies.

#### **Participating Economies**

***Lead Economy:***

The United States

***Other Participating Economies:***

Australia, Chile, Japan, Korea, the Philippines, and Viet Nam

**Action Plan**

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating Sub- fora/ working group	Other Sub-fora/ working group involved	Date	Updates for 2011
<p><b>APEC Guidelines for Advance Rulings</b></p> <ul style="list-style-type: none"> <li>- Proposed initiative will include capacity building to assist economies in implementing advance rulings and develop a set of APEC guidelines for advance rulings (<i>Note: proposal is being updated based on comments and will be circulated again</i>)</li> <li>- Further research on the practices of Advance Rulings conducted by member economies</li> </ul>	US	CTI	SCCP	2011	<ul style="list-style-type: none"> <li>• General survey of advance rulings completed. Results reported at CTI 2 (2011/SOM2/CTI/014)</li> <li>• CTI2: Approval of work program on capacity building on advance rulings.</li> <li>• CTI TPD held at CTI 3 to identify next steps on promoting advance rulings.</li> <li>• Next step to develop specific actions and associated capacity building that can be undertaken based on the general survey and TPD.</li> </ul>
<ul style="list-style-type: none"> <li>- Capacity building workshop on implementation of advance rulings. (<i>Details to be determined</i>)</li> </ul>					
<p><b>Symposium on Supply Chain Connectivity</b></p> <ul style="list-style-type: none"> <li>- Proposal for a private-public sector conference using real world examples from logistics providers to illustrate how the global supply/value chain operates; this specific concept could also be part of a broader logistics conference.</li> <li>- The objective would be to use this process to enhance awareness of regulations affecting logistics for the private sector and for economies to improve their understanding of where improvements could be made.</li> </ul>	AUS CDA JPN SIN US	CTI	SCCP TPTWG	2012	<ul style="list-style-type: none"> <li>• Completed in 2010.</li> <li>• CTI3: noted the possibility of organising a Symposium in the margins of CTI2 in 2012 to follow up on the implementation of Supply-chain Connectivity Framework and to build on the Symposium held in Sendai in 2010.</li> </ul>

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating Sub- fora/ working group	Other Sub-fora/ working group involved	Date	Updates for 2011
<p><b>Compendium of Best Practices of national Logistics Associations</b></p> <ul style="list-style-type: none"> <li>- To develop a compendium on best practices on the establishment of individual economy national logistics associations.</li> <li>- Key elements of the project are:               <ol style="list-style-type: none"> <li>1. A visit to Australia and another APEC economy with a national logistics association for first hand analysis of the role of government, key stakeholders and national logistic associations in the supply chain sector.</li> <li>2. A Trade Policy Dialogue (TPD) in the margins of a CTI meeting in 2011 with presentations by relevant organizations. The TPD would develop and improve understanding within APEC on the role of government and national logistics associations as well as information sharing and best practice in developing and implementing national logistic associations.</li> <li>3. A workshop in one of the participating developing APEC economies to business case model and foundation for a national logistics association.</li> </ol> </li> </ul>	AUS	CTI	SCCP TPTWG	2011	<ul style="list-style-type: none"> <li>• Project will demonstrate the role of logistics associations as a partnership between the transport logistics supply chain industry and government.</li> <li>• Project consultant appointed from Victoria University –the Director of the Institute of Logistics and Supply Management.</li> <li>• First workshop set held on 5-7 April 2011 in Melbourne. The Melbourne workshop utilised a series of case studies to help develop a generic NLA template to assist developing APEC economies. A key deliverable of the project is a compendium of key findings, success stories, best practices, benefits lessons learnt etc. The Melbourne workshop will help with the start of this element of the project.</li> <li>• The second workshop will be in Bangkok–estimate early November 2011. The final workshop will take place in Hanoi in May 2012.</li> </ul>
<p><b>Improving the Understanding of Logistics Services</b></p> <ul style="list-style-type: none"> <li>- To conduct a survey among industry to provide economies a better understanding of the various services involved in the logistics industry,</li> <li>- The objective would include improved policy coordination within APEC economies and a better understanding of how policy decisions can affect</li> </ul>	AUS US	CTI	SCCP TPTWG	2011	No update

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating Sub- fora/ working group	Other Sub-fora/ working group involved	Date	Updates for 2011
various elements of a supply chain  - A particular output could include an assessment of the impact of logistics services on trade transaction costs with a view to identifying proven policy approaches that reduce these costs.					

## APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK

### Action Plan for Chokepoint 2

*Inefficient or inadequate transport infrastructure; Lack of cross border physical linkages (e.g. roads, bridges).*

#### **Objectives**

- To 'showcase' the efficient use of transport infrastructure within the APEC region.
- To share expertise on and understand the feasibility and legal requirements for establishment of Public-Private Partnerships.
- To encourage the development of 'informed' transport infrastructure through needs assessment and stakeholder consultation.

#### **Participating Economies**

**Lead Economy:** Australia

**Other Participating Economies:** Canada, Indonesia, Japan, United States

Proposed Action (Title and brief description)	Economy	Sub-fera/ working group	Other Sub-fera/ working group	Finalis-ation date	Updates for 2011
<p><b>Study and Seminar on energy, transport and environmental benefits of transit-oriented development</b></p> <p><i>Specific Action</i></p> <ol style="list-style-type: none"> <li>1. Development of an analytical approach to assess the energy and environmental benefits of transit oriented development</li> <li>2. Comparative case studies of benefits from developed and developing economies</li> <li>3. Outreach seminar on project findings with particular attention to capacity building for developing economies</li> </ol>	United States	TPT-WG/EWG		2011-2012	<p>Work began in late March 2011 on a comparative analysis of APEC economies on energy and environmental aspects of transit-oriented benefits.</p> <p>Phase I has been completed and Phase II is almost completed. Following consultation with APEC TPTWG/IIEG and TPTWG/APERC experts, an analytical approach has been developed. This will now be applied to several case studies. Once the analysis is complete dates will be set for a workshop with various experts to discuss the results. This will most likely be held in conjunction with the next TPT WG Meeting or in some other suitable location.</p>
<p><b>Examine individual transportation/trade policies that use a gateway or trade corridor approach</b></p> <p><i>Specific action</i></p> <ol style="list-style-type: none"> <li>1. Seminar on gateway performance management and measurement to provide an overview of possible approaches to both performance measurement and performance management in the gateway and trade corridor context.</li> </ol>	Canada	TPT-WG	CTI	2011	<p>Canada delivered a workshop on Supply-chain connectivity to discuss how to measure performance in achieving the ten percent improvement by 2015 in supply-chain performance, in terms of reduction of time, cost, and uncertainty of moving goods and services. Representatives from the private sector, two APEC economies, the World Bank and the International Transport Forum (ITF) presented alternate views on performance measurement and a useful discussion ensued on which measure to use and how to develop a measure that is best suited for APEC economies.</p> <p><b>Next steps:</b> It was proposed that a seminar be held in 2012 in collaboration with TPTWG and CTI to define the performance measure metrics that would set the stage for</p>

Proposed Action (Title and brief description)	Economy	Sub-fo-ra/ working group	Other Sub-fo-ra/ working group	Finalis-ation date	Updates for 2011
					agreement on the optimal performance measure on supply chains to be used by APEC in achieving the Leaders' goal. The seminar would also provide an opportunity to address the necessary capacity building within APEC for performance measurement and further leverage links and ongoing activities within other international organizations that are working on this issue such as the World Bank and the International Transportation Forum (ITF).
<b>Analytical work on logistics infrastructure</b>  <i>Specific Actions</i> 1. Study on the travel time of goods vehicles on main economic corridors.  2. Study on the contribution of road transport in the manufacturing and household sectors.  3. Project to identify bottlenecks in the transport and logistics chain focusing on port sectors in the APEC region and to consider possible solutions to eliminate those bottlenecks by sharing best practices.	Indonesia  Indonesia  Japan (leading project work in TPTWG)	TPT-WG  TPT-WG	CTI  CTI  CTI	2013  2013  2012	These two studies to go ahead as self-funded project managed by Indonesian Department of Public Works.  Project continuing in TPTWG
<b>4.</b> Study to identify specific needs of economies and international examples of best practice in land-side transport component of sea freight supply chains.	Australia	TPT-WG		2012	The study has commenced.

Proposed Action (Title and brief description)	Economy	Sub-fo-ra/ working group	Other Sub-fo-ra/ working group	Finalis-ation date	Updates for 2011
<p><b>PPP implementation model to facilitate development of new transport infrastructure</b></p> <p><i>Specific Actions</i></p> <p>1. Expert workshops to assess best practice in PPP markets and prioritise reform measures in order to create a common approach towards private infrastructure investment.</p> <p>Two workshops were conducted in 2010 in Indonesia and Australia.</p>	Australia	SFOM		2010	



## APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK

### Action Plan for Chokepoint 3

*Lack of capacity of local/regional logistics sub-providers.*

#### Objective

To improve understanding on the current situation of local/regional logistics and to explore ways to enhance engagement and competitiveness of local/regional logistics sub-providers in the region.

#### Participating Economies

**Lead Economy:** China

**Other Participating Economies:** Brunei Darussalam; Hong Kong, China; Indonesia; Papua New Guinea; Chinese Taipei; Thailand; and the United States

**Action Plan**

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating Sub-fora/ working group	Other Sub-fora/ working group involved	Date	Update for 2011
<p><b>1. Review constraints affecting engagement of Small and Medium Enterprises</b></p> <p>-- Conduct surveys and study on the environment affecting SMEs, which may include:</p> <ol style="list-style-type: none"> <li>1) policy &amp; institutional framework related to logistics development;</li> <li>2) status of small or medium logistics companies &amp; other related companies of their own capabilities for development, such as use of ICTs, truck tracking systems, operation modes, and management skills including warehouse and trans-shipment management etc ;</li> <li>3) constraints affecting engagement of SMEs, especially the policy and business environment constraints.</li> <li>4) Free Trade Zone (FTZ) practice</li> <li>5) overall trend for development of regional logistics, such as technology development, changing needs and requirements of the markets, government blueprint for logistics development etc.</li> </ol>	China	SMEWG	TPTWG	2011-2012	To implement the 'Program for Enhancing the Capacity of APEC Local/Regional Logistics Sub-providers' as a kick-off activity to address chokepoint 3. This project includes a survey, a seminar and a field visit. The seminar, including a field visit, was held on 24-25 August in Suzhou, China. Various issues constraining the logistics sub-providers were discussed, and some recommendations for further enhancing their capacity were generated from the seminar. The preliminary results of the survey were also presented in the seminar to facilitate the discussions. The final Report of the study program has been completed and circulated to members. The report has identified a number of follow-up actions for consideration.
<p><b>2. Help raise the quality of APEC economies' logistics services and management</b></p> <p>--Conduct training programs as a platform for communication and information sharing, which may include:</p> <ol style="list-style-type: none"> <li>1) how to address constraints SMEs are facing;</li> <li>2) how to develop markets which may include how to provide more integrated and value-added logistics services for an expanded niche market based on the essential capacity building, and how to achieve joint development and mutual benefits with their customers ;</li> <li>3) experience sharing on green supply chain efforts;</li> <li>4) experience sharing on the training of international</li> </ol>	China; Chinese Taipei; United States; Thailand; Hong Kong, China	SMEWG	TPTWG	2010-2012	The ECSG completed an "APEC E-Trade and Supply Chain Management Training Course. Three phases of the training course have been organised in 2010 with last being held on 9-10 November 2010 in Hong Kong, China. The course sought to introduce the latest logistic management models for SME through education among APEC members, especially developing member economies; to identify the role of logistics supply chain management and its impact on SMEs as well as policy makers; and to have in-depth discussion on challenges and opportunity by the expansion of logistic supply-chain management.

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating Sub- fora/ working group	Other Sub-fora/ working group involved	Date	Update for 2011
<p>logistics personnel;</p> <p>5) experience sharing on trans-shipment operation models in APEC economies;</p> <p>6) how to utilize and maximize the benefits of FTZ including the effects of establishing FTZ at ports in the APEC region;</p> <p>7) organize site visit to FTZ at ports in APEC region;</p> <p>8) innovative concept of trade facilitation e.g., e-logistics, streamline customs procedures, utilization of new trade lane.</p> <p>--Work with ABAC to encourage exploration of opportunities for linkages and cooperative alliances among logistics providers in the region</p>					<p>Competitiveness through Sustainable Business Practices on 14 May in Big Sky. This half-day participatory seminar included panel sessions that sought to address and discuss issues relevant to SME sustainability, including views from the SMEs, policymakers, and financial and multilateral development institutions. The goal of this seminar was to discuss and identify practical actions APEC can take to support material improvement in SME competitiveness through sustainable business practices.</p>

## APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK

### Action Plan for Chokepoint 4

*Inefficient clearance of goods at the border; Lack of coordination among border agencies, especially relating to clearance of regulated goods 'at the border'.*

#### **Objective**

- To improve the efficiency of clearance of goods at the border.
- To enhance the coordination among border agencies, especially relating to clearance of regulated goods 'at the border'

#### **Participating Economies**

**Lead Economy:** Japan

**Other Participating Economies:** Australia, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru and the United States

**Action Plan**

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating Sub- fora/ working group	Other Sub-fora/ working group involved	Date	Update for 2011
<p><b>Implementation of Single Window system</b></p> <ul style="list-style-type: none"> <li>- Conduct a stock-taking study on the status of implementation of Single Window system (SW) for cargo clearance and difficulties in facing the development of the SW.</li> <li>- Adopt the UN/CEFACT SW Definition in developing their SW. The definition is “a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once.”</li> <li>- Adopt internationally recognized instruments and standards such as UN/EDIFACT, XML, and WCO Data Model in SW design to increase international interoperability.</li> <li>- Establish a coordination mechanism composed of stakeholders to discuss better coordination on cargo clearance at the border including the mechanism for establishment of SW.</li> <li>- Carry out assessment of the capacity building needs and provide Capacity Building for the development and the maximum use of SW, including experience sharing of trade-related documents/ information such as Certificate of Origin (CO) between SW systems.</li> </ul>	Japan and Chinese Taipei	SCCP		2010-2013 (implemented through the Phase 1)	<p>On-going.</p> <p>SCCP continues to work on the development of SW by 2020 and accelerate seamless data sharing between/among SW systems.</p> <p>14 economies introduced SW system and 5 economies have SW system currently under development. 10 economies have experience in the trade-related data exchange.</p> <p>Japan and Chinese Taipei conducted a Regional Workshop on Single Window under the framework of SCCP on 3-6 October in Chinese Taipei. The objective of this workshop was to identify the bottlenecks that APEC economies are facing in implementing SW systems.</p>
<p><b>WCO Guidelines for the Immediate Release of Consignments</b></p> <ul style="list-style-type: none"> <li>- Implement the principles of the WCO Guidelines for the Immediate Release of Consignments by Customs</li> </ul>	United States	SCCP		2010-2013 (implemented through the Phase 1)	A proposal for a Baseline De Minimis Value is being pursued in the CTI. A Pathfinder approach is being adopted to take the proposal forward. Several economies have

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating Sub- fora/ working group	Other Sub-fora/ working group involved	Date	Update for 2011
including adoption of the appropriate de minimis thresholds for low value shipments allowing duties to be waived.					either committed or expressed interest in join the pathfinder.
<b>Time Release Survey</b> - Conduct Time Release Survey (TRS), when possible, to measure the effect of simplifying and facilitating cargo clearance at border.  - Provide Capacity Building on TRS for requesting economies to conduct TRS.	Japan	SCCP		2010-2013 (implemented through the Phase 1)	On-going. SCCP will discuss how Time Release Studies can be carried forward within the Sub-committee at SCCP1, 2012.

## APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK

### Action Plan for Chokepoint 5

*Burdensome procedures for customs documentation and other procedures (including for preferential trade).*

#### Objective

- To ease the burden of exporters/importers by simplifying customs documentation and other procedures
- To increase the understanding of customs procedures and other procedures among businesses by enhancing transparency and predictability

#### Participating Economies

**Lead Economy:**

Korea

**Other Participating Economies:**

Australia, Chile, Japan, Malaysia, Mexico, New Zealand and Papua New Guinea, Chinese Taipei

**Action Plan**

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-fora /working group	Other sub-fora/working group involved	Date	Updates for 2011
<p><b>Self-Certification of Origin Capacity Building Program</b></p> <ul style="list-style-type: none"> <li>- To hold capacity building workshops in 2010-2011, as a follow-up to the Ministers' instruction in 2009, in order to enhance the capacity of participants in the Self-Certificate Initiative Pathfinder and to support effective implementation, to promote understanding and encourage more member economies to join the Pathfinder and to further develop the program.</li> </ul>	Singapore	CTI	SCCP	2010-2011  Two workshops were in Kuala Lumpur, Malaysia and Manila, the Philippines respectively from 11-12 October 2010 and	Successful completion of the APEC Self-Certification of Origin Capacity Building program that was adopted in 2010. Three in-economy self-certification workshops in: (i) Manila, the Philippines from 10-11 February; (ii) Bandar Seri Begawan, Brunei Darussalam from 4-5 April; and (ii) Ha Noi, Viet Nam on 28-29 July. MAG to consider possible next steps to build on the momentum generated by these workshops, including possible use of targeted case studies. Issue will be kept as a "rolling" agenda item for MAG 1, starting in 2012, for interested members to report in detail on progress made towards implementing self-certification and therefore preparedness to join the Pathfinder Initiative.
<p><b>APEC Elements for Simplification of Documents and Procedures Relating to ROOs</b></p> <ul style="list-style-type: none"> <li>- To work on 2 of the 5 elements proposed by Singapore in 2009               <ul style="list-style-type: none"> <li>o To collect information on "reasonable long validity period" and "waiver of certificate of origin or declaration"</li> </ul> </li> <li>- Economies would select and work on next element(s)</li> <li>- To exchange and assess best practices for confidence building and risk management, and to reach the best recommendations and establish principles.</li> </ul>	Singapore  Singapore  Singapore, Korea	MAG  MAG  MAG	SCCP  SCCP  SCCP		On-going.



Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-fera /working group	Other sub-fera/working group involved	Date	Updates for 2011
<b>APEC Website on Tariff and ROOs (WebTR)</b> - Member economies are to develop their respective website which will be later linked to the WebTR - To complete WebTR	Japan, United States	MAG and CTI	SCCP	By MRT 2010  By AMM/AELM 2010	Completed and launched in 2010. In 2011, MAG agreed on desirability of expanding the scope and functionality of the WebTR. Possible ideas have been circulated to MAG members for intersessional comment.
<b>Strengthen Cooperation with the Relevant International Organizations,</b> i.e. ADB (Asian Development Bank), ASEAN (Association of South East Asian Nations), ESCAP(Economic and Social Commission for Asia and Pacific), OECD(Organization for Economic Cooperation and Development), UNCTAD(United Nations Conference on Trade and Development), WB(World Bank), WCO(World Customs Organization), WTO(World Trade Organization) - To explore joint programs, - To facilitate work process and expand the horizon of capacity building program by optimising synergy, - To exchange views on how to implement action plans effectively by organizing roundtable discussion and Trade Policy Dialogue - To explore a partnership with the World Bank on research, data collection, and analysis and adapt relevant initiatives under the WB's Aid for Trade Facilitation Project to facilitate capacity building and technical assistance, e.g. advanced cargo information to facilitate pre-arrival risk assessment and pre-clearance.	Korea, United States	CTI	SCCP		In MAG, there was agreement to invite WCO to attend MAG1, 2012 to continue discussion on possible areas for collaboration between MAG and WCO.  WCO has been granted 3-year guest status in the SCCP until 31 December 2013.
<b>Simplification and harmonisation of customs procedures on the basis of revised Kyoto Convention</b> To promote each economy's accession to and/or implementation of the revised Kyoto Convention	New Zealand	SCCP			SCCP is working toward simplification and harmonisation of procedures based on the Revised Kyoto Convention (RKC). Ten economies have acceded to the RKC. Those economies which have not acceded yet have adopted major principles for trade facilitation

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-fora /working group	Other sub- fora/working group involved	Date	Updates for 2011
					stipulated in the convention.
<p><b>Explore the possibility of adopting electronic certificates related to customs procedures</b></p> <ul style="list-style-type: none"> <li>- To explore the possibility of implementing electronic certificates of origin issued by an authority among the APEC members when applicable, i.e. under preferential agreements.</li> <li>- To further develop electronic certificates of origin Pathfinder</li> <li>- To develop other initiatives for paperless trading by studying best practices and sharing information, etc.</li> </ul>	<p>Mexico</p> <p>Korea, Chinese Taipei</p>	<p>ECSG</p> <p>ECSG</p> <p>ECSG</p>	<p>SCCP</p> <p>SCCP</p>		<p>The ECO (electronic certificate of origin) project has been successfully implemented between two member economies since May 2010, moving beyond its pilot stage. Several other economies have been also preparing or considering their participation in the implementation of the ECO.</p> <ul style="list-style-type: none"> <li>• The ECSG has been developing projects on the use of paperless trading in commercial processes. These projects aim at using “e-solutions” or electronic procedures and processes in cross-border trade in order to save time and costs for firms and government agencies seeking regulatory compliance information from traders. Areas covered by these projects include e.g ECOs; electronic invoicing, business requirements for data harmonisation and single window, best practices in paperless trading, e-negotiations, archiving of e-documents and e-trade financing. A workshop on “Supply Chain Connectivity: e-Commerce as a Main Driver and Integration Tool” was held in San Francisco on 19 September, the objective of which is discuss ways for improving the “soft infrastructure” of supply chain by e-commerce tools implementation.</li> </ul>

## APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK

### Action Plan for Chokepoint 6

*Underdeveloped multi-modal transport capabilities; inefficient air, land, and multimodal connectivity.*

#### **Objective**

- To improve the efficiency of air, land and multi-modal connectivity in the region and to open up more options, enabling businesses to optimize supply-chain efficiency and operate across-the-border in the fastest, cheapest and most reliable way possible.

#### **Participating Economies**

##### ***Lead Economy:***

Singapore

##### ***Other Participating Economies:***

Canada, Japan, Korea, Malaysia, Papua New Guinea and Russia

**Action Plan**

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-fores /working group	Other sub- fores/working group involved	Date	Update for 2011
<p><b>Study the economic impact of enhanced multi-modal connectivity in the Asia-Pacific region, with a view to:</b></p> <ul style="list-style-type: none"> <li>Identify the key impediments affecting multi-modal connectivity in the Asia Pacific region today;</li> <li>Explore the potential economic impact of increased multi-modal connectivity on the Asia-Pacific region in terms of economic growth, trade flows, and regional economic integration;</li> <li>Propose actions to address these impediments to multi-modal connectivity.</li> </ul>	Singapore (co-sponsored by Hong Kong, China)	CTI	TPTWG	2011	Completed in June 2010
<p><b>Explore further work on air transportation in the APEC region to meet Asia-Pacific supply-chain, business and economic requirements.</b></p>	Singapore; [New Zealand; the United States]	CTI	TPTWG	2015	The United States organised a Conference on Air Cargo, Trade and Economic Growth in San Francisco in the afternoon of 15 September under the auspices of TPTWG. The objective of the event was to bring together government officials, private sector participants, and relevant trade associations to have a conversation on the role greater air cargo liberalization could play in advancing economic growth in the Asia-Pacific region.
<p><b>Project Proposal: “Application of navigation systems in monitoring and optimizing management of multi-modal transportation”</b></p> <p>Key objectives:</p> <ul style="list-style-type: none"> <li>To discuss the importance of systemic use of navigation information to raise efficiency</li> </ul>	Russian Federation (Australia, Brunei Darussalam; Korea; Thailand; USA)	TPTWG	SCSC	2011	Commencement of self-funded project Global Navigation Satellite System (GNSS) Application for Seamless Transport Supply Chain Connectivity in APEC which seeks to address the issue of multi-modal connectivity and enhanced management of transportation within seamless supply chains through wider

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-fera /working group	Other sub- fera/working group involved	Date	Update for 2011
<p>and security of multi-modal transportation;</p> <ul style="list-style-type: none"> <li>To advocate the advantages of navigation information systems application for cargo and passenger traffic control and synchronization of multi-modal transportation.</li> </ul>					<p>application of various GNSS technologies by APEC economies. A two-day workshop and an exhibition were held in Vladivostok, Russia on 2-4 October.</p> <p>The workshop was held in conjunction with another APEC-funded project, Transborder Control and Optimal Transborder Logistics (TPT 06/2010). The objective of the latter project was to determine APEC principles of transborder logistics services optimization, covering government and industry transactions. The full scope of regulatory issues affecting logistics as well as matching of government border control and transport flows will be thoroughly examined.</p>
<p><b>Introduce the Secure and Smart Container (SSC) concept for intermodal transport (with a practical application mode)</b></p>	Project led for TPTWG by People's Republic of China	TPTWG		2010	Completed in June 2010
<p><b>Provide training in management of security, safety and emerging technology in intermodal transportation and supply chain systems</b></p> <ul style="list-style-type: none"> <li>Three such seminars have been successfully conducted in Manila, Jakarta and Vietnam</li> </ul>	Project led for TPTWG by United States	TPTWG		Most recent seminar (Vietnam) conducted in October 2009	Most recent seminar (Indonesia) conducted in September 2010 <sup>1</sup>
<p><b>Supply Chain Visibility Initiative</b></p> <ul style="list-style-type: none"> <li>Discuss within relevant fora (e.g. CTI, SCSC, ECSG, SCCP, TPTWG) and hold seminars and workshops for enhancing "supply chain visibility" to determine the feasibility of</li> </ul>	Japan, Korea; Chinese Taipei; The United States	CTI	SCSC, ECSG, SCCP, TPTWG	2010 - 2012	Ongoing. Currently developing questionnaire survey and feasibility study (at SCSC).

<sup>1</sup> "Workshop on Airport Safety Oversight & Advanced Tech"

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-foa /working group	Other sub- foa/working group involved	Date	Update for 2011
constructing an information network to share cargo status information in the multi-modal logistics					
<ul style="list-style-type: none"> <li>• Hold the “APEC Supply Chain Visibility Workshop” aiming at constructing an information network to share cargo status information in the multi-modal logistics by: <ul style="list-style-type: none"> <li>➢ Sharing the knowledge as to the positive effects of constructing the information network on productivity and efficiency of manufacturing industry, logistics industry, and customs procedures.</li> <li>➢ Identifying the minimum required information to be shared through the network to construct the information network.</li> <li>➢ Identifying activities by international standardising bodies, industries, ports and customs, which are necessary to construct the information network.</li> </ul> </li> </ul>	Japan; Korea; Singapore; Chinese Taipei; Hong Kong, China; The United States			Sep 2010	Completed in Sept 2010
<ul style="list-style-type: none"> <li>• Discuss a possible information network for sharing cargo status for improving multi-modal logistics and global supply chain. <ul style="list-style-type: none"> <li>➢ Introduce advanced efforts in APEC members to improve visibility of container cargo movements through sea-ports.</li> <li>➢ Conduct pilot projects with a view to</li> </ul> </li> </ul>	Japan; Korea; Chinese Taipei; The United States	CTI	SCSC, ECSG, SCCP, TPTWG	2011-2012	<p>Work is underway to implement the Supply Chain Visibility (SCV) Initiative by recommending a set of standards for the purpose of the realization of the SCV, to APEC members.</p> <p>This project composes of 3 phases. Phase I collects information about current status of the supply chain in APEC region through the questionnaire survey to transportation players (forwarders, land and sea</p>

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-fora /working group	Other sub- fora/working group involved	Date	Update for 2011
<p>proving the effectiveness of the required information and other elements identified by the above-mentioned workshop.</p> <p>➤ Formulate guidelines on how APEC should move to construct the interoperable information network to share cargo status in multi-modal logistics.</p>					<p>transporters, port operators, shipper, consignee, customs and other relevant authorities) (May 2011 through an APEC funded project, CTI07/2011T) Phase II (self-funded, August 2011) - Pilot examinations under the supply chain visibility network are conducted by Japan and other economies. After the pilot examination, considering results of Phase I and II projects, an investigator will conduct interviews with transportation players to make recommendations to APEC members for supply chain improvement. Phase III - a set of draft recommendations for member economies to establish common technical grounds for visualized, trans-border logistics in the APEC region will be developed based on results of Phase I and II and other additional input from other economies' experiences. They will be discussed at the dialogue to be held in April 2012 (CTI 2 margin) in Singapore, cooperating with the other related fora such as SCCP, TPTWG.</p>
<ul style="list-style-type: none"> <li>Conducting capacity building activities for facilitating implementation of the guidelines mentioned above to enhance "supply chain visibility"</li> </ul>	Japan, Korea; Chinese Taipei; The United States	CTI	SCSC, ECSG, SCCP, TPTWG	2012-	
<p>Project Proposal:</p> <p><b>Security monitoring model and network for regional supply chain with a particular focus on food security</b></p>	Project led for TPTWG by People's Republic of China	TPTWG		Jan. 2011 - Dec. 2011	Project is underway. TPTWG has commenced the implementation of its project on "Security Monitoring Model and Network for Regional Supply Chain with a Particular Focus on Food security" with expected deliverable to be

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-foa /working group	Other sub- foa/working group involved	Date	Update for 2011
<p>Key Objectives:</p> <ul style="list-style-type: none"> <li>• Understanding of existing problems and impediments to supply chain security among APEC economies</li> <li>• Improved transportation security and cooperation on supply chain security monitoring among APEC economies</li> <li>• Potential development of a supply chain and transport security information-monitoring network</li> </ul>					<p>baselines (policies, management, and technology applications) including a case study on food transportation security for developing a supply chain and transport security information monitoring network.</p>
<p><b>Optimization of the supply chain through computational modelling:</b></p> <ul style="list-style-type: none"> <li>• Develop a computational tool for modelling and optimizing the transportation network.</li> <li>• The tool will integrate problems typically treated in a piecemeal fashion, including economic, environmental and safety considerations, and analyse trade-offs between them while predicting network performance.</li> </ul>	Canada	TPTWG	CTI	2012	
<p><b>Electronic Freight Management (EFM) Information Exchange Platform</b></p> <ul style="list-style-type: none"> <li>• Deploy a test adoption of EFM over an international trans-Pacific supply chain where containerized goods moved by ocean carrier from Asia, land at a Canadian port and continue overland to a final destination such as a distribution centre</li> <li>• This will track information exchange associated with clearing containerized</li> </ul>	Canada	TPTWG	CTI	2011	



<b>Proposed Action (Title and brief descriptions)</b>	<b>Coordinating Economy</b>	<b>Coordinating sub-fora /working group</b>	<b>Other sub- fora/working group involved</b>	<b>Date</b>	<b>Update for 2011</b>
goods through customs, port and terminal, and rail carriage systems for inland transportation and will also include inter-modal systems involving motor carriers providing transportation to distribution centres.					

## APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK

### Action Plan for Chokepoint 7

#### *Variations in cross-border standards and regulations for movements of goods, services and business travellers*

##### **Objectives**

- To enhance the security and quality of cross-border communications through minimising the impact of variations in standards and regulations. This can be achieved through:
  - coordinated action to reduce the time to repair submarine cables
  - encouraging the establishment of a trusted online environment through cyber security initiatives.
- To reduce the cost of communications for international business travellers through the introduction of competitive tension in the international mobile roaming market
- To promote road safety standards through developing:
  - best practice approaches for marketing road safety measures;
  - best practice approaches to planning, funding and priority setting for road infrastructure and for network operations and management
  - promoting the use of applicable international standards for safety in and the safe use of vehicles

##### **Participating Economies**

***Lead Economy:*** Australia

***Other Participating Economies:*** Indonesia, Malaysia, New Zealand, Japan, Peru and USA.

**Action Plan**

Proposed Action (Title and brief descriptions)	Economy	Sub-foa / working group	Other sub-foa/ working group involved	Date	Update for 2011
<p><b>Improving Submarine Cable Protection</b> <i>Specific Action</i></p> <ol style="list-style-type: none"> <li>1. Survey economies on their submarine communications cables and compile important information. Economies would be requested to nominate a designated point of contact to coordinate/facilitate stakeholder contact in their respective economies.</li> <li>2. Develop an inventory of legislative instruments and regulatory requirements relevant to submarine communication cables that operate in each economy. This would include permits, licenses, fees for repair, penalties and details of the inspection regime in each economy.</li> <li>3. Raise awareness at Ministerial level of the importance of submarine communications cables and the impact and attendant cost to economies of outages.</li> </ol>	<p>Australia</p> <p>Australia</p> <p>Australia</p>	<p>CTI/TEL</p> <p>CTI/TEL</p> <p>CTI</p>	<p></p> <p></p> <p>TEL</p>	<p>Sep 2011</p> <p>Sep 2011</p> <p>Oct 2010</p>	<p>A document listing some APEC Member Economy points of contact on submarine cable regulatory and repair matters was tabled at TEL 44 in Kuala Lumpur in September 2011.</p> <p>Australia and New Zealand co-hosted a Trade Policy Dialogue for trade officials, submarine cable regulators and industry at CTI III in San Francisco. The TPD recommended closer APEC-industry linkages to address information sharing issues and the need for review of regulatory barriers to cable protection and repair. The report tabled at TEL 44 listed legislative requirements.</p> <p>The importance of submarine cable protection was recognized in the Okinawa declaration issued at TELMIN8 in 2010.</p>
<p><b>Reducing International Mobile Roaming Charges</b> <i>Specific Action</i></p> <p>Development of multi-pronged approach which will include:</p> <ol style="list-style-type: none"> <li>1. Training sessions for telecommunications regulatory authorities;</li> <li>2. Development of an Action Plan - a report describing the IMR market within APEC economies and details of the multipronged approach available to regulators to improve consumer awareness and foster a reduction in</li> </ol>	<p>Australia</p> <p>Australia</p>	<p>TEL</p> <p>TEL</p>	<p></p> <p></p>	<p>TBA</p> <p>2013</p>	<p>Australia is exploring means of funding the training sessions.</p> <p>Australia is attempting to secure funding for the engagement of a consultant as part of an overarching strategy on IMR.</p>

Proposed Action (Title and brief descriptions)	Economy	Sub-fora / working group	Other sub-fora/ working group involved	Date	Update for 2011
roaming charges.					
<p><b>Road Safety Standards for Heavy Vehicles</b></p> <p><i>Specific Action</i></p> <p>In response to a directive by Transport Ministers from Australia, Malaysia, New Zealand, Singapore and Thailand who met in February in 2010 in Melbourne, Australia developed and received approval for an APEC funded project to develop a compendium on heavy vehicle standards.</p> <p>The compendium will include measures to address driver fatigue, a Safety Code of Practice for Heavy Vehicles, and address issues relating to improving driver efficiency through a Professional Driver Training Program, initially for developing economies.</p> <p>The TPT-WG will use project outcomes to urge APEC economies to draw relevant matters from the compendium to address variations in cross-border standards for movements of goods and services.</p>	Australia [lead], co-sponsors: Malaysia, New Zealand, Singapore and Thailand	TPTWG	ABAC	Jan/Dec 2011	In August 2011, the project consultant conducted industry visits to Malaysia, Thailand and Vietnam for consultations with relevant agencies responsible for road safety and heavy vehicles, to use the additional information to supplement the survey outcomes, conducted after the commencement of the project. PNG has now signed on to take part in the project.
<p><b>Enhancing Regional Cyber Security</b></p> <p><i>Specific Action</i></p> <p>An APEC-wide Cyber Security Awareness Day is proposed to be held at the APEC TEL Ministerial Meeting hosted by Japan on 30-31 October 2010. As part of the APEC Awareness Day, there would be an APEC hosted website and an APEC-wide poster display at the ICT Ministers meeting and an exhibition at the 2010 APEC Leader's Meeting in November 2010.</p>	Australia and USA	TEL		Sep 2010	The APEC-wide Cyber Security Awareness Day was successfully held during TELMIN8.

## APEC SUPPLY-CHAIN CONNECTIVITY FRAMEWORK

### Action Plan for Chokepoint 8

#### *Lack of regional cross-border customs-transit arrangements.*

#### **Objective**

Determine how Customs Administrations take care of transit by a non party for the application of preferential treatment. In this context how and which documents are required for this compliance at the customs administration of the importing economy. For all the above it is necessary to establish a common understanding -not only for APEC customs administrations, but moreover for trade operators- on the documentation that justifies and accredited this transit.

It is also important to determine, if possible, a general overview regarding a timeframe for this transit in a non Party, for store goods and splitting goods; all the above, under the surveillance of the customs administration of this non party economy.

#### **Participating Economies**

***Lead Economy:*** Chile

***Other Participating Economies:*** Republic of Korea, New Zealand, Papua New Guinea and Singapore

#### **Possible Work Streams (Annex 3 of 2009/AMM/011app08)**

- Examine and identify issues relating to transport and customs-transit and work towards addressing them.
  - e.g. Identify and examine the policy, technical, and regulatory issues involved in the passage of goods through 3rd party territory

#### **Action Plan**

Proposed Action (Title and brief descriptions)	Coordinating Economy	Coordinating sub-fores /working group	Other sub-fores/working group involved	Date	Updates for 2011
Questionnaire to all APEC member economies in order to request information on: - Which documents are acceptable by customs administrations for accreditation of goods in transit? - Is there a timeframe for these goods in a third country? - Is the division of the original consignment permitted in distribution centers /Free Zones?	Chile	SCCP	CTI	2010/2011	SCCP completed a questionnaire on the treatment of transit by a non party for application of preferential treatment, including how and which documents are required for this compliance at the customs administration of the importing economy.
Elaborate a comparative study in order to determine trends and best practice in the APEC Region, regarding a critical issue in the framework of bilateral trade agreements.	Chile	SCCP	CTI	2010/2011	
Present to all stakeholders the result of the information gathering exercise	Chile		CTI	TBD by the SCCP/ CTI	
Further discuss concepts to draft APEC guidelines for Transit and Transshipment.	Chile	SCCP	CTI	2011/2012	Draft Customs-Transit Guidelines for APEC FTAs is under consideration in the SCCP and CTI.
Draft if possible APEC guidelines for Transit and Transshipment.	Chile	SCCP		2011	
Identify specific issues and impediments relating to cross-border customs-transit arrangements for logistics companies that operate in the APEC region.	Singapore			2011	CTI1: Seven impediments that companies faced in cross-border customs transit were identified (see 2011/SOM1/CTI/018).  CTI2: Suggested approaches in addressing the impediments, based on industry feedback and inputs from economies were compiled. (see 2011/SOM2/CTI/012)

#### Measurement

The proposed guidelines will be measure considering the number of response of APEC member economies. In this area, the questionnaire was elaborate based for further determine the percentage of compliance on this matter. This information would be tabulate and will permit numerical conclusions.

## APPENDIX 9

### The 23<sup>rd</sup> APEC Ministers Meeting

Honolulu, Hawaii  
11 November 2011

#### ANNEX A

### PATHFINDER TO ENHANCE SUPPLY CHAIN CONNECTIVITY BY ESTABLISHING A BASELINE DE MINIMIS VALUE

Providing a higher, commercially useful, baseline de minimis value is a significant and measurable contribution to APEC Leaders' commitment to achieve "an APEC-wide target of a ten percent improvement in supply-chain performance by 2015, in terms of reducing the time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economy's circumstances". Recent studies have demonstrated that higher de minimis values provide considerable economic benefits to customs administrations, the private sector, and consumers through costs savings and reductions in trade transaction costs, in particular by facilitating the immediate release of shipments thereby improving the movement of goods through regional supply chains.

In 2011, the below economies agree to the following:

- Exempt express and postal shipments from customs duties or taxes and from certain entry documentation requirements for shipments valued at or less than \$100 USD recognizing, however, that economies may choose not to apply such exemptions for restricted goods or from taxes that are also applied to domestic goods. Economies can also commit to implementing a de minimis value of \$100 USD or higher by the end of 2012.
- Work towards broader application of de minimis treatment in the region.

A capacity building program will be developed to enhance the understanding of the economic and trade facilitative benefits of higher de minimis values, with the goal of assisting economies in joining the pathfinder.

#### List of Participating Economies in the Pathfinder<sup>1</sup>

Brunei Darussalam (\$ 400 BND)

Hong Kong, China (no tariff on imports)

Japan (¥10,000)

Korea (150,000 KRW)

Malaysia (\$500 MYR)

New Zealand (\$400 NZD)

---

<sup>1</sup> Eligibility is based on the exchange rate at the time an economy joins the pathfinder

Russian Federation (€200)  
Singapore (\$400 SGD)  
Chinese Taipei (\$3,000 TWD)  
United States (\$200 USD)



## APPENDIX 10

### DISCUSSION PAPER NEXT GENERATION TRADE AND INVESTMENT ISSUES

#### Enhancing Small and Medium-Sized Enterprises Participation in Global Production Chains

(Chile; Hong Kong, China; Japan; Mexico; and Peru)

#### I. Background

In Yokohama, Japan, 2010, Economic Leaders instructed APEC to make an important and meaningful contribution as an incubator of an FTAAP by playing a critical role in defining, shaping, and addressing the 'next generation' trade and investment issues that an FTAAP should contain. In Big Sky, Montana, United States, 2011, Ministers Responsible for Trade identified the following next generation trade and investment issues to be addressed in the current year through substantive and specific outcomes: facilitating global supply chains; enhancing small and medium-sized enterprises participation in global production chains; and promoting effective, non-discriminatory, and market-driven innovation policy.

As Senior Officials discussed in Washington, D.C., 2011, there are traditional trade issues that need to be addressed in new ways given changes to the global trading environment. Chile; Hong Kong, China; Japan; Mexico and Peru consider that small and medium-sized enterprises (SMEs) participation in global production chains<sup>1</sup> is one of these issues.

Recent Free Trade Agreements (FTAs) have begun to include chapters or provisions on cooperation and addressing the development of SMEs, and their results have enabled SMEs to strengthen capacity in their productive processes. However, further efforts could be made to foster the participation of SMEs in global production chains through addressing the issue in next generation trade agreements. This will facilitate the development of SMEs as supporting industries<sup>2</sup>.

Such efforts are well related and could also complement the work to address the SMEs' barriers to trade in Asia-Pacific, as identified by Ministers Responsible for Trade and Ministers Responsible for Small and Medium Enterprises during their joint meeting in Big Sky, Montana in 2011. The objective of this proposal is to promote capacity for SMEs as supporting industries, as indirect exporters at a first stage.

#### II. Proposal

Chile; Hong Kong, China; Japan; Mexico; and Peru propose to address the issue of enhancing the SMEs participation in global production chains through:

---

<sup>1</sup> Global production chains may be defined as a cross-border network of companies operating together as an integrated system to design, develop, market, distribute, transport, and deliver products and services to customers.

<sup>2</sup> Supporting industries may be defined as suppliers of inputs and/or services to be incorporated into the production chain of other enterprises which participate in international trade.

1. Defining core elements that could be considered on a voluntary basis to serve as model guidelines, in the next generation FTAs, including a possible FTAAP, and
2. Developing capacity building activities, such as carrying out seminars, policy dialogues and workshops to exchange experiences and best practices on public policies and collaboration between trading partners, to incorporate SMEs in global production chains.

### ***Core elements***

APEC could promote the inclusion of language in FTAs, setting out areas in which parties will cooperate to enhance SMEs' participation in global production chains in order to foster trade and investment in the region. These areas of cooperation could include:

- Enhancing SMEs' ability to take advantage of opportunities throughout the production chain
  - a) Enhancing SMEs' ability to identify commercial partners and direct investment and joint venture opportunities in foreign markets.
  - b) Sharing information on assistance programs the parties have in place to foster SMEs participation as supporting industries.
  - c) Enhancing SMEs' understanding of how to become reliable supporting industries and to establish business ties with other supporting industries, final goods suppliers, and exporting industries.
- Enhancing SMEs' ability to take advantage of trade opportunities
  - d) Enhancing SMEs' human resources development through training programs on international trade, and entrepreneurial and technical education.
  - e) Making publicly available trade-related regulations and other policies relevant to SMEs and their participation in global production chains.
- Promote enhanced use of information and communication technologies (ICTs) and intellectual property protection
  - f) Enhancing SMEs' understanding of how to utilize ICT networks and other innovative technologies to participate in global production chains.
  - g) Enhancing SMEs' understanding of how to acquire and protect their intellectual property rights.
- Facilitate SMEs' access to trade and investment-related information
  - h) Enhancing Parties understanding of how to develop and promote seminars, workshops, trade opportunities and other activities, including establishing and maintaining a publicly available online tool kit to convey information, including text, tariff schedules, and references that can be useful for trading, investing, or doing business, to make it easier for SMEs to take advantage of the benefits of Free Trade Agreements.

### ***Exchange of experience and best practices***

APEC economies that have developed programs to foster the participation of SMEs as supporting industries to other enterprises which participate in international trade could share in a seminar their experiences, both positive and negative, so as to allow all APEC economies to learn from such experiences.

The seminar could include items such as: public policies established by governments to develop local providers to international trading companies established within their territory; experience-sharing from the view of FTA negotiators, success SMEs that have been benefited by such kind of cooperation, joint programs agreed between parties of an FTA, both government to government and government to private sector; sectoral experiences; methodologies to measure the results of those public policies and joint programs; government experiences in disseminating information; case studies; among others.

### **III. Timeline**

- Extraordinary CTI meeting, August 2011, Singapore: To discuss the proposed core elements and possible topics for the seminar.
- CTI3/SOM3, September 2011, San Francisco: To reach consensus on the core elements and endorse the proposal to carry out a seminar.
- AMM, November 2011, Hawaii: Ministers to endorse the core elements and take note of the seminar.
- SOM2, May 2012, Russia: To carry out a seminar to exchange experiences and best practices of the enhancement of SMEs in the global production chains, including what is explained above.

## APPENDIX 12

### APEC ENVIRONMENTAL GOODS AND SERVICES WORK PROGRAM

In Sydney in 2007 APEC Leaders committed, through wide-ranging and ambitious actions, as set out in the Sydney Action Agenda, “to ensuring the energy needs of the economies whilst addressing the issue of environmental quality and contributing to the reduction of greenhouse gas emissions.” Leaders also affirmed that “An open global trade and investment system is central to our clean development objectives and market opening in the World Trade Organization (WTO) would advance our climate and energy security goals.” and recognized that “Joint research, development, deployment and transfer of low and zero emission technologies will be crucial in our shared efforts to address climate change.”

2. The 2007 Leader’s Action Agenda included co-operative actions and initiatives designed to achieve an objective of supporting economic growth and development of the Asia Pacific region and to further contribute to the reduction of global greenhouse gas emissions.
3. The Committee on Trade and Investment (CTI) has worked since then to address Leaders’ instructions, including by developing an EGS work program as a contribution to APEC’s broader objective of promoting sustainable economic growth in the region. Central to the CTI’s work in this area is the recognition that an open global trade and investment system is necessary for the dissemination and increased utilization of EGS, and that this would be part of APEC’s contribution to global development, economic, and environment objectives.
4. The **APEC EGS Programme Framework** was endorsed by Ministers at the **2008 AMM**. The objectives of the Framework are to support the development of the EGS sector in APEC and to provide a coherent setting for the work under way in various APEC bodies. The Framework has four components: (a) research and development, (b) supply, (c) trade and (d) demand. The full description of the four framework components is as follows:
  - a. **Research and development:** For both goods and services, this refers to developing new and better EGS through innovation and R&D which address not only trade in EGS but also environment and development (i.e. rural development, job creation and applied technology). APEC economies can share ideas and best practices on innovation and R&D programmes that spur the development of EGS.
  - b. **Supply:** For goods, this includes the incorporation of cleaner, more resource and energy efficient technologies. For services, this includes the training of skilled personnel. Both entail a need for more focus and investment in the EGS industry. APEC economies can explore ways to facilitate investment in EGS and share best practices in developing the EGS industry sector.
  - c. **Trade:** This component aims to improve trade in EGS through trade facilitation and trade liberalisation. For the former, APEC MAG (Market Access Group)/GOS (Group on Services) have been developing projects that facilitate trade in EGS. For trade liberalisation, this component adheres to the Doha Para 31(iii) mandate. Recognising that the negotiations will be done in the WTO, APEC MAG/GOS can come up with ways to support the negotiations in the WTO.
  - d. **Demand:** An increase in demand will create incentive for the market to increase R&D and investment in EGS. APEC economies can look into sharing best practices in public education on EGS and pro-EGS consumer policies, such as measuring and showing the impact of EGS on the environment.

5. In July 2009 APEC Ministers Responsible for Trade (MRT) welcomed the progress made so far in the development of an APEC work program for EGS (environmental goods and services) as set out in the EGS Framework. They instructed officials to finalise the work program for consideration by the 2009 APEC Ministerial Meeting (AMM).
6. Consequently, CTI tasked the Market Access Group (MAG) to conduct a **Mapping Exercise**, which identified the work streams relevant to the EGS Framework currently underway across APEC fora and sub-fora. The **Mapping Matrix** is appended here as **Annex 1**. It includes activities and projects initiated or under way in 2009. To allow for improved oversight by APEC economies of the myriad of initiatives underway in APEC in this area, and to identify areas of potential collaboration, the Mapping Matrix will be updated regularly by the APEC Secretariat. Keeping the Mapping Matrix up-to-date will also help us to prevent duplication of resources across APEC fora and sub-fora.
7. Based on the results of the mapping exercise, APEC members agreed to take the following actions in order to support sustainable economic growth in the region, advance APEC's work to increase utilization of EGS, reduce barriers to trade and investment in EGS and enhance the capabilities of members to develop their EGS sectors:
  - Launch and continue to contribute to the Environmental Goods and Services Information Exchange (EGSIE), a Web site that will serve as a foundation for future work on EGS in APEC, and will promote greater transparency, information-sharing, collaboration, and dissemination of EGS in the APEC region and globally.
  - Identify a "package" of follow-up actions that would enable economies to enhance their sustainable economic development and contribute to the growth of the APEC region. Three key aspects of this would be an identification of: (1) goods and services for which, via increased utilization, an economy would be able to contribute towards climate change mitigation as well as sustainable economic development; (2) concrete steps to facilitate the diffusion of climate friendly and other EGS technologies so as to increase the capabilities of economies to maintain sustainable growth; and (3) capacity-building activities to help ensure that APEC economies, especially developing economies, are able to cultivate and further develop their EGS sectors and meet their sustainable growth goals, including identifying areas of technology transfer of interest to economies and initiating a series of case studies so as to better understand the needs of developing economies in this area.
  - Promote greater dissemination and utilization of EGS by raising awareness of the differing economic conditions and resultant needs of economies; undertaking work to address non-tariff barriers and enhance market drivers to environmental goods through close cooperation among relevant fora, such as local content requirements; explore greater harmonization and convergence of standards, particularly in the area of energy efficiency; facilitate investment in the EGS sector; and
  - Improve understanding and market access for environmental services and services relevant to climate change mitigation.

## APEC EGS Projects Mapping\*\*

At MRT this year, Ministers agreed that APEC could make an important contribution to the success of the Copenhagen Conference by exploring ways to reduce barriers to trade and investment in environmental goods and services (EGS), in particular those goods and services that contribute to the success of our climate change efforts. Ministers also instructed officials to finalize the EGS work programme for consideration by AMM 2009.

The matrix below is a list of EGS projects which are being developed by APEC fora and help make EGS more available in the APEC region. The matrix presupposes that there is no definition of EGS. The categories utilised in this matrix are intended as broad examples only. It will be provided by MAG to CTI Chair for consideration in her drafting up an EGS work programme.

APEC Forum	Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status	
<b>COMPLETED PROJECTS:#</b>							
1.	EWG, EGEE&C	Energy-Saving Windows: Survey of Policies and Programs to Promote Advanced Window and Glazing Technologies in APEC Economies	To compile information on recent efforts to reduce building energy use through advanced windows and glazing technologies in APEC economies. By assessing the current market status of energy-saving windows and barriers to their increased use, the project will also help guide decisions on new policies or programs to promote them.	US	(i)technology (ii)energy efficiency (iii)climate change	Supply; Demand; Trade	<b>Completed.</b>

\* Some broad categories of EGS, which the project could help increase the use of, include: (i) environmentally friendly technology goods and services (technology); (ii) energy efficiency goods and services (energy efficiency); (iii) environmental goods and services necessary or desirable for climate change mitigation and adaption (climate change); (iv) clean air; (v) clean water and (vi) others (eg renewable energy, waster water management, environmental monitoring, analysis and assessment equipment).

<sup>†</sup> The EGS Work Programme framework endorsed by Ministers in 2008 uses the basic value-chain of EGS as a framework to holistically address all aspects of EGS. Four components set out by the framework are: R&D, Supply, Trade and Demand.

# Completed projects since the 11 May 2011 version of the matrix. Please see the 11 May version for the full list of completed projects since the inception of the matrix up till 11 May 2011.

\*\* This revised matrix is as of **11 September 2011**. Changes made since the 11 May 2011 version are marked in **red bold** text.

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
2.	ATC	APEC-ATCWG Biofuels Network Annual Symposium and Biotrade/Technical Training Workshop	Aims to strengthen and expand the established APEC biofuels network by setting up a biofuels symposium on an annual basis to stress the importance of the second and third generation biofuels research development. Would also serve to provide an update on the progress on technical, economic, and environmental information and experiences regarding the bioconversion of agricultural and agro-industrial wastes to biofuels among APEC member economies by concentrating on biofuels regulatory cooperation.	Thailand	(i) Technology (ii) energy efficiency	R&D	<b>Symposium was held in May 2011.</b> (ATC08/2010)
3.	GOS	Trade Policy Dialogue on Environmental Services		GOS Convenor		Supply; Trade; Demand	<b>Held on 9 May, Big Sky, Montana</b>
4.	SCSC	6 <sup>th</sup> Conference on Good Regulatory Practice	To share experiences among APEC members, incl: Private Business and International organizations on advances to date in improving regulatory practices, with a goal of identifying avenues to promote further improvements in the development and adoption of new regulations among APEC Members. Also to ensure regulations achieve desired public policy outcomes without creating unnecessary obstacles to trade; and To update and revise key APEC technical documents/ resources on GRP which are valuable reference tools for regulators in the Asia-Pacific, and globally.	United States	(vi) others	R&D; Supply; Trade; Demand	Conference was held in SOM 1, 2011 in Washington D.C.
5.	CTI	Seminar on Dissemination of Environmental Technologies	Aims to increase, through knowledge, information and experience sharing, the	China	(i)technology	Supply; Trade;	<b>Seminar held on 11 May at Big Sky, Montana</b>

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			understanding and awareness on issues related to the dissemination of environmental technologies; share best practices in promoting the application and dissemination of environmental technologies through various vehicles including trade and investment; and advance EGS Work Programme and explore possible next steps APEC can take in this area			Demand	
6.	CTI	Trade Policy Dialogue on Environmental Goods Non-Tariff Measures,	To have an informal discussion among APEC officials, private sector representatives, and other experts aimed developing a better understanding of NTMs impacting environmental goods (EGs) trade, and discussing options for how APEC might address EGs NTMs in its work.	United States		Trade	<b>Seminar held on 12 May, Big Sky, Montana.</b>
<b>NEW PROPOSALS / ON-GOING PROJECTS</b>							
7.	AD	Facilitating the Diffusion and Dissemination of Advanced Technology Demonstration Motor Vehicles throughout the Asia-Pacific Region		United States			
8.	CTI	Draft APEC EGS Technology Dissemination Action Plan	To create an APEC framework to promote and facilitate environmental technology dissemination; and to enhance capacities of APEC economies to disseminate EGS technologies, particularly those of developing economies to attract, use and develop EGS technologies, as well as develop their EGS industries; and to	China	(i)technology	Supply; Trade; Demand	<b>On-going. A revised proposal will be tabled for consideration at CTI3 with the view to finalising it for AMM in November.</b>



APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			promote understanding, knowledge and communication on the supply and demands of EGS technologies, unlock EGS technology markets and promote regional trade and investment on EGS; In light of the principle of “common and differentiate responsibilities”, Identify areas of technology transfer through a series of cooperative initiatives so as to better address the needs of developing economies.				
9.	CTI / MAG / GOS	Environmental Goods and Services Case Studies	To identify the key EGS policies, market drivers, and challenges associated with promoting trade and investment in EGS in the selected APEC economies’ markets, provide a more comprehensive picture of the economies domestic marketplaces, and suggest ideas on how to achieve greater “green growth. Final case studies will be made available on EGS Information Exchange (EGSIE).	United States, New Zealand, Australia	(i)technology, (ii)energy efficiency, (iii)climate change, (iv)clean air, (v)clean water (vi) others	R&D; Supply; Trade; Demand	On-going. Case studies on Malaysia’s and Mexico’s EGS markets completed; <b>The completed case studies for Chile and Viet Nam will be presented to CTI3 in San Francisco.</b>
10.	MAG	Environmental Goods and Services Information Exchange (EGSIE)	To provide public and private stakeholders in APEC economies with a means to access and share the latest information, studies, projects and commitments on EGS	Canada, New Zealand, US	(i)technology, (ii) energy efficiency (iii) climate change, (iv) clean air, (v) clean water (vi) others	R&D; Supply; Trade; Demand	On-going. Formally launched in November 2009.
11.	MAG	Updating EGSIE website information	There is a proposal to improve the EGSIE website information on current regulations related to the environmental goods and services sector.	United States	(vi) others		On-going. <b>Will be discussed further at MAG3 in San Francisco</b>

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
12.	MAG	Proposed Workshop on Managing Trade in Remanufactured Goods at the Border	To share best practices regarding treatment of remanufactured products for customs, safety, and import policy purposes, and discuss issues associated with ensuring safety of these goods.	United States, Canada, Japan and Singapore	(i)technology, (ii) energy efficiency	Trade	Concept note obtained in-principle approval from BMC in May 2011. Workshop planned to be held at SOM3 in San Francisco in Sept 2011
13.	MAG	Proposal on "Facilitating Trade in Remanufactured Products"	Proposes to build on the existing APEC work on remanufactured goods and fulfill Ministers' instructions by taking steps to facilitate trade in these goods.	United States and Japan	(i)technology, (ii)energy efficiency	Supply; Trade; Demand	<b>Discussed at MAG1 in March 2011 and MAG2 in May 2011, and will be considered again at MAG3 in San Francisco.</b>
14.	MAG / EWG	Survey of Major Impediments and Market Driver to the Development of trade in Environmental Goods	To share information on impediments to expanded trade in environmental goods and to help markets of environmental goods more well-functioning	MAG: Australia, Japan  EWG: US	(i)technology, (ii)energy efficiency, (iii)climate change, (iv)clean air, (v)clean water (vi) others	Supply; Trade; Demand	Endorsed by EWG in November 2009, and in principle endorsed by MAG in May 2009. Budget proposal to be submitted.
15.	EWG, Expert Group on Energy Efficiency and Conservation (EGEE&C)	Engagement by APEC Economies in International 'Smart Appliance' Standards for Air Conditioners and Other Appliances.	The project is aimed at information sharing to enable active involvement of APEC stakeholders with the International Electrotechnical Commission (IEC) and International Standards Organisation (ISO) technical work on development of international standards for 'smart' appliances. The project is consistent with the ongoing APEC Smart Grid Initiative, and supports the APEC Leader's Growth Strategy by working towards enhancing energy security and promoting energy-efficiency and low-carbon policies through smart grid and demand management technologies	Australia	Energy Efficiency, Energy Security, low-carbon Climate Change	R&D Harmonizing standards on energy	The project was approved by BMC2 and <b>implementation is under way.</b> (EWG 01/2011T)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
16.	EWG	APEC Peer Review on Energy Efficiency (PREE) Phase 3	<p>To share information on energy efficiency performance, as well as policies and measures for energy efficiency improvement;</p> <p>To explore how energy efficiency goals could be effectively formulated in each APEC economy under review, taking into account the diversity of the strategies and circumstances of individual economies;</p> <p>To monitor progress toward attaining energy efficiency goals and the implementation of action plans.</p>	Japan, Viet Nam, Thailand	Energy Efficiency, Climate Change	R&D, Information sharing	The project was approved by BMC2 and <b>implementation is under way.</b> (EWG 02/2011)
17.	EWG	APEC Workshop on Energy and Green Transport Benefits of Electric Vehicles	<p>To provide considerable supports to power and transport planners in developed and developing economies to put green transport strategies and policies in greater use of electric vehicle in place.</p> <p>To build understanding of how the green benefits brought from the use of electric vehicle, and to encourage wider application as well as trade and investment in electric vehicles, energy storage facilities and the related charging infrastructures to facilitate the transfer of fossil fuelled to electric driven vehicles.</p>	China and Hong Kong, China	Energy Efficiency, Climate Change, Green Transport	Promote trade and investment in green vehicles	The project was approved by BMC2 and <b>implementation is under way.</b> (EWG 05/2011A)
18.	EWG	APEC Peer Review on Low-Carbon Energy Policies (PRLCE) Phase 1	Share experiences and knowledge on best practices for efficient and effective policies to promote renewable power supplies in developing APEC economies, including how to adapt policies and measures which have been successful elsewhere to the unique conditions of	Japan, Thailand	Renewable Energy, Energy Efficiency.	R&D	The project was approved by BMC2 and <b>implementation is under way.</b> (EWG 04/2011A)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			each economy; Encourage developing APEC economies to set individual goals on power supply from renewable resources and to formulate action plans to achieve the goals.				
19.	EWG	APEC Low Carbon Town (LCMT) Forum	To provide opportunities for knowledge sharing and capacity building for all APEC economies on LCMT development in terms of policy making, city planning, energy layout, finance and economic incentives for low carbon development, for example, carbon trade, etc.	China, Japan, Malaysia	Low Carbon, Energy Efficiency	R&D, Information sharing	The project was approved by BMC2 and <b>implementation is under way.</b> (EWG 06/2011A)
20.	EWG, Expert Group on New and Renewable Energy Technologies EGNRET	Addressing Challenges of AMI Deployment in APEC	Investigate and confer the development strategies and current status of AMI in all APEC economies. Identify effective AMI polices and best practices. Offer guidelines to economies and industry for AMI deployment. Provide recommendations for power network upgrading and Smart Grid integration. Increase the awareness and effectiveness of AMI.	Chinese Taipei	Smart grid, energy efficiency	R&D, best practices	The project was approved by BMC2 and <b>implementation is under way.</b> (EWG 07/2011A)
21.	EWG	Renewable Energy Sources in Electricity Markets: Goals and Conditions for Providing Sustainable Development	To estimate the efficiency of measures taken in APEC economies to stimulate the development of use of renewable energy sources and as a result to elaborate recommendations on the unification of best practices applied; To study and change legislation, normative rules, economic models, technical	Russia	Promoting Renewable Energy, Electricity market	R&D, Trade	The project was approved by BMC2 (EWG 09/2011A)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			regulations and technologies for appropriate renewables functioning in electricity market relying on best practices; To discuss and distribute the results, contributing to the sustainable development among APEC economies provided access to distant courses on regulatory framework, economics, technologies and best practices for representatives of all APEC economies				
22.	EWG, EGEE&C	APEC Energy Standards Information System (ESIS)	Aims to provide up-to-date information about appliance and equipment energy standards and regulations and to provide “Communities of Practice” for experts and officials to discuss efforts to harmonize and rationalize the testing, labelling, and minimum energy standards for specific appliances and equipment; and others.	New Zealand	(i)technology (ii)energy efficiency (iii)climate change	Supply; Trade; Demand	ESIS Website Ongoing at: <a href="http://www.apec-esis.org">http://www.apec-esis.org</a>
23.	EWG, EGEE&C	Using Smart Grids to Enhance the Use of Energy Efficiency and Renewable Energy Technologies.	To understand how smart grid technologies and practices have been used to enable new products and services, optimize the use of power grids, allow greater use of renewable energy options, and encourage greater demand-side efficiency response in APEC economies.	US	(i)technology (ii)energy efficiency (iii)climate change	Demand	The project would fund a report on the status and potential, within APEC economies, of smart grid technologies to enhance the use of renewable energy and energy efficient buildings, appliances and equipment. <b>Self-funded project.</b> A detailed survey has been developed and distributed to APEC member economies. The survey responses are

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
							currently being correlated for utilization in the project report.
24.	EWG, EGEE&C	Cool Roofs in APEC Economies: Review of Experience, Best Practices and Potential Benefits	To create capacity building to implement cool roof technologies and policies in developing APEC member economies by reviewing experience in the region with cool rooftops in residential and commercial buildings, identifying and disseminating information on best practices, and summarizing the associated benefits in terms of reduced energy use and emissions.	United States	Energy efficiency Improve of technology to GHG savings Air Quality	R&D	Delay in bidding process; <b>project extension has been approved.</b> (EWG11/2009A).
25.	EWG	APEC Peer Review on Energy Efficiency (PREE)	To share information on energy efficiency performances as well as on policies and measures for improving energy efficiency; Explore how energy efficiency goals on an overall and /or sectoral basis and action plans could be effectively formulated in each APEC economy under review and monitor progress towards attaining energy efficiency goals; and provide recommendations for voluntary implementation on how implementation of action plans could be improved with a view to achieving energy efficiency goals.	Japan	Energy Efficiency Monitor progress of economies on energy efficiency	R&D	Four economies have had the PEER Review (New Zealand, Chile, Thailand and Viet Nam). The project was encouraged by APEC Leaders in their meeting in Singapore in 2009. It is a project co-sponsored by all APEC economies (EWG11/2009).  In EWG39 meeting in Tokyo three new economies have engaged to have the review (Chinese Taipei, Malaysia and Peru). The PEER Review was also commended by APEC Energy Ministers in their

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
							9 <sup>th</sup> Meeting in Fukui, Japan on 19 June 2010. <b>Ongoing.</b>
26.	Energy Working Group / Expert Group on Clean Fossil Energy	Increasing the Knowledge and Awareness of Carbon Capture and Storage: CCS Capacity Building in the APEC Region (Phase V)	This proposal aims to increase the capacity of developing APEC economies to assess the potential of Carbon Capture and Storage technologies within their own economies and to evaluate options for the uptake and implementation of this technology.	Canada	Capacity building in CO2 emission reduction	Climate Change adaption and mitigation	<b>Extension approved till 30 June 2012.</b> (EWG 05/2010A)
27.	Energy Working Group / Expert Group on Energy Efficiency and Conservation	Survey of Market Compliance Mechanisms for Energy Efficiency Programs	The project aims to survey strategies used by APEC economies to monitor market compliance with energy-efficiency standards and labeling programs for consumer appliances and office equipment. It will compile experience on enforcement issues, market survey techniques, sampling efforts, and compliance indicators used by regulatory and enforcement agencies in APEC economies, in order to provide reference of practical approaches to ensure compliance with energy efficiency standards.	United States	Energy Efficiency, Standards	Market compliance Labelling	<b>Contract has been awarded. Project in progress.</b> (EWG 07/2010A)
28.	Energy Working Group (APEC Expert Group on Energy Efficiency and Conservation	SOLLIA – Street and Outdoor LED Lighting Initiative - Asia	Share best practices for the installation of highly-efficient light-emitting diodes (LEDs) for street lighting, in order to facilitate their wider adoption in APEC economies and benefit from associated energy savings.	United States	Energy Efficiency, Climate Change mitigation	Cost Effective installation of Street lighting	Contract has been awarded. Project in progress. (EWG 08/2010A)
29.	Energy Working Group	APEC Low-carbon Model Town (LCMT) Project – Phase 1	The Project, seeks to promote low-carbon technologies in city planning in order to	Japan, Canada,	Climate Change mitigation,	R& D, low-carbon urban	Contract has been awarded. Project in

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			manage rapidly growing energy consumption and greenhouse gas emissions in urban areas of the APEC region.	China, Korea, Chinese Taipei, USA		design.	progress. (EWG 09/2010A)
30.	EWG EGEE&C	Development and Harmonisation of Standards Indoor Light Emitting Diodes (LEDs)	This project's primary objective is to promote the involvement of APEC economies in the development of international standards for light emitting diodes (LEDs) in order to encourage harmonisation of LED standards and reduce barriers to trade created by the emergence of a varying number of standards, therefore APEC is the most appropriate institution to fund it.	Australia	High Efficiency Lightning Technology Standardization	Reduce Trade barriers	<b>Project ongoing.</b> (EWG 10/2010T)
31.	Energy Working Group / Expert Group on Clean Fossil Energy	Permitting issues related to carbon capture and storage for coal-based power plant projects in developing APEC economies	To review the work in progress in the region and around the world on relevant legal, regulatory, and permitting issues and frameworks, To identify issues likely to arise if the permitting frameworks being considered were to be applied to future CCS projects in developing APEC economies, and To make recommendations for capacity building needed in developing APEC economies.	United States	Climate Change mitigation, carbon capture and storage	cost-effective capacity building	<b>Contract has been awarded. Project in progress.</b> (EWG 04/2010)
32.	Expert Group on Energy Data and Analysis/ Energy Working Group.	Operation of APEC Energy Database and Analysis	To improve the quality of energy policy decision making in APEC member economies and to improve the efficiency of the regional energy market and to strengthen regional energy security through improving the quality and availability of energy data.	Japan	Energy Efficiency	Energy Data collection	Project ongoing. (EWG 06/2010)
33.	Energy Working	Phasing Out Fossil Fuel	The ultimate objective of this project is for	United	Rationalize and	Reducing	<b>Contract has been</b>



APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
	Group / Expert Group on Clean Fossil Energy	Subsidies to Reduce Waste and Limit CO <sub>2</sub> Emissions while Protecting the Poor	individual APEC economies to rationalize and phase out fossil fuel subsidies, thereby helping to reduce wasteful fossil fuel consumption, to limit the region's oil import dependency, and to mitigate climate change by reducing carbon dioxide emissions.	States	phasing out fossil fuel subsidies. Climate change mitigation	subsidies on fossil fuels	<b>awarded. Project in progress.</b> (EWG 11/2010)
34.	<b>Energy Working Group</b> <b>(New)</b>	<b>Efficiency Design for Sustainability (CEEDS) Phase 3</b>	<b>CEEDS Phase 3 is designed to assist participating developing economy delegates from both energy and transportation ministries through the process of developing next steps to improve energy efficiency in the passenger ground transportation sector. The process will be built around two workshops to provide capacity-building and information sharing. Between the first and second workshops, delegates will be expected to discuss their proposed next steps with colleagues at home, and seek their advice on improving the plan, and support for its implementation.</b>	<b>Japan</b>	<b>Energy efficiency, climate change</b>	<b>Transport and implementing high performance policies and measures in efficiency</b>	<b>Two workshops are designed to fulfill the results. 1<sup>st</sup> on 14-16 September 2011 in San Francisco, USA, scheduled back-to-back with the APEC Energy and Transportation Officials High Level Meeting; 2<sup>nd</sup> first quarter of 2012 in Singapore. (EWG 03/2011A)</b>
35.	<b>Energy Working Group</b> <b>NEW</b>	<b>Workshop on Low Emission Development Strategies (LEDS) for APEC Economies with a Focus on Energy and Transport</b>	<b>The workshop will be held on the margins of the joint Energy and Transport Ministerial Conference in September 2011, and will highlight linkages between APEC green growth and energy goals and Low Emission Development Strategies (LEDS). LEDS is a strategic framework that helps economies articulate concrete actions, policies, programs and implementation plans to meet development objectives, improve</b>	<b>United States</b>	<b>Green Growth, energy efficiency, low emission development</b>	<b>Info sharing</b>	<b>The Project Overseer is in the process of identifying the speakers and participants. The workshop will be held on 11-12 of September 2011. (EWG 13/2011A).</b>

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			environmental management, and boost economic growth. It would thus include officials from APEC member economies' energy and transport ministries, as well as interested private firms and experts, who plan to participate in the Conference.				
36.	Energy Working Group/ Low-Carbon Model Town Task Force <b>NEW</b>	EWG 08 2011A - Increasing Foreign Direct Investment through human capital development in the area of greener township/ eco city that would lead to sustainable development within APEC Economies.	The programmed work will help in develop a sustainable framework for green township/eco city and Assessment tool in the APEC region that can be adapted and adopted by economies. This will take the form of a comprehensive document that will serve as a guide for the development of green township/eco city. It will also enable economies to save cost on producing similar documents and undertaking such projects. The document will focus on town and country planning and the use of green technologies to develop green townships and cities. The document will be the first of its kind in the region. This will also help to achieve some degree of coherence in the development of GREEN township/eco city by member economies.	Malaysia	Green Growth, Sustainable development, green townships	Info sharing; building tools to improve eco-cities	The Project Overseer is in the first steps of carrying out the project (EWG08/2011A).
37.	Energy Working Group <b>NEW</b>	APEC Peer Review on Energy Efficiency (PREE) Phase 3	The objective of Follow-Up PREE in PREE Phase 3 is to fill the gap between the implementation of energy efficiency action plans and the monitoring and evaluation of those plans. Establishing analytical methods specifically will help to:	Japan, Viet Nam, Thailand	Energy Efficiency Monitor progress of economies on energy efficiency	R&D, Sharing information	Under the PREE Phases 1 and 2, seven peer reviews were conducted in New Zealand, Chile, Viet Nam, Thailand, Chinese Taipei, Peru and Malaysia. In PREE Phase 3, the follow-up activity focuses

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			<p>a) ensure the stipulated goals are measurable;</p> <p>b) define clearly the data needs for monitoring and evaluation;</p> <p>c) establish indicators to measure the real achievements against those planned; and</p> <p>d) provide timely feedbacks for corrections if there are deficiencies in performance.</p>				on capacity building in monitoring and evaluation of energy efficiency programs. The project is the early stages of implementation. (EWG 02/2011).
38.	Energy Working Group/ Expert Group on Energy Data and Analysis (EGEDA) <b>NEW</b>	Operation of APEC Energy Data and Analysis	<p>1. The primary objective of this project is to improve the quality of energy policy decision making in APEC member economies and to improve the efficiency of the regional energy market and to strengthen regional energy security through improving the quality and availability of basic energy data.</p> <p>2. To collect the energy data and relevant information from member economies, to operate the APEC Energy Database connected to on-line network and to produce and publish APEC Energy Statistics.</p>	Japan	Energy efficiency, monitor progress.	energy demand and supply data and analysis	The project is the early stages of implementation. (EWG 10 2011)
39.	Energy Working Group/Expert Group on New and Renewable Energy Technologies. <b>NEW</b>	APEC 21 <sup>st</sup> Century Renewable Energy Development Initiative (Collaborative IX): Stock-take of electric vehicle interface with electricity and smart grids across APEC economies and the potential for harmonisation	To enhance understanding in APEC economies of Electric Vehicles (EV) connectivity to electricity grids and identify opportunities to increase the harmonisation of standards and requirements to promote the deployment and integration of EVs, both vehicles and supporting technologies, by providing: 1.- An assessment of current	New Zealand	Energy efficiency, harmonisation of standards, smart grids.	Info-sharing, R&D, Trade improvement	The project is the early stages of implementation. (EWG 11 2011)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			<p>and planned grid and vehicle interconnection standards and regulations for EV deployment in different APEC economies; 2.- An assessment of EVs in existing and proposed smart grid deployment projects and policies; and 3.- Recommendations on opportunities where improved harmonisation in EV – grid connectivity standards and requirements can reduce barriers for trade and promote deployment; 4.- To provide a uniform source of information to car makers and other EV technology investors to minimise public and private costs.</p>				
40.	<p>Energy Working Group / Expert Group on Clean Fossil Energy. <b>NEW</b></p>	<p>APEC Unconventional Gas Census: Evaluating the Potential for Unconventional Gas Resources to Increase Gas Production and Contribute to Reduced CO<sub>2</sub> Emissions</p>	<p>To share experiences and exchange information on surveys of unconventional gas resources completed, underway or planned for different APEC economies, and on relevant activities by other international fora.</p> <p>2. To develop a report to the Energy Working Group containing:</p> <ul style="list-style-type: none"> <li>• Potential amounts of each type of unconventional gas that could be practically and economically produced in each economy throughout the APEC region, including a timeframe for their availability;</li> <li>• Suggested framework, scope and content of an APEC unconventional natural gas</li> </ul>	United States	Energy Efficiency, Unconventional energies	R&D, Info-sharing	The project is the early stages of implementation. (EWG 12 2011)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			<p>census<sup>‡</sup>, and relationship to other relevant international and national activities.</p> <ul style="list-style-type: none"> <li>Recommendations for setting up an APEC unconventional natural gas census, including scope, content, timing, and management responsibility.</li> </ul>				
41.	EWG - Expert Group on Energy Efficiency and Conservation (EGEE&C) <b>NEW</b>	Engagement by APEC Economies in International 'Smart Appliance' Standards for Air Conditioners and Other Appliances.	Aimed at information sharing to enable active involvement of APEC stakeholders with the International Electrotechnical Commission (IEC) and International Standards Organisation (ISO) technical work on development of international standards for 'smart' appliances.	Australia	energy security energy-efficiency and low-carbon policies.	Info-sharing, standards development process	The project is the early stages of implementation. (EWG 01 2011T)
42.	EWG - Expert Group on Energy Efficiency and Conservation (EGEE&C) <b>NEW</b>	Energy Performance Evaluation Methodology Development and Promotion in APEC Economies	Seeks to summarize and analyze energy performance evaluation methodologies, guidance and practices in APEC economies and other economies, develop a typical and comprehensive energy performance evaluation methodology for industrial enterprises, provide best practices case studies mainly based on China's experiences, propose a harmonized approach and implementation recommendations, and hold a workshop to share and promote the project outputs.	New Zealand, Chinese Taipei	Energy efficiency, energy performance evaluation.	Info-sharing, best practices, harmonisation	The project is the early stages of implementation (EWG 14 2011T)
43.	FMP (Finance Ministers Process)	Green Finance for Green Growth	To analyze how the financial sector can facilitate green growth, considering the role of banks, capital markets, other	Korea Japan China	(i)technology, (ii)energy efficiency,	R&D Supply Trade	Further workshops are planned for 2011. (FMP03/2020).

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			market-based instruments, and subsidies and tax policies.		(iii)climate change, (iv)clean air, (v)clean water (vi) others	Demand	
44.	<b>HRD</b> <b>(new)</b>	<b>Human Capital Policies For Green Growth and Employment</b>	<b>To examine human capital policies in APEC member economies, and adjust human resource development policies for sustainable, “green,” energy efficient growth and employment through a survey of member economies and a symposium on green growth skills.</b>	<b>US</b>	<b>(ii)energy efficiency, (vi) others</b>	<b>R&amp;D, Supply</b>	<b>This HRD project is approved by BMC in June 2011 and has been implemented.</b>
45.	ISTWG (Industrial Science and Technology Working Group)	Cooperative Study on Efficient Renewable Resources Integration and Distribution Technologies for Smart Grid Construction	To analyze technologies on integration of renewable energy sources into smarter grid and give advice to stakeholders when the technologies are applied in practical projects; Experiences of applying the technologies on renewable energies integration in the grid network will be shared among APEC economies. APEC developing economies will take the opportunity to enhance their capacity in the area. To facilitate the reduction of energy wastage by encouraging projects with recommended technologies in this project to help achieve a low carbon society and safeguard the quality of life through sustainable growth.	China	Renewable Energy, Smart grid, to reduce energy waste.	R&D, Info sharing	<b>Project in progress.</b> (IST 01/2011A)
46.	Industrial Science and Technology Working Group (ISTWG)	APEC Research Center for Typhoon Flood Prediction (Self-funded project)	The project aims to (1) A regional Typhoon researches center to enhance the prediction abilities (2) Training program and workshop for the Typhoon (3)	Chinese Taipei, the Philippines	(i)technology, (iii) climate change	R&D; Supply	<b>Project in progress.</b>

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			Developing new numerical method and program to fit the uniqueness of the geographical features (4) Build a data exchanging system of Typhoon information.				
47.	ISTWG	APEC International Biogas Resources Development and Utilization Science and Technology Cooperation Forum	Forum will be hold for communication and discussion on biogas technology and products, to provide stat-of-the-art biogas information and its tendency, to push forward biogas technology and products research, popularization and application, to enhance the APEC member economies cooperation in depth and breadth, to expand biogas-related technique and equipment application	China	Energy Efficiency. Energy collecting data	Renewable energy, Biogas	<b>The workshop was held in Kunming on 15-17 August 2011.</b> (IST 04/2010)
48.	ISTWG	APEC Symposium on Low-Carbon Technology & Industrial Cooperation	The project will actually contribute to the development of "low-carbon economy" in China and APEC region as it lays emphasis on promoting industrial technical cooperation among APEC members under the global situation of developing low-carbon economy, mitigating climate change and maintaining a green sustainable economic and social development.	China	Energy Efficiency, Climate Change mitigation	Low Carbon Technology, industrial Cooperation	Project is ongoing. (IST 05/2010A)
49.	ISTWG	Develop the eco-environmental impact assessment estimating tool (Self-funded project)	To develop the prototype technology of design for electronic waste recycling to reduce carbon foot print and to reach the optimum use of resources.	Chinese Taipei	(i)technology; environment	R&D	On going. This project is the joint project with International Electronic Manufacturing Initiative (INEMI). The benefit of this project will facilitate the product eco-design

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
							for a better environment and resource conservation.
50.	ISTWG NEW	Harnessing and Using Climate Information for Decision-making in Agriculture, Water Resource Management and Energy Efficiency	<p>To impart lessons and best practices in climate prediction and applications through capacity building workshops, tutorial sessions, and transfer of knowledge and technologies;</p> <p>To disseminate and transfer of the latest research findings and technologies in climate prediction science and experiences on how climate information are used in agriculture, water resources and energy sectors; and</p> <p>To strengthen and enlarge the network of women and men climate scientists, academics, decision-makers, private sector and other stakeholders in the APEC region that would facilitate uptake and use of climate information in application areas and support North-South and South-South cooperation in prediction and application.</p>	Republic of Korea	Climate Change, Climate Information	Info-sharing, R&D	The project is the early stages of implementation (IST 02 2011A)
51.	ISTWG NEW	Climate Change Adaptation in the Asia Pacific	<p>1) Build capacity in science observation and information resources on climate information products and global observation systems.</p> <p>2) Augment the region's capability to utilize the science that underpins decision making and ensure that organizations that maintain such products will be able to share their products with government officials.</p>	United States, Japan	Climate Change adaptation.	Info-sharing, R&D, Capacity building, harmonisation	The programmed workshop will be held in the margins of SOM 3 in San Francisco (IST 03 2011A)



APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			3) Build capacity in climate change adaptation by addressing specific topics of interest to developing member economies. Possible topics include water resource management in a changing climate, agricultural resilience, fisheries and marine resource management, marine and coastal adaptation, coastal communities and/or resources and finance for climate change adaptation.				
52.	ISTWG NEW	Apec Co-Incubation Network	<p>1) To integrate the technology innovation and economy development, to push the technology and market collaboration among companies and incubators in APEC member economies, by generating an internal network with policies and resources equally shared among incubators and companies;</p> <p>2) To provide soft landing services, improve the business environment to ease the way of doing business for small technology companies, by providing networked incubation services;</p> <p>3) To promote human resources development by encouraging entrepreneurship and creating new jobs.</p> <p>To sum up, the ultimate outcome is to form a system that will further promote the innovation, regional economic integration and entrepreneurship, based on a view of technology-based small companies</p>	China	Technology innovation, incubators, human resources, small companies	Info-sharing, market collaboration, building networks, business environment	The Fifth APEC Incubation Forum on Building a Co-incubation Network will be held in Xi'an, China, on September 6-8, 2011. Following the previous four APEC Incubation Forums in 2000, 2002, 2005 and 2008. (IST 04 2011)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
53.	CD (Chemical Dialogue)	APEC Strategic Framework on Chemicals	To facilitate alignment of the Leaders' goals for sustainable economic growth and regulation; to promote regulatory capacity and convergence for enhanced environmental and health protection while avoiding potential barriers to trade; and to enhance chemical management and product stewardship over the life cycle and in cooperation with other initiatives and institutions where appropriate.	US	(i)technology, (ii) energy efficiency (iii) climate change, (iv) clean air, (v) clean water (vi) others	R&D; Supply; Trade; Demand	At their November 2010 meeting in Yokohama, Japan, Ministers endorsed the multi-year work strategic framework adopted by the Chemical Dialogue as a contribution to moving forward APEC's trade and investment and liberalization agenda and noted the chemical sector's contributions to growth.
54.	SCSC	Trade Facilitation Task Force (TFTF)	To exchange views and information on the nexus between the trade and technical aspects of product-related environmental standards, technical regulations and conformity assessment procedures.	Korea, US	(i)technology, (ii)energy efficiency, (iii)climate change, (iv)clean air, (v)clean water	Supply; Trade; Demand	On-going. Established in 2006. The most recent TFTF held on February 23, 2009 to exchange views and information on the connection between trade and product-related environmental <i>standards</i> , <i>technical</i> regulations and conformity assessment procedures. A TFTF Meeting-Special Session on Carbon Foot Printing was held on 17 September in Sendai.
55.	SCSC	Solar (PV) Standards and Conformance Measures Survey and Workshop	Increase transparency of various economies' standards and conformance regimes for solar photovoltaic (PV) technologies to enable standards experts to gauge the level of harmonization of PV	United States	(ii)energy efficiency (iii)climate change	Supply; Trade; Demand	Workshop to be held in SOM 3, 2011.

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			standards and conformance methodologies within APEC and determine areas for increased cooperation and harmonization Expand information sharing on the development and use of renewable energy sources to mitigate the environmental impact of energy use –in order to reduce discrepancies among APEC economies regarding the adoption and use of solar products; and Avoid creating unnecessary obstacles to trade in PV products stemming from PV standards and conformity assessment procedures.				
56.	SCSC	Conference on Implementation of Energy Management Standardization	Objectives of this proposal are: Highlight the value that energy management standards can have to businesses, consumers, and the environment. The proposed ISO specification will provide a practical approach to improving energy efficiencies, reducing costs and improvements in the environmental footprint of implementing organizations. Explain the role that energy management standards can play in assisting businesses in emerging and developing markets to become more competitive internationally.	United States (ii)energy efficiency	United States (ii)energy efficiency	United States (ii)energy efficiency	Conference to be held in SOM 3, 2011.
57.	SCSC	Sustainability in Building Construction (Commercial Buildings) — Efficiency and Conservation	Objectives are to identify member Economies' current practices, policies and regulations or those being developed or contemplated, with a view to use this early information exchange as a way to potentially reduce or minimize technical barriers to trade among APEC Members	United States	(ii)energy efficiency	others	<b>On-going.</b> Workshop held in Washington D.C. on 3-4 March 2011. <b>Another workshop will be held in Singapore on 11-13 September 2011.</b> (CTI-SCSC 33/2010T)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
			and to better understand Member priorities for understanding the various aspects of green building standardization.				
58.	SMEWG (new)	APEC Global OVOP Support Measure Best Practices	Phase 1: Study the various types of “One Village, One Product” support programs and highlight best practices. Phase 2: One-day seminar to share OVOP best practices and discuss ways to enhance international cooperation.	Japan	(i) technology; (ii) energy efficiency; (iii) climate change; (vi) others.		Phase 1: By September 2011 Phase 2: Seminar to be held in November on the margins of the 33 <sup>rd</sup> Meeting of the SMEWG
59.	SMEWG (new)	International Workshop and Training ‘The Role of Business Incubators in Developing Green Technology-based SMEs’	To develop recommendations in order to accelerate the development of green technology-based SMEs in the APEC region through strategy development and capacity building of business incubators.	Indonesia	(i) technology; (vi) others.		Workshop and Training will be held on 27-29 September 2011, in Yogyakarta, Indonesia
60.	SMEWG (new)	Green Initiative Study and Workshop	To define areas and elements of green innovation policies and to develop a Green Action Plan template. The Green Initiative is the 2 <sup>nd</sup> cycle of the Daegu Initiative.	Korea	(i) technology; (ii) energy efficiency; (iii) climate change; (iv) clean air; (v) clean water and (vi) others.		Workshop to be held in the last trimester of 2011.
61.	SOM	The First APEC Meeting of Ministers Responsible for Forestry	To assess existing efforts and explore further opportunities to enhance work on achieving the aspirational goal of increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020, which was adopted by Leaders’ Declaration in 2007, and also, to scale-up commitments to promote sustainable forest management and rehabilitation and address forest-related issues to contribute to the green growth agenda of APEC.	China	(iii) climate change	R&D, Supply	The meeting is going to be held on from September 5-8, 2011 in Beijing, China.

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
62.	<b>SOM</b>	Proposal on “Establishing an APEC Strategy on Illegal Logging and Associated Trade”	<b>To address the issue of “illegal logging and associated trade is a significant problem facing the Asia-Pacific region with adverse economic, environmental, and social impacts, APEC MRT instructed officials to establish an experts group to promote trade in legally harvested forest products, combat illegal logging and associated trade, and build capacity as well as to identify by November 2011 measures for economies to consider taking to address this problem.</b>	United States, Indonesia and Chile	(iii) Climate change	Supply; Trade; Demand	<b>The co-sponsors have circulated a draft terms of reference for the proposed APEC Experts Group on Forest Products Trade for SOMs’ comment by 2 September in order for a revised draft to be circulated in advance of SOM3.</b>
63.	TELWG	Study Workshop on Best Practice Transfer of Green ICT for Sustainable Growth	To raise awareness of the necessity of and to disseminate practical knowledge and best practices on the implementation of Green ICT across APEC economies; to develop a mechanism for building a greener regional economy and promote APEC economic integration and sustainable growth by Green ICT.	Thailand	(i)Technology, (ii) Energy efficiency (iii) Climate change	R&D; Supply	Full project proposal endorsed in December 2010. (TEL02/2010A) <b>Online survey to be completed by August 2011 and one-day workshop to be held on 22 September 2011.</b>
64.	TPTWG (joint with EWG)	Transport, Energy and Environmental Benefits of Intermodal Freight Strategies	To help APEC economies to shift freight transport from energy-intensive to energy-economising transport modes, including use of alternative fuels, with particular findings on capacity building in intermodal transport for developing economies which are planning major infrastructure expansion. Benefits of intermodal freight transport would be evaluated in terms of reduced oil imports, reduced greenhouse gas emissions, and reduced transit times for freight shipments.	US	Technology Energy efficiency Reduced emissions	R&D Supply Trade Demand	On-going. Contract signing stage. (TPT 01/2010A)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories *	Work Program Component <sup>†</sup>	Status
65.	TPTWG	Energy, Transport and Environmental Benefits of Transit Oriented Development	To identify baselines for the expansion of transit-oriented development in terms of reduced oil imports reduced greenhouse gas emissions and reduced travel times in the APEC member economies.	US	Technology Energy efficiency Reduced emissions	R&D Supply Trade Demand	On-going. RFP stage. (TPT 04/2010)

## APEC EGS Projects Mapping

### Record of Completed Projects up until 11 May 2011.

APEC Forum	Description of Initiative	Objectives	Proponents	Categories <sup>§</sup>	Work Program Component <sup>**</sup>	Status	
<b>COMPLETED PROJECTS:</b>							
66.	CTI (Committee on Trade and Investment)	Study on Good Regulatory Practices for Goods and Services Necessary or Desirable for Climate Change Mitigation and Adaption	To assist Member Economies to adopt trade-facilitating regulatory measures for goods and services necessary or desirable for climate change mitigation and adaption	Singapore	(iii) climate change	Supply; Trade	PSU completed the study in October 2009 and delivered it to CTI for consideration. <i>[Member Economies are currently discussion on the next steps regarding the approach to continue the work on GRP for climate-friendly goods and services]</i>
67.	CTI	Survey on the current status of applying trade related environmental standards (TREM)s	To help members, especially developing members, to build capacity to implement trade-related environmental standards by best practices and experience sharing.	Viet Nam	(vi) others	Supply; Trade	Questionnaire circulated and seminar was held in Viet Nam in December 2009 (CTI29/2009T).
68.	MAG	Workshop on Trade and	To facilitate the sharing of ideas,	Australia,	(i)technology,	Trade;	Held on 25-26 May 2009,

<sup>§</sup> Some broad categories of EGS, which the project could help increase the use of, include: (i) environmentally friendly technology goods and services (technology); (ii) energy efficiency goods and services (energy efficiency); (iii) environmental goods and services necessary or desirable for climate change mitigation and adaption (climate change); (iv) clean air; (v) clean water and (vi) others (eg renewable energy, waster water management, environmental monitoring, analysis and assessment equipment).

<sup>\*\*</sup> The EGS Work Programme framework endorsed by Ministers in 2008 uses the basic value-chain of EGS as a framework to holistically address all aspects of EGS. Four components set out by the framework are: R&D, Supply, Trade and Demand.

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
	(Market Access Group)	Environment	information and experiences between participants to provide APEC policy-makers with tools to develop effective environmental regulations and to develop policies and regulations that do not distort trade in environmental technologies, goods and services.	Indonesia	(iii)climate change	Demand	Jakarta, Indonesia (self-funded)
69.	MAG	Workshop on Environmental Goods and Services	To enhance understanding of i) role and relevance of developing economies to disseminating environmental goods; ii) role and relevance of technologies to achieving enhanced energy conservation and efficiency; and iii) ideas of establishment of a common platform to eliminate/moderate existing obstacles.	Australia, Japan, New Zealand, Singapore	(i)Technology (iii)energy efficiency, (iii) climate change	Supply; Trade; Demand	Held on 28 July 2009, Singapore (CTI/32/2009T)
70.	MAG	Works on Remanufacturing	To raise awareness about business practice of remanufacturing and to enhance understanding of APEC Economies' respective remanufacturing capabilities and regimes impacting trade in remanufactured goods.	US	(vi) others	Trade	Workshop held on 21 February 2009, Singapore. Questionnaire submitted by US at MAG3, 2009, and answers circulated by some economies at MAG1, 2010. Survey result reported at MAG2.
71.	GOS (Group on Services)	Survey on APEC Trade Liberalisation in Environmental Services	To share information of trade liberalization trends in environmental services for APEC economies. In the long run, it could also be regarded as a positive response to meeting the challenges of the climate change.	China; New Zealand; <b>Indonesia;</b> <b>Australia;</b> <b>United States</b>	(i)technology, (ii)energy efficiency, (iii)climate change, (iv)clean air, (v)clean water (vi) others	Trade;	Report finalized. (CTI31/2008T)
72.	GOS (New)	Workshop for Capacity Building on the Role of Cross-	To increase knowledge and understanding of how the services industry and cross-	Korea; US; Japan;	(vi) others	Trade	Workshop held on 16-17 September 2010 in



APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
		Border Services Trade in New Growth Strategies	border services trade can contribute to new growth strategies, particularly “inclusive growth” and “sustainable growth (green growth)”.	Chinese Taipei			Sendai, Japan. (CTI04/2010T)
73.	GOS / Tourism Working Group (TWG)	Ecotourism Conference	To increase awareness of the importance of ecotourism development; collect member economies’ success stories in developing quality ecotourism; and, clarify the factors which would contribute to the development of quality ecotourism experiences in the APEC region.	Japan; Australia; Malaysia; Indonesia; Peru; Viet Nam; Korea; Philippines; Chile	(vi) others	Supply, Demand.	Conference held on 16 September 2010 in Sendai, Japan. (CTI19/2010T)
74.	SCSC (Sub-Committee on Standards and Conformance)/ EWG, EGEE&C (EWG/Expert Group on Energy Efficiency and Conservation)	Conference on Green Harmonization	The purpose of this conference is to share the importance of prevalence and harmonization on energy-efficiency standards leading to achieving the OAA of “Align their domestic standards with international standards” and “promote good regulatory practice for the preparation, adoption and application of technical regulations in the APEC region”. In order to achieve a more effective involvement of the business community in SCSC’s activities, the conference consists of two parts, a communication to government sectors and business sectors.	Japan; Peru; Singapore; China; US; Viet Nam; Korea; NZ	(ii) energy efficiency (iii) climate change (iv) others	Supply ;trade; demand	Held in Sendai, in 18 September 2010. (CTI44/2009T).
75.	EWG (Energy Working Group)	APEC Cooperative Energy Efficiency Design for Sustainability (CEEDS) Phase 1	To promote “high-performance” energy efficiency policy measures in developing economies in the APEC region. The focus will be on how to apply such measures to the unique conditions of each economy.	Japan	(ii)energy efficiency (iii)climate change	Supply; Trade; Demand	The schedule of the Phase 1 CEEDS process was designed to allow the final report to be submitted to the APEC

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
							Leaders meeting in 2010. As CEEDS is a multi-year project, CEEDS will be expanded to cover different sets of measures in different sectors in the coming several years. Two workshops were held one in October/2009 in Chinese Taipei and one in March 2010 in Japan, with delegates from Chile, China, Malaysia, the Philippines, Thailand and Viet Nam participated. (EWG14/2009A). Project completed its Phase 1.
76.	EWG, EGEE&C (EWG/Expert Group on Energy Efficiency and Conservation)	Energy and Water Efficiency in Water Supply: Practical Training on Proven Approaches	To inform water utilities and municipalities in APEC economies of the benefits of launching efficiency programs in their water supply and/or wastewater treatment facilities, and to build capacity in developing APEC economies, through training and the provision of guidance materials and tools, to carry out energy and water efficiency programs.	United States	Energy Efficiency Reduced energy in water supply and wastewater treatment	R&D Supply Demand	A Workshop/training course was held in Viet Nam in 9-10 March 2010. The results have been reported. (EWG12/2009A). Project completed.
77.	EWG (Energy Working Group) (New)	APEC Cooperative Energy Efficiency Design for Sustainability (CEEDS) Phase 2	Specifically, the project will assist developing economies who wish to design and implement measures for achieving energy efficiency improvements in a specified sector. The focus will continue on how to apply such measures to the unique conditions of each economy.	Japan	(ii)energy efficiency (iii)climate change	Supply; Trade; Demand	CEEDS Phase 2 project examines "Building Codes and Labeling" programs with the same methodology as Phase 1. A set of two workshops were held, with the first

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
							one hosted by Thailand (Bangkok) in September 2010 and the second by Hong Kong, China, in January 2011. As with PREE, the delegates at the workshop took the lead, with APERC researchers assisting by helping to organize, moderate, and report the outcomes. (EWG 03/2010A). <b>Phase 3 has been approved with number EWG 03/2011A, in BMC Session 2/2011.</b>
78.	EWG EGEE&C	Mapping exercise of energy standards, labelling, and testing and measurement procedures in each APEC economy and their alignment with international standards	To facilitate trade in EGS by reducing non tariff barriers that currently exist for energy efficient products, and to reduce unnecessary compliance costs, save energy and mitigate the impact of climate change by reducing barriers to trade and investment in EGS, specifically energy efficient products.	Japan; Korea; NZ; Singapore; Chinese Taipei; US	i)technology ii)energy efficiency iii)climate change	Supply Trade Demand	Preliminary report presented at the SCSC Conference on Green Harmonization on September 18 <sup>th</sup> in Sendai, Japan. Survey to be completed by November 2010. (EWG01/2010T). Project completed.
79.	EWG, Biofuel Task Force	Sustainable Biofuels Development Practices in APEC Economies	The project aims to specify conditions and practices that allow biofuels to be planted and harvested in a sustainable fashion. The goal is to identify means for ensuring that biofuels development is cost-effective, does not compromise the security of food supplies or deplete	United States	Biofuels Carbon dioxide emissions reductions Climate Change	R&D	Project consultant presented a detailed methodology to the Sixth Meeting of the Biofuels Task Force in Malaysia in April 2010. This includes a detailed taxonomy of the

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
			available water resources, and does not result in a net increase of carbon dioxide emissions.				types of sustainable development practices to be described and catalogued. The consultant has contacted experts in most APEC economies in order to find suitable examples. Report being drafted. (EWG19/2009). Project Completed.
80.	EWG, EGEE&C	Reducing barriers to trade through development of a common protocol for measuring the seasonal energy efficiency (SEER) of air conditioners	The program helps reach the goal of global energy saving and reduce barriers in trade to stimulate the APEC economy of air-conditioning markets. This platform is applicable to both constant-speed air conditioners and inverter-type air conditioners, with a capacity under 14 kW.	Chinese Taipei	Energy Efficiency Climate Change	Trade Harmonizing standards on energy	The workshop was organised in October 2009. Report completed. (EWG01/2009T)
81.	ISTWG (Industrial Science and Technology Working Group)	Building adaptive capability to extreme climate events through the networking among APEC Economies and relevant organizations/projects	Enhanced capacity of Member Economies to manage climate-related disasters through training and technology transfer in climate information generation and application	Korea	(i) technology, (ii) energy efficiency (iii) climate change, (iv) others	R&D; Supply; Demand	Symposium, forum for disaster risk management, and tutorial session was held at APEC Climate Center, Busan on 20-24 June 2010. (IST11/2009A)
82.	ISTWG	APEC Climate Center for Climate Information Services to Society	The aim is to provide optimized climate prediction information to 21 APEC members, including those members which have no capability to produce the high-cost climate information. APCC helps member economies to reduce negative economic impacts, protect lives and	Korea	Technology, Climate Change	R&D; Information supply	Workshop was held in Singapore on 12-15 July 2009. Completion report received. (IST01/2009)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
			properties, and bring economic prosperities. This project will also build on the capacities of Meteorological Services in member economies. To further facilitate the data exchange and regional cooperation for the development of early warning system of high impact climate, this project will organize the APCC Scientific Symposium in October 2009.				
83.	ISTWG	Research on the Futures of Low Carbon Society: Climate Change and Strategies for Economies in APEC Beyond 2050	To foresight the future society where low carbon economy and lifestyle becomes the principal driver governing trade and development. The expected outcome includes short, middle, and long term strategies for the region in technological development in responding to the need of the future society envisioned.	Thailand	(i)technology (iii)climate change	R&D; Supply; Trade; Demand	A Scenario Workshop was held on 2-4 November 2009 in Phuket, Thailand. It was the fourth of a five-step process that began with a scoping meeting in Hong Kong, China in August 2008, followed by a international working group meeting in Bangkok in October 2008 and a real time Delphi survey from June to August 2009.
84.	ISTWG	Utilization and protection of water resources	To conduct research and analysis of river basin water resources; to open a website for utilization and protection of water resources; and to build up an expert research group	China	(i)technology (v) water	R&D; Supply	Symposium on Utilization and Protection of Water Resources was held in Suzhou, China from September 22 <sup>nd</sup> to 23 <sup>rd</sup> 2009. Further exploration will be conducted under the title of "Comparative Research on Wastewater Treatment Technologies".

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
							Three aspects of the wastewater treatment technologies are industrial wastewater, agricultural wastewater and sewage water. Monitoring report received. (IST01/2009A). Project Completed.
85.	ISTWG	APEC Workshop on Building Capacity on Bio-energy and Conserving the Natural Ecosystem through Academia-Industry Network	The workshop aims to build capacity of developing members to benefit primarily developing members in capitalizing on bio-energy resources; to understand the status of bio-energy research and development in APEC member economies; to identify the efficient network between academia and industry to sustain such research; and to find ways of developing biomass resources as well as preserving the natural ecosystem.	Korea	Technology, Climate change	R&D; Energy	The Workshop was held on Nov 12-14 in Taipei and its preparation is under way. (IST09/2009A). Project completed.
86.	IEG (Investment Experts' Group)	Core Elements Project (Phase I)	Project aims to examine core elements and the range of approaches to negotiating investment agreements amongst APEC member economies and non-APEC economies	New Zealand			Completed in 2009. A report " <u>Core elements of IIAs: a cross-regional comparative study</u> " was published in 2010. "Environment" was identified as one of the core elements in the surveyed international investment agreements (IIAs). (CTI 34/2008T)
87.	IEG	Capacity Building for Sharing	To improve the abilities and service of	Japan	Tbc (currently	Trade, Supply?	Seminar held in the SOM3

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
		Success Factors of Improvement of Investment Environment – Phase 3	<p>government officials and staff of investment promotion agencies to match current investment trend and enhance more investment flow within/through APEC region;</p> <p>To introduce successful experiences of APEC economies that have increased foreign investment through specific efforts in environmental sector in order to implement liberalization, facilitation, and promotion of investment in the APEC Region;</p> <p>To contribute to “Sustainable Growth” as well as other pillars of APEC 2010’s Growth Strategy.</p>		“environmental sector”		margin in Sendai, Japan. (CTI 03/2010T)
88.	GOS	Information Exchange of APEC Environmental Services	To exchange information on both liberalization and technology aspects of environmental services (ES) within APEC economies.	China, Japan, Malaysia, United States	(i)technology, (ii)energy efficiency, (iii)climate change, (iv)clean air, (v)clean water (vi) others	R&D; Supply; Trade; Demand	Symposium held in Beijing, China in November 2010. (CTI25/2010T)
89.	SCSC	Sustainability in Building Construction (Commercial Buildings) — Efficiency and Conservation	Objectives are to identify member Economies’ current practices, policies and regulations or those being developed or contemplated, with a view to use this early information exchange as a way to potentially reduce or minimize technical barriers to trade among APEC Members and to better understand Member priorities for understanding the various aspects of green building standardization.	United States	(ii)energy efficiency	others	<b>Completed.</b> Workshop held in Washington D.C. on 3-4 March 2011 (CTI-SCSC 33/2010T)

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
90.	TELWG (Telecommunications and Information Working Group)	Smart ICT Application Initiative: Green ICT Seminar – ICT application in the field of environment	To share best practices of ICT application in some specific fields and to find how economies and businesses address the challenges to facilitate ICT application in APEC region; to identify policy challenges in respect of investment, technology and regulations on Green ICT.	Japan	(i)Technology, (ii) Energy efficiency (iii) Climate change (tbc)	R&D Supply Trade, Demand (tbc)	Held on 3 August 2010 in Brunei. (2010/TEL42/DSG/009)
91.	TWG	Workshop on Identification of best practices in the Use of clean technologies as a source of energy in hostelry	To identify and disseminate best practice in the use of clean technologies as the main source of energy in hostelry businesses (e.g. hostels, small hotels, bed and breakfast, pensions). The objective is to promote the implementation of clean technologies to strengthen sustainability in the tourism sector.	Peru	(i)Technology, (ii) Energy efficiency	R&D Supply Trade, Demand (tbc)	Completed in 2009. (TWG02/2009A)
92.	TPTWG (Transportation Working Group) (joint with TWG)	Study of international visitor flows and greenhouse gas emissions for a template to examine the impact on APEC economies of future market based measures applying to international transport	To develop a template to be utilised by APEC economies to inform the development of future transport and tourism policies, negotiating positions in international fora, and economic development and planning activities.	Australia	Energy efficiency Reduced emissions	R&D Supply Trade Demand	Completed in 2009. Template is now available on the TPT-WG website ( <a href="http://www.apec-tptwg.org.cn/">http://www.apec-tptwg.org.cn/</a> ) (TPT 02/2009)
93.	TPTWG (Transportation Working Group)	Sharing Best-Practice in Reducing Greenhouse Gas Emissions at ports	To improve the efficiency of cargo transportation systems and develop environmentally-friendly cargo transportation systems by referring best practices shared through the project.	Japan	Energy efficiency Reduced emissions	R&D Supply Trade	Completed in 2009.
94.	TPTWG Aviation Emissions Task Force (AETF)	Survey of Aviation Emissions Management Measures	To identify actions that could remove obstacles to implementing aviation emissions management measures. Four potential actions identified as follows:	Australia New Zealand	Technology Energy efficiency Reduced emissions	R&D Supply Trade Demand	Completed. Survey was presented at the TPTWG33 meeting in Japan in October 2010.



APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
			1. Collaboration in improving air traffic management practices in the region; 2. Measuring and reporting aviation emissions; 3. APEC recognition of specific voluntary carbon offset schemes; 4. Greater implementation of aircraft operational efficiencies.				
95.	MTF (Mining Task Force)	Sustainable Development of Mining Sector in APEC	To identify trends and drivers for mineral commodities markets, which facilitate and impede the sustainable development of mining sector and to compile data and recommendations to ensure sustainable development of mining in APEC region.	Russia	Climate change Technology Other	R&D Supply Trade Demand	Completed in 2009. APEC Conference on Sustainable Development of Mining was held on 23-24 July 2009 in Singapore. Draft APEC Report to UNCSO on Sustainable Development of Mining Sector in APEC was developed by MTF members and endorsed by SCE for forwarding to United Nations Commission on Sustainable Development (UNCSO) to compliment its review of sustainable development in mining. Draft Report is to be approved by SOM3 2010 and forwarded to UNCSO by the end of 2010. (MTF 01/2009)
96.	MTF	Balancing competing demands of mining, community and	To develop reference database on policies, regulations, standards, and	Korea	Climate change Technology	R&D	Completed. Workshop was held on 1-2

APEC Forum		Description of Initiative	Objectives	Proponents	Categories <sup>s</sup>	Work Program Component <sup>**</sup>	Status
		environment for achieve sustainable development in mining sector.	technical guidelines related to mine rehabilitation, reclamation, and mine closure among APEC economies; capacity building for APEC developing member economies on the mine rehabilitation and reclamation and best practices for domestic policies related to mining industry with deeper consideration of environmental and social issues.		Other	Supply Demand	September 2010 in Seoul, Korea. (MTF 04/2009)

## APPENDIX 12

### The 23<sup>rd</sup> APEC Ministers Meeting

Honolulu, Hawaii  
11 November 2011

#### ANNEX D

#### PATHFINDER ON FACILITATING TRADE IN REMANUFACTURED GOODS

Frequently, exports of remanufactured goods face trade-restrictive non-tariff measures due to a lack of understanding about trade in these goods or concerns over public safety. Examples of these measures are documentation or import licensing requirements, and prohibitions against the importation of used goods. In this context, barriers can arise when economies apply measures concerning the importation of used goods to remanufactured goods or classify remanufactured goods as used goods for customs purposes. The treatment of these high-quality, lower-cost goods as used goods can impede their trade, limit the opportunities for remanufacturing industries to grow in developing and developed economies, and cause the APEC region to miss out on the significant environmental benefits from more robust trade in remanufactured goods. Moreover, the fact that remanufactured goods meet the same technical and safety specifications as newly manufactured goods is what truly distinguishes them from used goods. Information on best practices and focused capacity building efforts (among all APEC economies or on a bilateral basis) will help economies identify remanufactured goods at the border and distinguish them from used goods. The MAG will continue to be a forum for customs and trade policy officials to gain knowledge and experience on these issues in 2011 and beyond.

In 2011, the below economies agree to reflect the following in implementing their current tariff and non-tariff measures or developing future tariff and non-tariff measures:

- *Apply import-related measures specifically concerning used goods only to used goods and refrain from applying them to remanufactured goods.* Remanufactured goods are not used goods. Therefore economies should not be prohibiting or limiting their importation based on reasoning that they use to restrict trade of used goods.
- *Refrain from applying import prohibitions against all remanufactured goods or against remanufactured goods in specific sectors.* If economies do not prohibit the importation of new goods, they should not be prohibiting the importation of remanufactured goods.
- *Treat remanufactured goods like corresponding new goods when applying tariffs or other border charges.* Treatment of remanufactured goods as new goods for customs purposes can further facilitate trade in these products by avoiding the application of higher duties or other charges to remanufactured goods that economies sometimes apply to imports of used goods. For example, an economy would no longer apply the same tariffs to a remanufactured engine or printer cartridge that they might apply to a used engine or printer cartridge. Instead, they would apply the same tariffs to remanufactured printer cartridges that they normally apply to new ones. Economies usually apply lower duties or other charges to new goods than they apply to used goods.

- *Generally apply technical regulations, conformity assessment procedures, and documentation and import licensing requirements concerning new goods to remanufactured goods.* If a remanufactured good meets the technical specifications of the importing economy and can be easily distinguished from used goods by labeling or invoicing, then the importing economy should not require importers to provide additional information. Remanufactured goods should only be subject to import licensing requirements that an economy applies to the importation of new goods.

Future discussions among technical experts and senior-level officials, as well as focused capacity-building activities, such as the September 2011 MAG workshop on managing trade in remanufactured goods at the border, will be conducted to meet the goal of increasing APEC economies' participation in this pathfinder.

#### List of Participating Economies in the Pathfinder

Japan

United States

Chile

Canada

New Zealand

Chinese Taipei

Papua New Guinea

Australia

Mexico

Singapore

Korea

## APPENDIX 13

### FACILITATING THE DIFFUSION OF ADVANCED TECHNOLOGY AND ALTERNATIVE-FUELED DEMONSTRATION MOTOR VEHICLES

Advanced green automotive technologies designed to lower or eliminate emissions and increase fuel efficiency are being introduced into the marketplace by numerous automotive manufacturing companies around the world. An important part of the process of introducing and expanding access to these energy-saving technologies is through the ability of manufacturers to test demonstration prototypes or early versions of these vehicles in individual economies, while ensuring an adequate level of safety. Fully understanding how consumers in individual markets react to and incorporate these technologies into their daily routines will be critical to designing advanced green technology vehicles for broad public acceptance. APEC member economies can assist by ensuring that streamlined and common import procedures exist for demonstration vehicles.

While each economy's policies and regulations need not be uniform, they should include common elements so manufacturers can quickly and easily work with economies to test these demonstration vehicles in markets across the APEC region. The Auto Dialogue agrees to recommend that Ministers develop policies and regulations which include common elements that:

- **Allow Temporary Access for a Small Number of Imported Demonstration Vehicles:** Vehicles would be allowed to be demonstrated in markets initially for six months with the goal of extension to one year or more in order to produce effective, targeted research outcomes. The timeframe for demonstration could vary, and may be extended in order to achieve the full test plan objectives for a particular vehicle considering the economy's climactic conditions and real-world use patterns. The number of vehicles entering each economy would vary, and economies may set reasonable limits to the number of imported vehicles.
- **Produce Effective, Targeted Research Outcomes:** These vehicles are not-for-sale, and for purposes such as research, testing, and training purposes in order to more clearly understand customer preferences. Manufacturers could share information gathered during the test plan with the importing economy in order to help facilitate the development of supportive infrastructure for advanced technology vehicles.
- **Permit Extended, Public On-road Demonstrations while Ensuring Adequate Safety:** Accommodations should be made for demonstrations in real-world driving conditions on public roads in order to produce the most targeted research outcomes for manufacturers. Economies have a clear and legitimate interest in ensuring an adequate level of safety on their roadways and for their citizens through reasonable requirements specific to these vehicles. Manufacturers should also ensure that demonstration vehicles incorporate current safety technologies. Demonstrations in restricted conditions such as a test track produce limited research value as to what type of advanced technology works best in a specific economy.
- **Streamline Import Procedures by Providing Duty-and Tax-Exempt Treatment during the Demonstration Period and Expedited Approval Processes:** Heavy charges at the border or once in use in economies can represent a significant hindrance to the entry of these vehicles in APEC economies, especially by smaller auto manufacturers. Vehicles may be exempted from duties and taxes to the extent they comply with the importing economies' requirements specific to these vehicles. Policies and regulations should also avoid unnecessary and lengthy licensing and certification requirements that preclude adequate, timely research data for research and production.

## APPENDIX 14

### APEC REGULATORY COOPERATION ADVANCEMENT MECHANISM: REVISED RECOMMENDATIONS ON SMART GRID INTEROPERABILITY STANDARDS

#### Background

As called for by the APEC Regulatory Cooperation Advancement Mechanism on Trade-Related Standards and Technical Regulations (ARCAM)<sup>1</sup>, this paper puts forth a set of recommendations on Smart Grid interoperability standards for consideration and discussion at CTI 3. These proposed recommendations are based on the report of the ARCAM Dialogue<sup>2</sup> held at CTI 2 in Big Sky, Montana and the U.S. paper presented at CTI 1 in Washington, DC that outlined Smart Grid interoperability standards<sup>3</sup> as an emerging regulatory issue with significant potential to impact trade and investment in the APEC region.

#### Outcomes of the ARCAM Dialogue

The ARCAM Dialogue confirmed that many APEC economies are actively promoting, or considering promoting, Smart Grid as a central means to achieve critical objectives related to environmental sustainability, energy security and economic growth. Information presented at the Dialogue indicated that such promotion efforts in several APEC economies are well along. Indeed, several economies have established overarching frameworks to guide rapid development and deployment of standards for Smart Grid. ARCAM Dialogue participants engaged actively to produce a set of consensus outcomes, including on actions for APEC economies to advance the deployment of Smart Grid and to prevent the emergence barriers to trade and investment in Smart Grid technologies. The proposed recommendations below build on the consensus outcomes from the ARCAM Dialogue in Big Sky.

#### Proposed Recommendations

APEC economies commit to prevent unnecessary obstacles to trade and investment related to Smart Grid interoperability standards. Such obstacles will hinder achieving the broader economic and societal benefits that will accrue through the deployment of Smart Grid technologies across the region. To enable greater collaboration on technical solutions in this fast-moving area; to foster coherence in architectural approaches to interoperability; and, to promote standards and conformance solutions that facilitate trade and investment across the APEC region and globally; APEC economies put forward the following recommendations for consideration:

- I. Promote Transparency, Collaboration and Global Solutions in the Development of Smart Grid Interoperability Standards**
  - Promote interoperability of Smart Grid standards as a core objective in economy-wide programs to develop and deploy Smart Grid technologies. Implement mechanisms for internal coordination within APEC member economies among regulatory authorities, standards developing bodies and trade officials to advance interoperability of Smart Grid requirements.

---

<sup>1</sup> See 2010/SOM2/012anx5.

<sup>2</sup> See 2011/SOM2/CTI/043rev2.

<sup>3</sup> See 2011/SOM1/CTI/015.

- Encourage the development of economy-wide frameworks for standardization that reflect domestic market needs and are consistent with established reference architectures; promote coordination across domains; and enable interoperability at the interfaces critical to plug and play technologies (such as those relating to advanced metering infrastructure, consumer demand response, electric vehicle infrastructure, integration of renewable energy sources and distributed generation and storage devices).
- Use international standards wherever possible as the basis for standards adopted and deployed in Smart Grid operations. Where an international standard does not exist, participate in the development of international standards to the maximum extent possible. Encourage twinning arrangements and other innovative strategies to foster leadership and contributions in standards development by experts from developing economies.
- To enable continuing collaboration on standards development and to promote greater alignment, publish appropriate information on frameworks and work plans for standards development and reuse existing standards wherever relevant and effective in meeting current technical requirements.

## **II. Enable Competition and Innovation in Specific Markets for Smart Grid Technologies**

- Develop shared objectives for electric vehicle charging infrastructure (e.g., minimize financial risks for local investments, enable product market competition, and facilitate upgrade paths) that lay out the case for interoperability. Encourage participation in a mapping exercise and gap analysis of interoperability standards under development against those shared objectives.
- Promote the development of the consumer demand response sector that supports plug-and-play technologies by reusing existing communications standards wherever relevant and effective in meeting current technical requirements and by collaborating on the migration of newer standards into international standards bodies.
- On regulatory aspects of consumer demand response - such as those relating to dynamic pricing schemes, direct load control activities and mechanisms, privacy, security and control signals - standards solutions need to be flexible to accommodate different market structures and regulatory schemes. Promoting greater communication and information sharing with stakeholders can enable standards setting organizations to create broadly-applicable, interoperable standards solutions.
- Enhance participation, coordination and cooperation in international standards developers to ensure global solutions in standards for interconnection of renewable energy sources and distributed generation and storage devices into the grid. Press for sustained cooperation across standards developers active in areas related to Smart Grid, such as ISO, IEC, ITU-T, and IEEE.
- Adopt approaches to conformity assessment consistent with international standards and best practices, such those contained in the IEC-ISO CASCO Toolbox. Collaborate on the development of methods to facilitate reuse of conformity assessment results based on international standards, and facilitate recognition of third party certifiers to reduce the potential for redundant or costly conformity assessment activities.

### **III. Integrate ARCAM Outcomes into Cooperative Work on Smart Grid Interoperability Standards in APEC and Other Fora**

- Establish the concept of interoperability of Smart Grid standards as a core principle of APEC work on Smart Grid issues, and utilize mechanisms for coordination among APEC fora to advance cooperative work within APEC on Smart Grid technologies, such as the Energy Smart Communities Initiative (ESCI) and the APEC Smart Grid Initiative (ASGI).
- Consider ways in which APEC fora can provide vehicles for ongoing information exchange on the development of interoperability standards and on collaborative efforts on conformity assessment programs related to equipment, devices and systems relevant to trade and investment flows in the region, as well as on the latest trends, policies, and regulatory developments related to Smart Grid deployment among APEC economies.
- Direct the APEC Subcommittee on Standards and Conformance to undertake a work program in 2012, in consultation with key stakeholders including other APEC relevant fora, to consider how to increase transparency and improve alignment of Smart Grid interoperability standards by way of a multi-year mapping/reporting exercise of requirements against international best practice built on the model of the SCSC's Voluntary Action Plan (VAP) Alignment Work.
- Advance international cooperation by increasing participation by organizations and agencies within APEC economies working on reference architecture, such as the Smart Grid Interoperability Panel and IEC Strategic Group 3.
- Represent ARCAM outcomes in other bilateral, regional and international fora, notably the World Forum on Energy Regulation in Quebec City, Canada, May 13-16, 2012 and collaborate with the International Smart Grid Action Network (ISGAN) on the development and deployment of Smart Grid interoperability standards.



## APPENDIX 15

### CTI SUB-FORA'S COLLECTIVE ACTION PLAN

Tariffs and Non-Tariff Measures	15-2
Services	15-4
Investment	15-7
Standards and Conformance	15-12
Customs Procedures	15-25
Intellectual Property Rights	15-27
Mobility of Business People	15-31

## Tariffs and Non-Tariff Measures 2011 Collective Action Plan

Objectives	Action	2011 Work Plan Item
<b>A. Support for the multilateral trading system</b>		
(a) Ensure the expeditious supply of updates to the WTO Integrated database and any APEC databases.	<p><i>Individual:</i> support the WTO by providing tariff and trade data annually in accordance with WTO obligations. Non-WTO members may provide this information as a voluntary measure.</p> <p><i>Collective:</i> seek ways to improve the accessibility of tariff and ROO information including through the APEC WebTR portal.</p>	<ul style="list-style-type: none"> <li>• The APEC Website on Tariff and ROOs (“WebTR”) is now linked to all individual economy’s web portals on tariff and ROO information. All ROO information is now available in English, with only one economy’s information on tariffs remaining to be translated from the domestic language into English.</li> <li>• Members have kept track of visitor numbers for the WebTR over 2011, which encouragingly have been higher than in 2010.</li> <li>• A number of ideas have been put forward on improving the scope and functionality of the WebTR. Members recognized that these potentially useful ideas would in some cases require significant resources. This issue will continue to be discussed at future MAG meetings.</li> </ul>
(b) Undertake practical work in support of the multilateral trading system	<p><i>Collective:</i> Seek concrete actions to support the multilateral trading system</p>	<ul style="list-style-type: none"> <li>• Discussion of potential actions/initiatives and opportunities for MAG to contribute to supporting the multilateral trading system, including the WTO and ITA. On the WTO, members concluded that it was not easy to see opportunities for MAG to add value at this stage of the DDA market access negotiations.</li> <li>• ITA developments, including the possibility of strengthening and expanding the Agreement, were discussed. Members agreed to continue sharing information on the ITA.</li> </ul>
<b>B. Making Rules of Origin (ROO) More Business Friendly</b>		
(a) Examine measures for making ROOs more business-friendly	<p><i>Collective:</i> Conduct analysis, survey and information sharing in the areas of:</p> <p>a) Harmonization;</p> <p>b) Simplification of documents and procedures</p>	<p>Conducted analyses of ROOs (a) in nine sectors (2009-2011)- refrigerator (Australia), musical instruments (Australia), steel (Japan), bicycles (Chinese Taipei), consumer electronics (United States), sporting goods (Chinese Taipei), motor vehicles/parts and hand tools (Chinese Taipei), machine tools and parts (Chinese Taipei), and toys and games (Chinese Taipei).</p> <p><i>Follow-up on “APEC Elements for Simplifying Documents and Procedures Relating to Rules of Origin” adopted in 2009</i></p> <ul style="list-style-type: none"> <li>• Collected information via surveys on (a) harnessing IT to ease documentation and procedures on ROO and (b) minimum data requirements in FTAs. Agreement to share this information with ECSG Paperless Trading Sub-group.</li> </ul>

Objectives	Action	2011 Work Plan Item
	c) Self-Certification	<p><i>CTI1 tasked MAG to oversee the implementation of the Self-Certification Pathfinder initiative</i></p> <ul style="list-style-type: none"> <li>• Completion of the APEC Self-Certification of Origin Capacity Building Programme, which comprised a general workshop and four in-economy workshops. The first workshop was held in Kuala Lumpur, Malaysia on 11-12 October 2010; the second in Manila, the Philippines on 10-11 February 2011; the third in Bandar Seri Begawan, Brunei Darussalam on 4-5 April 2011; and the fourth in Hanoi, Viet Nam on 28-29 July 2011. Presentations given at all of the workshops are available on the APEC website.</li> <li>• Members discussed possible future work and projects to implement the APEC Self Certification Pathfinder initiative, including through an annual report-back from members on progress made towards self-certification and targeted case studies.</li> </ul>
<b>C. Develop Environmental Goods and Services Sectors</b>		
(a) Share information and experiences of EGS	<p><i>Collective:</i> Develop information sharing system via website (EGSIE), and promote EGS projects by joint efforts with other relevant fora.</p> <p><i>Collective:</i> Oversee the EGS case studies.</p>	<ul style="list-style-type: none"> <li>• Members were encouraged to update the Environmental Goods and Services Information Exchange (EGSIE), including the information on domestic EGS regulations, in order to make it a more useful resource for the private sector.</li> <li>• EGS case studies were completed for Malaysia and Mexico. Case studies for Chile and Viet Nam are ongoing.</li> </ul>
<b>C. Trade Facilitation</b>		
(a) Pursue a series of seminars/policy discussions on trade facilitation measures	<p><i>Collective:</i> Share information and experiences for facilitating trade in remanufactured products.</p>	<ul style="list-style-type: none"> <li>• Continued information sharing as well as awareness building on remanufactured products, including through a MAG workshop on Remanufacturing at the Border. Intensive discussions on a proposal on “Facilitating Trade in Remanufactured Products”, planned for approval by CSOM 2011.</li> </ul>
<b>D. Activities with ABAC and/or Other External Stakeholders</b>		
(a) Collaborate and work with ABAC and/or other stakeholders on the MAG agenda	<p><i>Collective:</i> Enhance collaboration with other relevant fora and business</p>	<ul style="list-style-type: none"> <li>• Invited business representatives including ABAC to MAG meetings and the MAG-sponsored workshop on remanufacturing.</li> <li>• Enhance cross-fora cooperation with SCSC on market access related issues, with SCCP and ECSG PTS on ROO, and GOS on the inter-relationship between trade in goods and trade in services, including through a joint session at SOM1 in 2012.</li> <li>• Continue to discuss possible areas for collaboration with the World Customs Organization (WCO). WCO attended MAG1 in 2011 and has been invited to attend MAG1 in 2012.</li> </ul>

### Services 2011 Collective Action Plan

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last implemented actions
a. Review and exchange information on all trade and investment in services arrangements within APEC and study common elements.	Services Action Plan (SAP)	Ongoing	The SAP Matrix of Actions was developed. The matrix will assist in the identification of priorities and capacity building needs in relation to individual and collective efforts to boost services trade and development.
	Foster closer cooperation and synergy with other APEC fora/groups	Ongoing	<p>The APEC Strategy on Movement of Business People, was endorsed by the GOS and BMG in 2010, and included principles relating to, and actions that could contribute to, the facilitation of entry and temporary stay and movement of business people.</p> <p>The Sharing Key Success Factors and Experiences in Trade in Services for SMEs workshop held in San Francisco in September 2011 was a joint GOS-SME Working Group project. The workshop looked at the factors leading to successful export performance by services SMEs, including successful policies to promote or facilitate SMEs' services exports.</p>
b. Identification of measures affecting trade and investment in all service sectors.	Member economies to volunteer papers and studies in this area and consider cases of "best practices"	Ongoing	
	Implement the Policy Framework	Ongoing	
	Information Exchange of Environmental Services	Completed	A workshop was held in Beijing, China, in November 2010 with the aim of facilitating the exchange of information on both liberalization and technology aspects of environmental services within APEC economies.
	Trade Policy Dialogue (TPD) on Environmental Services	Completed	A TPD on Environmental Services was held in Big Sky, Montana, in May 2011. The TPD aimed to identify: the scope of environmental services; the state of the environmental services market in APEC; the state of trade in environmental services; and, the relationship between trade in environmental services and trade in environmental goods/technologies.

<b>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</b>			
<b>Collective Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>	<b>Last implemented actions</b>
c. Compile information on services trade statistics	To enhance capacity on trade statistics and respond to the challenges of services trade data collection	Ongoing	
d. To improve understanding of the impact of liberalization of services.	Member economies to present case studies of their experiences on a voluntary basis aiming to generate momentum for services liberalization in light of perceived benefits of such process.  Addressing SME Business Constraints through Services	Ongoing  Completed	A workshop was held in Washington, D.C., in March 2011 and examined the role that “backbone” services (i.e. ICT, logistics, and financial services) play in enabling SMEs to better achieve their business and export potential.
e. Study and carry out work concerning the development and adoption of common professional standards, in conjunction with professional accreditation bodies and needed legislative measures.	Discussion of possible actions to facilitate the provision of professional services in all member economies.	Ongoing	

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last implemented actions
	APEC Legal Services Initiative	Completed	The APEC Legal Services Initiative (APEC LSI) website ( <a href="http://www.legalservices.apec.org">www.legalservices.apec.org</a> ) was launched in 2011. The website includes a compilation of information on regulatory regimes for foreign lawyers in APEC member economies and contacts for regulating and peak bodies in APEC member economies.
	APEC Legal Services Project	Completed	A databank of attorneys who work on trade and investment in the APEC region was created. A Friendship Arrangement with the Inter-Pacific Bar Association (IPBA) was signed in April 2011.
	APEC Accounting Services Initiative	Ongoing	A capacity building workshop to identify impediments to the provision of accounting services across APEC economies was held in San Francisco in September 2011. An inventory of current regulations affecting the provision of accounting and auditing services by foreign professionals in the APEC region has been developed; and consultations are currently being undertaken on the development of Non-Binding Guidelines for the Regulation of Foreign Accountancy Professionals.
f. Enhance transparency in service sectors	APEC Services Trade Access Requirements (STAR) Database	Ongoing	A database which enables services businesses to identify market access and behind-the-border requirements affecting market entry for trade in services in APEC member economies is being developed.
g. Continue discussion of issues related to possible APEC principles or guidelines that may be necessary to achieve free and open trade and investment in this area	APEC Principles for Cross-Border Trade in Services  Services chapter for model measures for RTAs/FTAs	Completed  Under consideration	
h. Monitor and, where appropriate and possible, contribute to the WTO's work on services.	Monitor WTO work on services	Ongoing	Member economies provided briefings on recent developments in the WTO negotiations at the GOS meetings in 2011.

### Investment 2011 Collective Action Plan

Action	Steps to Implement	Time Frame
<p><b>Transparency</b></p> <p style="text-align: right;"><i>Short-Term</i></p> <p>A. Increase the transparency of APEC Investment regimes, especially via enhanced e-transparency</p>	<ol style="list-style-type: none"> <li>1. Promote accessibility and transparency in the formulation and administration of investment-related policies:               <ol style="list-style-type: none"> <li>a) Establish an e-portal to replace the hard copy publication the <i>APEC Investment Guidebook</i></li> <li>b) Have “The APEC Public-Private Dialogue on Investment” to enhance Transparency and involvement of Private Sector.</li> </ol> </li> <li>2. Establishing software networks on investment regulation and investment opportunities               <ol style="list-style-type: none"> <li>a) Explore ways to improve the state of statistical reporting and data collection</li> <li>b) Establish a single window or special enquiry point for all enquiries concerning investment policies and applications to invest</li> <li>c) Adopt a centralised registry of laws and regulations and make this available electronically.</li> <li>d) Apply new technology to improve information, application and approvals processes</li> </ol> </li> </ol>	<p>2011-2011</p> <p>2011-</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
<p><b>Policy Dialogue</b></p> <p style="text-align: right;"><i>Short-Term</i></p> <p>B. Promote dialogue with the APEC business community on ways to improve the APEC investment environment</p>	<ol style="list-style-type: none"> <li>1. Have “The APEC Public-Private Dialogue on Investment” with Business sector including ABAC to enhance Transparency and involvement of Private Sector.</li> <li>2. Maintain regular contact with ABAC and other relevant business organizations including:               <ol style="list-style-type: none"> <li>a) discuss at IEG meeting issues of relevance to IEG raised at ABAC’s meetings and ABAC’s recommendations to Leaders in the previous year</li> <li>b) Consider possible joint projects suggested by IEG or business organizations.</li> </ol> </li> <li>3. Request input from ABAC on major APEC investment initiatives including through participation at IEG meetings, ABAC letters to IEG Convenor and other IEG events such as workshops, seminars, or investment symposia</li> </ol>	<p>2011-</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
<p>C. Continue dialogue with appropriate international organizations dealing with global and regional investment issues</p>	<ol style="list-style-type: none"> <li>1. Establish a policy dialogue process with other international organisations, where appropriate</li> </ol>	

Action	Steps to Implement	Time Frame
	<p>a) Continue collaboration with World Bank on Investing Across Borders (lead economy: Australia and Japan)</p> <p>b) Continue collaboration with UNCTAD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects</p> <p>(i) Core Elements Project- Moving beyond phase III- Activity 1 Study on Core Elements of IIAs in domestic investment frameworks (lead economy: United States and Japan),</p> <p>(ii) Core Elements Project- Moving beyond phase III- A Handbook and Seminar for Negotiators (Steps 2&amp;3) (lead economy: Mexico and Chile),</p> <p>(iii) Core Elements Project- Moving beyond phase III- Activity 4 Study on Transparency in IIAs (lead economy: Japan and United States),</p> <p>(iv) Core Elements Project- Moving beyond phase III- Intensive Training Course (lead economy: Peru),</p> <p>(v) APEC-UNCTAD Workshop on Investor-State Dispute Settlement: Core Elements Project- Moving beyond phase III- Activity 6 (lead economy: Philippines),</p> <p>(vi) Workshop on Best Practices in Investment Policy Formulation in the APEC Region (lead economy: Russia),</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>2010-2011</p> <p>2010-2011</p> <p>2011-2012</p>
<p><b>Study and Evaluation</b></p> <p style="text-align: right;"><i>Short-Term</i></p> <p>D. Undertake an evaluation of the role of investment liberalization and facilitation in strengthening regional economic integration in the Asia-Pacific region for economic growth and development.</p>	<p>Consider extent to which existing peer review mechanisms assist in meeting APEC's strengthening regional economic integration objectives and options for improvement.</p>	<p>Ongoing</p>
<p>E. Study possible core elements between existing sub-regional arrangements relevant to investment</p>	<p>Review the investment provisions of current sub-regional arrangements including RTAs/FTAs, and identify possible core elements, including the relationships between these provisions.</p> <p>Core Elements Project- Moving beyond phase III- Activity 1 Study on Core Elements of IIAs in domestic investment frameworks (lead economy: United States and Japan),</p>	<p>Ongoing</p> <p>2010-2011</p>
<p>F. Refine APEC's understanding of free and open investment</p>	<p>In the context of the 2005 mid-term stocktake of the Bogor Goals, assess the recommendations of Leaders as far as investment liberalization and facilitation and as necessary developing a new work program. Take into account Leaders' Declarations since then.</p>	<p>Ongoing</p>



Action	Steps to Implement	Time Frame
<p style="text-align: center;"><b>Medium &amp; Long-Term</b></p> <p>G. Assess the merits of developing an APEC-wide discipline on investment in the light of APEC's own progress through the medium-term, as well as developments in other international fora</p> <p>H. Study the advantages and disadvantages of creating investment rules – bilateral, regional, or multilateral – with a view to fostering a more favorable investment environment in the Asia-Pacific region</p>	<p>To be determined in the light of progress with policy dialogue in the medium-term.</p> <p>Where feasible, contribute to SOM studies on ways and means to promote regional economic integration, particularly investment issues as they relate to :</p> <p style="padding-left: 40px;">Identifying Convergences and Divergences in APEC's RTAs/FTAs; and</p> <p style="padding-left: 40px;">Docking or Merging FTAs</p>	<p>Ongoing</p> <p>Ongoing</p>
<p><b>Facilitation</b></p> <p style="text-align: center;"><b>Short-Term and Continuing</b></p> <p>I. Undertake practical facilitation initiatives by:</p> <p>(i) Implement the Investment Facilitation Action Plan</p> <p>(ii) Progressively working towards reducing impediments to investments</p> <p>(iii) Initiating investment promotion and facilitation activities to enhance investment flows within APEC economies</p> <p>(iv) Implement the Non-Binding Investment Principles</p>	<p>Implement its underlying eight principles with broad menu of actions.</p> <p>Implement the principles identified through the IFAP process to promote further investment facilitation according to APEC STRATEGY FOR INVESTMENT.</p> <p>(Project proposals to address actions under the heading of these themes will necessarily relate to other areas of the CAP and will be noted there.)</p> <p>Implement activities under APEC STRATEGY FOR INVESTMENT (See "K. Undertake new activities that contribute to capacity building.")</p> <p>Discuss on the necessity of updates on NBIPs and work for further implementation.</p>	<p>Ongoing</p> <p>2011-</p> <p>2011-</p> <p>Updates on NBIP completed in 2011</p>
<p><b>Economic and Technical Cooperation</b></p> <p style="text-align: center;"><b>Short-Term</b></p> <p>J. Identify ongoing technical cooperation and capacity building needs in the Asia-Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.</p>	<p>1. Share successful experiences of APEC economies in investment liberalization, facilitation and promotion in the APEC region through identifying key success factors including improved policies</p> <p>2. Enhance planning, development and implementation of policies concerning international investment rules</p> <p>3. Implement activities under APEC STRATEGY FOR INVESTMENT (See "K. Undertake new activities that contribute to capacity building.")</p>	<p>Ongoing</p> <p>Ongoing</p> <p>2011-</p>

Action	Steps to Implement	Time Frame
<p><b>Capacity Building Initiatives</b></p> <p>K. Undertake new activities that contribute to capacity building.</p>	<p>Identify the elements of capacity building to strengthen the economies of APEC member economies and undertake the following activities categorizing 3 pillars under APEC STRATEGY FOR INVESTMENT:</p> <p>1. Advanced Principles and Practices [Collaborating with UNCTAD]</p> <p>a) Core Elements Project- Moving beyond phase III- Activity 1 Study on Core Elements of IIAs in domestic investment frameworks (lead economy: United States and Japan),</p> <p>b) Core Elements Project- Moving beyond phase III- A Handbook and Seminar for Negotiators (Steps 2&amp;3) (lead economy: Mexico and Chile),</p> <p>c) Core Elements Project- Moving beyond phase III- Activity 4 Study on Transparency in IIAs (lead economy: Japan and United States),</p> <p>d) Core Elements Project- Moving beyond phase III- Intensive Training Course (lead economy: Peru),</p> <p>e) APEC-UNCTAD Workshop on Investor-State Dispute Settlement: Core Elements Project- Moving beyond phase III- Activity 6 (lead economy: Philippines),</p> <p>f) Workshop on Best Practices in Investment Policy Formulation in the APEC Region (lead economy: Russia),</p> <p>2. Facilitation Economic Committee and Small and Medium Enterprises Working Group are also undertaking projects related to investment facilitation under EoDB action plan and Private Sector Development. IEG is cooperating with them in below projects.</p> <p>g) Best Practice Guide: Improving business regulation in APEC member economies, based on knowledge shared from the Ease of Doing Business/Private Sector Development Workshops series. (lead economy: New Zealand)</p> <p>3. Promotion</p> <p>h) Organizing an APEC Seminar on Infrastructure Investment. (lead economy: Japan)</p> <p>i) Filling the Infrastructure gaps in APEC developing economies. (lead economy: Viet Nam)</p> <p>FMP Group are also undertaking projects related to investment facilitation. IEG will seek for collaboration with them in below projects.</p> <p>j) Workshop on Infrastructure Financing: Public Investment Management to Public-Private Partnership (PPP). (lead economy: United States)</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>2010-2011</p> <p>2010-2011</p> <p>2011-2012</p> <p>2007-2011</p> <p>2011</p> <p>2010-2011</p> <p>2011</p>

Action	Steps to Implement	Time Frame
<b>Menu of Options</b>  L. Ongoing improvements to the Menu of Options.	Cross-reference between the IAPs and Menu of Options.	Ongoing

### Standards and Conformance 2011 Collective Action Plan on Trade Facilitation

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
1	2	3	4	5	6	7	8
<b>1. Alignment (02 actions)</b>							
Align APEC economies' domestic standards with international standards	<b>1) Member economies</b> to align their standards with international standards in the area of IEC standards for electrical equipment. particularly those used in the IECEE CB Scheme	2006/Japan	2006	2010	All the participated economies achieve 100% alignment in the agreed area by 2010.	completed	- As of 1 <sup>st</sup> Jan. 2006, 09 economies among 13 participated economies reported having completed their alignment work. - Japan conducted the survey on VAP alignment work on 168 targeted IEC standards that covered under IECEE CB Scheme in May 2010. - VAP Report has been reviewed by member economies. - Japan reported the results of VAP 2010 at SCSC 2 in 2010.  <i>This activity is suggested to be taken out from the CAP 2011.</i>
	<b>2) The SCSC</b> to continue identifying additional priority areas for alignment with international standards.	1997/Japan	From 1997	On-going	To identify additional priority areas for the VAP alignment work.	In process	- Japan has conducted a survey to identify economies' /industries' needs.  <i>Japan is requested to update the VAP 2011 progress at SCSC 2 in 2011.</i>
<b>2. Good Regulatory Practice (01 actions)</b>							
	<b>1) The SCSC</b> to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies, seminars and organization of SCSC	2000/ <i>United States</i>	From 2000	On-going	Means of enhancing regulatory practices recommended for implementation	In process	- SCSC member economies and host economy (Japan) continued to investigate means of enhancing regulatory practices in preparation for the 8 <sup>th</sup> SCSC Conference on Standards and Conformance held in Sendai, Japan in 2010. - Project on the 6 <sup>th</sup> SCSC Conference on GRP was held in Washington, D.C. on 1-2 March 2011. - Conference on Solar (PV) Technologies: Standards and

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
	Conference on GRP and SCSC Conference on Solar (PV) Standards and Conformance in conjunction with SCSC Meeting						Conformance was held on September 15-16, 2011 in San Francisco.  <i>The United States is requested to inform about the results of the September's Conference at SCSC 2 in 2011.</i>
<b>3. Recognition of Conformity Assessment (3 actions)</b>							
	<b>In regulated sector:</b>						
	<b>1) Member economies</b> to consider participation in Food safety cooperation forum and Sectoral food MRA	1997/Australia, China, Thailand	From 1997	On-going	- Review yearly participation and its effectiveness in Food , food recall and Sectoral food MRA - Implementation of the measures to improve the effectiveness participation	In process	- <u>The United States</u> reported on the self-funded project for an "Expert Working Group" under the FSCF PTIN which was held at the World Bank, Washington, DC on 19-20 May 2010. The World Bank reaffirmed priority of food safety. - <u>Indonesia</u> reported: Part one of the CTI 08/2010T "MLA Readiness Project in Food Safety Management Systems" was held in Bogor, Indonesia on 27–30 September. Part Two of the Project, aimed at accreditation bodies, was held in Beijing, PR China, on 9-12 November 2010. - <u>The United States</u> and <u>the World Bank</u> reported on the progress of CTI 01/2010T on Capacity Building in Food Safety: Managing Food Safety Incidents and Developing Food Safety Plans for the Supply Chain, which was held on 5-7 November 2010 in Beijing, China. The planned PTIN Launch will occur during SOM-II in May 2011 on the margins of the MRT meetings. - Food Safety Cooperation Forum Workshop and Food Safety Incident Management Seminar held in the margins of SOM2, 2011. <u>China</u> and <u>Australia</u> presented the FSCF "Briefing Note on Food Safety: Ensuring Reliable Sources of Safe Food Is a Critical Element of Food Security Initiatives" and accompanying FSCF Co-Chair letter to ABAC Chair. - SCSC members made comments for Draft APEC-WB MoU. - APEC-WB MoU approved.

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
							<i>The United States is requested to inform about the approved APEC-WB MoU and results of the Forum Workshop held in May 2011 at SCSC2 in 2011</i>
	<b>2) Member economies</b> to consider participation, review and improve its effectiveness in the MRA of conformity assessment of Electrical and Electronic Equipment, and encourage the involvement of their regulators.	2000/JAC Chair	From 2000	On-going	- Review yearly participation and its effectiveness in EE MRA - Regulators participation of all member economies in EE MRA	In process	- The progress of the APEC EE MRA work plan has been reported by JRAC Chair (Australia). The JRAC held a successful meeting where members provided an update on their electrical and electronic regulatory regime. JRAC developed a detailed work plan for 2010 and 2011, with key initiatives in risk assessment models, engagement with the IEC, good regulatory practice case studies and emerging technologies. The 16th JRAC meeting is to be held in the U.S. in 2011. Brunei Darussalam will be the JRAC Chair for 2011, while Canada will be the JRAC Secretary for 2011. - <u>Peru</u> is preparing participate in Part I and Chile is preparing to participate in Part II of EE MRA.  <i>Peru and Chile are requested to inform SCSC about their participation in relevant part of EE MRA.</i>
	<b>Voluntary sector:</b>						
	<b>3) Member economies</b> to encourage on going participation and expansion in APLAC-MRA, PAC MLAs and CIPM Global MRA.	1998/ Indonesia	From 1998	On-going	- Increased number of member economies participating in MRAs and technical activities underpinning their participation	In process	- <u>Indonesia</u> made a short introduction about SRB activities and requested that Indonesia ends its service as SRB Coordination Chair and asked for a successor to fill this role. See Progress report of Lead economy (Indonesia).  <i>Indonesia is requested to inform about /introduce the successor at SCSC 2 in 2011.</i>
<b>4. Technical Infrastructure Development (5 actions)</b>							
Promote cooperation	<b>1) Member economies</b> to strengthen participation in Specialist Regional Bodies	1996/Member economies	From 1996	On-going	- Increased number of member economies participating in SRBs - Active participation in SRBs activities	In process	- Report of SRBs to SCSC has been submitted at SCSC 1 and SCSC2 meetings in 2010 From APLAC Report: 5 APLAC events planned to be

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
for technical infrastructure development to facilitate	activities.				strengthened		organized in 2010 from SCSC1/2010 - From APLMF Report: 4 APLMF workshop and training courses planned to be conducted in 2010 from SCSC1/2010 were reported. From APMP Report: 2 new members from VNIIM, Russia and RCChem-LIPI, Indonesia; information about the support for member participation in the CIPM MRA and events to be organized in 2010. From PASC Report: Future PASC meeting was reported. From PAC Report: Meetings and activities were reported. - SRBs submitted their reports at SCSC 1 in 2011.  <i>SRBs are requested to submit their reports at SCSC 2 in 2011.</i>
Broad participation in promote cooperation for technical infrastructure development	<b>2) The SCSC</b> to support and actively participate in APEC/SCSC Conferences on Standards and Conformance.	2006/Host economy	2006	On-going	- SCSC to organize the conference in every 02 years - SCSC support host economies in encouraging all member economies actively to take part in conference and to provide speakers for conference.	In process	- Final report on the 8 <sup>th</sup> Standards & Conformance Conference held in Sendai in September 2010 finalized by host economy (Japan). - <u>Japan</u> reported the results of the 8 <sup>th</sup> S&C Conference at SCSC 2 in 2010.
To facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sectors	<b>3) Member economies</b> to support and actively participate in APEC Conferences on Good Regulatory Practice.	2006/Host economy	2006	On-going	- SCSC to organize the conference in every 02 years - All member economies actively to take part in conference - Member economies to provide speakers for conference	In process	- The 6 <sup>th</sup> GRP Conference was held in Washington, D.C. in conjunction with SOM I on 1 - 2 March 2011. - <u>The United States</u> reported the results of the 6 <sup>th</sup> GRP Conference at SCSC 1 in 2011.

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
	<b>4) The SCSC</b> to undertake the following technical infrastructure projects						
	a) The 6 <sup>th</sup> Conference on GRP (CTI 20/2010T)	2010/United States	2010	2011	Progress was reported at SCSC 1/2011	Completed	- Conference was held in conjunction with SOM I in 2011 in Washington, D.C. on 1 - 2 March 2011. - <u>The United States</u> reported on the results the Conference at SCSC 1 in 2011.
	b) APEC Food Safety Cooperation Forum Seminar and Workshop (CTI 21/2010T)	2010/China, Australia	2010	2011	Progress to be reported at SCSC 2/2011	In process	- Forum seminar held on Feb. 8-11, 2011 in Newport Beach, California, USA. - A MoU between APEC and the WB on food safety capacity building signed.  <i><u>China and Australia</u> are requested to report the results of March's Forum seminar and the progress of CTI 21/2010T at the APEC Food Safety Cooperation Forum at SCSC 2 in 2011.</i>
	c) Solar (PV) Standards and Conformance Measures Survey and Workshop (CTI 23/2010T)	2010/United States	2010	2011	Progress to be reported at SCSC 2/2011	In process	- The Project's Survey was conducted. - The Project's Workshop to be held on September 15-16, 2011 in San Francisco. And on October 12-13, 2011 in Taipei, Chinese Taipei.  <i><u>The United States</u> is requested to report the results of the September's workshop and the progress of the project.</i>
	d) Sustainability in Building Construction (Commercial Buildings) — Efficiency and Conservation (CTI 33/2010T)	2010/United States	2010	2011	- A summary of the survey, distribution of workshop presentations and press releases. - Notifications to general or specialist media and standards and conformity assessment communities.	In process	- Survey was conducted. Survey results summarized in Feb/Mar 2011; - Efficiency and Conservation which was held on 3-4 March 2011 (2011/SOM1/SCSC/045 and 046). USA noted that a survey examining the "greening" of commercial buildings in the APEC economies was completed (2011/SOM1/SCSC/046). USA noted a number of deliverables will be completed in 2011: a second workshop was held on September 12-13, 2011 in Singapore - <u>The United States</u> reported the progress of the Project at



OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
							SCSC 1 in 2011.  <i>The United States is requested to report the results of the Workshop held on 12-13 September, 2011 in Singapore at SCSC 2 in 2011.</i>
	e) School Feeding Systems in APEC Economies (CTI17/2011T)	2010/Russia	2011	2011	Development of sustainable school and social feeding programmes in APEC economies	In process	- A network of experts in school feeding will be established in APEC economies. - A two-day seminar/workshop will be held on October 2011 in Moscow, Russia.  <i>Russia is requested to inform about progress of the project at SCSC 2 in 2011.</i>
	f) Conference on Implementation of Energy Management Standardization (CTI 34/2010T)	2010/United States	2011	2011	- The nature of the target audience The nature of the target audience comprises people from government, non-government, private sector and business community in general, member economies' delegates and students. - The number, form and content of any publication The dissemination material will consist of the conference Proceedings, including the contents of expert presentations, short papers highlighting the key points of their presentations and documents put forward by the participants during panel discussions. One hard copy and one electronic copy (CD-Rom) will be distributed to each participant. Approximately 300 hard copies will be produced. - Any intention to sell outputs arising from this project. The conference Proceedings will be	In process	- In February 2011; Preparation for the SRB-PASC conference on Energy Management Standardization; seek members' comments on the possible contents and speakers of the conference; - On 13-14 September 2011, SRB-PASC Conference on Energy Management Standardization held in San Francisco.; - In Dec. 2011; Preparation of report containing conference conclusions and results. Close coordination with SCSC representatives and/or preparation of report only with submitted questionnaires.  <i>The United States is requested to report progress of the Conference held on 13-14 September, 2011 at SCSC 2 in 2011.</i>

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
					made available to non-participants free of charge through the internet.		
	g) APEC Wine Regulatory Forum - Seminar on Key Issues in Wine Regulation (CTI 40/2010T)	2010/United States	2010	2011	Reduction of administrative costs and increasing economic activity	In process	<p>- Key aspects of the project's implementation include: Liaise with Member Economies, SCSC, the Small and Medium Enterprises Working Group (SMEWG), FSCF, Intellectual Property Rights Experts' Group (IPEG) and Economic Committee (EC) to develop the Seminar invitation list, speaker list and Agenda (December 2010 - February 2011); survey Economies on current regulatory practices and challenges, select and invite speakers (April - June 2011); conduct Seminar based on information and input gathered (September 2011); distribute Seminar outcomes and Report and survey attendees on recommended future collaborations (September - November 2011). September - November 2011; Ensure that output consultants retained agree to completion timelines.</p> <p>- <u>The United States</u> informed about progress of the Project at SCSC 1 in 2011.</p> <p><i><u>The United States</u> is requested to inform about the results of the Seminar held on 18-19 September, 2011 at SCSC 2 in 2011.</i></p>
	h) APEC SCSC Strategic Education Program for Trade Facilitation – Phase III. Pilot Implementation for Higher education (CTI 37/2010T)	2010/Korea	2010	2011	Promotion of education programs about standardization at university level in the region.	In process	<p>- Joint Meeting of the SCSC Project Advisory Group held on 28 February, 2011 in Washington, USA.</p> <p>- Trial education program will be conducted in selected universities of co-sponsoring economies. It was noted that at this time fifteen universities from seven economies are offering formal standards education programs. In September 2011 the Guide 4: Lesson Report will be published</p> <p>- Final report will be submitted in November 2011.</p> <p>- <u>Korea</u> informed on progress of the project at SCSC 1 in 2011.</p>

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
							<i>Korea is requested to report progress of the Project's Phase III at SCSC 2 in 2011.</i>
	i) Aligning Energy Efficiency Regulations for ICT Products – Conference on Key Issues (CTI12./2011T)	2011/United States	2011	2011	Promotion of a more streamlined approach to energy efficiency standards, testing, and certification and reducing the barriers posed by fragmented regulations across the region.	In process	- The one-day workshop was organized on the margins of the SCSC meeting in San Francisco in September 12, 2011. - Post-workshop collaboration. <u>The United States</u> informed on progress of the Project at SCSC 1 in 2011.  <i>The United States is requested to report the results of the Workshop held on 12 September, 2011 at SCSC 2 in 2011.</i>
	j) Harmonized Liquid Custody Transfer Procedures in APEC Economies (CTI14/2011T)	2011/China	2011	2012	Increasing knowledge and implementing harmonized international best practices to significantly improve the accuracy, transparency and fairness of liquid fuel custody transfer in the Asia-Pacific region.	In process	- A case study will be conducted and a workshop will be held in the second half year of 2011 in Singapore; - A “train-the-trainer” course on verification of in-line (pipe line) turbine or positive displacement metering systems used for hydrocarbon products in the bulk fuel supply chain will be organized for early 2012 in Thailand.  <i>China is requested to inform about progress of the Project at SCSC 2 in 2011.</i>
	k) Supply Chain Visibility Feasibility Study [Phase I (APEC-funding) and II (self-funding)]	2011/Japan	2011	2011	A committed consultant of this proposal, in cooperation with APEC relevant sub-fora (e.g., the SCCP, the TPTWG), will conduct a questionnaire survey to forwarders, land and sea transporters, port operators, shipper, consignee, customs and other relevant authorities, in order to collect information about the currently adopted information types, coding systems, and internal systems at some major logistics sites in the APEC region and consider how to realize the supply chain visibility based on the results	In process	- APEC members are required to improve their supply chain connectivity in 10 percent and the SCV Initiative, which is prescribed in the APEC Leaders'/ Ministers' Taskings for APEC 2011 as Defined in the Yokohama Outcome Documents (2010/ISOM/002) and CTI's Sub-fora Collective Action Plans (2010/AMM/007app11) and shows a direct link to “Trade Facilitation” and “Next generation trade and investment agenda”, the Rank 1 sectors in the Funding Criteria for All APEC-funded projects in 2011(2010/ISOM/005), will shed the light on how APEC members can streamline the supply chain and enhance the supply chain connectivity in the region, by the issuance of the recommendation.

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
					of this survey. (Phase I, APEC-Funding, applying through this concept note		- Japan updated information of the progress of the Project at SCSC 1 in 2011.  <i>Japan is requested to update information about progress of the Project at SCSC 1 and SCSC 2 in 2011,</i>
	l) APEC Scientific Workshop on Food Safety Risk-Benefit Analysis (CTI16/2011T)	2011/ Philippines	2011	2011	To have an open debate on scientific approaches and methods available and tools and data needed for conducting a risk-benefit analysis of foods and food components and assess the experience of each member economy in policy approaches to this novel approach to food safety assessment.	In process	<i>The Philippines is requested to report the results of the workshop at SCSC 2 in 2011.</i>
	m) Laboratory Capacity Building for the Determination of Toxic Contaminants in Seafood	Peru	2011	2012	To develop laboratory capacity within APEC economies to measure heavy metals in seafood for domestic consumption and for export purposes	In process	- The project comprises a Training Workshop (August 2011) followed by an interlaboratory proficiency test (PT) to evaluate measurement capability (Sep 2011-Feb 2012). The concluding Workshop (May-June 2012) will then allow participants to present results and discuss next steps to develop laboratory capability based on these results.  <i>Peru is requested to inform about the results of the August's Training workshop and the September's workshop at SCSC 2 in 2011.</i>
	<b>5) The SCSC</b> to support capacity building oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation	2003/Chile and Brunei Darussalam	From 2003	On-going	- Capacity building program approved for implementation - Encouraging member economies to provide inputs for training program	In process	- <i>Progress report of Lead economies (Chile, Brunei Darussalam) to be updated at SCSC2 in 2011.</i>

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
<b>5. Transparency (02 actions)</b>							
Ensure the transparency of the standards and conformity assessment of APEC economies	<b>1) Member economies</b> to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points. Member economies agreed that this information should be maintained on the APEC Secretariat's homepage.	1997/ APEC Secretariat	From 1997	On-going	- Contact point for Standards and conformance of economies is updated - The information on the member economies contact point for Standards and conformance is maintained on the APEC Secretariat's homepage	In process	<i>Member economies are updating contact points annually.</i>
	<b>2) Member economies</b> to endeavor to establish Internet websites to disseminate standards and conformance information.	1997/ <i>Lead economy need to be identified</i>	From 1997	On-going	- The internet website to disseminate standards and conformance information is established by member economies	In process	<i>Member economies continue to establish and maintain internet website to disseminate Standards &amp; Conformance information</i>
<b>6. Cooperation with Specialist Regional Bodies (01 actions)</b>							
	<b>1) SCSC</b> to pursue closer cooperation with the Specialist Regional Bodies (SRBs) e.g. in development of technical activities relevant to SRBs	2000/ Indonesia	From 2000	On-going	1. APEC TILF and other APEC-funded funding proposals involving standards and conformance issues have relevant SRB input, and resulting projects have active involvement by relevant SRBs. 2. Regulators in APEC economies develop appropriate reference standards and conformance infrastructures that build on and are effectively linked with SRB activities to achieve good regulatory practice and to minimize technical	In-process	- SCSC has endorsed the SRB strategic Plan (5 years) for Technical Infrastructure Development in Support of Trade Facilitation in APEC Economies at SCSC Meeting, in February 2008, including a summary of the activities undertaken by the SRBs in recent years and outlines some projects and activities planned for the next five years  - <i>Indonesia is requested to inform about/introduce the successor at SCSC 2 in 2011.</i>

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
					barriers to trade. 3. Industry (especially SMEs) makes use of the SRB standards and conformance infrastructure to help achieve its aims. 4. Closer ongoing dialogue between ABAC and SRBs.		
<b>7. Cooperation with International Bodies ( 02 actions)</b>							
	1) The SCSC to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues.	2001/Japan and China	From 2001	On-going	SCSC be kept informed on and contribute to TBT/SPS activities.	In process	<p>- <u>Japan</u> and <u>China</u> report at SCSC meeting, the relevant TBT/SPS discussions as well as SCSC's contribution and implementation for these activities.</p> <p>- For development within WTO TBT Committee: <u>Japan</u> reported on the developments within the WTO TBT Committee (2010/SOM3/SCSC/015).</p> <p><i><u>Japan</u> is requested to report the development within the WTO TBT Committee at SCSC 2 in 2011.</i></p> <p>- For development within WTO SPS Committee: <u>China</u> presented a summary report on the 48th meeting of the WTO/SPS Committee on 29-30 June 2010 in Geneva (2010/SOM3/SCSC/021). <u>China</u> reported on the results of the 49<sup>th</sup> SPS Committee Meeting held in October 2010 at SCSC 1 in 2011.</p> <p><i><u>China</u> is requested to update information about SPS activities at SCSC 2 in 2011.</i></p>

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
	<b>2) The SCSC</b> to encourage member economies to actively joint in ISO, IEC, ITU, IAF, ILAC, OILM, CGMP activities.	2003/Japan	From 2003	On-going	Increased number of participating member economies.	In process	- Japan has been conducting a survey to identify the status of each economy's membership and its business' participation in ISO, IEC and JTC1. - Updated information was reported by Japan at SCSC2 in 2010.  <i>Japan is requested to provide updated information at SCSC2 in 2011</i>
<b>8. Cooperation with other APEC Fora (03 actions)</b>							
	<b>1) The SCSC</b> to pursue further coordination with other APEC fora.	2001/ APEC Secretariat	From 2001	On-going	-The coordination activities with other APEC fora to be considered in SCSC program	In process	The coordination activities with other APEC fora such as MAG, Chemical Dialogue, etc that are carried out by SCSC in its work program.
	<b>2) The SCSC</b> to conduct work plan for promoting the business interaction with SCSC activities including:						
	a) Involvement of the business in the SCSC's Conferences on GRP and SCSC's conference on Standards and Conformance	2008/Japan	2008	On-going	- Business' participation increased; - Information circulated and shared.	In process	- Business involvement in 8 <sup>th</sup> Standards & Conformance conferences in 2010 and other SCSC projects/workshops held in SOM 3. - A SCSC concept note from US and Australia: seminar on key issues in wine regulation has been in principle approved by BMC. This seminar has the objective of promoting regulatory coherence in the APEC region, improved dialogue and cooperation. Regulators in developing economies will have a forum to develop regulations that are trade facilitating, prevent consumer deception, guarantee food safety and are WTO consistent.  <i>Japan is requested to provide updated information at SCSC2 in 2011 or SCSC1 in 2012</i>

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks
	b) Participation of business in the national and international technical committees (TCs) and Sub-committees (SCs)	2008/Japan and Indonesia	2008	On going	- Update information on the involvement of APEC business in the national & international standardization process - Reporting the update information of the involvement of APEC business in national and international standardization.	In process	Japan has conducted and reported on the survey to obtain information regarding the participation of business in International Technical Committees and Sub- Committees. Japan presented the update of results of the survey questionnaire. The survey showed that the number of economies achieving the KPI has increased step by step over the past three years, achieving more than “90 % in industry participation” in most of the member economies by this time. It was confirmed that this successfully completes the three year project. The SCSC endorsed the results of the survey. <i>Japan/Indonesia is requested to provide updated information at SCSC2 in 2011 or SCSC1 in 2012</i>
	c) ABAC/Industry-SCSC dialogue on specific SCSC’s activities interested by business at SCSC conferences and meetings	2008/Host economy	2008	On going	- The Dialogue organized with participation of representatives from NSBs, businesses and ABAC.	In process	ABAC/Industry-SCSC dialogue has been conducted in 7 <sup>th</sup> SCSC Standards and Conformance Conference held in Cusco in August 2008. 2009 APEC Response to ABAC 2008; Recommendations and Consolidated 2010 ABAC Response to 2009 APEC Response to be reported by APEC Secretariat.
	<b>3) The SCSC</b> to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them	2002/Host economy	From 2002	On-going	- Reflecting policy dialogue on S & C and follow-up actions in work plan of SCSC	In process	Policy Dialogue on Standards & Conformance is considered at SCSC meeting annually
<b>9. Reform of SCSC</b>							
							<i>Open for suggesting initiatives from member economies.</i>



## Customs Procedures 2011 Collective Action Plan

Since the first meeting in 1995, the APEC Sub-Committee on Customs Procedures (SCCP) has been making efforts to promote trade facilitation, which is one of APEC's main agenda items toward the achievement of the Bogor Goals. To achieve concrete results for trade facilitation, the SCCP has developed Collective Action Plans (CAP) and the Customs administrations of APEC 21 economies have been working collectively to implement the CAP items. The SCCP developed 9 CAP items such as "Harmonization of Tariff Structure with the HS Convention" in 1995. Since then, CAP items have been added upon request of members and the business community; the SCCP currently has 17 CAP items. The year 2010 was the target year for the industrialized economies to achieve the Bogor Goals. In 2010, a comprehensive evaluation and analysis was conducted of the progress made during the past 15 years of the SCCP. In 2011, two CAP items were added, on Single Windows System and on Authorized Economic Operator programs and Mutual Recognition Agreements.

### Status of CAP Items

Project	Coordinator	Status Update/Comments
Harmonization of Tariff Structure with the HS Convention	Japan	All the 21 economies adopted tariff schedules based on the HS Convention. 20 economies among them used tariff schedules based on the HS Nomenclature 2007 Edition (latest edition) and 1 economy has used that of 2002 Edition. This means tariff schedules in the APEC region were almost harmonized by the HS.
Public Availability of Information on customs Laws, Regulations, Administrative Guidelines and Rulings provided to the business sector on ongoing basis	Singapore Hong Kong, China	All the 21 economies developed customs websites to provide information on customs. In addition to the local language version of the websites, all the 21 economies have developed English version web-sites for considering stakeholders in abroad. Almost all the economies provide information such as customs laws, customs procedures, their Q&A, amendments of customs laws and procedures and contact points through their websites. 20 economies have publicized their tariff rate on their websites.
Simplification and Harmonization on the Basis of the Revised Kyoto Convention	New Zealand Japan	Only 10 economies have acceded to the Revised Kyoto Convention. On the other hand, those economies which have not acceded yet have adopted major principles for trade facilitation stipulated in the convention.
Development of Single Window Systems and promotion of International Interoperability	Japan	14 economies introduced Single Window system and 5 economies have Single Window system currently under development. 10 economies have experience in the trade-related data exchange.
Adoption of the Principles of the WTO Valuation Agreement	Canada United States	All the 21 economies adopted customs valuation scheme based on the WTO Valuation Agreement. In addition, all the 21 economies introduced post clearance audit systems.
Adoption of the Principles of the WTO Intellectual Property (TRIPS) Agreement	United States	20 economies adopted the WTO TRIPS and 19 Customs administrations are responsible for border enforcement on goods infringing copyright and trademark. However, only 11 economies are responsible for goods infringing other rights such as patent and design right which are not obliged to enforce at the border by the TRIPS.
Introduction of Clear Appeals Provisions	Canada Philippines	All the 21 economies introduced appeal systems.
Introduction of an Advance Classification Ruling System	New Zealand Korea	19 economies introduced advance ruling system for tariff classification. All the 21 economies established special units for uniform application of tariff classification at headquarters and/or regional customs offices. All the 21 economies established special units for uniform application of tariff classification at headquarters and/or regional customs offices.

Project	Coordinator	Status Update/Comments
Provisions for Temporary Importation, e.g. acceding to the A.T.A. Carnet Convention or the Istanbul Convention	Chinese Taipei United States	Only 14 economies acceded to the ATA Convention and/or Istanbul Convention. However, those economies, which have not acceded, adopted procedures in line with these conventions.
Harmonized APEC Data Elements	Canada	14 economies applied the WCO Data Model into their customs clearance systems.
Risk Management Techniques	Australia United States	20 economies introduced risk management approach and developed databases to achieve effective risk management. 20 economies introduced X-ray inspection equipment for containers.
Guidelines on Express Consignments Clearance (Current: WCO Immediate Release Guideline)	United States China	Only 17 economies adopted the principles of the WCO Immediate Release Guidelines. Only 14 economies have introduced the threshold value for waiver of duties and taxes (de minimis rule).
Integrity	Australia Hong Kong, China	20 economies developed codes of conduct for customs officers. 18 economies introduced internal audit systems.
Customs-Business Partnership	Hong Kong, China Mexico Chinese Taipei	Various measures have been taken in each economy to enhance cooperation with business. The number of economies which provide regular consultation sessions to stakeholders reached 20
Implementation of APEC Framework Based on the WCO Framework of Standards to Secure and Facilitate Global Trade	United States Japan, Korea	9 economies introduced AEO program and 3 economies commenced AEO pilot project in line with the WCO AEO Guidelines and 9 agreements on mutual recognition of the AEO systems have been signed in the region.
Time Release Surveys (TRS)	Indonesia, Korea	Only 14 economies conducted Time Release Surveys.
Development of Authorized Economic Operator programs and Mutual Recognition Arrangements	United States Japan	Capacity building plan was provisionally endorsed at SCCP2.

## Intellectual Property Rights 2011 Collective Action Plan

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
<p>(a) Deepening the Dialogue on Intellectual Property Policy</p> <ul style="list-style-type: none"> <li>• FTA/ RTA on IP Chapter</li> <li>• Exchange of development of IP-related policies</li> <li>• Strengthening the IPR system</li> <li>• Appropriate protection of IPR in emerging fields, including but not limited to the following: <ul style="list-style-type: none"> <li>- Protection for Biotechnology and Computer-related Inventions</li> <li>- Protection for Geographical Indications</li> <li>- Electronic commerce</li> <li>- Genetic resources and traditional knowledge</li> <li>- Plant variety protection systems</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. <u>Australia</u> informed that the RTA/FTA matrix supports the goal of economic integration in the region. IPEG agreed to recommend to the CTI that the RTA/FTA matrix initiative be concluded, with the matrix to be updated with any further entries submitted by economies in a short period of time following the 33<sup>rd</sup> IPEG Meeting in San Francisco, U.S.A., on September 16-17, 2011.</li> <li>2. <u>The U.S.</u> has been conducting an APEC IPEG Survey on Opposition Proceedings.</li> <li>3. <u>The U.S.</u> has been conducting an APEC IPEG Survey on Certification and Marks.</li> <li>4. <u>Mexico</u> made an oral update and circulated the final "Report on the Geographical Indications Regimes in APEC Economies" based on GI Questionnaire elaborated by IPEG</li> <li>5. <u>The U.S.</u> presented a proposal on GIs identifying issues which should be addressed regardless of the type of system chosen by economies for protecting GIs. <i>[Proposal under consideration in IPEG]</i></li> <li>6. <u>Peru</u> presented a proposal on "Seminar on Successful Experiences Implementing Tools for Traditional Knowledge Protection" which is the second phase of the project "Raising Awareness and Providing Insights on promoting appropriate Access and protection of genetic resources and traditional knowledge in APEC Economies". Co-sponsors: Australia; China; Thailand and Viet Nam.</li> </ol>	<p>On-going. Members are encouraged to provide updates before January 2012.</p> <p>Concluded. A summary report and compilation chart were submitted as resource documents to the IPEG.</p> <p>Concluded. A summary report and compilation chart were submitted as resource documents to the IPEG.</p> <p>Concluded.</p> <p>The U.S. will consult with economies, inter-sessionally, and the proposal will be taken up again at the next IPEG Meeting.</p> <p>Concluded. The Seminar took place in Lima, Peru, on September 1-2, 2011.</p>
<p>(b) Support for Easy and Prompt Acquisition of Rights:</p> <ul style="list-style-type: none"> <li>• Participation in International IP-related Systems</li> <li>• Establishing Internationally Harmonized IPR Systems</li> <li>• Cooperation on Searches and Examinations</li> <li>• APEC Cooperation Initiative on Patent Acquisition Procedures (The</li> </ul>	<ol style="list-style-type: none"> <li>1. <u>Japan</u> made an update on the self-funded initiative for a more coherent approach under the APEC Cooperation Initiative on Patent Acquisition Procedures, which is basically outlined setting up a "one-stop" website, allowing patent system users to download forms to be used when they request an IP Office to conduct examination by referring to the results of search/examination already carried out by</li> </ol>	<p>On-going. Japan launched the website and requested forms to IPEG members.</p> <p>The "Patent Cooperation Initiative on Patent</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
<p>launching of the initiative was included in REI Action Plan 2008)</p>	<p>another office.</p> <p>2. <u>The U.S.</u> made an oral update on the development of the “Patent Cooperation Initiative on Patent Acquisition Procedures - Roadmap for Further Cooperation”</p> <p>3. <u>Japan</u> presented a survey on Patent Quality Management. <i>[Proposal under consideration in IPEG]</i></p> <p>4. <u>The U.S.</u> sought support for an “APEC Work-Sharing Statement” which related the idea of an IP office re-using the work of another IP office for duplicate applications. <i>[Proposal under consideration in IPEG]</i></p>	<p>Acquisition Procedures – Roadmap for Further Cooperation” is completed. The U.S. is finalizing this initiative by seeking support for the “APEC Work-Sharing Statement” referenced below.</p> <p>The survey sheet will be finalized inter-sessionally.</p> <p>The survey will be finalized inter-sessionally.</p> <p>Some economies supported the concept; others indicated that they need to discuss with their other colleagues at Capital before endorsing. The U.S. will work with economies intersessionally to achieve endorsement by the spring 2012 IPEC meeting.</p>
<p>(c) Electronic Processing of IPR-related Procedures:</p> <ul style="list-style-type: none"> <li>• Electronic Filing Systems</li> <li>• Dissemination of Information by Electronic Means</li> </ul>	<p>1. <u>Members</u> are encouraged to better use of the APEC online resources, particularly APEC Information Management Portal (AIMP).</p>	<p>The Secretariat informed that the platform was modernized and encouraged the use of the platform.</p>
<p>(d) Cooperation for Improvements to the IP Systems and Its Operation, including capacity buildings, co-operation with other fora /authorities/ stakeholders</p>	<p>1. <u>Australia and China</u> made an oral update on the “Survey of Strategic Consideration of IPR Capacity Building in APEC Economies”.</p> <p>2. <u>China</u> made an update of the “Survey on the Legal System of Preventing Improper Use of IPR in APEC Economies”. <i>[Proposal under consideration in IPEG]</i></p> <p>3. <u>China and the U.S.</u> proposed an APEC IPEG Seminar on Practices of IPR Protection in Standardization aiming to reach a target of exchanging information through a seminar or other project in an information sharing basis. Co-sponsors: Chile; Chinese Taipei; Thailand; Russia and Viet Nam.</p> <p>4. <u>Japan</u>. The self-funded Intellectual Property Academy Collaborative Initiative (iPAC initiative) is basically outlined as setting up a web-based platform to facilitate effective information sharing and dissemination on IP Academies (training, educational, or research</p>	<p>Completed. Australia and China encouraged Members to refer to the results of the survey when considering future capacity building activities.</p> <p>On-going. China will present a revised proposal on its self-funded initiative in the next IPEG Meeting to be held in Russia, in February, 2012.</p> <p>On-going. The proposal will be submitted to BMC Session 3.</p> <p>On-going. Japan encouraged members to provide/update information.</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
	<p>organizations/institutions in the IP field).</p> <ol style="list-style-type: none"> <li>5. <u>Russia</u> organized a project titled “Enhancing APEC Capacity Building for Intellectual Property Protection and Use: Training for Trainers”.</li> <li>6. <u>Russia</u> proposed a project named “Training for Trainers on Intellectual Property Issues: Management and Commercialization” which aims to provide participants on key elements for utilization of IP after rights are granted.</li> <li>7. <u>Japan</u> presented an initiative “Bail-out Measures” on providing information on bail-out measures. IPEG members agreed on such proposal and the survey sheet will be finalized inter-sessionally.</li> <li>8. <u>IPEG</u> members held the IPEG-ABAC Dialogue on the margins of the 31<sup>st</sup> IPEG Meeting, held on March 3, 2011, in Washington, D.C., U.S.A. with topics: i) Leveraging cutting edge technologies for Economies Growth; and, ii) Recent development in on-line counterfeiting and piracy.</li> <li>9. <u>IPEG</u> participated in the Anti-Corruption and Terrorism (ACT) workshops on Investigating and Prosecuting Corruption and Illicit Trade which took place on March 2, in Washington, DC and on September 14, 2011 in San Francisco, California.</li> </ol>	<p>Completed. The training took place on November 29-December 1, 2010 in China.</p> <p>On-going. The training will take place in Thailand, in 2012.</p> <p>On-going. IPEG members to provide information to the survey.</p> <p>On-going. It was suggested to have the dialogue annually in order to continue with the collaboration.</p> <p>IPEG Chair delivered opening and closing remarks; some IPEG members attended.</p>
<p>(e) Establishing Effective Systems for IPR Enforcement:</p> <ul style="list-style-type: none"> <li>- Exchange of Information Concerning IPR Infringement</li> <li>- Other enforcement related matters</li> </ul> <p>(f) APEC Anti-Counterfeiting and Piracy Initiative, with the following four key objectives:</p> <ul style="list-style-type: none"> <li>- Reduce Trade in Counterfeit and Pirated Goods</li> <li>- Reduce Online Piracy</li> <li>- Increase Cooperation to Stop Piracy and Counterfeiting</li> <li>- Increase Capacity Building to Strengthen Anti-Counterfeiting and Piracy Enforcement</li> </ul>	<ol style="list-style-type: none"> <li>1. <u>The U.S.</u> made an oral update of the proposal for Effective Practices Addressing Unauthorized Camcording. The U.S. mentioned the study carried out by IIPi concerning cam-cording matters in different economies. Co-sponsors: Australia; Canada; Hong Kong, China; Japan; Mexico; and the Philippines. <i>[Proposal to be considered in IPEG]</i></li> <li>2. <u>Mexico</u> proposed an initiative aiming to identify the relation between counterfeiting/piracy and criminal organizations networks. <i>[Proposal to be considered in IPEG]</i></li> <li>3. <u>The Internet Society (ISOC)</u>, invited guest, during the 33<sup>rd</sup> IPEG Meeting, gave a presentation to IPEG on copyright infringement on the internet with ISOC’s study on “Perspectives on Policy Responses to On-line Copyright Infringement” which prompted some interesting discussion on ways in which copyright infringement may be addressed.</li> </ol>	<p>On-going. The U.S. will work with members inter-sessionally to achieve IPEG endorsement with the hope that this is presented as a key deliverable for 2011.</p> <p>Some members expressed support and will jointly work on a proposal to be presented in the next IPEG Meeting.</p> <p>Concluded.</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
(g) Promoting IP Asset Management and Utilisation in APEC Economies	1. <u>Korea</u> updated IPEG members on the “APEC One Village One Brand Project: Use of IP for SMEs in Developing Countries” aiming to support local producers or SMEs of APEC economies to establish and implement IP strategies for product branding. Co-sponsors: Chinese Taipei; Japan; Mexico; Peru; the U.S. and Viet Nam.	On-going. The project is in phase 2: i) selection of products branding and development of effective brands for the products; ii) provision of follow-up consultation and capacity building program; and, iii) sharing of the project results among stakeholders via CD.
(h) Facilitation of Technology Transfer through Ensuring IP Protection	1. <u>Mexico</u> proposed a survey on “Innovation and Technology Transfer in SMEs”.	On-going. Members to provide information.
(i) Raising Public Awareness	<p>1. <u>Korea</u> made an update on proposal “Advanced APEC Project for Training Intellectual Property Right Information Facilitators using e-learning contents, IP Xpedite”. This is a follow-up of a 2009-project but with a more advanced approach and covering a broader scope of subjects based on the feedback received from last year’s event. This course comprises 3 stages: i) on-line course; ii) off-line training course; and, iii) publication of e-learning education contents. Co-sponsors: Mexico; Thailand and the U.S.</p> <p>2. <u>Chile</u> informed that the APEC Funded Seminar on Copyright Limitations and Exceptions seeks to discuss within APEC the issue of limitations and exceptions to copyright and related rights, building on key finding of the “Report on Copyright and Limitations and Exceptions in APEC Economies”. Co-sponsors: China; Peru and Thailand.</p>	<p>On-going. The second phase has been finalized. Thus, the project will enter into the third phase.</p> <p>On-going. The seminar will take place in Chile, in April, 2012.</p>

### Mobility of Business People 2011 Collective Action Plan

OAA Objectives	Action	Time Frame
<b>Collective Actions</b> <b>APEC economies will:</b>		
<b>EXCHANGE INFORMATION</b> Exchange information on regulatory regimes in regard to the mobility of business people in the region, including through regularly updating the information in the online <i>APEC Business Travel Handbook</i> .	Members continue to regularly update the online <i>APEC Business Travel Handbook</i> informing business of economies' short-term and temporary residence entry requirements and processing arrangements (standing item at BMG meetings), in accordance with agreed BMG Transparency Standards.	Ongoing
	Members continue to improve the Business Mobility website to act as a conduit for meeting papers and exchange of information on trade agreements and other key BMG activities.	Ongoing
	Members continue to implement enhancements to the online <i>APEC Business Travel Handbook</i> and other official immigration/consular affairs websites to improve the transparency and accessibility of public immigration information, in line with agreed actions to address the findings of the 2005 TILF funded Temporary Entry Review.	Ongoing
<b>SHORT-TERM BUSINESS ENTRY</b> Streamline short term entry requirements for business people. APEC economies will strive on best endeavors basis, and according to own immigration procedures, to implement one or more of the following options: <ul style="list-style-type: none"> <li>• visa free or visa waiver arrangements;</li> <li>• participate in the APEC Business Travel Card scheme;</li> <li>• multiple short-term entry and stay visas which are valid for 3 years.</li> </ul>	Members continue to review and improve their arrangements for short term business travellers, including the progressive implementation of e-commerce arrangements consistent with agreed standards.	Ongoing
	Members continue to explore ABAC's aim of expanding the APEC Business Travel Card (ABTC) scheme to remaining non-participating economy.  At SOM III 2011, the BMG agreed to extend Canada's transitional membership status for a further three year period.	Ongoing
	Members report to BMG meetings on progress in implementing e-commerce facilities (standing item).  As at SOM III 2011, 5 economies (Australia; Hong Kong, China; Malaysia; Singapore; and the United States) advised that they had set up e-lodgement facilities to receive online visa applications.	Ongoing

OAA Objectives	Action	Time Frame
<p><b>BUSINESS TEMPORARY RESIDENCY</b> Implement streamlined temporary residence processing arrangements for the intra company transfer of executives, senior managers and specialists, as defined by individual economies.</p>	<p>Members continue to implement, on a best endeavors basis, the agreed 30 day service standard for the temporary residency processing of executives, senior managers on intra-company transfers, and specialists (as defined by individual economies), where all necessary documentation is completed. Members continue to report on processing times (standing item).</p> <p>As at SOM III 2011, 14 of 17 responding economies advised that were meeting the 30 day service standard on processing timeframes for Intra-company transfers.</p>	Ongoing
	<p>Members report to BMG meetings on implementing e-commerce facilities (standing item).</p> <p>As at SOM III 2011, 5 economies (Australia; Hong Kong, China; Malaysia; Singapore and the Untied States) advised that they had set up e-lodgement facilities to receive online visa applications.</p>	Ongoing
<p><b>CAPACITY BUILDING (TECHNICAL COOPERATION AND TRAINING)</b> Develop and implement the mutually agreed standards and benchmarks essential to capacity building and engage in the capacity building initiatives necessary to provide streamlined visa application and immigration entry, stay and departure processing.</p>	<p>At SOM III 2001, the BMG endorsed a standards paper for Document Examination and Fraud detection. These standards are being used by economies to develop their current capacity.</p>	Implementation of the standards is ongoing on an individual, best endeavors basis.
	<p>Document security and related issuance systems. The standards and guidelines take into account all relevant international standards. The first phase of the project to develop draft standards was completed with a workshop conducted in July 2003.</p>	Phase One completed July 2003
	<p>A workshop was conducted in March 2004 in Sydney by Australia (phase 2) to raise economies' awareness of the standards and international best practice and developments in respect of biometrics.</p>	Phase 2 completed by March 2004
<p>At SOM III 2004 the BMG agreed that all APEC economies will begin issuing Machine Readable Travel Documents (MRTDs), if possible with biometrics by 2008, and on a best endeavors basis, endeavor to accelerate replacement of non-MRTDs by MRTDs as well as implement ICAO travel document security standards.</p>	Ongoing with implementation, on a best endeavours basis.	



OAA Objectives	Action	Time Frame
	<p>As at 2011, at least 16 economies have introduced MRTDs and at least 10 have introduced a biometric MRTD.</p> <p><b>Biometrics</b></p> <p>The BMG received funding from the BMC (March 2006) to undertake a TILF funded project to build the capacity on biometric technology in travel documents and border systems (CTI 30/2006T) via the conduct of two capacity building events: a seminar in Ho Chi Minh on 22-23 May attended by 54 experts from 19 economies and a workshop in July 2006 in Hong Kong (China) attended by 45 experts from 18 economies.</p> <p>In February 2009 the BMG's "Enhancing the ABTC" working group held a two-day TILF-funded workshop to explore the feasibility and desirability of introducing biometrics to the ABTC and to consider possible governance arrangements for such an initiative. The working group developed a discussion paper to identify a model for a possible pilot of an e-ABTC but the BMG agreed that there was not a sufficient business case to pursue a pilot of an e-ABTC, given the resources required.</p> <p>At the SOM III 2010, Enhancing the ABTC Working Group meeting, the Working Group tabled a discussion paper entitled 'An idea to Facilitate ABTC Holders through the Use of Existing Automatic Border Control Systems (ABCS)'. The paper outlined the proposed pilot of the use of the ABTC to enable ABTC holders to enroll in the ABCS of participating economies. As a result the Working Group agreed to circulate a survey on the ABCS of participation APEC economies and the progress of the surveys was discussed at SOMs I and II in 2011.</p> <p>At SOM III 2011, the BMG's "Enhancing the ABTC" Working Group presented a summary of Automated Border Control Systems currently being used by participation economies. Member of the</p>	<p>Project completed July 2006.</p> <p>Workshop in February 2009 with ongoing follow-up work</p> <p>Project completed May 2009</p>

OAA Objectives	Action	Time Frame
	<p>Enhancing the ABTC Working Group have now been invited to review the survey results and give consideration to the proposed way forward to trial the use of biometrics through ABCS.</p> <p><b>Identity Assurance Framework Document.</b></p> <p>At SOM I, 2008, the BMG endorsed work to commence on a ‘framework for Assuring Identity in the Issuance of Biometric Machine Readable Travel Documents’. The purpose of this document is to provide good practice guidance for APEC economies on the process required for assurance of the integrity of identity enrolment processes for biometric machine readable travel documents, in order to prevent the issuance of genuine travel documents to persons who are not entitled to them.</p>	
	<p><b>API Pathfinder Initiative</b></p> <p>The BMC approved TILF funding (1 August 2002) for a project to conduct feasibility studies in three APEC economies to assess the requirements for the implementation of Advance Passenger Information systems, to be conducted during 2002 and 2003. A second project to conduct feasibility studies was approved in July 2003 by the BMC.</p> <p>Some 11 economies have had an API feasibility study: Thailand (Aug 02); The Philippines (Nov 02); Indonesia (Feb 03); Korea (July 03); Chile (Sept 03); Chinese Taipei (Oct 03); China (Jul 04); Viet Nam (Oct 05); Hong Kong, China (Nov 05); Brunei (Feb 06) and Peru (July 2006)</p> <p>As at SOM III 2011, 16 economies have either implemented or have announced their commitment to implementing an API system, including: Australia; Canada; China; Indonesia (planning); Korea; Japan; Malaysia; Mexico; New Zealand; Philippines (planning); Chinese Taipei; Thailand; the United States; Viet Nam (planning) and two economies trialling (one without commitment).</p>	Ongoing
	<p><b>Immigration Legal Infrastructure Standards</b></p>	

OAA Objectives	Action	Time Frame
	<p>The BMC approved TILF funding (1 August 2002) for a project to develop standards and benchmarks for Immigration legislation. A workshop of Immigration law experts was convened in July in 2003 and Legal Infrastructure standards, covering all aspects of Immigration processes and issues, were ratified by the BMG at its 2004 SOMI meeting in Santiago.</p> <p>As at end 2011, almost half of all economies have implemented legal immigration standards (unchanged from 2008).</p>	<p>Standards ratified February 2004. Implementation ongoing.</p>
	<p><b>Regional Movement Alert System (RMAS)</b></p> <p>The BMG conducted a pilot Regional Movement Alert System (RMAS) and a report presented to Leaders in 2006. The RMAS pilot has enhanced border security and facilitated the travel of genuine business travelers.</p> <p><b>RMAS Multi-Lateral Framework</b></p> <p>At SOM III 2006, the BMG endorsed the final Multi-lateral Framework (MLF), Model Economy MOU and Management Board Governance Charter for RMAS. The MLF states the principles, standards and operational arrangements which will enable RMAS to operate consistently and effectively in the region for economies that join the initiative.</p> <p>At SOM III 2006, positive validation of the travel document as part of RMAS was announced. Work continues on implementing this function.</p> <p>Work is progressing on an internet-based RMAS which would provide significant cost-savings to other economies who may wish to join RMAS.</p>	<p>Completed and endorsed September 2006.</p> <p>RMAS can determine whether a passport is recognised by its issuing authority as having been validly issued.</p> <p>Due to commence by end 2011</p>
	<p><b>Contribution to Interpol ICPO Database</b></p> <p>The BMG agreed at SOM I 2005 to a recommendation that members cooperate to ensure that members provide lost and stolen travel documents to the International Criminal and Police Organization (ICPO) database by end 2006, on a</p>	<p>Ongoing</p>

OAA Objectives	Action	Time Frame
	<p>best endeavors basis.</p> <p>As at end 2011, 16 economies now contribute data to the ICPO database.</p>	
	<p><b>Dialogue with ABAC and Business Community</b></p> <p>ABAC actively participates in the work of the BMG. At SOM III 2011, the BMG further considered the ABAC recommendation that the ABTC's coverage be expanded beyond APEC and a paper was tabled to propose the BMG conduct a research study into this idea.</p> <p>A paper was also tabled at the BMG meeting to recommend measures for improving the processing of ABTC applications in response to ABAC's call to shorten and simplify the renewal process for ABTC holders.</p>	Ongoing
	<p>BMG to continue to work with ABAC to engage the APEC business community in improving business mobility (strategy agreed at SOM II, 2000).</p>	Ongoing
	<p>Members continue to consult with their business community in their home economies on mobility issues and report on any identified issues of concern to the BMG</p>	Ongoing
	<p>Members provide information (including on the ABTC Scheme) and encourage feedback from the business community about the BMG's initiatives via the Business Mobility website.</p>	Ongoing

## APPENDIX 19

### PROGRESS ON THE IMPLEMENTATION OF GHS IN APEC ECONOMIES APEC CHEMICAL DIALOGUE VIRTUAL WORKING GROUP ON GHS SEPTEMBER 2011

#### BACKGROUND

At the 7<sup>th</sup> Chemical Dialogue (CD) meeting in Peru in 2008, the report of the Virtual Working Group on GHS titled *“Developing Clarity and Consistency in the Implementation of the Globally Harmonized System for the Classification and Labelling of Chemicals (GHS)”* was endorsed. This recognized the progress made and difficulties faced by APEC CD Members in their work to implement GHS across the region, and with our trading partners.

The Virtual Working Group subsequently developed the GHS Implementation Reporting Template to be used for regular reporting of GHS implementation progress. Input is expected from both the regulatory authorities and industry in each of the APEC economies. Information from these reports is to be used to identify issues surrounding GHS implementation for each chemical industry sector (industrial workplace, consumer, agricultural chemical and transport).

Nine APEC CD Economies provided responses in 2008/09 using the GHS Implementation Reporting Template. Information compiled from the first round of responses was provided to the Trade Ministers highlighting the continuing progress made by the APEC region in implementing GHS, and the difficulties surrounding some aspects of implementation including continued revision of GHS at the UN level, lack of uniformity in implementation of GHS and limited access to data for classification purposes.

Participating Economies noted the positive outcomes by completing the Template, indicating that certain details of GHS implementation that were not being considered were brought to the fore, and potential issues arising from GHS implementation that would not otherwise have been considered until post-implementation were able to be discussed.

At the 8<sup>th</sup> CD meeting in Singapore in 2009, CD Members provided comments for the improvement of the GHS Implementation Progress Reporting Template. These comments were incorporated in the 2010 GHS Implementation Progress Reporting Template. APEC CD Members were encouraged to complete the 2010 GHS Implementation Progress Reporting Template in the hope that the information will help to identify and prioritize future work for the APEC CD and the Virtual Working Group to aid GHS implementation in the region.

The work of the United Nations Committee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals (UNSCGHS) continues. At the December 2010 meeting of the UNSCGHS, the Committee considered a range of issues not yet addressed by the GHS.<sup>1</sup> The just released 4<sup>th</sup> edition of the UN GHS is a reminder that GHS is still a moving target. The lack of consistent GHS requirements worldwide manifests itself in adoption of different versions of GHS, which is published every 2 years. Some countries now adopt GHS 2<sup>nd</sup> version, some are adopting 3<sup>rd</sup> version already. This inevitably causes confusion and adds extra compliance costs to companies, especially those that supply chemicals to many countries. Trade partners need to work together to

---

<sup>1</sup> Issues yet to be addressed by the GHS, include new test method for chemical instability of gases, simple asphyxiants and labelling of small packages; refinement of existing classification and communication elements for gases under pressure and for supply and use of aerosols.

implement harmonized or compatible versions of GHS, and consider methods to keep up to date with the GHS updates every biennium, to achieve the foreshadowed benefits of GHS.

More than one economy observed that as more countries adopt GHS, less time and cost will need to be dedicated to customize the labelling and safety data sheets according to the requirements of the importing country. However, the expected GHS benefit threshold will remain elusive until the major trading partners of the APEC economies, i.e. US and EU, fully adopt GHS.

### **PROGRESS REPORT**

Seven APEC CD Member Economies - Australia; Chile; Chinese Taipei; Hong Kong, China; Japan; Malaysia and Russia - have returned the 2010 GHS Implementation Progress Reporting Template to the Virtual Working Group on GHS. The American Chemistry Council (ACC) provided comments relevant to its industry sectors.

### **INDUSTRIAL WORKPLACE**

Sector appears to be the focal point for implementation of GHS, and the seven reporting economies have indicated Industrial Workplace sector as most likely to implement GHS first. In the case of Hong Kong, China; and Japan, Industrial Workplace is the only sector that will implement GHS.

For this sector, facilitation of international trade was identified as the main benefit from GHS implementation, with some economies also identifying improved workers' health. The main concern for this sector appears to be the discrepancies between economies implementation of GHS. While GHS allows certain choices within the constraints of GHS by the competent authorities, quite divergent versions of GHS are being implemented globally. This is due not only to making different choices on the details of GHS, but also to carrying over non-GHS elements from old legislation. This is a threat to achieving the identified benefit of international trade facilitation.

Industrial Workplace sector identified the following challenges for GHS implementation:

1. Lack of clear and practical information for regulatory compliance
2. Broad international implementation schedule
3. Differences in adoption of building blocks among economies and trading partners
4. Contradiction of GHS with other local chemical regulations resulting in longer time than expected for local implementation of GHS
5. Training and expertise: Lack of experts (toxicology, biology, physical properties) to classify chemicals per GHS; lack of experts who are competent to conduct GHS training or courses; level of commitment by industry in acquiring the necessary expertise in GHS; capability of local laboratories to conduct tests that may be needed to classify chemicals
6. Potentially high cost of implementation compared to expected benefits

Industrial Workplace sector made suggestions to address some GHS implementation issues:

1. Each economy to publish a clearly articulated GHS implementation plan
2. Allow lengthy and flexible transition timeframe. Example: Malaysia can accept both existing CLP and GHS-SDS versions concurrently until GHS fully implemented in Malaysia.
3. Adopt only GHS hazards, and refrain from adopting non-GHS hazard classifications
4. Conduct comparison of GHS classification lists from APAC economies (New Zealand, Japan, Chinese Taipei, Korea, China, et al) as well as trading partners (e.g., EU).
5. Provide standardized training and education campaigns for authorities and industry. .
6. Do cost analysis for GHS implementation by industry to be considered by authorities when adopting GHS elements, and in implementation timelines and transitions.

**CONSUMER:**

Most APEC economies have faced difficulties when considering GHS implementation for consumer products. Lack of international effort for harmonization has been identified as a key issue. A practical example is the difficulty to label packages (especially small containers) in multiple languages to simplify trade. Within the APEC economies, the definition of “small container” varies from 100 ml to 1000 ml.

Several APEC economies do not have comprehensive policies or regulations for consumer products. Other economies do not have regulations to distinguish between consumer and industrial chemical products. Even when consumer legislation exists, approach to GHS varies.

Australia has indicated that for consumer products, it will adopt certain elements of GHS, such as the GHS classification (but not all building blocks), and some labelling elements. However, Australia has also indicated that it would be preferable to work within its existing regulatory framework and adapt GHS to fit the framework.

Japan has indicated that adoption of GHS consumer products will be voluntary, relying on industry Code of Practice. The Japanese Government does not intend to implement GHS for consumer products as a mandatory requirement. A guidance document for GHS risk-based labelling has been prepared and is available on-line.

Russia indicated that there has been no decision yet, but the risk-based labelling approach in their current risk assessment framework has the capacity to incorporate elements of the GHS.

Unlike the Industrial Workplace sector, the consumer sector appears unable to clearly identify benefits from GHS implementation. This may explain the reported difficulties in formulating policies for GHS implementation for this sector. Another factor identified that may be impacting on the implementation of GHS for consumer products is the lack of participation by non-government organizations.

These divergent methods may however still deliver benefits for economies if some level of harmonization can be reached between close trading partners.

**AGRICULTURE:**

Similar to the Consumer Products sector, the GHS implementation for the Agricultural sector also appears uncertain. Economies indicated that a) they will not adopt GHS for the sector, b) the decision has not yet been made to implement GHS, or c) the decision has been taken but there are no details available on how and when the implementation will occur.

The implementation of GHS in the Agricultural sector appears to be awaiting the latest version of "FAO/WHO Guidelines on Good Labeling Practice for Pesticide" which are currently being updated by FAO/WHO to incorporate GHS elements. Malaysia noted that the amendment to their Pesticide (Labelling) Regulation under the Pesticides Act 1974 will be made based on recommendations of the latest version of FAO/WHO Guidelines.

**TRANSPORT:**

The Transport sector regulations in most economies appear to be based on the *United Nations Recommendation on the Transport of Dangerous Goods* (UNRTDG, or the “Orange Book”). There are some similarities between the pictograms used by the Orange Book and the Purple Book, although there are a number of important differences. The work at the UN level to improve harmonization of criteria and classification cut-off limits between the Orange Book and the UN GHS (the “Purple

Book”) will continue to improve the interface between transport regulations with GHS-based regulations in those economies that are planning to adopt GHS.

Australia, Chinese Taipei and Japan have transport sector regulations based on the UNRTDG. Russia indicated that their transport legislation is based on an older version of the UN “Orange Book.” This is true in several APEC economies so transport regulations must be updated as well as align with GHS.

Chile indicated that they currently use the Orange Book for the transport sector regulations, and that the Purple Book may be integrated into the transport regulations.

Hong Kong, China will base their requirements for transport classification and labelling on the IMDG Code, which is based on the Orange Book.

#### **RECOMMENDATIONS FOR FUTURE REPORTING**

The Virtual Working Group urges all APEC CD Members to complete and return the GHS Implementation progress template to the Virtual Working Group. Increased number of responding economies will aid in identification of common issues and potential future work by the APEC CD to benefit all APEC CD Economies.

The Virtual Working Group requests that where the APEC Economy has previously provided input and has no further comments to add, to contact the Virtual Working Group so that the information from 2008/09 report can be carried forward.



**APPENDIX 16 - ATTACHMENT****APPROACHES FOR CONSIDERATION BY APEC ECONOMIES IN APPLYING GHS PRINCIPLES  
TO CLASSIFICATION & LABELLING OF CONSUMER PRODUCTS****APEC Chemical Dialogue****Revised: May, 2011****Contents**

1. Purpose .....	16-6
2. The specific needs of consumers .....	16-6
3. Application of GHS Principles to consumer products .....	16-7
3.1 Consumer product labelling based on the likelihood of injury .....	16-7
3.2 Focus on providing information that meets the differing information needs of users to ensure comprehensibility .....	16-8
3.3 Application of the “Building Block Approach” .....	16-8
3.4 Classification based on existing data .....	16-8
3.5 Self-Classification .....	16-8
3.6 Precedence of human experience over other information .....	16-9
3.7 Use of a weight-of-evidence approach in classification decision .....	16-9
3.8 Protection of Confidential Business Information .....	16-9
4. Summary .....	16-9

## 1. Purpose

Numerous APEC economies are implementing the Globally Harmonized System of Classification and Labelling of Chemicals (GHS)<sup>2</sup> or developing plans to implement the GHS, but the focus has largely been on GHS implementation for transport and workplace situations. As some APEC economies turn to expand implementation to other sectors, there is less experience within APEC related to implementation for consumer situations to draw upon. The purpose of this document is to respond to this regional need and provide for APEC economies an overview of those elements of the GHS critical to understanding application of the GHS principles to classification and labelling of consumer products.

Recognizing that APEC economies are in various states of implementation or development of plans for implementation of the GHS, this document was developed in the APEC Chemical Dialogue, with input from industry and government participants, as information for governments and others to consider as they move toward implementation of the GHS for consumer products. The Chemical Dialogue serves as a forum for regulatory officials and industry representatives to find solutions to challenges facing the chemical industry and users of chemicals in the Asia-Pacific region. An important role of the Chemical Dialogue is to encourage a harmonized approach in addressing those issues in order to limit trade barriers and encourage regulatory and business efficiency.

Users of this document are reminded that competent authorities in each APEC economy will decide how to apply the various elements of the GHS to consumer products within their jurisdiction, based on the needs of their economies and their target audiences. Therefore, it will be important for producers of consumer products to consult the relevant laws, regulations and policies that are in place in each economy before making final decisions on GHS classification and labelling of their products.

## 2. The specific needs of consumers

The primary objective of GHS is to enhance the protection of human health and the environment through harmonized classification and communication of hazard information for chemicals and mixtures and to facilitate international trade.

To achieve this goal, the information related to the characteristics of chemicals and mixtures, identified using an internationally agreed set of classification criteria, should be communicated in a form that is comprehensible and relevant to the target audiences, i.e. consumers, workers, transport workers and emergency responders. This is so that the target audiences in their local settings can take safety measures that are appropriate for the use situation.

Some characteristics of consumers relevant to the implementation of the GHS are listed below:

- Consumers usually do not have any systematic opportunity to learn how to interpret chemical hazard information in order to be able to determine on their own appropriate measures in emergencies and/or accidents involving chemicals and mixtures.
- Consumer education is more difficult and less efficient than education for other audiences.
- The label is likely to be the sole source of information readily available to the consumer, and consumers want clear, concise, easy-to-read information. Chemical users in the other

---

<sup>2</sup> Globally Harmonized System of Classification and Labelling of Chemicals (GHS), Third Revised Edition (2009), [http://www.unece.org/trans/danger/publi/ghs/ghs\\_rev03/03files\\_e.html](http://www.unece.org/trans/danger/publi/ghs/ghs_rev03/03files_e.html)

sectors have more sources of information than the label, such as Safety Data Sheets and/or workplace training.

- It is reported that excessive hazard warnings on consumer product labels lead to a decrease in effectiveness of warnings that truly enhance protection (Viscusi, 1991; Frantz et al., 1999)

Given the unique circumstances around communication to consumers listed above, the implementation of the GHS for consumer products, including any guidance developed to support that purpose, must take into account:

- the accessibility and comprehensibility of product labels for consumers so that consumers can take appropriate safety measures in their use of consumer products, and
- international harmonisation.

### **3. Application of GHS Principles to consumer products**

#### **3.1 Consumer product labelling based on the likelihood of injury**

Both risk-based and hazard-based labelling approaches for consumer products are consistent with GHS. Labelling of consumer products based on the likelihood of injury (risk-based labelling) is included in the Annex 5 of the GHS official text. The GHS document, through Annex 5, recognizes that “some systems provide information about chronic health hazards in consumer products only after considering additional data regarding potential exposures to consumers under normal conditions of use or foreseeable misuse.” A competent authority may decide to allow risk-based labelling in certain circumstances. Under GHS, risk-based labelling can only be applied to chronic health hazards of chemicals in the consumer products setting. All acute health, environmental and physical hazards should be labelled on intrinsic hazards.

Several consumer research studies clearly demonstrate (summarized in the paper submitted by industry to the ILO Working Group for the Harmonization of Chemical Hazard Communication, ILO/HC6/00.13, 21 September 2000);

- More benefits can be expected if the labelling system is changed to be more consumer and consumer risk oriented (Dutch consumer institute, Venema et al., 1997).
- Consumers want clear, concise, easy-to-read information that connects consequences to actions (The US EPA Consumer Labelling Initiative, Abt Associates, Inc., 1999).

There have been reports to suggest that focusing on those specific and relevant hazards that are likely to cause injury to man or the environment as a result of consumer product handling or use when providing information on the label increases the effectiveness of communication and leads to enhanced consumer and environmental protection (ILO/HC6/00.13 21.09.2000).

Thus, some systems communicate appropriate and relevant information on the label based on the evaluation of both the intrinsic hazards of the product and possible exposure through use, including relevant human experience. In systems such as these, the likelihood of injury is used to determine the hazard information that is communicated to the consumer in a form that is accessible to the consumer; i.e. risk-based labelling.

Maintenance of existing or creation of new risk-based labelling systems for consumer products in APEC economies is therefore consistent with the intent of Annex 5 to recognize such systems under the GHS.

### **3.2 Focus on providing information that meets the differing information needs of users to ensure comprehensibility**

The GHS includes approaches to take into account the information needs of different target audiences. It is reported that cluttered, difficult to read labels, containing superfluous warnings that are outside the experience of consumers reduces the likelihood of consumers' understanding of and adherence to warranted labels (ILO/HC6/00.13 21.09.2000).

Competent authorities should focus on implementing GHS in a way that provides information on consumer product labels that meets the information needs of the consumer to ensure comprehensibility.

### **3.3 Application of the "Building Block Approach"**

GHS provides the flexibility to meet specific user needs through the Building Block Approach.

When considering building blocks for implementation for consumer products classification and labelling, competent authorities should take into account the needs of different target audiences, in this case consumers.

### **3.4 Classification based on existing data**

One of the central objectives of the GHS is to "reduce the need for testing and evaluation of chemicals."<sup>3</sup> It does not require additional testing of chemical substances or mixtures but is "based on currently available data." When data from scientifically robust, non-animal test approaches (e.g., human experience, bridging data, *in vitro* tests, SAR/QSAR, *in silico* approaches) are available, this information may be used for classification.

Competent authorities should implement GHS for consumer products in a manner that relies on existing data and makes no demands for new data. Further, with regard to classification based on existing data, all such data should be considered, including data from non-animal tests and approaches.

### **3.5 Self-Classification**

For many industries and government organizations implementing the GHS, the process of implementation will be resource-intensive and create requirements for evaluating information on chemicals in ways not previously established. As economies consider approaches for facilitating implementation of the GHS, they should remain committed to maintaining the fundamental principle of self-classification articulated in the GHS: "The GHS is designed to permit self-classification."<sup>4</sup>

As economies move forward with GHS implementation, the objective of self-classification stated in the GHS framework should be maintained for consumer products.

---

<sup>3</sup> Section 1.1.1.4 [The sections given in the footnotes identify where the quoted information appears in the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), Third Revised Edition (2009).]

<sup>4</sup> Section 1.1.4.1

### 3.6 Precedence of human experience over other information

Precedence of human experience over other information is a key concept within GHS. “Generally, data of good quality and reliability in humans will have precedence over other data.”<sup>5</sup>

“However, even well-designed and conducted epidemiological studies may lack sufficient numbers of subjects to detect relatively rare but still significant effects, or to assess potentially confounding factors. Positive results from well-conducted animal studies are not necessarily negated by the lack of positive human experience but require an assessment of the robustness and quality of both the human and animal data relative to the expected frequency of occurrence of effects and the impact of potentially confounding factors.”<sup>6</sup>

Existing human experience information should be considered in determining appropriate labelling for consumer products.

### 3.7 Use of a weight-of-evidence approach in classification decision

It is important to consider the weight and quality of the evidence used in a classification decision, taking into account the reliability and consistency of data of all available information. This is one of the key classification principles within GHS.

“For some hazard classes, classification results directly when the data satisfy the criteria. For others, classification of a substance or a mixture is made on the basis of the total weight of evidence. This means that all available information bearing on the determination of toxicity is considered together, including the results of valid *in vitro* tests, relevant animal data, and human experience such as epidemiological and clinical studies and well-documented case reports and observations.”<sup>7</sup>

### 3.8 Protection of Confidential Business Information

“The competent authority should protect the confidentiality of the information in accordance with applicable law and practice.”<sup>8</sup>

Competent authorities should ensure that Confidential Business Information related to consumer products is not compromised in implementing GHS.

## 4. Summary

In discussing consumer product labelling based on the likelihood of injury, Annex 5 states that “the work on the GHS has not addressed harmonization of this type of approach. Therefore, specific procedures to apply this approach would have to be developed and applied by the competent authority.”<sup>9</sup>

---

<sup>5</sup> Section 1.3.2.4.9.3

<sup>6</sup> Section 1.3.2.4.9.3

<sup>7</sup> Section 1.3.2.4.9.1

<sup>8</sup> Section 1.4.8.3(c)

<sup>9</sup> Section A5.1.2

In an attempt to provide the starting point for the discussion of this harmonized approach to the implementation of GHS for the consumer products sector, this document has drawn out the key principles of GHS while being mindful of the needs of the target audience, the general public.

While international harmonization is encouraged, it is imperative that the competent authorities be mindful of the needs and understanding of the consumer when implementing GHS for consumer products in each economy.

The key principles for GHS implementation for consumer products discussed in this paper are summarized as below:

- All chemicals and mixtures within the scope of the GHS should be classified based on GHS classification criteria
- Labels should focus on providing information that meets the information needs of the consumer to ensure comprehensibility
- When considering building blocks for implementation for consumer products, competent authorities should take into account the needs and understanding of the general public
- Competent authorities should strive to implement GHS for consumer products in a manner that minimizes animal testing, and investigate the acceptance of non-animal tests
- The fundamental principle of self-classification articulated in the GHS official document should be upheld for consumer products
- Competent authorities should provide the framework for the evaluation of both the intrinsic hazards of the product and possible exposure through use where:
  - Human experience generally takes precedence over other information
  - Weight of evidence approach is used
- Competent authorities should ensure that confidential business information is not compromised in implementing GHS for consumer products.

## References

Frantz, J.P., T.P. Rhoades, S.L. Young, and J.A. Schiller. 1999. "Potential Problems Associated with Overusing Warnings," Proceedings of the 7th International Conference on Product Safety Research, Washington, DC, European Consumer Safety Association and the U.S. Consumer Product Safety Commission.

Viscusi, W.K. 1991. "Toward a proper role for hazard warnings in products liability cases," *Journal of Products Liability*, 13, 139-163.

An Option for Consumer Product Labelling Based on the Likelihood of Injury, an industry paper submitted to the 6th Meeting of the ILO Working Group for the Harmonization of Chemical Hazard Communication, Rome, 30 October-2 November 2000, Inter-Organization Programme for the Sound Management of Chemicals, ILO/HC6/00.13, 21.09.2000, September 21, 2000

Annex 5 – Consumer Product Labelling Based on the Likelihood of Injury, Globally Harmonized System of Classification and Labelling of Chemicals (GHS), Third Revised Edition, 2009, [http://www.unece.org/trans/danger/publi/ghs/ghs\\_rev03/English/09e\\_annex5.pdf](http://www.unece.org/trans/danger/publi/ghs/ghs_rev03/English/09e_annex5.pdf)

## APPENDIX 17

### GLOSSARY OF TERMS

APEC	Asia-Pacific Economic Cooperation
ABAC	APEC Business Advisory Council
ACBD	APEC Customs Business Dialogue
AD	Automotive Dialogue
ADB	Asian Development Bank
AELM	APEC Economic Leaders Meeting
AEO	Authorised Economic Operator
AHC	APEC LSIF Harmonization Centre
AMM	APEC Ministerial Meeting
ARCAM	APEC Regulatory Cooperation Advancement Mechanism on Trade Related Standards and Technical Regulations
ASEAN	Association of South East Asian Nations
ASGI	APEC Smart Grid Initiative
BMG	Business Mobility Group
CAP	Counterfeiting and Piracy under WCO
CAPs	Collective Action Plans
CBPR	Cross-Border Privacy Rules
CD	Chemical Dialogue
CMAAs	Customs Mutual Assistance Agreements
CPEA	Cross-Border Privacy Enforcement Arrangement
CTI	Committee on Trade and Investment
DPS	Data Privacy Subgroup
EC	Economic Committee
ECSG	Electronic Commerce Steering Group
EEMRA	Electrical and Electronic Equipment Mutual Recognition Arrangement
EGEE&C	Expert Group of Energy Efficiency and Conservation
EGS	Environmental Goods and Services
EGSIE	Environmental Goods and Services Information Exchange
EoDB	ease of doing business
ESCAP	Economic and Social Commission for Asia and Pacific
ESIS	Energy Standard Information System
FOTC	Friends of the Chair
FSCF	Food Safety Cooperation Forum
FTAAP	Free-Trade Area of the Asia-Pacific
FTZ	Free Trade Zone
GBDe	Global Business Dialogue on Electronic Commerce
GOS	Group of Services
GRP	Good Regulatory Practice
GSCs	global supply chains
ICC	International Chamber of Commerce
ICDPPC	International Conference of Data Protection and Privacy Commissioners
ICPO	International Criminal and Police Organization
ICTSD	International Centre for Trade and Sustainable Development
IEC	International Electrotechnical Commission
IEG	Investment Experts Group
IFAP	Investment Facilitation Action Plan

IIAs	international investment agreements
iPAC	Intellectual Property Academy Collaborative Initiative
IPBA	Inter-Pacific Bar Association
IPR	Intellectual Property Rights
JRAC	Joint Regulatory Advisory Committee
KPIs	Key Performance Indicators
LSI	Legal Services Initiative
LSIF	Life Sciences Innovation Forum
MAG	Market Access Group
MoU	Memorandum of Understanding
MRT	Ministers Responsible for Trade
NBIP	Non-Binding Investment Principles
NTMs	non-tariff measures
OAA	Osaka Action Agenda
OECD	Organization for Economic Cooperation and Development
PAA	Pan Asian Alliance on E-Commerce
PSU	Policy Support Unit
PTIN	Partnership Training Institute Network
REI	regional economic integration
RHSC	Regulatory Harmonization Steering Committee
SAP	Services Action Plan
SC	Supply-Chain Connectivity
SCCP	Sub-committee on Customs Procedures
SCI	Supply Chain Initiative
SCSC	Sub-Committee on Standards and Conformance
SCV	Supply Chain Visibility
SFOM	Senior Finance Officials
SMEWG	Small and Medium Enterprises Working Group
SMMEs	small, medium and micro-enterprises
STAR	Services Trade Access Requirements STAR
SWs	Single Windows
TBT	Technical Barriers to Trade
TEL	Telecommunications and Information Working Group
TFAP II	Second Trade Facilitation Action
TFTF	Trade Facilitation Task Force
TILF	Trade and Investment Liberalization and Facilitation
TPD	Trade Policy Dialogue
TPMs	technological protection measures
TPT	Transportation Working Group
UNCEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
VAP	Voluntary Action Plan
WB	World Bank
WCO	World Customs Organisation
WebTR	APEC Website on Tariffs and ROOs
WTO	World Trade Organization