

SUB-COMMITTEE ON CUSTOMS PROCEDURES (SCCP)

CONVENOR'S REPORT AND INPUTS FOR 2021 CTI ANNUAL REPORT TO MINISTERS

(a) Key outcomes and achievements in 2021

- The SCCP drafted and endorsed a refreshed SCCP Terms of Reference for 2022-2025. This Terms of Reference was also endorsed by the CTI, and the SCCP's mandate was renewed for four more years by the APEC Senior Officials.
- The SCCP drafted and endorsed a new SCCP Strategic Plan for 2022 – 2025. It sets out the SCCP's strategic direction for the next four years through the SCCP's vision, missions, priorities and objectives. The Strategic Plan is also accompanied by an annual work plan, which sets out activities that are to be progressed and completed by the SCCP each host year.
- The SCCP endorsed the *Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods*. This document provides practical and operational measures for customs administrations to refer to and adopt when managing the complex nature of vaccine supply chain. The document was further endorsed by the CTI, and was welcomed by the APEC Ministers Responsible for Trade (MRT) Statement on COVID-19 Vaccine Supply Chains.
- The SCCP hosted the annual APEC Customs Business Dialogue which this year was on the theme of enabling greater and inclusive participation of micro, small, and medium enterprises in global trade.
- New Zealand hosted a workshop as part of its project called *Trade Facilitation Measures to Mitigate Trade Disruptions: Lessons and Response Toolkit*. The toolkit will help APEC customs administrations better prepare for and respond to any future trade disruption. It also explores which of the temporary trade facilitation measures that were adopted by customs administrations in response to COVID-19 could be retained as the 'new normal'.
- The SCCP2 meeting raised a number of action items for the SCCP to drive forward:
 - The SCCP participated in a policy discussion on gender and customs, to explore how the SCCP can be more gender inclusive and contribute to the La Serena Roadmap for Women and Inclusive Growth (2019-2030). The SCCP will explore how the SCCP can come up with its own statement that recognises the WCO's Compendium on Gender Equality and Diversity in Customs (2020) and move further to suit the APEC customs context.
 - The SCCP is exploring the need for a gap analysis of members' implementation of the customs-related TFA provisions, with a view to designing a programme of capacity-building activities to address the gaps identified.
 - The SCCP will engage with members regarding potential education campaigns for APEC customs officials to educate about the challenges we face, especially with respect to counterfeit COVID-19 vaccines and related goods. The SCCP will explore how to deliver this work.

(b) Work Undertaken by the fora in response to COVID-19 (in particular in fulfilling the [2021 Ministers Responsible for Trade Statement & two annexes](#) & the [2020 Declaration on Facilitating the Movement of Essential Goods](#))

- During SCCP2, the SCCP participated in three policy discussions on facilitating the trade of medical supplies and essential goods, digitalising border processes to implement the

World Trade Organization (WTO) Trade Facilitation Agreement (TFA), and preventing the cross border movement of counterfeit COVID-19 vaccines and related goods. These topics relate to the MRT Joint Statement 2021.

- The SCCP considered the following ways to facilitate trade in medical supplies:
 - Contributing to maintaining a resilient supply chain on medical supplies, including customs administrations role in advising on and implementing tariff changes;
 - Actively collaborating within government and with the private sector to help expedite shipments effectively and efficiently and build capacity for long-term ability to locally manufacture vaccines; and
 - Simplifying paperwork and the implementation of an efficient digital border processing system.
- The SCCP is also considering expanding the scope of the *Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods* to cover medical supplies in an effort to continue APEC's strong work in responding to the challenges of COVID-19.
- New Zealand circulated a survey to SCCP economies to explore how they are implementing the *Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods*, and to identify opportunities for the SCCP to better support its members' implementation (e.g. sharing of lessons learnt, capacity building). A summary of the SCCP's response to this survey has been provided to CTI for their consideration and reporting to the MRT.
- During SCCP2, SCCP held a policy discussion on what the SCCP can do to prevent the exploitation of supply chains, especially the importation of counterfeit COVID-19 vaccines and related goods. Some key points of the discussion were:
 - Collaboration with the private sector to better risk manage and tackle new challenges could help against the exploitation of supply chains;
 - Trade in counterfeit COVID-19 goods is also a violation of intellectual property rights, as well as poses a serious health risk – goods will have the same characteristics of the genuine article, but will not be as effective, i.e. masks and respirators;
 - As highlighted by the WCO, information exchange at the border is key to identifying and seizing counterfeit COVID-19 goods, contributing towards risk management, and identifying counterfeit trends. The WCO discussed one of their enforcement operations as an example of information exchange, where the WCO introduced a rapid information exchange platform to facilitate the distribution of genuine COVID-19 vaccines while stopping counterfeits at the border;
 - *The Best Practice Guidelines for APEC Customs Administrations to facilitate the distribution of COVID-19 vaccines and related goods* were discussed as a good outcome to secure the vaccine supply chain, as it contains specific guidelines on protecting supply chains;
 - The increase in e-commerce small packages and new smuggling methods were identified as new challenges to preventing the exploitation of supply chains; and
 - Advanced technology could help customs administrations improve risk analysis and management of higher risk shipments.
- *Questionnaire on the Customs Management in the New Normal after COVID-19*: Led by Japan and Mexico, the results from this questionnaire showed how customs administrations across the APEC region responded to COVID-19, particularly in relation to internal management of customs activities and operations.

- The U.S shared the results of its “IPR Mutual Enforcement Operation” (8 SCCP member economies joined) that took place in November/December 2020, whose main goals were to enhance IPR border enforcement during the global pandemic and protect consumers and APEC economies from harmful health and safety products during the COVID-19 pandemic. The United States and Peru carried out enforcement action for ten days in June 2021 to enforce intellectual property rights at the border, and documented seven seizures amounting to \$3 million. The most common infringing goods were facemasks and filters from individual shippers to individual recipients in small shipments.

Key Issues Under Discussion by the Fora (if any);

- *Future of Trade and Border Management – to 2030*: This is a project led by Australia that builds a digital dashboard, containing building blocks for the SCCP to use on Policy and Regulations, Technology and ICT, Industry and COVID-19 categories. This will be an excellent tool for recording and accessing measures relating to trade facilitation and customs procedures in the APEC region. The SCCP will engage with Australia on how we can make best use of the digital dashboard to fulfil the following: 1) to share and keep track of knowledge and innovations across both public and private sector to identify opportunities and synergies, and 2) to look for and respond to the various supply chain / border-related challenges together using the dashboard.
- *Guidelines for Paperless Trade*: New Zealand is undertaking a self-funded project, the project proposal for which was endorsed at the first plenary meeting. The project supports the WTO TFA as it encourages economies to facilitate and streamline trade through enabling infrastructure, legislative frameworks, and procedures for paperless trade. During SCCP2 New Zealand proposed, as a pragmatic first step, that members should accept documents submitted electronically as the legal equivalent of the paper version of the document. New Zealand noted that Ministers had provided a clear mandate for this action. New Zealand is currently drafting the guidelines and will circulate a draft to SCCP members shortly for comment.
- Strengthening connectivity through increased single window interoperability. This could first be pursued at the bilateral level to facilitate the flow of essential goods to reduce time of releasing products at the border.

(c) Items to submit to Senior Officials or Ministers (if applicable)

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