



**Economic and Social
Council**

Distr.
RESTRICTED

Informal document No. 7 (2005)
13 June 2005

ENGLISH ONLY

ECONOMIC COMMISSION FOR EUROPE
INLAND TRANSPORT COMMITTEE
Working Party on Customs Questions affecting Transport
(One-hundred-and-tenth session, 14 – 17 June 2005,
agenda item 3)

**ACTIVITIES OF OTHER ORGANIZATIONS OF INTEREST TO THE
WORKING PARTY**

Transmitted by the World Customs Organization (WCO)*

* * *

* The secretariat reproduces the document as received without formal editing by UNECE.

INFORMATION NOTE: WCO FRAMEWORK OF STANDARDS TO SECURE AND FACILITATE GLOBAL TRADE – PROGRESS REPORT

Background : The Framework of Standards to secure and facilitate global trade (the Framework) was drawn up by a High Level Strategic Group of Directors General from all WCO regions set up for this purpose following the June 2004 Council Sessions. It was accepted in principle by the WCO's Policy Commission (PC) in December 2004 and then underwent several reviews, in particular after the consultative meetings convened for WCO Members and the private sector which were held from 28 February to 1 March and 11 to 12 April 2005. The documents were submitted to the High Level Strategic Group on 26 and 27 April and are have now been finalized. They will be presented for final adoption to the 166 Directors General of Customs at the 105/106 Council Sessions from 23 to 25 June 2005 for approval.

The Framework document is made up of the Framework itself – 17 Standards - two Annexes, an Appendix and a Declaration of Intent and is the only instrument available to date enabling Customs Administrations wishing to do so to undertake to implement a series of rules for the security and facilitation of world trade. It rests on twin pillars; a "Customs-Customs" pillar and a "Customs-Business" pillar.

- The *Customs to customs pillar* seeks to encourage co-operation among customs administrations on the basis of common and accepted standards for data exchange and risk profiles to maximize the security and facilitation of the international supply chain. Central to this pillar is the use by customs of advance electronic information which, for example, can identify containers, etc that pose a potential risk of terrorism. Requirements on the use of high security mechanical seals as part of a seal integrity programme for containers form an important element of this pillar and have been allocated a separate Appendix.
- The Customs to Business pillar which specifies the need for customs to establish partnerships with the private sector, particularly though the creation of a international system of 'approved economic operators (AEO)' whereby businesses that offer a high degree of security guarantees in respect of their role in the international supply chain can by meeting certain criteria in the Framework, receive tangible facilitation benefits, such as the quicker movement of low risk cargo thorough Customs.

Fully conscious of the commitment required for concrete application of the Framework, the Customs Administrations represented at the High Level Strategic Group stressed the need for a capacity building policy. It was therefore decided to add a "Declaration of Intent" to the existing package. This letter will both signal an administrations intention to start implementing the Framework as well as indicating that capacity building assistance may be necessary.

To ensure evaluation and follow-up, the High Level Strategic Group will continue its work for a further year during which different questions such as mutual recognition of AEO status and controls will be discussed.

A full copy of the Framework text which will be submitted to the WCO Council may be found on the WCO public website – www.wcoomd.org – under ‘Press’ ‘WCO releases final draft of Framework of Standards 12 May 2005’.

Of interest in particular to the WP 30 delegates will be provisions of the Framework relating to container security and sealing.

Regarding sealing, as mentioned above, the Framework includes a separate Appendix detailing a seal integrity programme. This programme, based on the use of a high security mechanical seal that conforms to the ISO/PAS 17712, requires seals to be checked at the point of stuffing of the container and at key interchange points along the supply chain until release from Customs. Customs administrations are encouraged to introduce such a programme. It will be recalled that this programme is drawn from the Revised Kyoto Convention Guidelines and reference to it has also been included in TIR Guidance.

Of note too is the following Framework Standard and guidance concerning technology.

“Standard 4 – Technology

All parties will maintain cargo and container integrity by facilitating the use of modern technology.

AEOs should conform, at a minimum, to the current requirements as set forth in various international agreements, including, but not limited to, the 1972 Customs Container Convention and the Customs Convention on International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975).

Customs administrations should encourage and facilitate, through appropriate incremental incentives, the voluntary use by AEOs of more advanced technologies beyond mechanical sealing for establishing and monitoring container and cargo integrity, as well as reporting unauthorized interference with container and cargo.

AEOs should have documented procedures that set forth their internal policy regarding the affixing and processing of cargo and containers that employ high-security seals and/or other devices that are designed to prevent tampering with cargo.

The Customs administration should have documented procedures that set forth its seal

verification regime, as well as its operational procedures for addressing discrepancies.

The Customs administration and the AEO should maintain an open dialogue on areas of common concern to collectively benefit from advancements in industry standards and container integrity technologies, as well as mutual operational readiness as related to identified instances of security seal breach.”

The next meeting of the Administrative Committee for the Customs Convention on Containers 1972 will take place from 10 – 11 November 2005 and will examine issues arising from the Framework, for example how the Convention could ‘facilitate the use of modern technology.’ as foreseen in the Framework.

The WCO will continue to liaise closely with the UNECE regarding these issues.
