

# FIATA

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**CUSTOMS AFFAIRS INSTITUTE (CAI)**

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To: Delegates, Customs Affairs Institute (CAI)  
Presidency  
Extended Board  
Honorary Members of the Board  
Honorary Members of FIATA  
Member Associations  
CLECAT

From: Daniel Bloch, Manager Customs Affairs Institute (CAI),  
on behalf of Stephen Morris, Chairman Customs Affairs Institute (CAI)

Subject: **REPORT OF FIATA REPRESENTATION AT THE WCO / CHAPTER 19**

**CHAPTER 19** Please find attached to this document following report within Annex II  
**CAI DOC 094 ANNEX II RE044OFIAT100520 SAFE Report**  
**SAFE Framework of Standards Working Group April 2010**

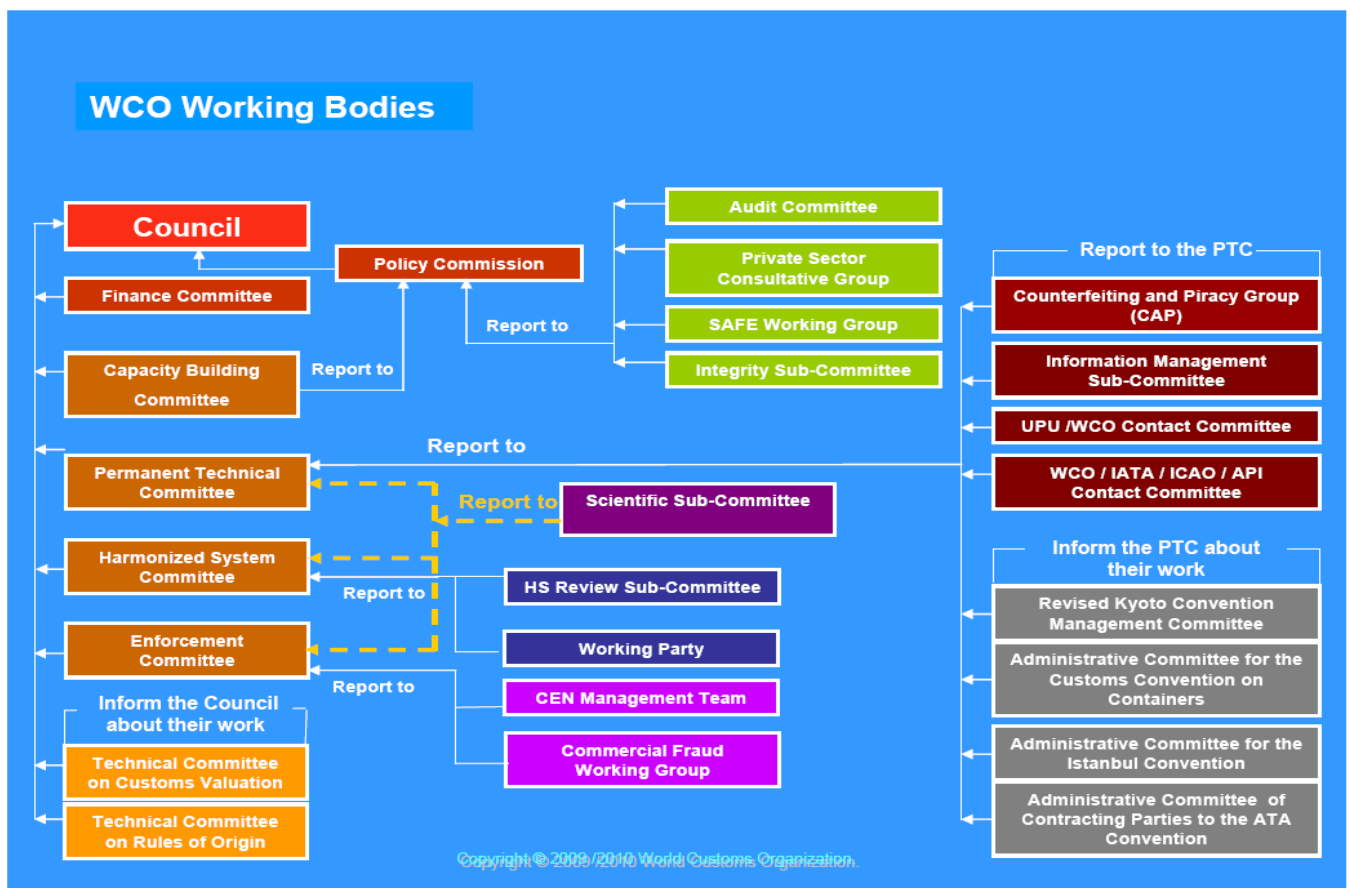
As an update for New Readers we would like to present you an overview about the WCO and relevant issues handled by the WCO within their Committees.

Previous reports of FIATA representation at the WCO are available on the FDDS.  
An Index about the previous Chapters (1-18) is attached under Annex I

The majority of these reports were written by Mr Ceri Woolsgroove.  
Mr Woolsgroove is mainly representing FIATA at the WCO meetings in Brussels.

(to see this chart enlarged, please click on the following link)

<http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/About%20Us/WCO%20working%20bodies.pdf>



### **Function and scope of work on the single WCO bodies.**

Established in 1952 as the Customs Co-operation Council, the WCO is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations. The WCO is organised in different committees dealing with a broad range of issues. In the following those Committees are described.

#### 1. The Council

The Council was established by the Convention establishing a Customs Co-operation Council, with the aim of securing the highest degree of harmony and uniformity in the Customs systems of Member Governments, and especially to study the problems inherent in the development and improvement of Customs techniques and Customs legislation in connection therewith. It is the supreme body of the World Customs Organization and, as such, it takes the final decisions regarding the Organization's work and activities. All WCO bodies report to the Council. The Council operates with administrative support provided by the WCO Secretariat. It meets once a year and is the biggest WCO meeting, with representatives of all 176 member administrations.

[WCO-WEB site: The Council](#)

#### 2. Policy Commission

The Policy Commission is the 2<sup>nd</sup> highest body of the WCO. It consists of 17 members and only customs administrations of member states are allowed to the sessions. Being a "restricted membership" body, the Policy Commission is therefore not open to observers. It has to approve all decisions taken by the 6 Committees, positioned under her.

The Commission concerns itself with broad policy questions relevant to WCO's activities. It acts as a dynamic steering group to the Council. It initiates studies on the policies, practices, and procedures of the WCO with the objective of assisting the Council to achieve the broad aims of its activities.

Although the Policy Commission is essentially an advisory body for the Council, as opposed to a decision-making body, and normally arrives at its recommendations by consensus, there are detailed provisions governing voting in the Policy Commission, which are set out in the Rules of Procedure. Essentially, these provisions state that each member of the Policy Commission shall have one vote, representatives of a simple majority of the Policy Commission's members shall constitute a quorum, and a two-thirds majority of those present and entitled to vote is needed in order to carry a decision.

[WCO-WEB-site: The Policy Commission](#)

#### 3. Enforcement Committee

The Enforcement Committee was established in 1983 to develop strategies to combat the wide range of Customs offences. Protecting society and collecting national revenues whilst facilitating legitimate trade are the main tasks of Customs Enforcement. They cover a wide range of fields. The fight against Transnational Organized Crime as a crosscutting issue needs a multi-agency, multidisciplinary and international approach and is related to all sorts of customs offences like: commercial fraud, smuggling of high-taxed goods (especially cigarettes and alcohol), drugs and precursors, money-laundering, arms, nuclear material, toxic waste. Apart from that Customs have to protect intellectual property rights, cultural property and endangered animal and plant species.

[WCO-Web -site: The Enforcement Committee](#)

#### 4. The Capacity Building Committee

The mandate of the Capacity Building Committee (CBC) is to initiate work and studies on capacity building, to consider overall capacity building priorities, and to prepare guidelines, standards, tools and instruments to support capacity building initiatives. The Capacity Building scope is to promote the exchange of views, experiences, research and best practices, and facilitate improved co-operation between Customs administrations, the private sector, international organizations and academia. Furthermore to enhance communication and partnership with donors and other stakeholders to ensure awareness and promote effectiveness of WCO capacity building activities; to promote measures that will increase the effectiveness of the regional structures in place (Regional Offices for Capacity Building and Regional Training Centres) and help Members to build their own capacity to manage change as well as seek human resources for the delivery of capacity building activities.

The CBC is being newly established its first meeting is planned to take place in 2010 after being cancelled due to force majeure in April 2010.

[WCO WEB-site: The Capacity Building Committee](#)

#### 5. Permanent Technical Committee → Information Management Sub-Committee → Data Management Project Team

##### *a) Permanent Technical Committee*

The function of the Permanent Technical Committee (PTC) is to initiate technical studies (other than as regards Nomenclature and Valuation) with the object of enabling the Council to discharge the obligations of the Convention establishing the Customs Co-operation Council in accordance with the general purposes of this Convention. The Committee is also to perform such particular tasks as may be assigned to it by the Council or under the terms of Conventions adopted by the Council.

Several other WCO bodies are organized under the supervision of the PTC. Those are mainly of a technical nature and comprise among others (and in addition to the IMSC/DMPT): Revised Kyoto Convention Management Committee, Administrative Committee on Istanbul Convention, API Contact Committee, or the UPU Contact Committee.

[WCO WEB-site: The Permanent Technical Committee](#)

##### *b) Information Management Sub-Committee / Data Model Project Team*

The Information Management Sub-Committee (IMSC) was established in order to initiate work and studies on all aspects of the use of Information Technology and the management of information in the Customs area, with a view to allowing for greater facilitation of international trade, increasing the efficiency and effectiveness of Customs control and identifying potentials for improving existing systems and reducing costs.

The IMSC is responsible for the maintenance of the WCO Customs Data Model, in order to keep it up to date with changing or new requirements in the Customs and trade environment. To ensure continuity and stability in Customs and traders IT systems, changes to the WCO Customs Data Model should be kept to a minimum, be driven by strong business needs and agreed upon by consensus.

The Data Model Project Team (DMPT) is responsible for the technical side of the development of the WCO Data Model. They finished WCO Data Model Version 3 which is about to be released in September 2010. The data model is supposed to facilitate trade and harmonize customs procedures between countries, but also among different government agencies inside member countries (with a Single Window – or One-Stop-Shop – environment as ultimate goal). The Data Model is revised periodically, in every review cycle the DMPT tries to harmonize the data further, streamline and reduce the number of data elements, and incorporate more requirements from partnering government agencies.

[WCO-WEB site: The Information Management Sub Committee](#)

c) *Revised Kyoto Convention Management Committee*

The Revised Kyoto Convention on the Harmonization and Simplification of Customs Procedures (RKC) entered into force on 25<sup>th</sup> of September 1974. The Convention was revised over a period of four years and the revised Convention adopted on 26<sup>th</sup> of June 1999. It provides a comprehensive set of uniform principles for simple, effective and predictable Customs procedures with effective Customs control. Practical guidelines that include specific recommendations on how to implement the RKC are available to contracting parties to help them through problems of implementation. The monitoring of implementation of the Convention and all the questions raised after its entry into force are being dealt with by an ad hoc management committee. Customs plays a key role in international trade and Customs procedures can have a powerful impact on the economic competitiveness of nations. The RKC takes into account the growth in international transport, the advances in information technology and the increasingly competitive trading environment. [Text of the Revised Kyoto Convention](#)

The RKC Management Committee works on: Acceptance, application and updating of the RKC; promotion of the Convention in international trade circles and among current and future contracting parties; ensuring that the Convention is taken into account by other international organizations concerned with trade facilitation; advice on trends in Customs computer systems and development of a WCO e-commerce strategy; collaboration on the development of standardized data for Customs world-wide and the elaboration of a WCO model for common Customs data; amendment of the model ATA carnet for the temporary admission of goods (Istanbul Convention). Currently the Committee is discussing to have another review of the RKC.

[WCO WEB-site: The Administrative Committee of the Istanbul Convention](#)

6. Technical Committee on Rules of Origin

The Technical Committee on Rules of Origin has competence in the application of the Rules of Origin of the World Trade Organization (WTO). It collaborates with the WTO's Committee on Rules of Origin (CRO), and has granted observer status to the Organization for Economic Co-operation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Statistics Division (UNSD) and the ICC.

[WCO WEB-site: The Technical Committee on Rules of Origin](#)

7. Technical Committee on Customs Valuation

The Technical Committee on Customs Valuation ensures the uniform interpretation of WTO rules governing the valuation of goods.

[WCO-WEB-site: The Technical Committee on Customs Valuation](#)

8. Harmonized System Committee/ Harmonized System Review Sub-Committee

The HS Committee meets twice a year to rule on the classification of goods in the HS and to keep it up-to-date in terms of changes in technology and patterns of international trade. It is the only international body able to give an authentic opinion on tariff classification. The HS contributes to the harmonization of Customs and trade procedures, and the non-documentary trade data interchange in connection with such procedures, thus reducing the costs related to international trade. It is also extensively used by governments, international organizations and the private sector for many other purposes such as internal taxes, trade policies, monitoring of controlled goods, rules of origin, freight tariffs, transport statistics, price monitoring, quota controls, compilation of national accounts, and economic research and analysis.

[WCO WEB-site The Harmonised System Review Sub-Committee](#)

9. Integrity Sub-Committee

The Integrity Sub-Committee is mandated by the Council to guide the WCO work in the area of integrity and reports directly to the Policy Commission. All the WCO integrity development tools have been discussed and developed by this committee. The purpose of the Integrity Sub-Committee is to act as a focal point for the design, development, implementation and evaluation of the WCO Integrity Action Plan and Integrity-related tools. It is supposed to advise the Council, through the Policy Commission, on the appropriateness of WCO strategies and priorities necessary to promote the importance of Integrity in Customs. It is important to ensure effective co-ordination and promotion of integrity-related activities with the private sector and other international organizations. And lastly the Committee should provide a forum for the exchange of views, experiences and best-practice approaches between Member administrations.

[WCO WEB-Site: The Integrity Sub-Committee](#)

10. SAFE Working Group

Formation of the SAFE Working Group (SWG) was approved by the WCO Council during its 2007 Sessions after the termination of the High Level Strategic Group (HLSG). The SWG is the new working body charged with maintenance of the WCO SAFE of Standards. The SWG is open to all WCO Members, to the Private Sector Consultative Group (PSCG), and to authorized WCO observers. The SWG will report to the Permanent Technical Committee or to the Policy Commission, respectively, depending upon whether the particular matter at hand is one of technical concern or is a policy issue.

11. Private Sector Consultative Group

The Private Sector Consultative Group (PSCG), was established in 2006 to advise the World Customs Organization on the progress and issues relating to implementation of the SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). The membership is composed of 30 companies and associations, from different areas of the world and representative of a variety of international trade interests. Membership is limited to private sector associations, and those companies with a financial or ownership interest in the manufacture or delivery of goods. FIATA is a member to the PSCG.

[PSCG public Web-site](#)

The WCO in brief: Please see also the WCO brochure on their Mission, Objectives and Activities  
[WCO WEB-site: THE WCO IN BRIEF](#)