

# **I: Recent International Initiatives for Customs Simplification**

# 1

## Trade Facilitation Efforts of ASEM and Japan

*Hiroshi Arichi*

The trade facilitation efforts of ASEM and Japan are reflected in the ASEM Trade Facilitation Action Plan (TFAP) and the measures implemented recently by Japan Customs, as described below and summarized in graphic form in annex III.

### **ASEM Trade Facilitation Action Plan (TFAP)**

#### *Background*

The Asia-Europe Meeting (ASEM) was launched in Bangkok, Thailand, in March 1996 to address wide-ranging political, economic, and cultural cooperation issues between the two regions.

In view of the importance of trade and investment for sustained economic growth in the ASEM region, the subject has spurred lively discussions from the very beginning. ASEM partners have tackled the matter with a view to reducing nontariff barriers (NTBs) and promoting trade opportunities between the two regions. The intent is to complement, not duplicate, the work being done in bilateral and multilateral forums.

In fact, four months after the inception of ASEM in July 1996, at the first Senior Officials Meeting on Trade and Investment (SOMTI), ASEM members agreed to start develop-

ing the TFAP. This was followed by active discussions in various meetings at different levels. A framework for TFAP was approved at the ASEM Economic Ministers Meeting at Makuhari, Japan, in September 1997. In line with this framework, necessary work to specify concrete areas and measures continued. Finally, at the ASEM Summit II in London in April 1998, TFAP was adopted by the ASEM leaders.

The TFAP consists of seven areas: customs procedures; standards, testing, certification, accreditation, and technical regulations; public procurement; quarantine and sanitary and phytosanitary procedures; intellectual property rights; mobility of businesspeople; and other trade activities. The customs procedures area is listed at the top of TFAP.

A question may be raised as to who supervises the TFAP implementation. As a rule, SOMTI, under the ASEM Economic Ministers Meeting, is responsible for supervising TFAP by monitoring progress and ensuring the partners' balanced contribution to this process. SOMTI was requested to submit a report on the progress achieved and additional work required to the Economic Ministers in late 1999 at the Second Economic Ministers Meeting (tentatively set for October 1999 in Berlin, Germany) and before the Third ASEM Summit Meeting in Korea in the year 2000.

To assist SOMTI in these tasks, the TFAP "shepherds" (currently, Korea and the Philippines for the Asian side, and the European Commission and its Presidency [Germany] for the European side) will carry out overall coordination and review. Likewise, to stimulate and coordinate TFAP's implementation, a "facilitator" system was introduced. One partner each from Asia and from Europe was designated for each of the seven TFAP areas. In the case of the customs procedures under TFAP, Japan Customs plays this role for Asia while the European Commission does so for Europe.

*Customs areas in TFAP*

In response to a call by the ASEM leaders in March 1996, the ASEM Customs Directors-General and Commissioners (DG-C) Meeting was started in June 1996. The objective is to develop closer cooperation among customs authorities in Asia and Europe in customs procedures and the prevention of illegal trafficking of drugs and firearms. The Customs DG-C Meeting has therefore set up two working groups for procedures and enforcement. Although the TFAP process is different from the customs process in that the former is under the ASEM Economic Ministers, the Customs Forum was willing to contribute to the TFAP initiative.

Hence, unlike other TFAP areas, in the case of the customs procedures items in the TFAP the Procedures Working Group coordinates the implementation of the customs areas in the TFAP and reports on its TFAP-related work to SOMTI, as well as to the Customs DG-C Meeting and the ASEM Finance Ministers Meeting.

The main implications of the TFAP are as follows.

1. *Accelerated alignment and harmonization of tariff nomenclature with WCO standards.* This simply means the introduction of the Harmonized System (HS) as the basis for tariff schedules. Nowadays, the HS is widely used and in terms of trade value covers more than 90 percent of international trade. What are the consequences for the private sector? For specific imports, knowing their position in the HS will allow the exact rate of duty in a target market to be determined. HS thus provides transparency and predictability to business and trading circles.

We in customs administrations must admit that there are instances where HS members may classify the same goods in different HS positions. Such cases are settled by the HS committee of the WCO. The WCO has been constantly reviewing and revising the HS to cope with new products appearing in international markets, with changes in trade patterns for

internationally traded merchandise, and with requests for subheadings from international organizations. In fact, revisions in the HS for certain headings and subheadings will be finalized within 1999. A similar dialogue would enable ASEM customs to inform the private sector of these changes.

2. *Accelerated implementation of obligations under the WTO Customs Valuation Agreement.* Up to late 1970s, customs valuation was a big headache not only to customs administrations but also to the private sector because of the different sets of customs valuation systems. For instance, it may be easy to say that one has to pay 10 percent or 20 percent as customs duty, but the basis of valuation could differ. Customs value could be based on the CIF (cost, insurance, and freight) principle; on FOB (free on board); on the minimum value set by customs; or on production costs in an importing country.

The Tokyo Round of Multilateral Trade Negotiations worked out the GATT Customs Valuation Code in 1979, which was succeeded in 1995 by the present WTO Customs Valuation Agreement. All developed countries and a number of developing countries now use a uniform basis for assessing the customs value of goods under the "ad valorem" system of rates of duty. The agreement requires WTO members to base customs value on the amount actually paid or payable as normally shown on an invoice.

In this regard, I wish to point out the fact that while most developing countries became members of the WTO in 1995, the WTO Customs Valuation Agreement allows developing member countries a grace period up to five years, until the end of the year 2000, to implement this agreement. In addition, a few ASEM members are now applying for the WTO membership. For these reasons, some Asian members are still in the process of adopting the WTO Customs Valuation Agreement.

What are the benefits of the agreement to the private sector? It simplifies and harmonizes valuation, and gives predictability and transparency to the private sector. The har-

monized customs valuation system specified in the agreement uses simplified methods, allowing one to calculate the likely, if not the exact, amount of customs duty.

3. *Efforts to negotiate customs cooperation and mutual administrative assistance agreements between the European Community and the interested ASEM Asian partners.* Customs cooperation and mutual administrative assistance agreements (CMAAs) are directly relevant to customs enforcement rather than to customs procedures and are therefore tackled by another forum, the ASEM Enforcement Working Group.

Consequently, I wish to limit my comments on this. The Enforcement Working Group is actively addressing this important issue. While a CMAA is an agreement between customs authorities, another type of cooperative agreement involves customs administrations and the private sector. In a number of ASEM member countries, a memorandum of understanding (MOU) has been concluded by customs with interested parties in the private sector. Japan Customs has concluded several MOUs with the private sector.

4. *Transparency and predictability.* Transparency can improve through mutual access by ASEM partners to each other's databases (customs duties and nomenclature, tariff quotas, import and export procedures and formalities, rules of origin, customs legislation, etc.). Transparency will also benefit from increased predictability for the business community through the publication and clarification of customs regulations and procedures upon request, taking into account the relevant international customs conventions, such as the Kyoto Convention.

On the issue of mutual access to customs databases, Japan Customs has proposed at the Procedures Working Group to compile a list of such databases to facilitate access not only by ASEM customs authorities but also by the ASEM private sector.

To a greater or lesser extent, ASEM customs administrations have published or are publishing their customs-related

laws and regulations and creating a focal point for inquiries. Some members have even started their own customs homepage on the Internet, obviating the need to visit customs offices.

5. *Organization of ASEM seminars for customs and business representatives, in close consultation with the Asia-Europe Business Forum (AEBF).* The seminars would deal with such key issues as risk analysis, EDI, paperless systems, and faster customs handling. This initiative was first put forward by Japan at the First Procedures Working Group meeting in March 1997. With the cooperation of ADB and the Philippine Customs Authority, the first such seminar took place in February 1999 at the ADB Headquarters in Manila. The seminar provided an opportunity to discuss where ASEM customs authorities are headed and what the private sector would like them to consider in respect of trade facilitation. Seminar participants from the private sector and customs gained much information and a deeper understanding of the customs agenda for the future. We should seek ways to follow through these activities by focusing more on specific areas.

6. *Promotion of standardized and simplified documentation taking international standards and the ongoing discussions in various international forums into account.* This is, in fact, both a new and an old issue. We have made an effort in various international forums to standardize customs documents. Although it would be ideal to have a standard import declaration form, for example, we also have to be realistic in addressing this issue. As you can imagine, each customs agency is tasked with a different set of responsibilities and competence such that the entry items in a declaration can differ from one customs agency to another. Thus, standardizing the import declaration form is not easy.

As a pragmatic approach and while allowing some flexibility to customs administrations, customs forums such as the WCO and the G7 Customs Experts Group have been taking steps to promote standardized and simplified documen-

tation in the context of revisions in the Kyoto Convention and the establishment of a data set for customs clearance.

7. *Where appropriate, the exploration of possible common positions for ASEM partners in WTO and WCO.* This particular item is on the agenda of the Third Procedures Working Group meeting, and I do not wish to preempt the discussion. However, I can say at this point that it would be beneficial for us to at least exchange views on negotiating customs issues to build a consensus in the WTO and the WCO, taking into account different national interests in ASEM customs administrations.

8. *Technical assistance and training programs related to simplified customs procedures.* Such programs will contribute to ASEM expertise and experience and to the achievement of the deliverables discussed above. But there are several bottlenecks. For example, within ASEM, we have no established funds available for customs areas. We, the developed ASEM customs members, have sufficient expertise and experience to assist developing members. However, we have limited financial resources for technical assistance. Under these circumstances, I suggest that we could look into the possibility of providing assistance upon request by ASEM customs administrations as part of existing technical assistance and training projects and programs. Another possibility would be for the ASEM private sector to jointly sponsor an activity of your priority customs area or areas.

Let me next take this opportunity to briefly touch on the trade facilitation efforts of my administration in Japan.

## **Japan's Trade Facilitation Initiatives**

### *Survey on the time required for the release of goods*

Customs has two contradictory missions: enforcement and trade facilitation. One of our important tasks at the central administration level is to achieve a right balance between

these two, bearing in mind the need and requests from the public and private sectors. This is not an easy task.

With regard to trade facilitation, which is the main theme of this seminar, Japan Customs in 1991 started a survey on the time required for the release of goods. This survey was made right after the trade talks between Japan and the United States, to arrive at an objective measure of progress toward trade facilitation. So far, we have had five surveys, the last one in 1998.

This survey focuses on the average time from the arrival of cargo to its release. After each survey, we hold a hearing at which various import-related associations and companies are encouraged to present ideas and comments on the causes of the delay. Actions have been taken to reduce the impediments disclosed by the survey and the hearing.

As a result, we have substantially reduced the time required for the release of goods. The first survey in 1991 revealed that the average time required for the release of cargoes was 2.3 hours for air cargoes and 26.1 hours for sea cargoes. In the 1988 survey, the time had been dramatically reduced to 0.7 hours for air cargoes (a reduction of 70 percent) and to 5.6 hours for sea cargoes (a reduction of 79 percent).

Most of the reduction in the time required for the release of air cargoes took place between 1996 and 1998, when the time dropped by 60 percent, from 1.8 hours to 0.7 hours. This significant reduction, according to our analysis, was mainly due to a special customs procedure for immediate release upon arrival and computer networking with quarantine offices and other agencies.

In the case of sea cargoes, the time required for their release also shortened significantly, by 45 percent, from 10.2 hours in 1996 to 5.6 hours in 1998. The main reasons for the reduction were wider use of a pre-arrival examination system and the introduction of computer networking with other agencies as well as a computerized customs clearance system for air cargoes called Air NACCS (Nippon Automated Cargo Clearance System).

*Other recent initiatives of Japan Customs to simplify and harmonize customs procedures*

Japan Customs has been implementing other initiatives to further reduce the time for customs clearance for trade facilitation. For instance, we have expanded the coverage of NACCS, which is now used not only in major ports and airports but also in a number of small-and-medium size ports and airports. In 1998, it was used to process more than 90 percent of total import declarations.

As I have mentioned, the necessary formalities at a port involve not only customs but also other agencies and ministries. Having electronically interfaced authorities certainly reduces the time required. NACCS is now interfaced with other online systems that deal with other import requirements such as quarantines and food sanitation administered by other ministers. This interface has helped speed up trade procedures.

As for imported cargoes processed through Air-NACCS, a "special customs procedure for immediate release on arrival" has been introduced and has facilitated customs clearance. In the case of export declarations, we have introduced a simplified documentation system for clearance whereby invoices or airway bills are accepted as substitutes for export declaration.

Furthermore, to maximize the use of information technology, Japan Customs has opened a homepage, both in Japanese and in English, to spread customs-related information. Advance classification ruling through the Internet has also just begun.

*Future initiatives*

Finally, I would like to mention a couple of measures that Japan Customs plans to take to further reduce the time required for customs clearance.

The current Sea-NACCS will be upgraded within 1999, not to curtail the necessary clearance but to speed up the

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release of goods by doing away with unnecessary stages in the process. An amendment to the NACCS law is now being discussed in the Diet. We also plan to expand the interface network to process requirements under the Foreign Exchange and Foreign Trade Control Law. Once these plans are realized, Japan Customs will be able to process the whole range of import/export procedures, from the arrival of vessels to the release of import cargoes, and from the arrival of export cargoes at customs bonded areas to the departure of the carrying vessels.

## 2

# The World Customs Organization and Trade Facilitation

*Rob van Kuik*

The Convention establishing the Customs Cooperation Council was signed in Brussels in 1950. Since 1994, the organization has been known as the World Customs Organization (WCO). The change in name reflects the fact that the organization is no longer an inner circle of customs administrations working together among themselves but one that is more open to implementing WTO trade policy and interacting with clients/partners in the business community. In short, the change in name symbolizes a clear shift in the mentality of customs.

The WCO and many national customs administrations are trying their best to promote and not to hinder international trade. Their efforts are, however, mostly limited to their direct area of competence, in particular customs procedures and the related control methods. Where national customs administrations act on behalf of other ministries (other than the ministry of finance or trade to which they are normally connected), more effort will be needed to attain further simplification and global harmonization. It would be helpful if the customs agency were to be increasingly recognized as the sole government agency that deals with international goods traffic.

To give a global perspective to WCO efforts to further facilitate international trade, the following discussion is centered on these topics: technical work, enforcement, customs

reform and modernization, customs integrity, use of information technology, and revision of the Kyoto Convention.

### **Technical Work**

The WCO is a technical, broadly nonpolitical organization that has achieved great success in its simplification and harmonization efforts through effective technical work for trade facilitation. Examples of its valuable technical work are:

- The United Nations, through its facilitation committee CEFACT, is drafting a recommendation to promote the use of the Harmonized System (HS), a logical classification system for the description and coding of goods, in all phases of international trade and transportation. The HS is constantly being updated. The latest update was approved in June 1999 for implementation by the almost 100 contracting parties (CPs) by January 1, 2002.
- The GATT Valuation Code has replaced earlier principles of customs valuation. The customs value is no longer attached to the “normal price” concept. Instead, the transaction value (invoice price) is now used unless there are serious reasons against it. Forty-nine CPs have adopted this new mode of valuation, with fifty-six more to follow, based on their WTO commitments.
- Potentially a third success is the harmonization of rules for nonpreferential origin, which has been entrusted by the WTO to the WCO. This work has not kept to the original time schedule probably because it is more political rather than technical in nature. Still, it is hoped that WCO will be able to finish the work by the end of 1999.

## **Enforcement**

Customs has the dual task of:

- ensuring the correct calculation and payment of customs duties and taxes on imports and exports; and
- enforcing prohibitions, restrictions, and control measures on specific goods.

Enforcement is often regarded as an internal customs activity. The Netherlands, however, has always stressed that enforcement and simplification of customs procedures are very closely related. Procedures can be simplified only if effective customs enforcement capabilities are in place. On the other hand, enforcement, which protects bona fide companies from unfair competition, is also easier if procedures are simpler.

In today's global marketplace, customs administrations need to cooperate more closely with one another to carry out their tasks in an efficient and effective manner. WCO plays an important role in this respect as in the following four examples:

- Regional Intelligence Liaison Offices, a global customs network;
- WCO databases;
- bilateral agreements; and
- multilateral agreements (Nairobi Convention).

Memorandums of Understanding have also been drawn up between the WCO and international business associations, national customs administrations and their associations, and individual companies to strengthen cooperation, improve customs enforcement, and facilitate international trade. Business circles supply pre-arrival information on goods to customs for better-targeted control on the basis of risk analysis.

Business thus benefits from minimized customs intervention in the flow of goods. The WCO's ACTION/DEFIS program promotes this concept of cooperation.

### **Customs Reform and Modernization**

Efficient and effective customs administration is another important prerequisite for the smooth flow of goods. Even the most advanced procedure can be frustrated by inefficient application and control. The goal is to make customs administrations more self-reliant in:

- constantly adapting to changes in the environment;
- making better use of resources;
- strengthening their management and human resource capabilities; and
- delivering effective and efficient service.

### **Customs Integrity**

The fact that the integrity problem in customs is now openly discussed shows how much customs has opened up to the outside world. In the 1993 Arusha Declaration, Directors-General and Commissioners of Customs underscored the importance of the issue. Business circles quite rightly expect a high level of integrity from customs just as they do from police or judicial authorities. But this problem will remain intractable as long as working conditions in the country (including salaries and career prospects) remain poor and corruption is commonplace.

Like inefficiency, corruption can effectively hinder trade because it renders clearance times and costs uncertain for business. Following a symposium last year where the importance of the issue was emphasized, the WCO is considering drafting an Integrity Action Plan.

## **Use of Information Technology (IT)**

The use of information technology facilitates customs clearance. However, to simplify the underlying procedures true facilitation is needed. Some examples of the WCO's work in this field are:

- seamless data flow—one-time lodging of data, as in the US/UK prototyping;
- efforts to develop a methodology for unique consignment codes;
- WCO common customs data model (based on the G7 initiative to reduce customs data requirements); and
- WCO Data Mapping Guide to ensure consistency in the use of UN/EDIFACT in customs messages.

## **Revision of the Kyoto Convention**

The original (1973) Kyoto Convention was aimed to bring about a global simplification and harmonization of customs procedures but had a number of inherent weaknesses. It was constituted of a “body” describing e.g. the formalities on how to become contracting party and of 31 Annexes on specific customs procedures, each one consisting of standards and recommended practices. Under the Convention it was possible to become a contracting party (CP) to the Kyoto Convention by accepting the body and only one of the Annexes. Furthermore CP's could enter reservations in respect of any provision that they did not want to accept. This procedure made it possible to become a CP as a political gesture but without changing anything in the country's customs legislation or practice.

By contrast, the revised Kyoto Convention comprises next to the body of the Convention, a horizontal Annex and 10 specific Annexes. In order to become a CP the horizontal Annex and one specific Annex have to be accepted. No

reservations are allowed any more to standards although there are some transitional standards (which may be implemented over a period after acceptance). Furthermore, the revised Convention contains more detail in the annexes as well as guidelines for implementation to avoid misunderstandings about their exact meaning. Now that the revision is agreed, there is a need for all present CPs to accept and implement the provisions of the revised Convention. Secondly, a much broader acceptance is needed than the present range of contracting parties.

Only global and uniform application of the simplified customs procedures will really help the private sector to reduce costs and will foster world trade. Outside support to stimulate acceptance by countries will be very welcome. For instance WTO could provide such support.

## **Conclusion**

This paper has been limited to a discussion of highlights of the WCO work program, which has a much wider scope. Nonetheless, it can be gleaned from the points brought out here that WCO and customs administrations in general are opening up to the outside world. They have come to realize that they have direct influence only on customs procedures, and that they must therefore strengthen their ties with international business and international organizations to achieve the overall goal of trade facilitation.

# 3

## Activities of the Asia-Pacific Economic Cooperation Forum

*Ibrahim bin Md. Isa*

**T**his paper relates efforts of the Asia-Pacific Economic Cooperation-Subcommittee on Customs Procedures (APEC-SCCP) forum to simplify and harmonize customs procedures particularly during the years 1997 and 1998.

The SCCP was established in 1994 to carry out the decisions of APEC leaders and ministers in customs matters. In particular, it pursues efforts to simplify and harmonize customs procedures and ultimately to facilitate trade between APEC countries, as outlined in the trade and investment framework.

### Efforts of the SCCP

The SCCP first identified potential action plans and then decided on 12 collective action plans (CAPs) with agreed target dates. These CAPs are as follows:

- Harmonization of the Tariff Structure with the Harmonized System (HS) Convention;
- Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines, and Rulings;
- Simplification and Harmonization on the Basis of the Kyoto Convention;
- Adoption and Support of the UN/EDIFACT;
- Adoption of the Principles of the WTO Valuation Agreement;

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- Adoption of the Principles of the WTO Intellectual Property Rights Agreement;
- Introduction of a Clear Appeal Provision;
- Introduction of an Advance Classification Ruling System;
- Provisions for Temporary Importation;
- Harmonized APEC Data Elements;
- Risk Management Techniques; and
- Guidelines on Express Consignments Clearance.

The SCCP is also working on other initiatives (strategic business partnership, E-commerce, advance passenger clearance, APEC business card for business and traveler mobility, tariff database, etc.) with the same objective of simplifying and harmonizing customs procedures.

Coordinators have been assigned to monitor and report on the progress of implementation of the CAPs and to evaluate the results. Among their other duties, they submit funding proposals to the APEC Budget and Management Committee for technical assistance for the CAPs. The coordinators will also work with volunteer economists in preparing training modules and organizing field trips for assessment, advisory, training, and other purposes.

Furthermore, in an extension of the implementation of CAPs at the national level each country will plan its own course of action and implement each CAP item accordingly, to achieve the intended results by the target dates. For best results, technical assistance in the implementation of these individual action plans (IAPs) must be delivered efficiently and effectively. It is thus essential that both the recipient and the donor economies cooperate closely and be totally committed.

#### **Implementation of CAPs**

A discussion of the implementation of some of the CAPs will show what the SCCP is doing to simplify and harmonize customs procedures. Starting with five CAPs items in

1997, the SCCP implemented three more CAPs in 1998. Most of these are being implemented in stages, and require sustained efforts. Obviously, this means that cost and time are important considerations.

The CAP for the Adoption of the Principles of the WTO Valuation Agreement is one such multiphased program. Technical assistance is being provided in stages, and covers a wide range of issues and activities. Among these is the legislative framework creating the organization, setting up clearance and verification procedures, and providing for the valuation and training needs.

Phase 1 involved information gathering and confirmation of the needs of the recipient economies. In phase 2, experts from member countries such as Australia, Canada, New Zealand, and the US conducted training workshops in nine member countries from October to December 1997. Workshops for training needs analysis were also completed at about the same time, under phase 3. Also in 1997, training courses in basic WCO customs valuation were held in two countries under phase 4 of the program. The total budget approved by the APEC Trade and Investment Liberalization and Facilitation (TILF) Fund for this project in 1997 was US\$468,380.

A three-module advanced training program was developed in 1998. Delivery of the first module, which focused on the valuation task forces in the implementing member countries, began in 1998 and is continuing in 1999.

Another CAP that was first implemented in 1997 and is continuing in 1999 is the Introduction of an Advance Classification Ruling System. As in the other CAP, the specific needs of the recipient countries were initially assessed through missions and questionnaires. Training formats or guidelines were prepared on the basis of the needs analysis.

Two experts each from the US and Malaysia delivered the technical assistance training program to the recipient countries in Manila in October–November 1997. The technical

assistance for Taipei, China was to have been delivered in 1998 but was postponed to March 1999. Possibly, Papua New Guinea will also receive technical assistance this year.

The Guidelines for Express Consignments Clearance were the subject of one of the three new items that were added to the list of CAPs in 1997. The coordinators for this project worked closely with the International Express Carriers Conference (IECC) and the Conference of Asia-Pacific Express Carriers (CAPEC). Specific principles that have been identified so far by member countries include the establishment of minimum facilitative clearance procedures for low-value shipments, risk assessment, and hours of operations suited to business needs.

The implementation of one CAP—Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines, and Rulings—is deemed complete. The coordinators have compiled a handbook of best practices in SCCP member countries in disseminating customs information to the public. This publication is also available on the SCCP Web site at [www.sccp.org/frames-library.htm](http://www.sccp.org/frames-library.htm). Nevertheless, efforts to enhance and improve information dissemination will continue.

At the micro level, among the IAPs that are being implemented by individual countries is the Malaysian program involving electronic data interchange in the import and export process. In fact, Malaysia preempted the SCCP decision on the UN/EDIFACT CAPs item when it became the first to introduce a proprietary system known as *sistem maklumat kastam-dagang net* (SMK\* Dagangnet) in 1995. This system enables the customs administration to process import and export transactions electronically, from the submission of import/export documents to the final release from customs, and including the payment of duties, fees, and other related charges through electronic funds transfer. What needs to be done next is probably to realign the proprietary system with the UN electronic messaging format for automated systems.

## **Strategic Partnership Between Customs and Industry**

To further enhance the implementation of CAPs, the SCCP is cooperating with business to develop a modern customs framework which fits the needs of business. To this end, the SCCP has developed the Guidelines for SCCP and Business Strategic Partnerships, which govern the involvement of business in the SCCP CAP and other initiatives.

To date, several successful partnerships with business have been formed. Industry has provided the SCCP with valuable technical expertise and financial assistance on some CAP projects, as well as offers of assistance in the form of computers and other goods.

In the matter of business funding of SCCP activities, the SCCP has gone one step further and developed a simple mechanism for administering funding offers from business. Members feel the funds received should be managed by an independent body to avoid conflict of interest. As such, they agreed to set up a trust fund to be managed by the APEC Secretariat. Contributors would deposit their funds with the Secretariat which would then make disbursements in accordance with the SCCP requirements.

Finally, to strengthen communication with industry, the SCCP has developed the SCCP Web site and organized the so-called APEC Customs-Industry Dialogue which is held annually in conjunction with the SCCP meetings.