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Centre for the Facilitation of Procedures and  
Practices for Administration, Commerce and Transport

Sixth session, 27-30 March 2000

Item 4 of the provisional agenda

**REPORT OF THE  
INTERNATIONAL TRADE PROCEDURES WORKING GROUP (ITPWG)**

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Submitted by the Chair of ITPWG \*

This document contains a report of the activities of the ITPWG since the March 1999 Plenary. It is for noting and information.

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## **INTRODUCTION**

The International Trade Procedures Working Group was re-launched at the September 1999 meeting. The UN/CEFACT Steering Group had appointed a “convenor-champion” for the start-up phase of the Group. Heads of Delegations were invited and informed of the re-launch, the importance of the work done by this group and the intention to widen the participation.

The focus of ITPWG will be to develop a dynamic agenda that reflects the current and future needs of administrations, commerce and transport. In parallel, specific efforts will be directed to attract a wider range of skills and interests to participate in the work of the Group. This will include addressing the need for ITPWG membership to represent a greater global interest than it does at present.

ITPWG, in conjunction with the other Working Groups, will seek to establish the most effective and efficient means of communication and cooperation with each other in order to achieve the best means of developing, publicizing and promoting the work of UN/CEFACT.

## **DELIVERABLES TO THE MARCH 2000 PLENARY**

In the September 1999 meeting the ITPWG Mandate and Terms of Reference were revised to reflect the new objectives and responsibilities of the Group. At the same time, the Group reviewed the work programme and prioritized it, putting emphasis on the deliverables for the March 2000 Plenary meeting.

Considering the available resources of the Group, the members agreed that there would be two “deliverables” for the March 2000 Plenary, progress reports on the revised Recommendation No.18 and on the updated Compendium of Trade Facilitation Recommendations.

### **Recommendation No. 18 “Facilitation measures relating to international trade procedures”**

The sub-group dealing with this Recommendation reported that it would not be possible to produce a creditable review of it within a short time frame. A full review will be carried out which will enable proper contact to be taken with all other interested parties. This will include a review of the status of the various Recommendations including the addition of new Recommendations and deletion of lapsed ones.

The work programme and timetable of the sub-group are in Annex 1 to this report. The fully revised Recommendation No.18 will be submitted for approval to the UN/CEFACT March 2001 Plenary meeting.

### **Compendium of Trade Facilitation Recommendations**

As with Recommendation 18, a full review of the Compendium is not possible within a short time frame. Although this work cannot be completed before the Kyoto Convention is endorsed by the World Customs Organization (WCO) membership, considerable progress has been made in conjunction with WCO in identifying the impact that the revised Kyoto Convention will have on the Compendium.

The work involves liaison with a number of other international organizations and Annex 2 to this report contains the work programme and timetable of the revision of the Compendium. The fully revised and updated Compendium will be submitted to the UN/CEFACT March 2001 Plenary meeting.

### **OTHER WORK ITEMS**

The ITPWG work programme also considers the revision of additional Recommendations that are presently in use and need to be updated.

### **Recommendation No. 8 “Unique Identification Code Methodology”**

From the presentations made to the Group by UK Customs on the “International Trade Prototype” between the USA and UK, supported by the World Customs Organization (WCO) and Dutch Customs; and the reports presented by Norpro and Finpro, it is clear that Recommendation No.8 does not meet the requirements of administrations, commerce and transport.

The need for “registration” under the current Recommendation is perceived as unnecessary and unwieldy by those currently testing Unique Identification Code and Common Access Methodology.

In case the USA/UK trials prove successful and the WCO indicates that they will support and promote that particular Unique Identification Code, then the Recommendation will have to be reconsidered accordingly.

### **Recommendation No. 11 “Documentary aspects of international transport of dangerous goods” and Recommendation No. 12 “Measures to facilitate maritime transport documents procedures”**

A draft working paper will be produced for each Recommendation, setting out proposals on how to proceed with their revisions and which other international bodies need to be involved.

### **Recommendation No. 1 “UN Layout Key” and related Recommendations**

There is a need to update the Guidelines for this Recommendation, including a review of aligned forms and compatibility with the UNTDED. The work carried out by SITPRO in relation to their “ELECTRA” project will facilitate the update. The work is expected to be completed shortly after the next ITPWG meeting in April 2000.

### **NEW RECOMMENDATIONS**

A number of new topics are under discussion and include the following:

#### **System Audit-Based Controls (SABC)**

This topic is well covered in the revised Kyoto Convention. As such, there is no need to duplicate this work and the ITPWG draft Recommendation has been dropped. However, ITPWG will keep this initiative under review and support WCO promotion of SABC as a best practice.

#### **Facilitation of visa procedures related to goods transport in international trade**

A proposal was submitted to UN/ECE WP.30 in support of the International Road Transport Union’s initiative to have the Harmonization Convention amended in order to reduce the current problems encountered in this area. During the last ITPWG meeting, UN/ECE Transport Division gave an update on the latest developments and no further action is required by ITPWG at this time.

#### **National Electronic Business Framework**

Discussions within the Group as well as with other UN/CEFACT Working Groups are still taking place as to whether a Recommendation should be drafted.

#### **Trade Facilitation Index**

Generally this is perceived as a potentially interesting tool, but identifying the key/most appropriate measurement parameters is considered complex. Based on the experience of several members of the Group on similar indexes, it is considered that the work of keeping such an index up to date is resource intensive. In light of the available resources, the general view of the Group is that this item should not be priority for the time being.

## **LIAISON WITH OTHER WORKING GROUPS**

This is critical to the efficient working of UN/CEFACT. There are several ITPWG work items that are closely related to those of the Business Process Analysis Working Group (BPAWG), therefore, it has been agreed that ITPWG and BPAWG will have at least one of their members to attend the other Group's future meetings. The same discussions have taken place with the Codes Working Group (CWG) to set up a similar arrangement and to try to overlap their Groups' meetings once per year. Discussions will also be held with the other Groups to identify their preferred method of cooperation and coordination with ITPWG.

Although the logistics are difficult, the ITPWG members consider that once a year the members of all Groups should try and meet as one. This would help strengthen the UN/CEFACT corporate identity and motivate members by recognizing the value of their contributions on a wider scale.

## **CONCLUSION**

The priorities for ITPWG are to increase the range of skills and nationalities participating in the work of the Group in order to ensure that the agenda items reflect the present and future needs of international trade.

The Group is focused on the importance of producing deliverables on time and have introduced an "action list" to monitor and manage the progress. The purpose is to avoid having an extensive agenda that over stretches resources and frequently fails to deliver. Future task and sub groups will only be created where appropriate resources are available.

## ANNEX 1

### **PROGRESS REPORT ON THE REVISION OF RECOMMENDATION NO. 18**

#### **Introduction**

The UN/CEFACT International Trade Procedures Working Group (ITPWG) has made the revision of the *UN/ECE Recommendation No. 18* (“*Facilitation Measures Related to International Trade Procedures*” adopted by the UN/ECE Working Party 4 in 1982) one of priority items of its work programme. The ITPWG entrusted a subgroup (Rec.18 Subgroup, see Table 1 for its membership) under the leadership of Mr. Schoener, AUSTRIAPRO, with this task.

The Rec. 18 Subgroup gathered during the November/December 1999 ITPWG meeting in order to discuss the overall approach towards the revision and to prepare an action plan guiding its work.

#### **Objectives of the revision**

Recommendation No.18 (Rec.18) altogether consists of fifty detailed recommended measures and comprises a number of references to international agreements and conventions. In this context, the revision pursues a twin objective of:

- Giving Rec.18 a new structure by checking the relevance and re-grouping the existing measures, as well as introducing new measures where required by the dynamic nature of the international business environment. Furthermore, in order to keep Rec. 18 relevant under these rapidly changing conditions, the Rec. 18 Subgroup stresses the need for a continuous update of Rec.18.
- Updating references to relevant international recommendations, conventions, etc. (e.g. the Kyoto Convention of the World Customs Organization/WCO). This part of the task will be of utmost importance since the concise character of Rec.18 implies that users will be referred to original sources (if existing) for more detailed information.

#### **Action Plan**

The Action Plan foresees the following tasks that need to be conducted during the revision process:

- **Action 1 - Adoption of a new structure of Rec. 18**

Instead of nine groups of measures contained in the original Recommendation, four groups are proposed:

Group I	Commercial measures
Group II	Transport-related measures
Group III	Official controls
Group IV	International payments

The text of the revised Rec.18 will be preceded by an Introductory Note.

The responsibility for the revision of individual groups of measures was assigned to five task teams, under the leadership of one team member acting as a task team coordinator (see Table 2 for the composition of task teams).

- **Action 2 - In-depth revision of measures contained in Rec. 18**

As a first step, individual measures have been reviewed and classified under one of the following five categories:

Category A -	to be retained unchanged
Category B -	to be revised
Category C -	under further review
Category D -	to be added (new measures)
Category E -	envisaged for elimination

The re-grouping of measures contained in the original Rec. 18 (from nine to four groups, as mentioned in Action 1), as well as their classification in the above five categories is summarized in Table 3.

As a second step, the revised text of Rec. 18 will be drafted covering individual recommendations redistributed into four main groups. References will also be updated.

- **Action 3 – Redrafting of the Introductory Part(s)**

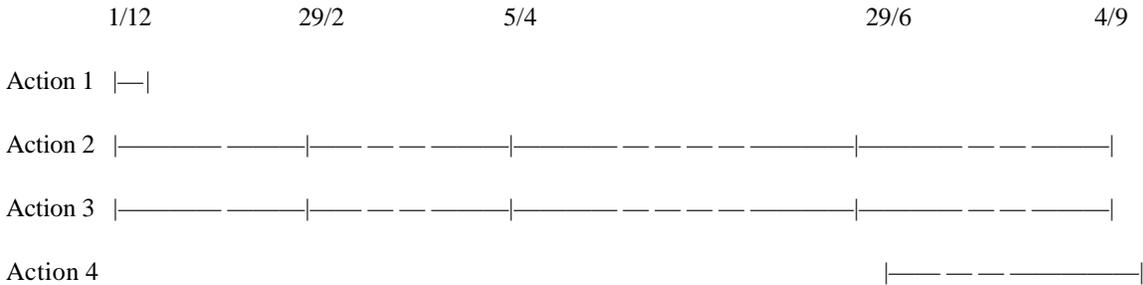
The Introductory Note to Rec. 18, as well as introductions for each of the four new groups of measures will be drafted.

- **Action 4 – Elaboration of an index of key words**

In order to facilitate the readers' orientation in the revised document, including reference back to the original version, an index containing old and new key words will be elaborated.

**Timetable**

An indicative timetable for each action is presented below, on the understanding that the text of the revised Rec. 18 will be finalized by the ITPWG at its meeting in September 2000 so that it can be presented for information to the CSG and subsequently for approval to the UN/CEFACT Plenary Meeting in March 2001. The dates in the scheme below are dates of intended Rec. 18 Subgroup’s meetings.



A preliminary decision on the new structure of Rec. 18 (Action 1) was taken on 1 December 1999. Action items 2 (Revision of measures) and 3 (Redrafting of introductory parts) constitute the core of the Subgroup’s work and will take the whole anticipated time span from the start to the end (4 September 2000). Work on the action item 4 (Index of key words) can only start once a significant progress has been achieved on action items 2 and 3; this action item is therefore envisaged to start around 29 June 2000.

**Method of working**

Rec.18 Subgroup members intend to work in a decentralized way, communicating among each other mainly by e-mail. Nevertheless, three physical meetings (as indicated in the timetable) will be indispensable before the Subgroup submits the revised text for discussion to the ITPWG September 2000 meeting, given the importance attributed to the subject by the ITPWG itself, as well as by the CSG.

A common pattern will be used for the revision of the whole recommendation to facilitate the work and ensure an identical approach (see Table 4).

**Table 1 – Membership of the Rec. 18 Subgroup**

Name and Institution/Country	E-mail address
Bjorn Aasheim (NORSK EDIPRO, Norway)	bjorn.aasheim@edipro.no
Kevin Franklin (SITPRO, United Kingdom)	kevin.franklin@sitpro.org.uk
Vlasta Macku (UN/CEFACT Secretariat)	vlasta.macku@unece.org
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Marian Niedzwiedzinski (Poland)	mariann@kryisia.uni.lodz.pl
Maxence Orthlieb (UNCTAD)	maxence.orthlieb@unctad.org
Helge Schoener (AUSTRIAPRO, Austria), Coordinator	helges@ibm.net
Adriana Sirzea (ROMPRO, Romania)	asirzea@traderom.ro
Gunilla Skoldemar (SWEPRO, Sweden)	gunilla.skoldemar@kommers.se
Rob Van Kuik (Netherlands)	j.r.kuik@minfin.nl
Friso Wiarda (Netherlands)	f.j.wiarda@minfin.nl

**Table 2 – Composition of task teams within the Rec. 18 Subgroup**

Group of measures	Members of the task team responsible for the revision (coordinators underlined)
Commercial measures	<u>Mr. Aasheim</u> , Mr. Schoener
Transport-related measures	<u>Mr. Orthlieb</u> , Ms. Sirzea
Official controls	<u>Mr. Van Kuik</u> , Ms. Skoldemar, Mr. Wiarda, Mr. Mariani, Mr. Franklin, Mr. Aasheim
International payments	<u>Mr. Franklin</u> , Mr. Schoener, Mr. Mariani, Mr. Niedzwiedzinski
Introductory note	Mr. Franklin, Mr. Schoener, Mr. Orthlieb

**Table 3 - Conversion table**

<i>Items of the current Rec. 18</i>	<i>Intended action<sup>1</sup></i>	<i>Intended new group<sup>2</sup></i>	<i>Remarks</i>
1.1 In-house use of standard data elements	C	I	
1.2 Alignment of in-house documents			
2.1 Inclusion of Packing instructions in Order	C	I	
2.2 Combination of Delivery instructions with Order			
2.3 Importers' specification of distribution of documents			
2.4 General use of Standard Shipping Marks			
3.1 Timely arrival of Despatch and Shipping advices			

<sup>1</sup> Categories A, B, C, D, E (see above, action 2)

<sup>2</sup> Groups I, II, III, IV of the new structure proposed (see above, action 1)

3.2 Exporters' Advice of distribution of documents			
3.3 Standard conditions of sale			
<b>Items of the current Rec. 18 (continuation)</b>			<b>Remarks</b>
3.4 Standard trade terms	<i>Intended action<sup>1</sup></i>	<i>Intended new group<sup>2</sup></i>	
4.1 Acceptance by banks of invoices prepared in one-run systems	C,D	IV	
4.2 Short form documents under Documentary credits			
5.1 Simpler requirements when exporters arrange insurance	C,D	II	
5.2 Simpler requirements when importers arrange insurance			
5.3 Alignment of insurance documents			
6.1 Elimination of a separate document for forwarding instructions	E	II	
7.1 Alignment of certain maritime transport documents to ICS format	C		
7.1bis Voluntary use of UNCTAD/ICC Rules for multimodal transport documents	D		
7.2 Preparation of Bills of lading at destination by ADP	A,C		
7.3 Preparation of Bills of lading at destination by ADP	A,C		
7.4 Universal transport document study	E		
7.5 Universal transport document study	A,C		
7.6 Timely arrival notice; aligned form	C		
7.7 Standard practices for pre-arrival notices			
8.1 Alignment of forms for inspection and request for inspection	C	III	
8.2 Discouragement of pre-shipment inspection	E		
8.3 Abolition of Consular invoices	A,C		
8.4 Cost effects of inspection, control and testing	A		
8.5 Documentary evidence of origin	C		combine with 9.20
9.1 Implementation of the Kyoto Convention	E	III	Introductory note to III
9.2 Alignment of Customs import declarations	A,C		Rec.1
9.3 Harmonization of national dangerous goods regulations	C		Dangerous Goods Rec.11
9.4 Acceptance of ADP-produced Customs Goods declarations by ADP means	E		
9.5 Periodic lodgement of import declarations by ADP means	E		
9.6 Acceptance of Commercial invoices for Customs purposes	C,D		combine with 9.8
9.7 Discontinuation of separate packing lists	A		

9.8 Acceptance of invoices transmitted by one-run, ADP and automatic	C,D		combine with 9.6
9.9 Release of goods without submission of transport documents	C		
<b>Items of the current Rec. 18 (continuation)</b>	<b>Intended action<sup>1</sup></b>	<b>Intended new group<sup>2</sup></b>	<b>Remarks</b>
9.10 Phytosanitary, sanitary and veterinary controls	C,D		combine with 9.20
9.11 Selective Customs examination	E		
9.12 Opening hours at border crossing points	B,C		combine with 9.19
9.13 Deferred duty payment	B		
9.14 Simplified entry system	B		
9.15 Advanced lodgement of Customs declarations	B		
9.16 Immediate release systems	B		
9.17 Customs control on importer's premises	B		
9.18 Periodic Customs entry	B		
9.19 Priority for vehicles carrying transit consignments	B,C		Look at the same time as 9.12
9.20 Determination of origin on documentary evidence	C		combine with 8.5 + 9.10

**Table 4 - Proposed layout for the revision work**

(Model pattern for the presentation of work of the task teams)

<i>Existing text in Rec. 18</i>	<b>Relevance/ Status</b>	<b>Intended action</b>	<b>Revised text</b>	<b>References</b>
<p><b>9.1 Implementation of the Kyoto Convention</b></p> <p>National authorities should study the standards and recommended practices laid down in the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto 1973) with a view to their implementation, as this would enable them to exercise the necessary controls in a simplified way.</p>		To be eliminated		Kyoto Convention

<i>Existing text in Rec. 18</i>	<b>Relevance/ Status</b>	<b>Intended action</b>	<b>Revised text</b>	<b>References</b>
<p><b>9.2 Alignment of Customs import declarations</b></p> <p>National Customs import declarations should be aligned with the United Nations Layout Key, taking into account the aligned layout for Goods declaration for home use specified in Appendix 1 to Annex B.1 of the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto 1973).</p>				<p>Recommendation No. 1</p>
<p><b>9.3 Harmonization of national dangerous goods regulations</b></p> <p>National dangerous goods regulations should conform to international standards laid down in or derived from the Recommendations of the Committee of Experts on the Transport of Dangerous Goods of the United Nations Economic and Social Council. However, even when national regulations do not conform, dangerous goods moving under international regulations should be permitted to travel to their destination without further reclassification, documentation, labelling, placarding or packing.</p>		<p>To be revised</p>		<p>Recommendation No. 11</p>

## ANNEX 2

### **PROGRESS REPORT ON THE REVISION OF THE COMPENDIUM OF TRADE FACILITATION RECOMMENDATIONS**

#### **Introduction**

The International Trade Procedures Working Group (ITPWG) has taken up the task of revising the Compendium of Trade Facilitation Recommendations which had been prepared by the UNCTAD Secretariat in cooperation with the UN/ECE Working Party on Facilitation of International Trade Procedures (UN/ECE WP.4) in 1994. A sub-group was formed by Mr. Alex de Lijster, Vice Chairman of this Working Group, Mr. Eamonn Sheehy, representative of the World Customs Organization (WCO) and Ms. Rocío Cárdenas from the Secretariat to revise the Compendium.

The sub-group started the work during the November/December 1999 ITPWG meeting and decided to maintain the overall structure of the Compendium. The Compendium consists of five sections, namely:

- Section I- Introduction
- Section II- Summary listing of recommendations
- Section III- Sources
- Section IV- Countries having accepted or acceded to trade facilitation instruments
- Section V- Description of the recommendations and is followed by an Index of recommendations

The sections are followed by the index of recommendations.

Although the main structure of the Compendium will be maintained, the sub-group considered that the structure of Section II should be modified so as to group the recommendations, conventions, agreements and standards in a more practical way.

#### **Objectives of the revision**

The objectives of the revision are:

- Update the information contained in the Compendium to reflect changes that have taken place since 1994.
- Include new relevant international recommendations addressed to Governments and the business community, conventions, agreements, standards and recommended practices that have been developed and adopted since 1994.
- Re-structure Section II that includes a listing of recommendations and other provisions

extracted from a number of international instruments of various kinds, so as to facilitate the use of the Compendium for the traders.

### **Action plan**

The Action plan foresees the following tasks that need to be conducted during the revision process:

#### **Action 1 Request information from international organizations and other relevant bodies**

A request will be sent to those international organizations and relevant bodies that are referenced in the Compendium to update the current information and to add new relevant international instruments that have been developed and adopted since 1994 by their organization or body. The international instruments that should be included are related to international trade and transport and aim at facilitating the movement of goods and means of transport or the provision of services. The format of the information should be sent according to the new structure that has been defined by the sub-group (See the structure of Section II at the end of this progress report).

The organizations that will be contacted are the International Air Transport Association (IATA), International Chamber of Commerce (ICC), International Civil Aviation Organization (ICAO), International Chamber of Shipping (ICS), International Organization for Standardization (ISO), International Federation of Freight Forwarders Associations (FIATA), International Maritime Organization (IMO), United Nations Commission on International Trade Law (UNCITRAL), United Nations Economic Commission for Europe (UN/ECE) Transport Division, United Nations Conference on Trade and Development (UNCTAD), Universal Postal Union (UPU), International Union of Railways (UIC), World Customs Organization (WCO) and World Trade Organization (WTO).

#### **Action 2 Update other parts of the Compendium (except Section II)**

While the international organizations and bodies supply us with the required information, the sub-group will update the other sections of the Compendium with the exception of Section II .

#### **Action 3 Incorporate the revised Recommendation No. 18**

In the Compendium there are various references made to Recommendation No. 18, which will have to be revised tentatively by September 2000. The Compendium sub-group plans to have the revised Compendium ready by that date except for those parts related to Recommendation No. 18. The sub-group will then have until the 15<sup>th</sup> of November 2000 to finalize this action.

**Action 4 Distribute the revised Compendium to the ITPWG members for their comments**

The last step will be to distribute the revised Compendium to the ITPWG members for their comments. The comments should be received by the latest on the 10<sup>th</sup> of December 2000.

**Action 5 Include the comments received from the ITPWG members**

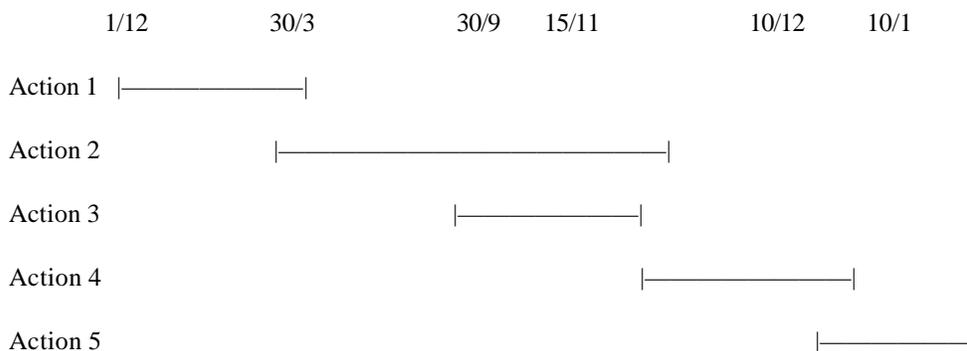
The comments that will be received from the ITPWG members will be incorporated to produce the final document that will be submitted for approval to the UN/CEFACT March 2001 Plenary.

**Method of working**

The sub-group members intend to work in a decentralized way, communicating mainly via e-mail. The size of the sub-group allows this alternative to be very effective and if physical meetings are required the sub-group is prepared to have them.

**Timetable**

An indicative timetable for the actions is presented below, on the understanding that the Compendium will be finalized for approval at the UN/CEFACT March 2001 Plenary. The dates below were agreed by the sub-group.



**Structure of Section II - Summary listing of recommendations**

- A. General provisions to facilitate trade
  - A.1 World Trade Organization
  - A.2 Customs

B. Measures relating to official procedures and controls

B.1 Measures relating to exports

B.1.1 World Trade Organization

B.1.2 Customs

B.1.3 Health and Safety

B.1.4 Certificates/ Licenses

B.1.5 Official documents

B.2 Measures relating to imports

B.2.1 World Trade Organization

B.2.2 Customs

B.2.3 Health and Safety

B.2.4 Certificates/Licenses

B.2.5 Official documents

B.2.6 Security

B.3 Measures relating to transit

B.3.1 World Trade Organization

B.3.2 Customs

B.3.3 Health and Safety

B.3.4 Certificates/Licenses

B.3.5 Official documents

B.3.6 Security

B.4 Measures relating to transshipment of goods

B.4.1 Customs

B.4.2 Health and Safety

B.4.3 Official documents

C. Measures relating to transport and transport equipment

D. Measures relating to the movement of persons

E. Measures relating to the management of dangerous goods and harmful substances

F. Measures relating to payment procedures

G. Measures relating to the use of ICT

H. Measures relating to commercial trade practices and the use of international standards

I. Audit-based control

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