In this issue:

- Detector Dog Training Center of the Korea Customs Service
- A study on Imposition of Exempted Royalties and License fees based on the WTO Customs Valuation Agreement (CVA)
- Brief introduction of the Expert Meeting on Finalization of Chabahar Transit Agreement Implementation
- Brief Introduction on the ROCB A/P Customs Good Practice Report on AEO/CCP and MRA
- A Brief Introduction of the ROCB A/P Customs Good Practice Report on Exemplifying Follow-Up Actions after the WCO Regional Workshops in FY 2018/19
Dear Readers,

Thank you taking the time to read the 68th ROCB A/P E-Newsletter.

First of all, I regret to say that we are facing one of the most challenging situations in recent times, the outbreak of the Coronavirus COVID-19. This is an exceptionally significant event that has negatively affected our environment, especially people movement across the border. As Customs officials, we stand and work on our borders and therefore, it is necessary to consider the sudden changes in the environment caused by COVID-19 and how that impact on the safety of our Customs officials. When faced with an unprecedented situation, I am convinced that all Asia Pacific Member Customs administrations have been fully committed to responding appropriately. In honor of all the efforts of AP Members, I sincerely hope that this situation will be improved soon.

At ROCB A/P which is located in Bangkok, Thailand, we also place the highest priority on the safety of our colleagues when conducting business. Unfortunately, as you already know, most of the workshops scheduled from March 2020 have been postponed. I would like to express my deepest apologies to all Members and RTCs in the AP region who were preparing for these events. However, I’m sure that Members can appreciate the situation in which we find ourselves and that the decision to postpone workshops is not taken without thorough and deliberate consideration in regards to the safety of workshop attendees. ROCB A/P are now well in to preparing for a smooth restart to events once this situation improves. At the time, ROCB A/P makes an effort to communicate with AP Members by enhancing the ROCB Newsletter, which is one of the main functions of ROCB A/P. I would appreciate the understanding and cooperation of all AP Members and regional bodies namely RTCs RCLs and RDTC in the Asia Pacific region.

This E-Newsletter features our activities undertaken in the first quarter of 2020, i.e. January through March 2020. In this E-Newsletter, there are three special essays by Program Managers of ROCB A/P. Namely, the brief introduction of the ROCB A/P Good Practice Report No. 20 on AEO program which was issued at April 2020 by Ms. Saori Nojima. The brief introduction of the ROCB
A/P Good Practice Report No. 21 on the Follow-Up Action Survey which was also issued at April 2020 by Ms. Chloe Au. As well as the ROCB A/P Study Report on Exempted Royalties and License fees on Customs Valuation by Mr. Ilkwon Han based on his long-standing work experience on the CV area. Addition, we convey two special contribution articles from Asia Pacific Members, namely the brief introduction of the Detector Training Center by Korean Customs Service and the brief introduction of the Expert Meeting on Finalization of Chabahar Transit Agreement Implementation by Iran Customs. I really appreciate these submissions from both administrations.

The ROCB A/P is always keen to hear any of your constructive comments and suggestions/inputs to our activities, including our communication and public relations activities, with a view to better servicing to the regional Member Customs administrations. I would like to continue to report not only ROCB A/P’s activities, but also interesting activities undertaken by members’ through our E-Newsletters.

Kind regards,

Norikazu Kuramoto (Mr.)

Head of the ROCB A/P
**Contents**

### Special Contribution

 Detector Dog Training Center of the Korea Customs Service: Ready to contribute to making the Asia/Pacific region free from drugs and terrorism  

A study on Imposition of Exempted Royalties and License fees based on the WTO Customs Valuation Agreement (CVA)  

Brief introduction of the Expert Meeting on Finalization of Chabahar Transit Agreement Implementation  

Brief Introduction on the ROCB A/P Customs Good Practice Report on Authorized Economic Operator /Customs Compliance Programme and Mutual Recognition Arrangements  

A Brief Introduction of the ROCB A/P Customs Good Practice Report on Exemplifying Follow-Up Actions after the WCO Regional Workshops in FY 2018/19

### Workshops and Meetings

- WCO Sub-regional Workshop on Combating Counterfeiting and Piracy  
- ROCB A/P joins the Regional Seminar for OIE National Focal Points for Veterinary Products  
- WCO Sub-Regional Train-the-Trainer Workshop on Customs Valuation  
- ROCB joined the Thai Customs Department to celebrate the 2020 International Customs Day  
- ROCB A/P attends the WCO Integrity Sub-Committee and Enforcement Committee  
- 15th Global Meeting of WCO Regional Structures  
- The 11th Capacity Building Committee Meeting
Detector Dog Training Center of the Korea Customs Service: Ready to contribute to making the Asia/Pacific region free from drugs and terrorism

Anna Cho, Director General
Customs Border Control Training Institute, KCS

On January 31st, 2020, before the COVID-19 outbreak swept across the globe, I joined the ribbon-cutting ceremony of the new kennel building of Detector Dog Training Center (DDTC) of the Korea Customs Service (KCS). Unlike typical completion events, we prepared for the ceremony like a housewarming party for dogs that got a new home. We were joined by the heads of Incheon Airport Customs and Incheon Port Customs where detector dogs are deployed the most; distinguished guests from the central government and local governments that have been cooperating in the use of detector dogs; the head of Military Dog Training Center of the Army which shares training experience with us; and many others to celebrate the event. With the new building completed, I believe that DDTC of the KCS is now ready to be designated as a WCO A/P Regional Detector Dog Training Center. We look forward to inviting handler candidates of customs administrations in the A/P region.
The KCS started to use detector dogs with the growing demand for explosive detector dogs for the safe opening of “Seoul Olympic Games” in 1988. Six explosive detector dogs were the starting members of this project. That was possible thanks to the support of the United States, which was ahead of us in this field. I believe that it is time for us to make a contribution to our neighboring countries in appreciation of the aid from the USA in those days.

Since the 1990s, the KCS has intensively reinforced the pool of drug detector dogs to protect Korean society from drugs besides explosives amid import liberalization and globalization. Currently, the KCS has 44 detector dogs on duty. In company with handlers, they safeguard customs borders of South Korea.

For the stable provision of qualified detector dogs to Korea’s sea and airports, DDTC has conducted a systematic development program to produce and nurture top-tier dogs in the best
facility at an optimal location. To this end, professional trainers manage the whole process from selecting high-quality candidate dogs, to breeding, to training, to evaluating. In particular, DDTC has the following strengths.

1. **Optimal facility for detector dog training: to foster and train dogs and handlers**

   DDTC is located very near to Incheon International Airport of South Korea. That makes it easier for handlers and detector dogs on duty at Incheon Airport to cooperate with the center. The center is located in the district where national agencies are clustered with wide outdoor training sites and kennels. The total size of DDTC amounts to 58,866m², a sufficient space for detector dogs to play around while they are raised and trained.

   ![](image)

   < Trainers and detector dogs at an outdoor training site>

   The office building has an audio-visual room (90 seats), an international conference room (25 seats). The training building is fully equipped with basic training facilities that reproduce actual work settings such as an arrival area, a cargo terminal and a post office so that dogs can be trained in real-like working conditions of sea and airports. In addition, the outdoor training site has a facility for vehicle search training.

   The kennels where dogs stay and relax after intensive training have the latest facilities so that dogs can eat, get washed and rest with a high level of comfort and hygiene. We are very proud of our facilities such as single occupancy rooms with direct access to outdoors, air-conditioning, non-slip floor, vet clinic, whirlpool tubs and waste water disposal facility. In addition, it’s even eco-friendly as solar power panels are installed at the new kennel building.
In addition, the clinic has up-to-date equipment and a veterinarian to provide dogs with medical treatment anytime. The vet with expertise is in charge of canine health management, regular health checkup, and even dog breeding.

To establish this top-notch building, trainers with over 20 years of career cooperated in building designing based on “Design Thinking” by integrating insights acquired throughout their career. In January, high-ranking officials visited the completion ceremony and expressed their thanks to us, saying “Now that DDTC has completed such a high-quality facility, other centers will be able to gain a lot of help to extend their kennel buildings, too.”

< Facilities meeting all the standards of RDTC required by the WCO >

2. **Systematic training program reflecting 30 years of work experience:**
   **Breeding, Purchasing, Training and Evaluation, Re-evaluation**

Since its opening in 1987, trainers at DDTC have continued to develop training programs. The center has secured capable new trainers and has worked on benchmarking on training programs of other countries such as Russia, Australia, Ukraine, Japan, Canada and the Czech Republic to enhance Korea’s programs.

DDTC’s training program consists of puppy training (9 months), adult dog training (4 months), and assessment (annually). A trainer handles 2-3 dogs and dogs go through training and assessment to move up to the next level. Using detector dog management software, data of every
dog such as life history, daily training progress, and assessment results is recorded to conduct a standardized and customized program. This training is to teach them various skills from adaptation to detection. However, the training is based on a teaching method to praise dogs when they do a good job other than to use pressure for obedience training. Maximizing sniffing capacity of detector dogs is the focus of the training.

<Detector Dog Management System: Life History, Training & Evaluation Records>

DDTC issues the “Detector Dog Training Manual” on a regular basis by compiling all training know-how. In 2020, the center is developing an English language textbook and dozens of visual footages that feature dogs going through actual training. By doing so, we are trying to get fully ready to provide practical training skills for our neighboring countries in the A/P region without any difficulties.

3. Professional trainers with all-round training know-how and on-site experience: partnership with detector dogs

Since detector dogs and handlers work as a team, handler training is also critical. Along with detector dogs, trainers of DDTC are professionals who have protected South-Korean customs borders for more than 20 to 30 years. Trainers who started to make their career out of affection for dogs have trained detector dogs, and detected drugs at customs sites. In the process, they have accumulated a lot of work experience for a long time.

After newly recruited handlers receive 16 weeks of training and do practical exercise, they join on-site programs. Then, they consistently improve their expertise through field experience, coaching and benchmarking home and abroad. In addition, as handlers, they work not just at customs sites of sea and airports across the nation, but also at DDTC as trainers under the job
rotation system. As a result, they are able to possess the highest level of expertise through this complementary system where they can naturally obtain both detection skills and teaching experience.

4. Social Contribution

As a national agency, DDTC contributes to capacity building of detector dogs of South Korea under the collaboration with all Korean detector dog training institutes and academies. The center hosts the “Detector Dog Competition” every other year, and the event plays a pivotal role in encouraging public organizations (including US Armed Forces in Korea) to compete and share expertise with one another. On top of that, college and high school students majoring in detector dog training can learn basic skills through the event. Sometimes, DDTC hire prize winners of the event afterwards.

Besides, DDTC runs a volunteer program for neighbors of the center. Through the program, local residents are able to visit the center and learn training know-how. In addition, the center conducts a dog-adoption program called “Act 2 of Dog’s Life” which aims at finding new and nice owners for retired dogs. Furthermore, the center raises awareness of mature global clearance manners among citizens by providing the “Guideline for Sound Economy and Safe Society” for the public through social media using people-friendly cartoon dog characters.
As I write this in late March, spring is in the air here in South Korea. Due to the COVID-19 outbreak, DDTC has postponed previously scheduled workshops and training programs, waiting for the situation to get better. In the meantime, our center will do our utmost to brush up our programs so that we can contribute to the Asia/Pacific region by helping the region become free from drugs and terrorism. We will make sure to be ready to share all information necessary for customs administrations in the A/P region to use detector dogs including not just training programs, but data regarding purchasing and assessing detector dogs, dog management system, kennel preparation, and handler recruitment and training. In hopes that such efforts will contribute to making the A/P region and the world safer, our trainers will continue to strive as always to train themselves and detector dogs. I wish all readers of this article health and happiness.

< The 17th Meeting of Heads of the WCO A/P RTCs (Sept 2019, KCS DDTC) >
A study on Imposition of Exempted Royalties and License fees based on the WTO Customs Valuation Agreement (CVA)

Mr. Ilkwon Han
CCF-Korea Operational Manager, ROCB/AP

I. Introduction

I have worked for customs over 30 years in Korea Customs Service (KCS). And I have focused on the Customs Valuation issue over 2/3 of my career. In addition, I have detected many Valuation cases during my Post Clearance Audit (PCA) performance. I strongly believe that we, Customs Officers, should have a Valuation Mind to do our job successfully like a legal mind to lawyers. Because one of the core factors in calculating duty is coming from Customs Valuation, which decides the value of the imported goods based on the WTO Customs Valuation Agreement (CVA).

Regarding the Imposition of Royalties and License fee, there should be met two conditions to be dutiable. The first condition is that the payment of royalties and License fees is related to the imported goods. The second is that the payment is deemed to the condition of sale. We can understand the two conditions by reviewing the article 8.1(C) of CVA.

---

1 I had been an adjunct professor as a PCA specialist in the CBCTI (RTC in Korea) from 2012 to 2019. I had many teaching experiences on PCA and Customs Valuation for the training center, WCO EPCBA and KOICA program. In addition, I was a virtual tutor in WCO VCOA (Virtual Customs Orientation Academy) from 2014 to 2016.
2 During the WCO Sub-regional Train-the-Trainer workshop on Customs Valuation in January 2020 in Bangkok, I raised the issue of Exempted Royalties and License fee.
In this paper I only focus on how to deal with the exempted Royalties and License fee which is dutiable. The issue of this paper is that can the Exempted payment of royalties and license fees be a part of Customs Value after the licensed goods are already imported.

II. Legal grounding and References

Before mentioning the main contents, I should highlight the several legal articles and references that are related to the issue.

1. The Article 1 of CVA

“The customs value of imported goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the country of importation adjusted in accordance with the provisions of Article 8, ...”

2. The Article 8.1(c) of CVA

“Royalties and license fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable”

3. Price Review Clauses (PRC)³

The Customs Value can be decided at the time of importation. However, a certain category of goods can be determined after importation of the goods. In this regards WCO acknowledges the fact of the transaction, that is a Price Review Clause. I extract the main contents from the WCO Valuation Compendium, Commentary 4.1 like following

1. In commercial practice some contracts may include a price review clause whereby the price is only provisionally fixed, the final determination of the price payable being subject to certain factors which are set forth in provisions of the contract itself

5. The transaction value of imported goods, defined in Article 1 of the Agreement, is based on the price actually paid or payable for the goods. In the interpretative Note to that Article, the price actually paid or payable is the total payment made or to be made by the buyer to the seller for the imported goods. Hence, in contracts containing a review clause, the transaction value of the imported goods must be based on the total final price paid or payable in accordance with contractual stipulations.”

³ Due to the characteristics of the PRC, most of Customs administrations adopts the provisional value declaration system that can be the re-determination of the Customs Value afterward.
4. WCO The Basic Valuation Training Module

WCO published the training Module to explain the CVA more detail. The Lesson 10 of the module covers the royalties and license fees. One of the conditions to be inclusive to Customs Value is the payment principle like following

“The purchase of the imported goods **must require the payment** of a royalty or license fee, or, the buyer **must pay** a royalty or license fee in order to receive the goods.”

5. WCO Customs Valuation Control Handbook

We can see a technical view from the part 2 Control of the declaration of Value of the handbook. The chapter 4 of the Part 2 shows us how to check the value by declaration form. One of the checking points is No 14. Royalties and License fees like below.

Most administrations pose “YES” or “NO” questions about royalties. A typical form of such question is:

“Are any ROYALTIES or LICENSE FEES related to the imported goods **payable** either directly or indirectly by the buyer as a condition of the sale? (Article 8.1©) □ YES □ NO

In addition, Part 3 of the Handbook mentions Verification of Customs Value. The chapter 14 of the part 3 shows us Procedures for verification of a royalty payment like below box.

1) Obtain a copy of the sales contract, and/or a copy the royalty or license agreement.  
2) Determine whether the royalties or license fees are related to the goods being valued.  
3) Determine whether the buyer **must pay** the royalties or license fees, either directly or indirectly, as a condition of sale of the goods being valued.

---

4 Article 8.1(c) requires that the royalty ① must be related to the goods being valued, ② must be a condition of the sale and paid directly or indirectly by the buyer, and ③ is not already included in the Price Actually Paid or Payable(PAPP).
III. A related case

I present a related case that I detected during my PCA. Importer (Licensee) A in the country X imported sports apparels from Seller (Licensor) B in the country Y by License agreement which stipulates 5% of royalty payment after selling at the imported country X. The history of the contract and transactions can be seen like followings.

There are two assumptions. One is that annual payment of royalty is same for the easy understanding. The other is that the date of contract and importation may be imaginary. However, I should explain the fact of contracts to understand the main contents of the issue.

The Licensee A had paid the royalty based on the License agreement for the first 4 years (2011~2014). On the other hand, the Licensee A paid the royalty 50% discounted amount based on the exempted royalty payment for the second 4 years (2015~2018). Even though there was no different in the calculated(payable) royalty payment based on the original license agreement.

- The date of License Agreement: 1. Dec. 2010
- The Fiscal year is from 1 Jan to 31 Dec to calculate the annual royalty
- The date of Exemption Royalty payment (50% discount) contract: 1. Mar. 2019
- The list of Royalty payment annually (Currency Unit)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation (Payable)</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Payment</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Payment rate</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

5 I made the case anonymously to keep a confidentiality. However, the facts of trade could be summarized like followings. The exemption contract was done to support the licensee (Buyer) by the licensor (Seller) in line with the termination of the license agreement. They were not related. In addition, there were no other things involved, such as Special condition or off-setting, etc.

6 The exact amount of Royalty can be calculated after the sale of imported goods in the imported country. However, in order to make the case simple, I put the amount of calculated(payable) royalty 10,000 C.U each year.

7 I imagine the turnover each year same. So, the payable royalty is calculated same amount.
IV. The issue of the case

As you can see the fact of case, the issue is that how to deal with the 50% exempted royalty payment by Customs Valuation perspective. We can summarize two options. One is to reject the exempted payment that should be part of the customs value of the goods. The other is to accept the exempted payment as a deduction factor from Customs Value.

<table>
<thead>
<tr>
<th>Decisions</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td>Exempted amount 20,000 C.U should be dutiable</td>
</tr>
<tr>
<td>Option 2</td>
<td>Exempted amount 20,000 C.U shouldn’t be dutiable</td>
</tr>
</tbody>
</table>

V. Review the issue

1. Post-Importation Royalties

In most cases in today’s international trade environment, where a royalty payment is involved, there will invariably be an accompanying royalty agreement. This is a primary document for Customs value purposes as together with all other relevant facts and documentation associated with the transaction, Customs will determine the Customs value of the goods.

A large number of royalty payments relating to imported goods are payable on their sale in the importing country’s marketplace. The payment is generally a percentage of the total retail (or wholesale) sales. In such cases, it is usually impossible for Customs to establish what the royalty payment will be at the time of importation. Of course, in these cases also, it must be established that this type of royalty relates to the goods being valued and is a condition of the sale of the goods. In these instances, the post importation royalty will form part of the Customs value of those goods.

In this regards, the related case that I presented is a typical Post-importation Royalty. We can review the process of import declaration and royalty payment that is related to the declaration. At the time of importation, the amount of royalty can’t be decided. So, most of Customs has a provisional declaration system that can be the re-determination of the Customs Value afterward.

8 KCS had a critical case on this issue from the Ruling of National Tax Tribunal (NTT). The ruling was done in 2009 and decided that “Exempted Royalty is not a dutiable factor, because the exempted amount was not paid”.

9 I referred the contents from WCO Intermediate/Advanced Valuation Training Module
We should understand and guarantee the time gap between provisional and final value declaration due to the post-importation royalties. If the Licensor (Seller) and Licensee (Buyer) made the contract of royalty exemption during the transitional time period, a certain amount of royalty could be deducted from the payable royalty. I can explain the scenario by showing the similar diagram for easy comparison and understanding.

<table>
<thead>
<tr>
<th>At the time of importation</th>
<th>(Provisional Value Declaration)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Price of the imported goods (Decided)</strong></td>
<td>The Amount of Royalty will be decided by royalty contract</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. The exact amount of Royalty (Decided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>* based on the Royalty agreement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>After the sale of the goods in the importing country</th>
<th>(Until the fiscal year end)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B. The exact amount of Royalty (Decided)</strong></td>
<td></td>
</tr>
<tr>
<td>* based on the Royalty agreement</td>
<td></td>
</tr>
</tbody>
</table>

Finalizing the Customs Value of the imported goods  
**Final Value Declaration**

\[ A + B \]
As you can see the difference between two ideas, it is quite critical for Customs to accept the exemption contract that was done after importation of the goods. Can Customs accept the exempted royalty amount deductible value of the imported goods?

The time period within which the applicable duties and taxes are assessed shall be stipulated in national legislation. The assessment shall follow as soon as possible after the goods declaration is lodged or the liability is otherwise incurred. According to the Customs Act in KCS, Article 16 (the time of determining dutiable goods) stipulates that Customs duties shall be assessed on imported goods according to their natures and quantities when an import declaration. This principle may be deemed to most of country. Based on the principle, the Customs Value should be decided at the time of importation.

Regarding the dutiable royalty and license fee, it should be considered by the royalty and license fees agreement that was done before importation. Customs Value can’t be affected by the fact of Post importation event that is not related to the Price Review Clause. If Customs accept the royalty exemption contract as a deduction factor, it could distort the Customs Value by substituting the dutiable royalty with personal liabilities exemption. Customs Value and the personal liabilities exemption are totally unrelated to the Value of the goods in question.

---

10 The Revised Kyoto Convention (RKC), General Annex Chapter 4 Duties and Taxes.
11 Due to the post-importation royalty, Customs postpones the finalizing the Customs Value by observing the sale of the good in the importing country.
2. The distortion of Actual Value and legal duty evasion.

The imported goods that are embodied by Intellectual Property Right\(^\text{12}\) (IPR) should be included the royalties and license fees to the price of the goods unless the payment of royalties and license fees is done separately. In this regards even though Post-Importation Royalties is paid after importation of the goods, the dutiable royalties are part of Customs Value of imported goods. Customs Value can’t be influenced by the personal exemption contract between licensor and licensee after importation of the goods. Because the personal contract that is done after goods’ importation is far from the Price Review Clause.

If Customs accept the Exemption payment as a deductible factor, then buyers (Licensees) could use the loophole of the Custom Value easily. I can attest the loophole by comparison three different situations by numeric experiments like following.

<table>
<thead>
<tr>
<th></th>
<th>(A) No Exemption</th>
<th>(B) Exemption 50%</th>
<th>(C) Exemption 70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>① Price of the goods</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>② Turnovers</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>③ Royalty ((②)X5%)</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>④ Exempted royalty</td>
<td>0</td>
<td>25 (=50X50%)</td>
<td>35 (=50X70%)</td>
</tr>
<tr>
<td>(③X Exempted rate)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finalized Customs Value</td>
<td>150</td>
<td>125</td>
<td>115</td>
</tr>
</tbody>
</table>

As you can see the table before, Customs value of the imported goods is 150 C.U in the normal transaction. However, depending on the royalty exemption rates, we can see the diversity of customs value at the end. Finally, Importers can manipulate the customs value by their own purpose.

VI. Conclusion

Determination of Customs Value should be done at the time of importation. Post-Importation Royalties also should follow the formula of Royalties and License fees agreement that is submitted to Customs authorities at the time of importation.

\(^{12}\) Customs Valuation is limited to three types of the IPR : Patent, Trademark and Copyright
If Customs authorities acknowledge an Exemption contract that is done during the transitional period from provisional value declaration to final value declaration, this could infringe the justice of customs duty and tax. Customs should prevent the manipulation of Customs value from the using a loophole that can be exploited in reducing the customs duty and tax.

Lastly, I want to reiterate the purpose of my paper. This study is solely focused on the Principle of Royalty and License fees based on the WTO Customs Valuation Agreement. Thanks.

13 I want to express my sincere gratitude to experts who gave me constructive feedbacks. They are Mr. Luximan BABAJEE (WCO Senior Technical Officer in Valuation), Mr. Shigeaki KATSU (WCO Accredited expert, Japan Customs), Mr. Takahiro MIZUGUCHI (Valuation Expert in Japan Customs)
Iran customs articles until the end of April for the first quarter issuance
Expert Meeting on Finalization of Chabahar Transit agreement Implementation
2020/01/07 To 2020/01/09

In order to finalize of the Indian proposed agreement implementation was held on transit facilitation named Chanahar an expert meeting with the presence of representatives of the authorized competence of related agencies in Chanahar on 07/Jan/2020 to 09/Jan/2020.

During the meeting, representatives of Iran Customs also attend to the meeting and the agreement was deliberate in aspect of Transit Legislation and related local laws in customs affairs and reviewed it.
In line with implementation of the heads of customs agreed on holding a border meeting regularly every 3 months, by custom officials of two sides, so a meeting was held on 14 Jan 2020 at Gurbulak Customs.

The meeting issues which rose during the negotiations are as follow:
1. Increasing of truck acceptance capacity by Gurbulak Customs.
2. Evaluation of comprehensive plan of Bazergan- Gurbulak Customs.
4. Rebuilding and modernization of Sero- Razi Customs.
5. Complete implementation of electronic exchange of data and E-TIR between customs administrations of Iran-Turkey.
Establishment of a new authorized B.C.P at Yaridmly (Azerbaijan) and Germy (Ardabil- Iran) region
2020/02/09 To 2020/02/10

According to the Azerbaijan request for opening a new B.C.P at Yaridmly (Azerbaijan) and Germy (Ardabil- Iran) region a meeting contains customs officials and other local military and national officials, was held on 10 Feb 2020 aimed to feasibility study and internal coordination. At the last of the meeting, an agreed minute was set with following issues:

1. It was agreed that both parties send a delegation toward the region included representatives of internal agencies related to the issue, to evaluate the proper infrastructures and local equipments based on the own legislation and laws.
2. Setting time to site visiting for feasibility study the project.
3. Establishment the new B.C.P aimed to car transportation such as bus and car and passenger transportation.
An electronic exchange of data between the Iran and Pakistan customs was signed at a ceremony in Islamabad. The MOU was signed by Ms. Bagheripour D.G of IT department of Iran Customs, and Mr. Fayaz Rassoul International chief of Pakistan customs, Data on customs cooperation and trade exchanges between the two countries will be exchanged electronically. This will in addition to speeding up trade and decreasing costs, it will eliminate the possibility of forging documents and violations and smuggling of goods.

At this ceremony attended by a number of Pakistani customs officials and senior diplomats of two countries emphasized the need for both sides to expand economic ties and increase trade exchanges and announced, Considering the capacities and interests of the two countries, the volume of trade exchange between the two sides can be greater than the present.

According to the report, Pakistan has recently joined the TIR convention and has opened new opportunities for enhancing cooperation between the two countries in international freight and transit. The execution of the TIR project, creation of joint customs gates at the borders, the electronic exchange of data and use of the North-South Corridor capacities to reduce trade costs
and increase customs operations at the borders of the two countries were among the other topics that were highlighted during the signing ceremony of the Electronic data Exchange Agreement between the Iran Customs and Pakistan has had discussions between officials of two countries.

**Suggestion to the WCO for the preparation of health protocols**

2020/03/15

The spread of the new corona virus is a public health crisis that could pose a serious risk to the macro economy through the halt in production activities, interruptions of people’s movement and cut-off supply chains. Since this pervasive crisis will affect trade between countries around the world and lead to a decrease in the volume of international trading activities between parties, it is necessary to take actions in order to operate in pandemic conditions, the economic activity of countries, continue in the context of health and commercial security.

A part of the suggestion of IRICA to WCO to find an international solution while maintaining the principles of safety, hygienic and health comes as follow:

The World Customs Organization (WCO), within the framework of the agreement on cooperation and mutual administrative assistance in customs matters, prepare a document among the members of the customs cooperation council in the form of a multilateral agreement on maintaining the security of the commercial supply chain, so that customs of neighboring countries are connected together by concluding bilateral or multilateral agreements or a protocol as a health chain and fulfilling international commitments in the field of commercial and hygienic security of each other that provide opportunities for the continuation and facilitation of the customs activities among the parties with due regard to health principles.

**Suggestion the preparation of health protocols to neighboring customs**

2020/03/15

The pandemic crisis will affect trade exchanges between Iran and neighboring countries, which leads to decrease in the volume of trade activities between our regional parties and neighbors. Therefore, it is necessary to prevent the spread of this contagious disease and trade exchanges continue in the context of health security. Islamic Republic of Iran Customs Administration (IRICA) suggests to the customs of neighboring countries, exchange health protocol that approved by Ministries of Health of parties, should be provided to facilitate for customs activities in the field of exports and import and to increase the daily trade exchange on their borders observing health principles.
A Brief Introduction on the ROCB A/P Customs Good Practice Report on Authorized Economic Operator /Customs Compliance Programme and Mutual Recognition Arrangements

Saori Nojima
Program Manager, ROCB A/P

1. Purpose of this article

The Authorized Economic Operator (AEO) programme has been recognized as the primary means for Customs-to-Business partnerships to enhance the security and facilitation of the global supply chain. In addition to the trade facilitation benefits provided by the AEO programme in individual Customs administrations, Mutual Recognition Arrangements/Agreements (MRA) between Customs administrations will enable enhanced trade facilitation at a global level.

The ROCB A/P’s publication namely “The ROCB A/P Customs Good Practice Report No.20 on Authorized Economic Operator/Customs Compliance programme and Mutual Recognition Arrangements (hereafter “Good Practice Report on AEO”)” outlines the implementation of AEO and MRA in the Asia Pacific Region to support regional benchmarking studies for possible future improvement of the AEO and MRA in respective administrations. This article briefly explains the contents of the Good Practice Report on AEO for readers’ easier reference.
2. Contents of the Good Practice Report on AEO

The Good Practice Report on AEO consists of Executive Summary (Background, Findings and Recommendations) and the WCO Members’ practices on AEO/Customs compliance programmes and MRA.

(1) Background of the report

It explains the brief history about AEO programme at the WCO such as the adoption of SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) in 2005 and the introduction AEO programme in 2007. It also touches upon the World Trade Organization (WTO) Agreement on Trade Facilitation (TFA) that entered into force in 2017 and requires WTO Members to provide additional trade facilitation measures for Authorized Operators, as one of the driving forces for Customs administration to establish AEO programmes.

The WCO Asia Pacific Regional Workshop on raising awareness on the development of regional cooperation and strategy in the context of AEO (hereafter “the WCO A/P Regional Workshop on AEO”) was held with the sponsorship of the CCF/Japan in December 2019 in Kashiwa, Japan and a total of 25 Customs officials representing 21 Member administrations in the Asia Pacific Region attended the Workshop.

14 Australia, Bangladesh, Bhutan, Cambodia, China, Fiji, Hong Kong, China, Indonesia, Japan, Korea, Lao PDR, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Sri Lanka, Thailand, Tonga, Vietnam
The Workshop was organized in light of the environment and opportunities in the Asia Pacific Region. The region has become a dynamic trade and investment hub for global trade and there has been a rapid increase in the number of the AEO programmes as well as MRA in line with the SAFE Framework. At the same time, Customs Administrations that have not yet established a fully-fledged AEO scheme are striving to establish a programme that fulfills requirements of the SAFE Framework.

In the workshop, in addition to the WCO SAFE Framework and some updates of AEO Package, it covered WCO tools to implement AEO and help MRA such as the Customs AEO Validator Guide, relevant Training Module, Guideline on Traders Identification Number among other things. The Workshop also provided the opportunity to share details on status, experiences and challenges of the respective administrations.

The Good Practice Report on AEO summarizes the practices on the status of the AEO/compliance programme and MRA implementation of 21 Customs administrations that participated in the WCO A/P Regional Workshop on AEO.

(2) Findings

The below chart shows the outline of AEO and MRA implementation in the Asia Pacific region

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The practices in the report</td>
<td>21</td>
</tr>
<tr>
<td>(2) The administrations that have implemented AEO programme (including the pilot project)</td>
<td>12 (57%)</td>
</tr>
<tr>
<td>(3) The administrations that are still in process to implement AEO in future</td>
<td>9 (43%)</td>
</tr>
<tr>
<td>(4) The Administrations that have concluded MRAs</td>
<td>9</td>
</tr>
</tbody>
</table>

The following are extract of the findings from the report.

- 57% of Customs administrations have AEO programmes in place and 75% of them have concluded MRA with other Customs administrations.
- Some administrations define an AEO validity period
- A tiered approach is adopted in some AEO programmes in which different level of
requirements are specified for different tiers for authorization

- A variety of benefits given to AEO were observed in the Members’ practices such as reduced examination and inspection, expedited Customs clearance, exemption of some clearance procedures, use of AEO’s own premises for clearance, special access to useful information, AEO logo, publication of AEO status among other things.

- 43 % of Customs administrations have not yet established AEO programmes

(3) **Recommendations**

There are some recommendations in the report as the way forward for maximizing the benefits of the WCO A/P Regional Workshop on AEO as well as possible future progress and improvement on AEO and MRA in respective administrations.

- Respective Customs administrations are to make use of and refer to lessons learnt from practices of other Customs administrations.

- The participants of the WCO A/P Regional Workshop on AEO to apply lessons learnt from the workshop in their daily operations, share pertinent information and knowledge with the right people at right time, and make necessary recommendation to their executive and management for future institutional actions.

(4) **WCO Members’ practices on AEO/Customs compliance programmes and MRA**

The Good Practice Report on AEO contains the practices of 21 Customs administrations that attended the WCO A/P Regional Workshop on AEO. The 21 Customs Administrations are: Australia, Bangladesh, Bhutan, Cambodia, China, Fiji, Hong Kong China, Indonesia, Japan, Korea, Lao PDR, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Sri Lanka, Thailand, Tonga, Vietnam. The practices explained in the report are based on the participants’ presentations in the workshop as well as updates after the workshop if any. Customs administrations that have already implemented AEO and MRA shared with workshop participants their history, experience and possible future developments on AEO and MRA and those who have not yet established a full-fledged AEO scheme in line with the SAFE Framework explained their existing compliance programme that may become a foundation for their AEO and their strategy and plan to introduce AEO in future.

The following points are covered in the Members’ practices on implementation of AEO/Customs Compliance programme and MRA among other things.
- History and development of AEO programme
- Organizational setting
- Types of AEO
- Eligibility and accreditation criteria for AEO
- Accreditation process
- Benefits of AEO
- Management of AEO after accreditation (Monitoring, evaluation etc.)
- MRA negotiation process
- MRA benefits
- Signed MRA
- Existing mechanisms of Customs compliance programme
- Challenge and way forwards

For obtaining the copy of the whole Good Practice Report on AEO, please contact rocb@rocbap.org
Introduction

The ROCB A/P has been committed and dedicated to organizing capacity building programs and activities for the WCO Asia Pacific regional Members. We have faith that Members can strengthen their skills and capacities in performing their Customs roles and functions by applying the lessons learnt from the WCO workshops into their operations and disseminating the pertinent information to the right divisions/departments in their home administrations for consideration of further organizational development.

In 2015, the ROCB A/P committed to conduct a “Survey on the Follow-Up Actions taken after the Participation in the WCO Regional Workshop (the Survey)” for all regional/sub-regional workshops. Workshop participants receive a questionnaire 6 months after the respective workshops. As well as encouraging the workshop participants to continuously utilize the skills and knowledge acquired, the Survey also aims to provide a snapshot of the impact that these capacity building programs have on the performance of the regional Members in terms of work efficiency and effectiveness as well as organizational development. Since implementing this initiative, the ROCB A/P publishes the summary and findings of the Survey in the form of Good Customs Report every year.
Responses to the Survey 2019

In the FY2018/19, 11 regional/sub-regional workshops organized/coordinated by the ROCB A/P were subjected to the fifth round of the Survey (hereinafter referred to as “the Survey 2019”). Among the subject workshops, 3 were specially designed for the sub-regional members with the intention of consolidating the synergy and cooperation among Members more effectively by putting more effort and allocating more resources on sub-regional capacity building activities. The total number of replies to the Survey 2019 is 111, while the rate of reply received from the participants of sub-regional workshops is around 75%, which clearly shows strong support by the sub-regional members and recognizes the results of the capacity building efforts in addressing the sub-regional issues.

Follow-up actions taken

In the Survey 2019, workshop participants were asked what specific follow-up actions they had taken after the respective regional/sub-regional workshops. Among the 6 specific follow-up actions, namely, (1) share training materials, (2) submit reports, (3) make recommendations, (4) organize in-house workshop, (5) develop operational manuals and (6) others, the most common follow-up actions are submission of reports to senior officials (82%) and sharing/circulation of training materials with colleagues (76%). Participants were also becoming aware of the importance of specific recommendations made to their senior officials and organization of in-house training in the course of customs reform and modernization.

Correlations between specific follow-up actions and realization of direct effects and initiation of modernization projects

Respondents revealed no objections to the positive impact in the wake of the follow-up actions taken in their home administrations. These positive impacts included the improvement in work efficiency and effectiveness, the direct effects realized such as the increase in numbers of cases effected, amount of contraband seizures and additional revenue collection, and the
development of modernization projects. Indeed, there are proven correlations between specific follow-up actions and realization of direct effects as well as initiation of new projects. An analysis on the correlation between realization of direct effects and follow-up actions taken, i.e. share materials and organize in-house workshops, was conducted and the findings are shown in Table 1.

**Table 1** Correlation between realization of direct effects and specific follow-up actions taken

<table>
<thead>
<tr>
<th>shared workshop materials</th>
<th>organized in-house workshop</th>
<th>realized direct effects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total number of answers</strong></td>
<td>84</td>
<td>29</td>
</tr>
<tr>
<td><strong>Numbers and percentage of respective actions presumably led to realizing direct effects</strong></td>
<td><strong>49 (58%)</strong></td>
<td><strong>15 (52%)</strong></td>
</tr>
<tr>
<td><strong>Number and percentage presumably attributed to sharing materials and/or in-house workshops</strong></td>
<td><strong>53 (86%)</strong></td>
<td></td>
</tr>
</tbody>
</table>

86% of respondents realized positive effects from circulating/sharing training materials and organizing in-house workshops. Undoubtedly, sharing materials and steering in-house training are always regarded as the most effective way to disseminate the pertinent information, including the other Members’ good practices, to colleagues and discuss specific recommendations for operational improvement.

The ROCB A/P also found that there is a correlation between initiation of new projects and application of knowledge acquired from the WCO workshops. A detailed mission report and/or specific recommendations made by the workshop participants, who had in-depth understanding of the perceived gaps in their operation against that of the learned international standards or good practices of other Members, contributed to the enhancement of the existing practices or initiation of new programs in their home administrations. 92% of the respondents believed that the new reform or advancement were attributed to the submission of mission reports and/or respective recommendations made to the senior officials (Table 2).
(Table 2) Correlation between initiation of new modernization projects and specific follow-up actions taken

<table>
<thead>
<tr>
<th></th>
<th>submitted reports</th>
<th>made specific recommendations</th>
<th>initiated new projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of answers</td>
<td>91</td>
<td>61</td>
<td>61</td>
</tr>
<tr>
<td>Numbers and percentage of respective actions presumably led to initiating new projects</td>
<td>51 (56%)</td>
<td>38 (62%)</td>
<td></td>
</tr>
<tr>
<td>Number and percentage presumably attributed to mission reports submitted and/or specific recommendations made</td>
<td>56 (92%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These findings provide convincing evidence that taking timely and immediate follow-up actions following the WCO workshops will assist Member administrations to realize the potential contributions to their national development objectives. These follow-up actions can be as simple as writing reports or more intensive, such as organizing in-house workshops.

**Conclusion and recommendations**

Based on the findings of Survey 2019, the ROCB A/P observes that the workshop participants took an abundance of information and learning back home and practically applied these in their administrations through different kinds of follow-up actions. Among all other kinds of follow-up actions, the ROCB A/P would like to highlight 3 recommendations for Members’ considerations:  

1. The ROCB A/P recommends Members mandate a workshop report for their representatives of WCO workshops to ensure the acquired knowledge and its values are properly recorded and reported to the management for consideration of further organizational development.  
2. Members are also recommended to explore and utilize the electronic means, such as intranet or common drive, for sharing of training materials (“e-sharing”) with a view to distributing the pertinent information to a larger number of staff, stimulating innovations for work performance efficiently.  
3. In-house training by the workshop participants are indispensable. By conducting in-house workshops, Members not only will be empowered to take the ownership of capacity building programs but also will obtain benefits for their long-term organizational improvement and sustainable growth of human resource development.
The ROCB A/P strives to offer a wide range of capacity building assistance with a view to strengthening A/P Members’ capacity to achieve their national goals. These capacity building programs are delivered by experienced Customs experts, containing the latest international standards and guidelines along with the good practices undertaken by different Members. Members will be able to realize the potentials of these programs in the progress of their organizational development only if they voluntarily take ownership of these technical assistance programs and actively undertake the follow-up actions in their home administrations. The ROCB A/P will continue to encourage Member representatives in the WCO workshops to optimize the value of the regional capacity building programs in their organizations, while in the meantime, evaluate the development progress and identify further technical assistance needs of Member administrations.

For more details of the exemplifying follow-up actions as well as the findings, please visit our web page of Good Practice Report at www.rocb-ap.org or contact me at chloeau@rocbap.org.
WCO Sub-regional Workshop on Combating Counterfeiting and Piracy

13-17 January 2020, Suva, Fiji

In collaboration with the WCO and the Fiji Revenue & Customs Service (FRCS), the ROCB A/P organized the WCO Sub-regional Workshop on Combating Counterfeiting and Piracy on 13-17 January 2020 at the WCO Regional Training Center in Suva, Fiji, under the sponsorship of Japan Customs Cooperation Fund (CCF/Japan). 12 promising officials nominated by 6 Pacific Island countries namely Fiji, Papua New Guinea, Samoa, Timor-Leste, Tonga, Vanuatu attended the workshop and facilitators from the WCO, Australian Border Force (ABF) and Japan Customs led the sessions. Mr. Norikazu Kuramoto, Head of ROCB A/P, and Ms. Chloe Au, Program Manager of ROCB A/P, also contributed and facilitated in the workshop.

The workshop was designed to enhance Members’ competencies on IPR border measures in the Asia Pacific region and to further strengthen the regional commitments in this area. The workshop commenced with introducing the global situation and the international standards on counterfeited goods to foster the fundamental understanding of IPR framework. It moved on to provide the good practices in combating counterfeited and pirated goods in the region. Led by the facilitators, participants actively shared their views and opinions to formulate an effective enforcement strategy to fight against counterfeiting and piracy at the borders.
Ms. Chloe Au gave an overview of the ROCB A/P to the participants which focuses on the key capacity building strategies in the region. Participants were encouraged to conduct a pre-study in the WCO e-learning platform, CLiKC!, before the workshop, to actively participate during the workshop and take follow-up actions after the workshop. The workshop was concluded with applause and appreciations to the WCO, FRCS, ROCB A/P, CCF/Japan and the facilitators for their contributions and supports to the workshop.

**ROCB A/P joins the Regional Seminar for OIE National Focal Points for Veterinary Products**

15 January 2020, Kuala Lumpur, Malaysia

The World Organization of Animal Health (OIE) held the Regional Seminar for OIE National Focal Points for Veterinary Products on 14-16 January 2020 in Kuala Lumpur, Malaysia. Ms. Saori Nojima, Program Manager of the ROCB A/P, attended the Seminar as a speaker on 15 January 2020 at the invitation of the OIE. Under the Cooperation Agreement between the OIE and WCO, attendance from ROCB A/P at the OIE Seminar has been realized since the previous OIE Seminar held in March 2018 in Bangkok, Thailand, in which Ms. Nojima also attended as a speaker.
Approximately 30 government officials related to animal health in the Asia Pacific Region attended the Seminar and Ms. Nojima delivered a presentation on the possible collaboration between the animal health authorities and Customs administration to counter falsified veterinary products and explained the Single Window, Coordinated Border Management and information exchange as some approaches.

WCO Sub-Regional Train-the-Trainer Workshop on Customs Valuation

20-24 January 2020, Bangkok, Thailand

The WCO Asia Pacific Sub-Regional Train-the-Trainer Workshop on Customs Valuation was held on 20-24 January 2020 in Bangkok, Thailand, under the sponsorship of Japan Customs Cooperation Fund (CCF/Japan). The workshop was organized in cooperation with the ROCB A/P as well as with the generous support of the Thai Customs Department. A total of 14 participants and four observers representing seven WCO Members in the ASEAN Region, namely Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar and Thailand, took part in the workshop. Together with resource persons from the WCO Secretariat and Japan Customs, Ms. Saori Nojima, Program Manager, and Ms. Jate-arpa Benjaphong, Program Coordinator of the ROCB A/P, also attended as facilitators/coordinators.

With the aim of developing a pool of expert trainers to increase the capacity in conducting training on Customs Valuation, the resource persons explained and facilitated discussion on the
WTO Valuation Agreement and relevant WCO tools by using practical examples. A variety of training techniques were also explained and demonstrated, and the participants and observers took turns delivering presentations and facilitating discussions as group/individual exercises. Ms. Nojima delivered a presentation on the relevance of Asia Pacific Regional Strategic Plan and Customs Valuation and capacity building activities in the A/P region. She also explained the Workshop Follow-up Actions Survey, which is to be circulated six months after the workshop to identify possible impacts and effects and led a discussion on individual actions and commitment to be taken. The workshop was successfully concluded with participants’ positive feedback on the workshop and appreciation to the WCO, Thai Customs Department, Japan Customs, ROCB A/P, and the facilitators/coordinators for their contribution and support to the workshop.

**ROCB joined the Thai Customs Department to celebrate the 2020 International Customs Day**

27 January 2020, Bangkok, Thailand

At the invitation of the Thai Customs Department (TCD), Mr. Norikazu Kuramoto, Head of the ROCB A/P, and his colleagues joined the celebratory reception for International Customs Day 2020 officiated by the Director General of Thai Customs, Mr. Krisada Chinavicharana, at the TCD
Headquarters in Bangkok, Thailand. More than 100 guests, including the Bangkok-based Customs Attachés of Australia, Canada, France, Germany, Japan and United Kingdom, joined the celebration. Echoing the theme of the WCO International Customs Day 2020 “Customs fostering Sustainability for People, Prosperity and the Planet”, Mr. Kisada, at his opening remarks, reiterated the important roles of Customs in the society, i.e. combating trafficking of contrabands, facilitating legitimate trade and protecting the wildlife. On this occasion, 24 Thai Customs executives and officers received the WCO Certificate of Merit in recognition of their dedication and contribution to the Customs community.

ROCB A/P attends the WCO Integrity Sub-Committee and Enforcement Committee

20-21 February, and 24-28 February 2020, Brussels, Belgium

Dr. Tong Hua, programe Manager of the ROCB A/P, attended the 19th Session of the WCO Integrity Sub-Committee (ISC) (20-21 Feb.) and the 40th session of the WCO Enforcement Committee (24-28 Feb.) held in Brussels, Belgium respectively. Both meetings are well connected with International Customs Day’s theme for 2020 - “Customs fostering Sustainability for People, Prosperity and the Planet”.

The ISC stressed Customs role cannot be implemented without a high level of integrity and professional ethics not only inside Customs but also in the entire business environment involving stakeholders, thus the biggest integrity challenges for Customs were the security of their internal systems and sensitive data in the era of new technologies and digitalization. The ISC highlighted
the WCO second global meeting of integrity experts hosted in Xiamen, China last December 2019, in which a preliminary review of the WCO’s main integrity tool was conducted - the Integrity Development Guide (IDG) based on the WCO Revised Arusha Declaration on Good Governance and Integrity in Customs.

The EC emphasized that Customs was uniquely mandated to play a prominent role across the international supply chain, linking Customs’ strategic mission and several UN Sustainable Development Goals. Dr. Kunio Mikuriya, Secretary General of the WCO, pointed out that the WCO is constantly working on implementation of its tools, such as the latest version of Harmonized System (HS2022), international trade-related provisions of MEAs such as Basel Convention, risk management techniques and data analytics, digital platforms (CEN) and RILO network to facilitate legal trade and to fight crime. Under the WCO Environment Programme, the WCO Secretariat highlighted the great achievements of the Operation DEMETER V and Operation THUNDERBALL, which showcased Customs’ contribution to environmental sustainability and partnerships with environmental agencies as well as other law enforcement agencies.

**15th Global Meeting of WCO Regional Structures**

2-3 March 2020, Brussels, Belgium

The 15th Global Meeting of the WCO Regional Structures was convened on 2-3 March 2020 at the WCO Headquarters in Brussels, Belgium and delegates from Regional Offices for Capacity
Building (ROCB), Regional Training Centers (RTC), Vice Chairs’ Offices, Regional Intelligence Liaison Offices (RILO), Regional Customs Laboratories (RCL) and Regional Dog Training Centers (RDTC) attended. Mr. Norikazu Kuramoto, Head of the ROCB A/P, and his colleagues also attended.

The RILO, RCL and RDTC were newly invited to the Meeting this year with the aim to strengthen cooperation and collaboration among regional structures for better meeting Customs objectives in line with the WCO Strategy through capacity building activities. The delegates were informed of the WCO Strategic Plan and the WCO Capacity Building Strategy and discussed regional structures’ roles and expected contributions. The Meeting also addressed the latest developments on WCO tools and instruments, especially focusing on areas which have impact on capacity building activities. The meeting provided an opportunity to discuss issues and activities per region, and Mr. Kuramoto, together with the WCO Regional Development Manager, led the discussion in the A/P region break-out session and reaffirmed the continued close cooperation among regional structures in the A/P Region.
4-6 March 2020, Brussels, Belgium

Under the theme “Manage Change Today for a Sustainable Tomorrow” the 11th Capacity Building Committee was convened on 4-6 March 2020 at the WCO Headquarters in Brussels, Belgium and approximately 180 delegates from Member administrations, non-Member administrations and other international organizations (UN, WTO) attended. Mr. Norikazu Kuramoto, Head of the ROCB A/P, and his colleagues also attended.

The meeting consisted of two parts. Day one was a joint session with the 12th Meeting of the Working Group on the WTO Trade Facilitation Agreement (TFAWG). We recognize the importance of TFA to establish the Reform and Modernization of Customs through Capacity Building activities.

Day two and Day three were solely for the Capacity Building matters. There were many discussions on every agenda especially on ‘Capacity Building Strategy and Operational Plan (2020-2022)’, ‘Small Island Economies (SIEs)’ and ‘Expert Management and Deployment’. Mr. Kuramoto commented on the pivotal role of ROCB AP in assisting the SIEs issue.
WORLD CUSTOMS ORGANIZATION

Asia/Pacific Regional Office for Capacity Building (ROCB A/P)

Address: 1, Thai Customs Department, G Floor of 120 Years Building, Sunthornkosa Rd., Khlongtoey, Bangkok 10110 Thailand

Telephone: +66-2-667-6777

E-mail: rocb@rocbap.org

website: http://www.rocb-ap.org

Mr. Norikazu KURAMOTO, Head, WCO ROCB A/P
Ms. Saori NOJIMA
Ms. Chloe AU
Mr. Tong HUA
Mr. Ilkwon HAN
Ms. Jate-Arpa BENJAPHONG
Ms. Vareemon CHAIRUNGSRILERT

Regular Supporters: Mr. Daniel BRUNT and Mr. Wayne MORAN