



**The 8th ASEM Customs Enforcement Working Group Meeting
30-31 May 2005
Brussels, Belgium**

Meeting Report

Introduction and background

At the invitation of the European Commission, ASEM members (Asia-Europe meeting) including representatives of the customs administrations of Austria, Belgium, Brunei-Darussalam, China, Cyprus, Denmark, Finland, France, Germany, Indonesia, Ireland, Italy, Japan, Korea, Luxemburg, Malaysia, Netherlands, Poland, Portugal, Singapore, Slovakia, Slovenia, Spain, Sweden, Thailand, the United Kingdom and the European Commission met in Brussels on 30-31 May 2005, to participate in the 8th ASEM Customs enforcement working group (EWG).

The World Customs Organisation (WCO) and the Regional Intelligence Liaison Office (RILO) for Western Europe were also represented at the meeting.

Within the framework of the ASEM process, the Brussels forum followed the 7th ASEM Customs EWG meeting, which took place in Penang, Malaysia, in 2003 and continued with the development of projects including discussions on technical cooperation, control methods, risk management and fraud in the field of customs.

Two action plans were established in 2003, one on "Fight against Fraud" and the other on "Intelligence and Cooperation towards Effective Security and Facilitation".

8th EWG

The 8th EWG was the first EWG meeting following ASEM enlargement in 2004, when ASEM welcomed 13 new members -10 European and 3 Asian countries. The new environment brought an additional dimension to the meeting which re-enforces the spirit of ASEM to strengthen the links between Europe and Asia and stimulate an informal process of open dialogue and cooperation, based upon equal partnership and enhancing mutual understanding.

The meeting also took account of the new challenges customs administrations are facing world-wide. There was a mutual understanding that customs play an important role in strategic priority areas, such as ensuring security of the supply chain, the combating of counterfeit goods. Close co-operation is required between administrations, supported by modern working and control techniques, to ensure efficient and effective intervention.

Presentations at the meeting focussed on IPR, Security, Evolutions of control methods and customs fraud, mutual cooperation and technical assistance and assured the follow-up of ongoing. The respective co-ordinators reported on the state of the implementation of the action plans. Interventions by various countries resulted in an interesting exchange of information and provided valuable input to the discussion in the two working groups, "Fight against Fraud" and "Security, Facilitation and Modern Control Methods (incl. IPR and risk management)".

Capacity building in the area of customs enforcement was also discussed.

The working groups discussed the implementation of the existing action plans, evaluated their usefulness in the new environment and updated and redrafted the plans for the next meeting

Recommendations

A series of actions and recommendations for cooperation were adopted by the EWG on the basis of discussions in the working parties. Of special note were:

In the area of fight against fraud,

The group suggests to

- Take action to ensure that customs role in contributing to ASEM aims is recognised;
- Take action on priority sensitive issues;
- Make best use of facilities offered by WCO / RILOs and OLAF;
- Use good practice developed by operational activity to influence further operational cooperation;
- Take note of review 2003 – 2005 action plan including agreed consequent activities;
- Ensure that all relevant data is input into CEN and other necessary databases to enable comprehensive analysis activities;
- Take specific action to address amphetamine smuggling from Europe into Asia and counterfeit cigarette smuggling from Asia into Europe.
- Establish an effective contact point list

The full report is enclosed as annex I.

RILO Western Europe agreed to co-ordinate a joint analysis to be carried out on Amphetamine Type Stimulant smuggling, while the **European Commission (OLAF)**

offered to explore the feasibility for a business plan on a joint action targeting counterfeit cigarette smuggling.

In the area of Security, Trade Facilitation and IPR

The group decided to focus on priority areas “Supply Chain Security” and “Intellectual Property Rights (IPR)” and drafted an action plan for the period 2005-2007, which is enclosed as annex II bis to this report.

Each priority area comprises proposals for actions on “customs to customs cooperation”, “customs to business cooperation” and “capacity building”.

Co-ordinating countries have been nominated for the different actions in the action plan.

Both groups acknowledged the need to exchange information on training and assistance needs (capacity building) of ASEM member countries in the customs enforcement area as well as on potentials and strengths available in the forum, as has already been done in the field of customs procedures.

A report of this working group is enclosed as annex II.

Next steps

The EWG agreed to present the report of the 8th EWG meeting to the Director Generals/Customs Commissioners at their meeting in Peebles on 27-28 June 2005 for further consideration and adoption. The DGs/Commissioners should also approve timeframe and co-ordinators.

Korea kindly offered to host the 9th EWG meeting in Korea in 2006. This invitation was highly appreciated by all member countries. The European Commission offered to support Korea with its inputs to the meeting.

Korea agreed to chair the EWG until the 9th meeting in 2006, when a European country would be requested to take over that task.

Capacity building needs to be identified and the results should be further discussed at the next EWG meeting in Korea.



8th ASEM Customs Enforcement Working Group Results of the group "Fight against Fraud"

The working group "Fight against Fraud"

- touched upon the profile of Customs Enforcement in the ASEM process,
 - mentioned the World Customs Organisation and some of its tools, and finally
 - addressed the action plan on fight against fraud that was established during the 7th EWG meeting in Malaysia in 2003.
1. The group started by discussing the profile of Customs Enforcement at political level, departing from the observation that Customs Enforcement disappeared from the agenda of the political Masters. In order to prove the usefulness of Customs Enforcement, it was agreed to focus on a limited number of deliverables that are realistic and that would be achievable until the next Enforcement Group Meeting in Seoul (Korea) in May 2006. Therefore, the group concentrated on a few important key issues, rather than addressing the whole range of sensitive areas.
 2. A cyclic item during the debates was the World Customs Organisation (WCO), in general, and some of its tools. Basically, the group agreed that WCO's "Regional Intelligence Liaison Offices" (RILO's) could be tasked with specific regional analysis projects. Furthermore, the group agreed to encourage ASEM countries to make better use of CEN ("Customs Enforcement Network") as the main means of exchange of information. Finally, in doing so, it was agreed that overlapping with WCO's work should be avoided, and therefore ASEM Customs enforcement needs to focus more on regional needs and activities.
 3. On the action plan itself, the group agreed to layer the action plan.
 - A first subheading will be devoted to horizontal (operational) issues, and a second subheading to more specific (sensitive) issues.
 - In the second subheading the items "Amphetamine Type Stimulants going to Asia", "Intellectual Property Rights", "Valuation Fraud", "Phytosanitary/Health issues", "Manufactured tobaccos and cigarettes" and "Stolen cars" shall be added.
 4. Whilst concentrating on a few important key issues, the group agreed to prioritize both amphetamine smuggling from Europe into Asia and counterfeit cigarette smuggling from

Asia into Europe. The group allocated responsibilities and timescales to both items in order to have a more detailed planning.

5. In relation to the case on "Amphetamine Type Stimulants" (ATS) smuggling, the work group agreed on a recommendation for an analysis to be established by the "Regional Intelligence Liaison Offices" (RILOs) on the basis of the records in the "Customs Enforcement Network" (CEN) database. And the group noted a problem: the "Customs Enforcement Network" (CEN) of the WCO is lacking input. Therefore the update of the CEN by ASEM countries was considered to be a priority.
6. An initial analysis of actually existing records would be done by the RILOs until 1 October 2005. At that same date, the RILOs would send a reminder to ASEM countries on missing updates. After updating the CEN, the RILOs would proceed to a more detailed analysis until 1 January 2006. Finally ASEM countries will be invited to review the RILOs' analysis on amphetamine smuggling from Europe into Asia before the next Enforcement Working Group meeting in Seoul in 2006.
7. The second target prioritized by the group was counterfeit cigarette smuggling from Asia to Europe. The group started by having a discussion on the potentials of a joint action to combat counterfeit cigarette smuggling. The group agreed that it would be important to take into account the operation "crocodile" organised by the RILO Asia-Pacific located in Beijing. When allocating responsibilities, the group asked the "European Anti-Fraud Office" (OLAF) to define possible exercise parameters and relative organisational aspects in collaboration with WCO (and the WCO's RILOs).

The initial consultation period to evaluate the feasibility of a business plan will end on 1 October 2005. The production of the draft business plan will follow. An informal discussion on possible implementation is foreseen during the meeting of the Asian-Pacific regional contact points meeting in November 2005. Findings and recommendations for a business plan should be reported back by OLAF to the next Enforcement Working Group in Seoul in 2006.

8. Finally, the action plan has been reappraised.

For the point 2 "Working tools" the group decided to wait for the results of the questionnaire drafted by Japan before deciding upon further action. New time scales for the points "Working tools", "Risk analyses" (included in point 2), "Cyber Crime", and "Commercial Fraud" have been defined.

In point 6 "Commercial fraud", the sub-items "Mutual assistance in investigation" and "Training" have been deleted, as well as the sub-item "Evaluation of industry cooperation" in the point 7 "Drugs trafficking".

The point 8 "Database" has also been deleted.

The group decided not to address "Intellectual Property Rights" (IPR), the issue being sufficiently dealt with by the group "Supply Chain Security, Trade Facilitation and IPR".



8th ASEM Customs Enforcement Working Group (EWG)

Results of the group "Supply Chain Security, Trade Facilitation and IPR"

The group looked at the existing action plan agreed at the previous meeting in Malaysia 2003 and acknowledged that the plan was very ambitious and its implementation was extremely difficult which led to a lack of progress on a number of points.

It was therefore agreed that, in order to better deliver and to take into account the new challenges for the customs administrations, the EWG should focus on few priority areas, identify concrete and achievable deliverables as well as a co-ordinator for each proposed activity.

The role of coordinators should be defined.

The priority areas identified were "Supply chain security and trade facilitation" and "Intellectual Property Rights (IPR)". In both fields, two steps of actions were identified on

- Customs to customs cooperation
- Customs to business cooperation
- Capacity building.

The group underlined that duplication of ongoing activities should be avoided and suggested basing the structure of its proposals on the WCO framework for standards.

On that basis the following action plan for the period 2005-2007 has been developed.

A report on the state of implementation of this action plan should be made by the respective coordinators at the next EWG meeting in 2006.