



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION
Permanent International Secretariat

6 December 2018

BS/WG/CM/R(2018)1

**REPORT OF THE
MEETING OF THE BSEC WORKING GROUP
ON CUSTOMS MATTERS**

BSEC Headquarters, 6 December 2018

1. The Meeting of the BSEC Working Group on Customs Matters was held at the BSEC Headquarters on 6 December 2018.
2. The Meeting was attended by the following BSEC Member States:

Republic of Armenia
Republic of Azerbaijan
Republic of Bulgaria
Hellenic Republic
Russian Federation
Republic of Serbia
Republic of Turkey
Ukraine
3. The following BSEC Related Body also participated in the Meeting:

Parliamentary Assembly of the BSEC (PABSEC)
4. The following BSEC Observer attended the Meeting:

Arab Republic of Egypt
5. The following BSEC Sectoral Dialogue Partner also participated in the Meeting:

Union of Road Transport Associations in the Black Sea Economic Cooperation Region (BSEC-URTA)
6. The representative of the International Road Transport Union (IRU) participated in the Meeting as a Guest.

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7. The List of Participants in the Meeting is attached as **Annex I**.

8. The Meeting was chaired by Mr. Elchin GULAMOV, Head of Department for Bilateral Customs Cooperation, Directorate for International Cooperation, State Customs Committee of the Republic of Azerbaijan.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

9. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted, is attached as **Annex II**.

AGENDA ITEM 2: STATUS OF IMPLEMENTATION OF RESOLUTIONS, DECISIONS AND RECOMMENDATIONS OF THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS RELATED TO CUSTOMS MATTERS AND FOLLOW-UP OF THE DECLARATIONS ADOPTED BY THE HEADS OF CUSTOMS ADMINISTRATIONS OF THE BSEC MEMBER STATES

10. The BSEC PERMIS informed the participants on the state of implementation of the Resolutions, Decisions and Recommendations of the BSEC Council and of the Declarations adopted by the Heads of Customs Administrations of the BSEC Member States.

11. The participants of the Meeting reviewed and updated the list of the representatives to the Working Group on a long term basis. The current list of representatives of the Member States to the Working Group on Customs Matters is attached as **Annex III**.

AGENDA ITEM 3: CONSIDERATION OF THE EVALUATION REPORT OF THE PREVIOUS COUNTRY-COORDINATOR OF THE WORKING GROUP ON CUSTOMS MATTERS (REPUBLIC OF TURKEY) FOR THE PERIOD 2016-2018

12. The representative from the Republic of Turkey presented the highlights of the Evaluation Report for the period from 1 July 2016 to 30 June 2018.

13. The Working Group considered, amended and approved the Evaluation Report of the Republic of Turkey as a previous Country-Coordinator, for its submission to the Committee of Senior Officials (CSO) of the BSEC Member States. The Evaluation Report is attached as **Annex IV**.

14. The Working Group pointed on the necessity for greater involvement and participation of experts in the activities of the Working Group. To this effect, the Working Group invited the BSEC PERMIS to seek for more opportunities to organize joint meetings with WCO and other relevant international organizations, as well as joint meetings of the BSEC Working Groups on Trade and Economic Development, on Customs Matters and on Transport.

AGENDA ITEM 4: CONSIDERATION OF THE DRAFT MEMORANDUM OF UNDERSTANDING BETWEEN THE WORLD CUSTOMS ORGANIZATION (WCO) AND THE ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION (BSEC)

15. The Draft MoU was considered, amended and agreed upon, with the exception of the wording which is in brackets in Paragraph 2 of the Article V. The Working Group on

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Customs Matters recommended to the Working Group on Organizational Matters to further consider the Draft, in accordance with its mandate as well as taking into account the above and, once the text is agreed upon, to submit it for approval to the upper BSEC bodies. The Draft MoU, reflecting the above discussion, is attached as **Annex V**.

AGENDA ITEM 5: HARMONIZATION AND SIMPLIFICATION OF CUSTOMS PROCEDURES

16. The Delegations of the Republic of Azerbaijan, the Republic of Turkey and Ukraine informed the Working Group on recent measures taken at national level for the harmonization and simplification of customs procedures. Importance of modernization, automation and digitalization of customs procedures were specifically emphasized during the presentations.

17. The participants took note of the information provided by the BSEC PERMIS that so far only three BSEC Member States (the Republic of Armenia, the Republic of Azerbaijan and the Republic of Turkey) provided the links of their websites with available information to be used for elaboration of the draft “*Manual on import, export and transit procedures in the BSEC Member States*” and invited the interested Member States to provide the necessary information as soon as possible.

18. The Working Group agreed to suspend the elaboration of the Manual if there will not be any feedback on the issue until the next Meeting of the Working Group.

19. The participants invited the Customs Administrations of the BSEC Member States to continue to share their experience in harmonization and simplification of customs procedures at the next meetings of the Working Group.

AGENDA ITEM 6: EXCHANGING EXPERIENCE ON METHODOLOGY OF TIME RELEASE STUDY

20. The Delegation of the Republic of Turkey informed the participants, in brief, on the results of TRS measurements which took place in Turkey. The representative of the Republic of Turkey emphasized that in order to further keep this item in the Agenda of the Working Group it would be useful if the site visits and field studies would be organized by the Member States. Following this, the Delegation of the Republic of Turkey suggested to organize a study visit to one of its border crossing points in order to closely acquaint the Member States with the experience of the Republic of Turkey to that effect.

21. The Working Group, while emphasizing the importance and usefulness of such study visits, thanked the Republic of Turkey for the suggestion. In order to have the transportation side also on-board, the necessity of BSEC-URTA also to participate in the above mentioned visit was underlined.

AGENDA ITEM 7: IMPROVING CUSTOMS OPERATIONS AND CUSTOMS CONTROL IN RESPECT OF GOODS FOR PERSONAL USE MOVED IN INTERNATIONAL E-COMMERCE

22. The Delegations of the Republic of Azerbaijan, the Republic of Turkey and Ukraine informed the Working Group on recent developments in respect of goods for personal use moved in international e-commerce, as well as on the activities taking place in the framework of the Single Window.

23. The participants agreed to continue consideration of this issue at the forthcoming meetings of the Working Group.

AGENDA ITEM 8: CONSIDERATION OF THE ISSUE OF APPOINTMENT OF THE COUNTRY COORDINATOR OF THE WORKING GROUP

24. The participants noted the absence of applications from the Member States for the position of the Country Coordinator of the Working Group on Customs Matters for the next two-year period and invited the Member States to apply for the position of the Country-Coordinator of the Working Group.

AGENDA ITEM 9: ANY OTHER BUSINESS

25. No issue was raised under this agenda item.

AGENDA ITEM 10: ADOPTION OF THE REPORT OF THE MEETING

26. The Working Group adopted the Report of the Meeting to be submitted to the next Meeting of the Committee of Senior Officials.

**MEETING OF THE BSEC
WORKING GROUP ON CUSTOMS MATTERS**

BSEC Headquarters, 6 December 2018 (09:30-13:00)

LIST OF PARTICIPANTS

	<u>NAME / SURNAME</u>	<u>TITLE/POSITION/ INSTITUTION</u>	<u>TEL / FAX NUMBERS / E-MAIL</u>
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BSEC MEMBER STATES			
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**MEETING OF THE BSEC
WORKING GROUP ON CUSTOMS MATTERS**

BSEC Headquarters, 6 December 2018

AGENDA

1. Adoption of the Agenda.
2. Status of Implementation of Resolutions, Decisions and Recommendations of the Council of Ministers of Foreign Affairs related to Customs Matters and follow-up of the Declarations adopted by the Heads of Customs Administrations of the BSEC Member States.
3. Consideration of the Evaluation Report of the previous Country-Coordinator of the Working Group on Customs Matters (Republic of Turkey) for the period 2016-2018.
4. Consideration of the Draft Memorandum of Understanding between the World Customs Organization (WCO) and the Organization of the Black Sea Economic Cooperation (BSEC).
5. Harmonization and simplification of customs procedures.
6. Exchanging experience on the Methodology of Time Release Study.
7. Improving customs operations and customs control in respect of goods for personal use moved in international E-commerce.
8. Consideration of the issue of appointment of the Country-Coordinator of the Working Group.
9. Any other business.
10. Adoption of the Report of the Meeting.

List of Representatives of the Working Group on Customs Matters

(As of 6 December 2018)

<i>MS</i>	<i>Name of Representative</i>	<i>Title and Place of Work</i>	<i>E-mail</i>	<i>Telephone</i>
ALBANIA ¹	Mrs. Enkeleda HITAJ	Foreign Relations Director, Directorate General of Customs	e_hitaj@dogana.gov.al	+355682049200
ARMENIA	Mr. Armen MELKIKYAN	Head of International Cooperation Department, Ministry of Finance	armen.melkikyan@minfin.am	+37411800335
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GEORGIA				
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¹ Note of the MFA of Albania of 1 March 2016.

MOLDOVA ²	Mr. Corneliu CROITORU	Head of Customs Control Division, Customs Service of the Republic of Moldova	corneliu.croitoru@customs.gov.md	+37322574138
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	Mr. Octavian FLESARIU	Head of Service, Service for Customs European Integration and International Relations, National Customs Authority of Romania	octavian.flesariu@customs.ro	+40213102872
RUSSIA				
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UKRAINE ⁵	Mr. Anatoliy ALEKSANDROV	Director of the Strategic Cooperation Department, State Fiscal Service of Ukraine	a.aleksandrov@sfs.gov.ua	+380442813049
	Ms. Oksana STEPANENKO	Deputy Director of Department-Head of the International Cooperation and European Integration Directorate of the Strategic Development and International Cooperation Department, State Fiscal Service of Ukraine	ostepanenko@sfs.gov.ua	+380442472653

² The information was provided on 4 March 2016.

³ Note of the MFA of Romania of 1 March 2016.

⁴ Note of the MFA of Serbia of 26 September 2016.

⁵ The information was provided on 12 November 2018.

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**Evaluation Report of the Republic of Turkey as Country Coordinator
on the Activities of the Working Group on Customs Matters
in the period 1 July 2016 – 30 June 2018**

I- Introduction

In the period 2016-2018, the Republic of Turkey carried out the role of Country Coordinator of the activities of the BSEC Working Group on Customs Matters.

The Republic of Turkey prepared the Plan of Action of the Working Group on Customs Matters for the period of 1 July 2016 – 30 June 2018 as the Country Coordinator which aimed at increasing cooperation and capacity among BSEC Member States and presented it in the first Working Group Meeting that was held on 4 November 2016.

While preparing the Plan of Action, the Country Coordinator paid attention to the crucial subjects that would help modernization of customs administrations while ensuring both trade facilitation and security of international logistics chain. The Country Coordinator also took into account the BSEC Economic Agenda: Towards an Enhanced BSEC Partnership as well as mandate and tasks of Terms of Reference of the working group. In this respect, the Action Plan included activities on post clearance control, single window, fight against smuggling and searching for the ways of cooperation among BSEC members, public-private sector cooperation in the field of customs, preparations for implementation of WTO Trade Facilitation Agreement and establishment of a National Committee, automation of transit procedures and exchange of data and international rules of origin and customs procedure.

II – Activities

In this period, three working group meetings were held on 4 November 2016, 21 April 2017 and 20 September 2017 respectively.

In the working group meetings, the representatives mostly focused and exchanged information on harmonization and simplification of customs procedures, time release studies, enhancing integrity of customs officials of customs administrations in the BSEC region, improving customs operations and customs control in respect of goods for personal use in international e-commerce. The representatives had the opportunity to exchange their views on projects of common interest and new applications undertaken by their national administrations affecting foreign trade with other Member States. In these meetings, the countries also had the opportunity to provide updates on state of play of their accession to International Conventions in the fields of customs, trade and transport.

In the same period, working groups on Customs Matters and Trade and Economic Development also held joint meetings to negotiate and finalize the BSEC Trade Facilitation Strategy. The Strategy was agreed upon during the joint meeting of the mentioned working groups on 21 September 2017. BSEC Secretariat has been continuing its efforts on the way of its adoption in authorized bodies.

Besides the working group meetings, some of the events included in the Plan of Action have been organized successfully. In this context, a seminar was held on “Automation of Transit Procedures & Electronic Exchange of Data within the Context of Trade Facilitation” on 19-20 April 2017, in Istanbul. This event was a combination of two events included in the Plan of Action (Activity 5 and 6). It was jointly organized by the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS), the Ministry of Customs and Trade of the Republic of Turkey (MCT) and the Union of Chambers and Commodity Exchanges of Turkey (TOBB).

The Seminar was attended by participants from the following BSEC Member States: the Republic of Azerbaijan, the Republic of Moldova, Russian Federation, and the Republic of Turkey. Representatives from the following other States also attended the Seminar: the Republic of Macedonia and the Republic of Turkmenistan. Representatives of the following international organizations participated in the Seminar: United Nations Economic Commission for Europe (UNECE), International Road Transport Union (IRU), Union of Road Transport Associations in the Black Sea Economic Cooperation Region (BSEC-URTA).

During the Seminar, the representatives actively discussed the issues in relation to Trade Facilitation and Transit Systems. In conclusion of the event the representatives:

- Welcomed and supported the United Nations to consider a more active role for coordinated global implementation of the WTO TFA along the regions covered by all Regional Economic Commissions by also adapting, where necessary, its well-established regional and global multilateral facilitation instruments, so that the future is built upon accumulated UN experiences and successes.
- Appreciated the progress made by Turkey in line with the success of the ongoing e-TIR pilot projects with Iran and Georgia, respectively.
- Recognized the importance of the implementation of the Memorandum of Understanding on the Facilitation of the Road Transport of Goods in the BSEC Region as a priority, which also contains special provisions for facilitation of customs procedures at the borders of the BSEC Member States.

The representatives also agreed on some recommendations for amelioration in these fields. Some of the recommendations made were as follows:

- BSEC should consider setting-up an Ad-Hoc Public-Private Working Party/Task Force, under the joint coordination of the Working Groups on Customs Matters, on Trade and Economic Development and on Transport, with the main task of supporting coordinated implementation of the BSEC Strategy Paper on TF according to a more specific and time-bound Action Plan.
- The BSEC Member States are encouraged to allow the industry to go digital by ratifying the Additional e-CMR Protocol.
- Computerization of TIR procedures should be addressed by the Contracting Parties to the TIR Convention as a priority and the necessary legal framework should be completed as fast as possible.

- While highlighting the importance of digitalized customs, encouraged all the stakeholders to take tangible measures to implement the e-data exchange mechanism with the neighboring states and potential regional partners for a more comprehensive risk analysis method and expeditious transport, to enhance the trade facilitation.

Another important event that was held in this period was a “Joint UNECE-BSEC Regional Seminar on Trade Facilitation and Single Window Interoperability”. This event has been included in the Plan of Action as activity 10. The seminar was held on 21 September 2017 in the BSEC Headquarters. It was attended by delegates from the following BSEC Member States: the Republic of Azerbaijan, the Republic of Bulgaria, Georgia, the Republic of Moldova, Russian Federation, the Republic of Turkey, and Ukraine. Representatives from the following other States also attended the Seminar: Egypt and the USA. Representatives of the following international organizations participated in the Seminar: European Commission, Union of Road Transport Associations in the Black Sea Economic Cooperation Region (BSEC-URTA), United Nations Economic Commission for Europe (UNECE), International Road Transport Union (IRU) and World Customs Organization (WCO).

During the Seminar, very informative presentations were made about development of a Single Window System, national experiences in building a Single Window System, Interoperability, Data Harmonization and Port Community System. The representatives also had the opportunity to exchange their views on making cooperation to ensure interoperability and harmonization for the use of Single Window among Member States.

In this period, the Working Group on Customs Matters has also started considering signature of a Memorandum of Understanding between the World Customs Organization (WCO) and the Black Sea Economic Cooperation Organization for closer cooperation in customs matters. BSEC Secretariat has contacted the WCO for this purpose and received a draft MoU in October 2017. The draft text will be discussed in the subsequent working group meetings.

III- Conclusion

The Country Coordinator aimed at organizing events that will contribute to the modernization and efficiency of customs administrations of the BSEC Member States as well as the fulfillment of objectives set out by the BSEC Economic Agenda: Towards an Enhanced BSEC Partnership during the period 1 July 2016 – 30 June 2018.

Trade facilitation, automation of transit procedures and electronic data exchange, and single window system have been the concepts that are on the agenda of almost all custom administrations on the way to modernize and facilitate the customs procedures. During the period of 2016-2018, special focus was given to automation of transit procedures and electronic exchange of data within the context of trade facilitation. In this period, also a Trade Facilitation Strategy was drafted in cooperation with the Working Group on Trade and Economic Development and agreed upon in a joint meeting. Its adoption will be one of the milestones of BSEC and it will serve as a reference document for further cooperation among the Member States in the field of Customs and Trade. BSEC Secretariat is encouraged to exert efforts for its adoption.

The Action Plan prepared in the beginning of the mentioned period was drafted in a comprehensive way. However, lack of participation from customs authorities of Member states was sometimes discouraging in organizing the events. Participation in the meetings and events by representatives from national customs authorities will be very supportive in development of common projects and in enhancing cooperation among the Member States. For this reason, there is a need to find a way to encourage participation in the BSEC activities from national customs authorities.



WORLD CUSTOMS ORGANIZATION



Annex V to BS/WG/CM/R(2018)1

DRAFT

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

WORLD CUSTOMS ORGANIZATION (WCO) AND

THE ORGANIZATION OF THE BLACK SEA ECONOMIC

COOPERATION (BSEC)

DRAFT
MEMORANDUM OF UNDERSTANDING
BETWEEN THE WORLD CUSTOMS ORGANIZATION¹ (WCO),
HAVING ITS HEADQUARTERS IN BRUSSELS, BELGIUM, AND
THE ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION (BSEC)
HAVING ITS HEADQUARTERS IN ISTANBUL, TURKEY

The World Customs Organization (WCO) and the Organization of the Black Sea Economic Cooperation (BSEC), referred to hereinafter individually as "Party", or collectively as "Parties" :

ACKNOWLEDGING that Customs is a critical institution for achieving regional integration and international economic prosperity, and for facilitating international trade;

RECOGNIZING that the WCO seeks to facilitate international trade through the use of international instruments, adoption of best practices and programmes for modernization of Customs techniques;

RECOGNIZING that BSEC seeks to promote trade, investment and development regionally and to accelerate economic and social development in its Member States;

RECOGNIZING that the WCO and BSEC both now wish to establish a mutually supportive relationship which is essential for the development of trade and the well-being of nations;

RECOGNIZING that the WCO and BSEC both now wish to establish appropriate arrangements for cooperation which will help promote regional and international trade and otherwise be generally mutually beneficial to the Parties;

Hereby agree as follows :

ARTICLE I
Objective

The Parties shall work to promote close cooperation and consultation on matters of common interest in order to harmonize their efforts in the discharge of their respective mandates and to contribute to the economic and social development of the BSEC Member States and Members of the WCO.

¹ Established as the Customs Co-operation Council.

ARTICLE II
Scope of cooperation

The Parties agree to establish and maintain effective, systematic consultation, cooperation and exchanges of information in order to promote this Memorandum of Understanding.

ARTICLE III
Financial obligations

- 3.1. Notwithstanding any other provision of this Memorandum of Understanding, nothing in this Memorandum of Understanding shall be taken as creating any financial obligation for either Party prior to such obligation being mutually and expressly agreed in writing.
- 3.2. Any expenditure arising from the implementation of this Memorandum of Understanding that is routine and of negligible amount shall be borne by the Party concerned.
- 3.3. Where cooperation proposed by one of the Parties to the other under the scope of this Memorandum of Understanding has greater financial implications than the expenditure referred to above, BSEC and the WCO shall consult each other with a view to determining the means of mobilizing the necessary funds, the most equitable way of defraying the expenditure and, where necessary funds cannot be readily found, shall decide on the most suitable means of procuring them.

ARTICLE IV
Representation at meetings

- 4.1. The Parties shall invite each other to their meetings of common interest and also grant each other observer status at meetings in accordance with the rules of procedure for granting of such status by each Organization.
- 4.2. The participation of representatives at such meetings shall be financed by each Party unless a Party offers to finance the participation of the other Party.

ARTICLE V
Joint training activities

Wherever possible, the WCO Secretariat and the BSEC Secretariat shall, within the limits of the resources available to them, coordinate joint training activities for Customs officers of the Member States of BSEC, considering their needs and requirements.

For the purpose of conducting joint training activities, the Parties shall encourage the Member States of BSEC to benefit from the facilities of the World Customs Organization Europe Regional Office for Capacity Building, located in Baku, the Republic of Azerbaijan *[as well as that from other WCO regional training centers in the BSEC region.]*

ARTICLE VI
Entry into force

This Memorandum of Understanding shall enter into force on the date of its signature.

ARTICLE VII
Amendments

This Memorandum of Understanding shall be reviewed upon the request of either the Secretary General of the WCO or the Secretary General of BSEC, and may be amended by mutual agreement in writing.

ARTICLE VIII
Termination

This Memorandum of Understanding shall cease to have effect six months after either Party gives notice in writing to the other of its decision to terminate this Memorandum of Understanding.

ARTICLE IX
Effect of termination

The termination of this Memorandum of Understanding shall in no way affect obligations assumed during the duration of this Memorandum of Understanding.

ARTICLE X
Dispute resolution

Any dispute over the interpretation or application of any provision herein shall be settled through negotiations or by such other means as the Parties shall mutually agree.

In witness whereof, the undersigned legal representatives of the Parties herein have duly affixed their signatures on the two originals of this Memorandum of Understanding in the English language.

Done at this day of 2017.

Kunio Mikuriya
Secretary General
World Customs Organization

Organization of the Black Sea Economic
Cooperation