



BS/WG/CM/R(2009)1

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

Istanbul, 24-25 March 2009

1. The Meeting of the BSEC Working Group on Customs Matters was held in Istanbul, at the BSEC Headquarters, on 24-25 March 2009.
2. The Meeting was co-chaired by Mr. Karen MIRZOYAN, Permanent Representative of the Republic of Armenia to the BSEC, and Mr. Pavel PASHKO, Deputy Head of the State Customs Service of Ukraine.
3. The Meeting was attended by the representatives of the following BSEC Member States:
 - Republic of Armenia
 - Republic of Azerbaijan
 - Republic of Bulgaria
 - Georgia
 - Hellenic Republic
 - Romania
 - Russian Federation
 - Republic of Serbia
 - Republic of Turkey
 - Ukraine
4. The representative of the Parliamentary Assembly of BSEC (PABSEC) participated in the Meeting as a BSEC Related Body.
5. The representatives of the Commission of the European Communities participated in the Meeting as BSEC Observers.

The List of Participants is attached as Annex I to the present Report.

6. The Agenda of the Meeting was discussed and adopted. The Agenda, as adopted, is attached as Annex II to the present Report.

EXCHANGE OF VIEWS ON THE REPORT OF THE MEETING OF THE WORKING GROUP ON CUSTOMS MATTERS (YALTA, 2-3 OCTOBER 2008)

7. The Working Group took note of the Report of the Meeting of the Working Group on Customs Matters held in Yalta on 2-3 October 2008 and agreed to use it as a basis for consideration of the items included in the agenda of the present meeting of the Working Group.

CONSIDERATION OF PROJECT APPLICATIONS FOR FUNDING TO THE BSEC PROJECT DEVELOPMENT FUND

8. The Working Group took note of the information concerning the activities of the BSEC Project Development Fund (PDF), including the new Manual of Operations of the Project Development Fund adopted by the 19th BSEC Council in Tirana on 23 October 2008.

9. In conformity with instructions of the BSEC Committee of Senior Officials (Tirana, 21-22 October 2008) the Working Group decided to define the following priority project areas according to the Action Plan of the Working Group:

- establishment of a preliminary information exchange mechanism of customs data among the interested BSEC Member States;
- exchanging the experience on implementing the single window concept among the BSEC Member States;
- harmonization and simplification of customs procedures;

10. The Working Group suggested that these priorities shall be taken into account while considering the project applications to the BSEC Project Development Fund.

11. The Republic of Turkey proposed to establish a project team consisting of experts from the interested customs administrations of the Member States for determining the bottlenecks in border crossings along the BSEC region by using the existing methods established by the international organizations such as the World Customs Organization (WCO) and the United Nations (UN) that involves waiting time analysis studies of the border crossing procedures and applications.

12. The Working Group welcomed the proposal of the Republic of Turkey and invited the interested Member States to submit to Turkey their preliminary proposals for participation in the project so that the Republic of Turkey elaborates the project proposal and submits it to the BSEC Project Development Fund.

CONSIDERATION OF THE ACTION PLAN OF THE BSEC WORKING GROUP ON CUSTOMS MATTERS

13. The Working Group considered, amended and approved the Action Plan of the Working Group on Customs Matters. The Action Plan, as adopted, is attached as Annex III.

14. The Hellenic Republic stated that it may submit some reservations to the said Action Plan. However, the Hellenic Republic considered that the Action Plan has to be time scheduled and to contain a wide scale of objectives. Moreover, it is considered necessary not to be restricted to a certain period of time.

CONSIDERATION OF POSSIBILITY TO ESTABLISH A PRELIMINARY INFORMATION EXCHANGE MECHANISM AMONG THE INTERESTED CUSTOMS ADMINISTRATIONS OF THE BSEC MEMBER STATES, INCLUDING THE DETAILS AND THE FRAMEWORK FOR SUCH A MECHANISM.

15. The Working Group continued the consideration of the issue concerning the possibility of establishing a preliminary information exchange mechanism among Customs Administrations of the interested BSEC Member States.

16. The representative of Ukraine presented detailed information concerning the mechanism of preliminary exchange of customs information concluded on a bilateral basis by Ukraine with the Republic of Moldova, the Russian Federation and the Republic of Belarus. He suggested that the experience of Ukraine could be extended to other BSEC Member States on a bilateral basis.

17. The representative of the Republic of Serbia stated that the legal basis for the establishment of a mechanism of exchange of customs information should be the bilateral agreements on mutual assistance in customs matters concluded between BSEC Member States.

18. The representative of the Republic of Turkey suggested that, due to the complexity of legal and technical issues, the establishment of a mechanism of exchange of customs information seemed more feasible to be implemented on a bilateral basis.

19. The representative of the Hellenic Republic stressed the importance of having the legal basis for the establishment of a mechanism of exchange of customs information and the necessity to find out the objectives of such a mechanism. He also emphasized the importance of protecting certain data in the process of exchange of information and the prerequisite to establish the rules of the management of such a mechanism.

20. The representative of the European Commission (EC) reconfirmed the position of the Commission which states that the EC shows a positive approach towards the establishment of a preliminary information exchange mechanism of customs data among the BSEC Member States.

He stated that the EC welcomes and encourages the establishment of such systems as they are regarded as useful tools and effective instruments of reducing waiting times at the borders and stimulating trade flows among the participating countries. He also pointing out that the EC is the sole spokesman on the issue of exchange of information and that three EU Member States that are also Member States of the BSEC cannot participate in such an arrangement, the European Commission being the entity which can conclude bilateral agreements with third countries in this respect.

21. The Working Group concluded that bilateral agreements on exchange of preliminary information of customs data, mutual assistance on customs matters and other bilateral agreements signed between the customs administrations of the BSEC Member States and third parties could serve as the legal basis for the exchange of preliminary information.

22. The Working Group recommended to the interested Member States as well as the European Commission and other interested BSEC Observer States to initiate bilateral contacts with the view of establishing mechanisms for preliminary exchange of customs data.

23. The Working Group agreed to discuss at its next meeting the details and structure of such mechanisms, including the objectives of information exchange, its size, data protection issues, rules of management and final use of exchanged information.

24. The representatives of the South-East European Messaging System, representing a European Commission project, made a presentation on “Systematic Electronic Exchange of Data” among six customs administrations in the Balkan region. They explained the format and the procedures establishing a mechanism of preliminary exchange of customs data in the Balkan region as well as the common concept and possible implementation measures for the BSEC countries. The said presentation is attached as Annex IV.

25. The Working Group expressed its interest in the details of this project and discussed the potential cooperation in the future endeavors of the Member States to establish such mechanisms in the BSEC region.

26. The Working Group stressed that the idea of establishment of cooperation in the field of exchange of preliminary information on goods and vehicles moved through the borders of the BSEC Member States, could be an effective instrument to combat customs fraud and ensure proper implementation of customs legislation.

27. The Working Group estimated as feasible to establish in the future a preliminary information exchange mechanism among the interested BSEC Member States and other interested third parties.

STATE OF PLAY REGARDING MEMBER STATES' ACCESSION TO INTERNATIONAL CONVENTIONS RELATED TO SIMPLIFICATION OF CUSTOMS FORMALITIES, PARTICULARLY THE REVISED KYOTO CONVENTION

28. The Working Group took note of the consolidated paper on the state of play with the accession of the BSEC Member States to the multilateral conventions and agreements in the field of customs services.

29. The Working Group reiterated the importance of these multilateral instruments in enhancing cooperation in the field of customs matters among the BSEC Member States and encouraged the Member States to continue their efforts in acceding to the relevant international conventions in conformity with their national priorities.

ANY OTHER BUSINESS

30. No issue was raised under this agenda item.

DATE AND VENUE FOR THE NEXT MEETING

31. The date and venue of the next Meeting of the Working Group on Customs Matters will be communicated to the BSEC Member States through BSEC PERMIS.

ADOPTION OF THE REPORT OF THE MEETING

32. The Working Group adopted the present Report for submission to the next Meeting of the Committee of the Senior Officials of the BSEC Member States to be held in Yerevan on 14-15 April 2009.
