



PACER Plus

Committee on Trade in Goods,
Rules of Origin & Customs Procedures

Third Meeting of the Committee on Trade in Goods, Rules of Origin and Customs Procedures (CTG.03)

Tuesday, 21 March 2023, 11:00AM — 1:00PM (Samoan Local Time)

CHAIR: Mr Tooua Bateriki, Deputy Comptroller, Kiribati Customs Administration and Enforcement

OUTCOMES SUMMARY

1. The third meeting of the Committee on Trade in Goods, Rules of Origin and Customs Procedures took place virtually on 21 March 2023 and was attended by the following Parties: Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Observer State, Nauru, was not in attendance. The Oceania Customs Organisation was invited and participated as an Observer.

Opening formalities and procedures

2. The Chair called the meeting to order, welcomed Committee Members and Observers. The meeting was opened with a prayer by Mr Alipate Tavo, Trade and Investment Adviser of the PACER Plus Implementation Unit (PPIU).
3. The meeting agenda was adopted as presented. The meeting further noted that the PPIU would produce the summary of meeting discussions to be circulated to the Committee for adoption.

Agenda Item 1: Update on the Implementation of activities for FY2022-2023

4. The representative of the PPIU presented the meeting paper providing an update on the implementation progress of current financial year (FY22-23) activities and expenditure to date.
5. The Parties provided further update to the activities as follows:
6. Cook Islands
 - Held consultations with national stakeholders on HS 2022 in December 2022. They aim to complete this process by June 2023, working with New Zealand Customs.

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- Recently had a meeting with the United Nations Conference on Trade and Development (UNCTAD) to implement one notification feature and a new process on the trade portal. Their trade team will facilitate this.
 - On transposition of PP tariff commitments for HS 2017, the current documents are with policy makers to review and clear before finalisation of transposition.
 - They have undertaken a Rules of Origin workshop with stakeholders along with other customs procedures as part of the broker and declaratory training held in Rarotonga and Aitutaki.
 - No activity proposals have been submitted yet for FY23-24 but will work with PPIU to have those submitted through as soon as possible.
7. Kiribati
- HS 2012-2017 transposition has been completed. Although the customs team faced some issues, these have been rectified and is now complete.
 - Transposition from HS 2017 to HS 2022 currently in progress — end of April work will be completed.
 - On the Trade Portal, they have managed to make some changes with assistance from the United Nations Conference on Trade and Development (UNCTAD) and are aiming to complete procedures for customs by the end of the week.
8. Niue
- HS transposition is with ACYCUDA team for stakeholders to use.
 - Niue has implemented HS 2022.
 - Currently working on export and import procedure — now that ASYCUDA world system is in place, there is a need to update all procedures to reflect new changes.
 - Planning to send one notification to Parties with guidance from UNCTAD.
9. Solomon Islands
- New Contact Point for CTG is Ms Annette Ibe, Senior Revenue Officer of the Ministry of Finance and Treasury.
 - Activity O36 has been completed. The final draft of transposition work was submitted to the PPIU in early December 2022. The PPIU assigned a Technical Advisor to review the draft which has now been sent to the Ministry of Finance for formalisation and national implementation. They are hoping implementation will commence in June-July 2023.
 - Currently determining a time for trade portal training with UNCTAD.
10. Tonga
- The Rules of Origin (RoO) workshop is scheduled to take place on 25 April 2023 in Nuku'alofa. They wish to extend the workshop to outer islands specifically Vava'u, with a confirmed date to be provided the week after the meeting.
 - Trade Portals — training with CP for CTG with assistance from UNCTAD and chaired by Ministry of Trade and Customs.
11. Tuvalu
- Completed review work of HS 2022 with the help of Mr Michael Lingo.
 - Have recruited new staff to work on HS 2022. The delay to adopt is due to competing interests they are currently having.

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- Facing a few challenges in the implementation of the ASYCUDA World and have prioritised work on this given its direct impact on exporters. The work on HS 2022 was therefore put on hold and is not a priority for 2023.
- UNCTAD conducted the first training on the second phase of the National Trade Portals the week prior to the meeting. Tuvalu has accepted recommendations from UNCTAD including notification changes and will hold another meeting to finalise before support ends.

12. Vanuatu

- Successfully implemented HS 2022 from 1 January 2022.
- Trade Portal currently up and running.
- The Single Window team is up to the third phase of implementation.
- Acknowledged the support of Oceania Customs Organisation and other regional partners for their support.

13. Samoa

- On transposition work, Samoa advised that they have only managed to implement Basket A and Basket B and delay is due to time constraints and capacity building for new staff.
- Samoa confirmed that they have completed correlation work on HS 2022 and are awaiting approval from Cabinet. This is hoped to be done by June/July this year.

14. The Chair then invited Australia and New Zealand, as donors, to comment or ask questions.

15. Australia asked the PPIU what the tentative timeline for completion of HS 2022 is by FICs. The PPIU advised that in cooperation with Parties and noting the updates provided by Parties, the aim is to complete this work by June 2023 during this current financial year. The PPIU will work closely with Parties to progress full implementation to 1 July 2023.

16. New Zealand noted the implementation of activities under Components 1 and 2, and sought clarity on how incomplete activities would be treated. On the transposition work, the PPIU advised that the Committee will develop first drafts with the PPIU undertaking the peer review on transposition work. The PPIU has dedicated time to complete automation process in June 2023.

17. The PPIU noted that status on the Product-Specific Rules (PSR) and how working remotely has not helped Parties conclude this work. In this regard, the PPIU will host a workshop in June 2023 to bring Parties together to finalise PSR commitments. New Zealand advised the meeting that they have transposed their PSR and can share a copy if Parties require. New Zealand further noted that imports under PACER Plus will be inputted into the correlation table in current PSR.

18. The PPIU noted from the discussion that priority work is the fulfilment of obligations to implement tariff commitments. The PPIU will work with the OCO to assist Parties to complete this work.

Action Items/Resolutions:

19. The Committee on Trade in Goods, Rules of Origin and Customs Procedures:
 1. Noted the update on activity implementation under the current FY2022-2023 Annual Plan.
 2. Provided updates on ongoing and remaining national activities under the current FY22-23 Annual Plan, during the meeting.
 3. Agreed to declassify this meeting paper for public release.

Agenda Item 2: Update on Harmonised System (HS) Transposition Work

20. The representative of the PPIU presented the meeting paper providing an update on the implementation of the HS 2022 at the national level and transposition of Schedules of Commitment on tariff to HS 2017.
21. The Chair opened the floor for Parties to provide an update on their adoption of HS 2022, noting that Australia, New Zealand and Vanuatu have adopted HS 2022. The updates from Parties are provided below.
22. Tuvalu
 - The representative from Tuvalu advised that there has not been much progress on this work largely due to capacity constraints due to new staff. They welcomed support from the PPIU to assist them on concluding schedules and registered support for the work and timelines proposed by the PPIU in recommendations.
23. Solomon Islands
 - The representative from Solomon Islands advised that they are currently working on comments received on schedules of commitment.
 - They have a new Committee Contact Point, Ms Annette Ibe, who will be engaged on the work however training is required for new staff that have joined.
 - Solomon Islands will need more time to respond to comments on transposition work.
 - Has requested support for PSR Schedules at previous CTG meeting. PSR documents lost due to staff that left the Ministry.
 - Support the Workshop in June.
 - Note that Saba is putting the New Zealand PSR transposition online.
24. Vanuatu
 - Sought clarification of duty-free exports to Australia and New Zealand. Although New Zealand is operating both systems, HS 2017 and HS 2022, they also have a concordance which is updated when Parties transpose. Any goods meeting the Rules of Origin (RoO) requirement, is granted tariff/duty-free treatment. Australia has the same system as New Zealand.
25. Tonga
 - Last Trade Ministers' Meeting approved implementation of HS2022 to include PACHS2022. Tonga is therefore looking at including PACHS2022 when implementing HS 2022. PPIU confirmed that PACHS2022 work is implemented by the Oceania Customs Organisation (OCO) and is available.

26. Cook Islands

- They are having a couple of issues with tariff commitments and are working on these.
- Work on HS 2022 is currently ongoing.

27. PPIU

- What has been found is that when reviewing schedules, 80% of issues are to do with classification.
- The PPIU hopes to assist Parties with this work during the Workshop in June and will provide support to new staff.
- The PPIU proposed to amend the timeline for 4 (Submit reviewed schedules and recommendations to the CTG intersessionally) and 5 (Submit schedules to the Joint Committee intersessionally for approval) to be determined by the technical meeting of tariff experts.

Action Items/Resolutions:

28. The Committee on Trade in Goods, Rules of Origin and Customs Procedures:

1. Provided their national status on the implementation of HS 2022 during the meeting.
2. Agreed to the revised work plan and timeframe for the finalisation of the HS 2017 transposition process (as detailed in Paragraph 3.6 of the paper) and further agreed to amend the timeline for 4 and 5 in the table to be determined by the technical meeting of tariff experts in June 2023.
3. Agreed to declassify this meeting paper — without Annexes and access details for HS 2017 Schedules online — for public release.

Agenda Item 3: FY23-24 Annual Plan Activity Proposals

29. The representative of the PPIU provided a summary of the FY23-24 Activity proposals as provided in the meeting paper.

30. The Chair opened the floor for comments by Parties to confirm their approval or otherwise of the activity proposals submitted.

31. Cook Islands, Kiribati, Niue, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, New Zealand and Australia supported all proposals put forward for endorsement.

32. New Zealand offered to provide capacity building training on Rules of Origin similar to the World Customs Organisation (WCO) Rules of Origin training.

33. Australia offered to provide support for a refresher course on Trade in Goods and Customs Procedures and can work with the PPIU to provide this training for Committee Leads and National Coordinators.

34. Cook Islands noted that no activity proposals have been submitted to the PPIU but would like the opportunity to submit proposals for review if possible.

35. Samoa's Contact Point for the Committee confirmed that activity proposals were submitted to the National Focal Point, Ministry of Foreign Affairs and Trade that morning for submission to the PPIU.
36. Vanuatu advised that they hope to submit activity proposals to the PPIU by the end of the week.
37. The PPIU confirmed that Parties who have not submitted proposals thus far have been given until the end of the week to submit proposals for assessment and inclusion in the draft Annual Plan for FY23-24. All activity proposals need to be submitted to the Budget Committee in the next week to be considered at its next meeting on 4th April 2023.
38. PPIU
- The representative of PPIU confirmed that all activity proposals should fall under the three broad activities specified in the Activity Proposal Template.
 - Acknowledged offer by Australia and New Zealand for a refresher training on the Rules of Origin, Trade in Goods and Customs Procedures, and offer of assistance for activity proposal writing.
 - It is known that the Pacific work better in the room through talanoa and the PPIU has remaining provisions in the current budget to facilitate this through to June and onward.

Action Items/Resolutions:

39. The Committee on Trade in Goods, Rules of Origin and Customs Procedures:
1. Approved the activity proposals presented under Components 1 and 2 for the implementation under the financial year 2023-2024 Annual Plan.
 2. Approved the proposed timeline for implementation of activities under the FY 2023-2024 period, in consultation with the PPIU.
 3. Agreed to submit the approved activity proposals to the Joint Committee under the draft FY 2023-2024 Annual Plan.
 4. Agreed to declassify the meeting paper for public release once the Joint Committee approved the FY 2023-2024 Annual Plan.

Agenda Item 4: Presentation by the Oceania Customs Organisation (OCO)

40. The Chair thanked Mrs Nancy Oraka, Head of the Oceania Customs Organisation Secretariat, for accepting the invitation to attend the meeting and invited Mrs Oraka to make a presentation on OCO's key priorities and areas of collaboration with the PACER Plus Implementation Unit.
41. Mrs Oraka advised the Committee of the Organisation's current activities for the year:
- Conduct HS 2022 Training — scheduled for June 2023
 - Completed Legislative Review with Tuvalu Customs — early 2023
 - Customs Brokers Online Training course — ongoing

42. Proposed activities for the 2023-2024 financial year:

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- Conduct a Rules of Origin Workshop based on PACER Plus for OCO Members
- Workshop on the Implementation of Advanced Rulings
- Workshop on the Implementation of Customs Valuation and,
- A Customs Procedures Workshop comparing current against proposed texts of the Agreement.

43. Proposed collaborations between OCO and PPIU:

- HS 2022 capacity building for members and providing support
- E-Commerce Online Workshop participation
- E-Commerce remains an area OCO and PACER Plus can collaborate. OCO supported members to participate in E-Commerce Workshop in 2022.
- Rules of Origin Workshop
- OCO in collaboration with SPC and PACER Plus worked on the Pacific Commodity Database Project December 2022
- Currently with EDFI1 there are some activities PACER Plus can partner with OCO for its members

Action Items/Resolutions:

44. The Committee on Trade in Goods, Rules of Origin and Customs Procedures:

1. Noted the information presented by the Head of the OCO Secretariat and areas of collaboration identified for further consideration.

Agenda Item 5: Any Other Matters & Close of Meeting

45. The Chair asked the Secretariat to display the approved recommendations on the screen and confirmed decisions made by the Committee. The approved recommendations would be reflected in the Outcomes Summary of the meeting to be prepared by the PPIU.

46. The Chair further advised that the agreed recommendations would be compiled together with other subsidiary body approved activities for submission to the Budget Committee to consider at its next meeting on 4 April 2023.

47. The PPIU facilitated a photo of the Committee.

48. A representative of the PPIU closed the meeting with a prayer.