



SECOND (VIRTUAL) MEETING OF THE COMMITTEE FOR TRADE IN GOODS, RULES OF ORIGIN AND CUSTOMS PROCEDURES (CTG.02)

WEDNESDAY, 16TH MARCH, 2022, 1.00-3.00PM SAMOA TIME

CHAIR: COOK ISLANDS

OUTCOMES SUMMARY

1. The second meeting of the Committee on Trade in Goods, Rules of Origin and Customs Procedures took place virtually on 16 March 2022 (WST) and was attended by the following Parties: Australia, Cook Islands (Chair), Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga and Tuvalu.
2. The meeting was chaired by Mr Xavier Mitchell, Comptroller of Customs, Cook Islands Ministry of Finance and Economic Management.

Opening formalities and Procedures

3. The Chair called the meeting to order and was opened with a prayer by the representative of the Cook Islands delegation.
4. The Agenda was adopted as presented. The meeting noted that the PACER Plus Implementation Unit (IU) would produce the summary of meeting discussions.

Agenda 1: Update since the first Committee Meeting CTG.01 of 18 May 2021

5. The Chair drew the Committee's attention to paper CTG.02/D.1 & Annex I and invited the representative of the IU to present the paper.
6. The IU presented the paper which provided a summary of issues discussed during the first meeting of the Committee in May 2021 (and informal technical meetings of Tariff experts). The Committee noted that since these initial meetings there had been some significant development which included the finalisation of the Rapid Needs Assessment (RNA) Report, establishment of the PACER Plus Implementation Unit in Apia, Samoa, development of the 2021-2022 PPIU Annual Plan, and six (6) PACER Plus awareness and automation workshops conducted by the IU in Cook Islands, Kiribati, Niue, Samoa, Tonga and Tuvalu. Furthermore, Tuvalu ratified the PACER Plus Agreement on 31 January 2022.
7. Australia acknowledged the work done by PACER Plus Parties to set up the Committee over the last 12 months and the work of the IU in the past year. Australia noted that the focus of the Committee should be to finalise transposition for Joint Committee approval and ensure the DEC Work Programme fulfils the needs of Members in terms of the mandate of the Committee.
8. The meeting acknowledged the participation of Tonga given the challenges and recovery from the events of January and acknowledged the work of the IU in the past year.

Action Items:

9. **The Committee:**
 - i. **Noted the progress report of issues covered during meetings of 2021.**
 - ii. **Agreed to finalise outstanding matters contained in the Matrix contained in Annex I of CTG.02/D.1.**

- iii. **Agreed that paper CTG.02/D.1 and Annexed I be declassified and publicly released by the Joint Committee.**

Agenda 2: PACER Plus tariff and customs procedures implementation

10. The Chair introduced the agenda item which was to consider updates from PACER Plus Parties on the progress of national implementation of tariff schedules, rules of origin and customs procedures and invited each Party to provide an update noting that detailed information was provided to the IU under Paper CTG.02/D.2 Annex I Questionnaire.
11. The following is a summary of updates provided by Parties:
- a. Australia & New Zealand have implemented tariff liberalization and including the rules of origin customs procedures required
 - b. Cook Islands indicated that their priority was implementation of ASYCUDA World and with assistance of New Zealand work on the transposition work to HS 2022. They also indicated the need for technical assistance on some key customs areas.
 - c. Kiribati advised that they are progressing with implementation including automation and will require assistance with Guidelines to ensure effective implementation.
 - d. Samoa provided an update on transposition of PACER Plus Schedules and HS 2022 transposition which is undergoing national legislative processes. They indicated the need for technical assistance in the transposition work and that they continue to implement customs procedures and rules of origin trainings.
 - e. Solomon Islands indicated that transposition work was progressing well and will need support for peer-review of their work. The draft Customs amendments are still pending Cabinet approval and that Customs will be undertaking training on rules of origin.
 - f. Tonga provided their update on tariff transposition which was in progress and would need to be peer reviewed. Rules of origin training have been stalled due to the recent volcanic eruption and COVID-19 environment. A progress update on automation implementation was also provided.
 - g. Niue advised that the review of their current legislation is the key outstanding issue and technical support would be required for this given current political will. The ASYCUDA World implementation has commenced, and Niue has requested support in IT and advisory support.
12. The Chair in noting the updates encouraged Parties and IU to continue collaboration with the OCO to ensure that there is no duplication of work.
13. Australia advised members that technical assistance in IT (through an IT Specialist) can be made available to Parties if requested.
14. Tonga requested if the IU could provide guidance on obligations under transparency provisions and what processes need to be carried out regarding amendments to schedules. The IU will provide this as part of the finalization of transposition work in the coming months.
15. The Chair congratulated Tuvalu on their recent ratification of the Agreement. Whilst the 60-day stand-down period is in force, the Chair invited Tuvalu to make comments as an Observer. Tuvalu acknowledged the need for assistance from the OCO and the IU to implement its obligations as a Party under the Agreement.

Action Items:

16. The Committee:

- i. **Agreed to provide an update to the Joint Committee on the implementation of Chapters 2, 3 and 4.**
- ii. **Agreed to recommend that paper CTG.02/D.2 and Annexed documents be declassified for public release by the Joint Committee.**

Agenda 3: Transposition of PACER Plus Schedules HS 2012 – HS 2017 and HS 2017 – HS 2022

17. The IU presented paper CTG.02/D.3 which highlighted the progress made by Parties on finalizing transposition schedules and outstanding work remaining for the transposed Schedules for HS 17 to be submitted to the Joint Committee for approval. The meeting noted the following proposal by the IU to progress this work:

- The IU to be a Repository of the Amended Schedules provided by Parties - Parties to circulate draft HS 2017 Schedule of Tariff Commitment through the IU.
- The IU to collate and compile outstanding issues raised with relevant Parties and provide technical support and advice if requested by Parties for resolution of these issues.
- If requested, the IU facilitate any bilateral discussions to resolve issues quicker.
- The IU to facilitate the review and clearance process for all the Party's Annex 2-A Commitments on Tariffs.
- The IU to facilitate the submission of the transposed HS 17 Schedules and PSR for approval by the Joint Committee and consequently incorporating in the Agreement as per Article 17 (4) of Chapter of the Agreement

18. The Committee supported the proposals in the Paper, the proposed role of the IU and the revised timeline of the HS transposition work. Cook Islands, Kiribati, Samoa and Solomon Islands indicated the need for technical assistance to complete the transposition work on PACER Plus Schedules. The meeting also acknowledged the support provided by OCO in the transposition work.

19. Australia and New Zealand offered their support to Parties for the transposition work if required and will coordinate this work with the IU in line with agreed timelines.

20. The IU acknowledged comments by the Committee and advised that they continue to work with OCO to progress work on transposition. The IU will ensure that there is no duplication of efforts noting what is already been undertaken regionally and bilaterally.

21. Solomon Islands seek an update from Australia whether they had any further comments on the transposition of Solomon Islands Goods Commitments from HS2012 to HS2017 and both parties have agreed to discuss this bilaterally in consultation with the IU.

Action Items:**22. The Committee:**

- i. **Considered and approved the role of the IU to facilitate the transposition work with Parties.**
- ii. **Endorsed the revised timeline for the finalisation of the HS17 transposition process detailed in Table 2.**
- iii. **Agreed to submit the above two recommendations for approval by the Joint Committee.**
- iv. **Agreed that meeting paper CTG.02/D.3 be declassified for public release by the Joint Committee.**

Agenda 4: Activity Plans for 2022-2023

23. The IU presented paper CTG.02/D.4 on Customs priority activities for the 2022-2023 PPIU Annual Work Plan. The Meeting was also apprised of the new process in the budget formulation process for 2022-2023 which allows Parties to submit activity proposals. The meeting also noted some of the needs that were identified in the RNA which Parties should also consider. These include: tariff transposition, training of officials on advance rulings, expedited shipments, valuation methods and risk management, health and COVID preventative training for officials and staff at entry ports, technical support for post clearance audit capacity and technical support for single window implementation following ASYCUDA World implementation.
24. The Parties provided priorities for 2022-2023 and the following is a summary of issues raised:
- a. Key priorities for customs are transposition and automated systems, and capacity building regarding certain customs procedures that need to be implemented under the Chapters.
 - b. Need to consider business and the private sector in all the work that is carried out going forward.
 - c. Members highlighted the need to build capacity in Rules of Origin and trade portal development and strengthening the institutional capacity of Customs to ensure activities under this component are implemented well.
 - d. The importance of COVID-19 preparedness and the need for business continuity plans to maintain facilitation of trade and participation in PACER Plus activities given the current environment.
25. The IU advised that they will work with Australia and New Zealand on opportunities to assist with countries' capacity to accelerate the Committee's work and assist the private sector to trade under the current environment.

Action Items:

26. The Committee:
- i. **Agreed to provide the Joint Committee the key priority activities for consideration for the 2022-2023 Annual Plan.**
 - ii. **Agreed to submit proposals for activities for the 2022-2023 Budget and Annual Plan through their respective national focal points.**
 - iii. **Directs the IU to assist Parties in relation to Business Continuity Plans under COVID-19 for Parties use.**
 - iv. **Agreed to recommend that meeting paper CTG.02/D.4 be declassified for public release by the Joint Committee.**

Closing Session

27. The meeting noted that the IU will prepare an Outcomes Summary of the meeting.
28. The Chair thanked Committee members for their active participation in the meeting and conveyed appreciation to the IU for the administrative and technical support provided to the Committee. The Chair in his closing statement encouraged close collaboration with regional and international partners in the implementation of customs priorities. The representative of Cook Islands closed the meeting with a prayer.