

ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

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

(Baku, 25 November 2014)

1. The Meeting of the BSEC Working Group (WG) on Customs Matters was held in Baku, on 25 November 2014.

2. The Meeting was co-chaired by Prof. Igbal BABAYEV, Chief of the Head Department for Statistics and Information Technologies, State Customs Committee of the Republic of Azerbaijan, and Ambassador Traian CHEBELEU, Deputy Secretary General of the BSEC PERMIS.

3. The following BSEC Member States attended the Meeting:

Republic of Azerbaijan Republic of Bulgaria Georgia Hellenic Republic Romania Russian Federation Republic of Turkey

4. The following BSEC Sectoral Dialogue Partner also participated in the Meeting:

Union of Road Transport Associations in the BSEC Region (BSEC-URTA)

5. The Agenda of the Meeting was discussed, amended and adopted. The Agenda, as adopted, is attached as <u>Annex I.</u>

AGENDA ITEM 2: CUSTOMS MODERNIZATION IN THE BSEC MEMBER STATES

6. The Delegations of the Russian Federation and the Republic of Turkey presented information on measures taken at national level for the modernization of the customs services and submitted proposals on issues to be examined by the Working Group in order to strengthen the cooperation among the BSEC Member States on customs matters.

7. The Delegation of the Republic of Azerbaijan made a presentation on "Innovative Projects in Customs Services of Azerbaijan". The presentation is attached as <u>Annex II</u>.

8. During the exchange of views that followed the presentations, specific proposals were made for further consideration by the Working Group.

9. Taking into account the WCO Policy Document "Customs in the 21st Century" and the World Bank's "Customs Modernization Handbook", the Delegation of the Republic of Turkey proposed that the Member States share views and experiences on the Coordinated Border Management concept at the forthcoming meeting of the Working Group. It was also proposed that the BSEC PERMIS prepare a Road Map on enhancing integrity of the customs officials to be discussed by the Working Group.

10. The Delegation of the Russian Federation proposed to discuss during the next meeting of the Working Group the approach of customs administrations regarding the implementation of the Trade Facilitation Agreement of the World Trade Organization (WTO) by contracting parties and the relevance of the World Bank's "Doing Business" Report for the customs administrations in the BSEC Member States.

11. The Working Group agreed to examine these proposals at its next meetings.

AGENDA ITEM 3: PRESENTATIONS ON THE DEVELOPMENT OF TRANSIT TRAFFIC IN THE BSEC MEMBER STATES

12. The Working Group exchanged views on the issue. The representative of the BSEC-URTA also participated in the discussions.

13. The Delegation of the Republic of Turkey informed on their projects for facilitating transit traffic, *inter alia* the e-TIR Project, Russia-Turkey Simplified Customs Corridor, Caravanserai Project and the Joint Use of Border Gates. The Working Group welcomed the efforts undertaken by the Republic of Turkey in developing the transit traffic.

14. The Delegation of the Russian Federation proposed to convene a joint meeting of the Working Group on Customs Matters and the Working Group on Transport to discuss the issue of developing the transit traffic in the BSEC Region, taking into account positive experiences like the Russia-Turkey Simplified Customs Corridor.

15. The Delegation of the Hellenic Republic highlighted that transit procedures fall within the scope of the EU exclusive competence and that it is regulated and IT-based throughout the EU Customs Territory. The EU Member States cannot extend facilitation as far as transit procedures are concerned on their own initiatives. The way to facilitate transit in the BSEC Region would be to support the non-EU BSEC Member States to harmonize their procedures with the view to becoming contracting-parties to the Convention on the Common Transit Procedures, as the Republic of Turkey already is.

16. The Working Group agreed to further consider the above mentioned issues at its next meetings.

17. The Working Group agreed that the customs issues that are in the exclusive competence of the EU should be discussed with the participation of the representatives of the EU, in its capacity of the BSEC Observer.

AGENDA ITEM 4: ADOPTION OF THE PLAN OF ACTION OF THE WORKING GROUP ON CUSTOMS MATTERS FOR 2014-2016

18. The Working Group adopted the Plan of action for the period 1 July 2014-30 June 2016, which is attached as <u>Annex III</u>.

AGENDA ITEM 5: DISCUSSION OF BAKU DECLARATION OF THE HEADS OF CUSTOMS ADMINISTRATIONS OF MEMBER STATES OF THE ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION ON "INITIATIVES OF CUSTOMS ADMINISTRATIONS IN TRADE FACILITATION"

19. The Working Group discussed and agreed on the text of the Baku Declaration to be submitted for approval to the Meeting of the Heads of Customs Administrations of the BSEC Member States, which is attached as <u>Annex IV</u>.

AGENDA ITEM 6: ANY OTHER BUSINESS

20. The BSEC PERMIS representative provided information about the Guidelines of the BSEC Project Management Unit and invited the participants to submit their project proposals in accordance with this document.

AGENDA ITEM 7: DATE AND VENUE OF THE NEXT MEETING

21. The date and venue of the next meeting of the Working Group will be communicated to the BSEC Member States through the BSEC PERMIS.

AGENDA ITEM 8: ADOPTION OF THE REPORT OF THE MEETING

22. The Working Group adopted the present Report for its submission to the Committee of Senior Officials and the Council of Ministers of Foreign Affairs for their consideration.
