1. The Meeting of the BSEC Working Group on Customs Matters was held in Moscow, on 24 May 2016.

2. The Meeting was chaired by Mr. Evgeny BELONOGOV, Head of the International Organizations Unit, Customs Cooperation Department, Federal Customs Service of the Russian Federation.

3. The following BSEC Member States attended the Meeting:

   Republic of Albania
   Republic of Armenia
   Republic of Azerbaijan
   Hellenic Republic
   Romania
   Russian Federation
   Republic of Serbia
   Republic of Turkey

4. The representative of the World Customs Organization (WCO) attended the Meeting as a special Guest.
5. The list of participants is attached as Annex I.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

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

AGENDA ITEM 2: DISCUSSION ON THE DRAFT DECLARATION OF THE HEADS OF CUSTOMS ADMINISTRATIONS OF MEMBER STATES OF THE ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION.

7. The Working Group discussed the text of the Draft Declaration to be submitted for consideration and adoption to the next Meeting of the Heads of Customs Administrations of the BSEC Member States. The text of the Draft Declaration is attached as Annex III.

AGENDA ITEM 3: 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

8. The BSEC PERMIS informed on the state of implementation of the Resolutions, Decisions and Recommendations of the 16th BSEC Council (Belgrade, 19 April 2007), the 33rd BSEC Council (Bucharest, 11 December 2015), and the Baku Declaration of the Heads of Customs Administrations of the BSEC Member States “Initiatives of Customs Administrations in Trade Facilitation” (Baku, 26 November 2014).

9. The Working Group took note of the information provided by the BSEC PERMIS and expressed its commitment to take appropriate measures in order to secure proper implementation of the Resolutions, Decisions and Recommendations of the Council.

10. The Working Group invited the BSEC Member States who have not yet appointed their representatives to the Working Group on a long term basis, to do so as soon as possible, and not later than 1 October 2016.

11. The Working Group welcomed the willingness of the Republic of Turkey to assume the task of Country-Coordinator of the Working Group on Customs Matters for a new two years term, beginning with 1 July 2016, and expressed its appreciation to the Republic of Azerbaijan for the activities accomplished in this capacity during the last two years.

AGENDA ITEM 4: EXCHANGING EXPERIENCE ON METHODOLOGY OF TIME RELEASE STUDY

12. The Delegations of the Republic of Armenia and the Russian Federation presented information on the methodology of Time Release Study (TRS) projects accomplished and on the outcomes of the TRS undertaken in their respective countries.
13. The Working Group agreed to recommend to the Customs Administrations of the BSEC Member States:
a) to constantly endeavor to reduce the average release time of goods for import, export and national/international transit;
b) to organize TRSs along transit corridors crossing the territory of the BSEC Region, with a view to increase their competitiveness;
c) to use the World Customs Organization TRS Guidelines as an effective tool to measure trade facilitation performance with a view to improving it;
d) to calculate and publish their own average time for release of goods on a periodic basis, based on a common standard such as the WCO Time Release Study.
e) to share information on average time for release of goods at their borders during the meetings of the Working Group on a permanent basis.
f) to elaborate and submit to the BSEC PERMIS project proposals, based on the PMU Project Proposal Template, in order to provide joint studies applying the TRS methodology to assess the performance of the import and export clearance processes.

AGENDA ITEM 5: THE PROGRESS MADE BY THE CUSTOMS ADMINISTRATIONS IN HARMONIZATION AND SIMPLIFICATION OF CUSTOMS PROCEDURES IN THE BSEC REGION

14. The Delegation of the Russian Federation presented information on measures taken at national level for the harmonization and simplification of customs procedures and, in particular, on the progress achieved in the area of implementation of the Single Window concept through ICT solutions in their respective Customs Administration.

15. The Working Group invited the Customs Administrations of the BSEC Member States to share their experience in:
a) using enhanced Customs ICT systems, including the advance electronic exchange of information at export, import and transit for adequate risk assessment, in order to maximize the security and facilitation of the international trade supply chain;
b) using Customs E-payment systems development, which allows paying customs services online and thereby simplifying border formalities, improving information processing and revenue collection.

AGENDA ITEM 6: THE STRATEGY OF CUSTOMS ADMINISTRATIONS ON THE FIGHT AGAINST CORRUPTION INVOLVING OFFICIALS OF CUSTOMS AUTHORITIES

16. The participants exchanged views on enhancing integrity and anti-corruption issues in Customs area and invited the Customs Administrations of the BSEC Member States to continue sharing information on their integrity strategies and policies.

17. The Working Group agreed that concrete Customs Anti-corruption measures are key issues in the process of trade facilitation and stressed the importance of relevant international documents in the field.
18. The Working Group reiterated the usefulness of the application to the Customs practices of such instruments as Single Window for entry formalities, the WCO Time Release Study methodology and participation in international benchmarking initiatives in order to eliminate red tape and reduce unnecessary duplication, which create a favourable environment for the development of corrupt practices.

19. The participants agreed that such measures as automation or computerization of customs functions, electronic service delivery of customs procedures, increasing the use of electronic commerce, application of ICT systems, increasing the possibilities for electronic data submission can remove many opportunities for corruption.

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

20. The participants exchanged views on the ways and means of improvement of customs operations and customs control in respect of goods for personal use moved in international E-commerce.

21. The Working Group decided to continue consideration of this issue at its next meeting.

**AGENDA ITEM 8: PARTICIPATION OF THE BSEC MEMBER STATES IN THE INTERNATIONAL CONVENTIONS ON CUSTOMS MATTERS**

22. The Working Group welcomed the participation in the meeting of the representative of the World Customs Organization, as a special guest, and her presentation, expressing the readiness of this Organization to make every effort to promote further the cooperation between WCO and BSEC in order to improve customs operations and facilitate trade relations in the BSEC Region based on the WCO expertise, instruments and tools. The presentation is attached as Annex IV.

23. The participants asked the BSEC PERMIS to undertake further consultations with the Secretariat of the WCO and explore the possibilities of developing the cooperation between BSEC and WCO to the benefit of the effectiveness of the regional cooperation on customs issues in the BSEC Region.

24. While underlining that all BSEC Member States are also the members of WCO, the Working Group invited the WCO to consider providing technical assistance and capacity building for the BSEC projects in the field of customs with regional impact.

25. The Working Group invited the Member States to present updated information on their participation in the International Conventions on Customs Matters and invited the BSEC PERMIS to update the Table containing such information and disseminate it to the Member States.
AGENDA ITEM 9: ANY OTHER BUSINESS

26. No issue was raised under this agenda item.

AGENDA ITEM 10: ADOPTION OF THE REPORT OF THE MEETING

27. 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.