



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 10 June 2014  
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**UD 162**

**NOTE**

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**From:** General Secretariat of the Council  
**On:** 11 June 2014  
**To:** Delegations

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**Subject:** World Customs Organization, 123rd / 124th Sessions of the Customs  
Co-operation Council  
26-28 June 2014  
- Coordination

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Delegations will find attached the draft coordinated position in view of the above meeting,  
transmitted by the Commission services.

**DRAFT COORDINATION PAPER**

**WORLD CUSTOMS ORGANIZATION**

**123<sup>rd</sup> / 124<sup>th</sup> Sessions of the Customs Co-operation Council**

**26-28 June 2014**

The positions coordinated for the 71<sup>st</sup> Session of the Policy Commission will be used as appropriate for the 123<sup>rd</sup> / 124<sup>th</sup> Sessions of the Council.

**Draft Agenda**

1. **Adoption of the agenda** (Doc: SC0132; SC0133)

**Common position**

*We should support the adoption of the agenda for the 123<sup>rd</sup> / 124<sup>th</sup> Sessions of the Customs Co-operation Council.*

2. **Approval of the minutes of the 121<sup>st</sup> / 122<sup>nd</sup> Sessions of the Council** (Doc: SC0131)

The WCO Council held its 121<sup>st</sup> / 122<sup>nd</sup> Sessions from 27-29 June 2013.

The main conclusions of the Council Sessions are as follows:

- Endorsed the proposal to merge the Time Limits, Integrated Supply Chain Management (ISCM) and General SAFE Review Sub-Groups to form a single SAFE Review Sub-Group;
- Endorsed the proposal to establish an expert group under SAFE for data quality and security issues;
- Endorsed the WCO-ICAO Joint Action Plan, the outline of the WCO-ICAO Joint Training Module and the high-level outline Terms of Reference for the WCO-ICAO Joint Pilot;
- Acknowledged and welcomed the ongoing work in terms of the development of the ECP Toolkit;
- Endorsed the promotion of the important role of WCO in implementing a future Trade Facilitation Agreement and agreed that the arrangements for moving this work forward should be clearly defined;
- Endorsed the Action Plan for Phase II of the Revenue Package;
- Concluded that there was no consensus for a cautious and prudent approach in respect of the HS;
- Endorsed the proposal that the WCO should develop an instrument or toolkit to support the creation of mechanisms for best practice for Customs/private sector engagement;

- Adopted the three-year Strategic Plan and the annual Tactical Plan;
- Agreed on establishing a working group to examine the composition of the Finance Committee;
- Agreed that the Finance Committee Chairperson should include information about attendance in the report to the Council;
- Adopted the report of the Audit Committee, the WCO Data Protection and Information Security Policy and the revised Audit Charter;
- Agreed to nominate Luxembourg as next Chair of the Audit Committee;
- Adopted as a whole the Reports on the Policy Commission's 68<sup>th</sup> and 69<sup>th</sup> Sessions;
- Approved the Reports of the 34<sup>th</sup> and 35<sup>th</sup> Sessions of the Technical Committee on Customs Valuation and advisory opinion 4.15;
- Adopted an HS Article 16 Recommendation concerning the amendment of Article 8 of the HS Convention to speed up the HS Committee's decision-taking process;
- Approved the Reports of the 50<sup>th</sup> and 51<sup>st</sup> Sessions of the Harmonized System Committee;
- Approved the revised version of the Integrity Development Guide;

- Endorsed the Organizational Development Package;
- Approved the Report of the 31<sup>st</sup> Session of the Enforcement Committee;
- Approved the Reports of the 197<sup>th</sup> / 198<sup>th</sup> and 199<sup>th</sup> /200<sup>th</sup> Sessions of the Permanent Technical Committee;
- Adopted the CCC Recommendation concerning Customs Formalities in connection with the Temporary Admission of Container Security Devices;
- Adopted the revised Terms of Reference of the WCO/UPU Contact Committee;
- Endorsed the Interactive API Guidelines;
- Endorsed the Compliance and Enforcement Package;
- Approved the proposal that the budget deficit for financial year 2011/2012 be incorporated and that the accumulated result on 30 June 2012 be established as being 8.123.772,32 euro;
- Acquitted the Secretary General of his financial responsibilities for financial year 2011/2012;
- Approved a 0% increase in the general operating expenses for 2013/2014;
- Approved a scale of contributions which reflected a 0% increase in overall contributions for financial year 2013/2014;

- Approved the staffing table for 2013/2014 showing the budgeted posts;
- Approved the proposed capital expenditure of 778.000 euro for financial year 2013/2014;
- Adopted Decision No 335 concerning the budgetary and financial provisions for 2013/2014;
- Adopted the high-level costing of the Strategic Plan;
- Approved the revised daily subsistence and kilometric allowances;
- Adopted the changes to the WCO Staff Manual;
- Approved the Reports of 93<sup>rd</sup> and 94<sup>th</sup> Finance Committees;
- Appointed Mr. Mikuriya as Secretary General for a second five-year term;
- Approved the re-election of Mrs Feehily as Chairperson of the Council for 2013/2014;
- Elected Australia, Azerbaijan, Malawi, Morocco, Nigeria and Uruguay as Vice-Chairs;
- Elected Argentina, Bahrain, Benin, Canada, Ghana, Hong Kong, Japan, Kenya, Mexico, Poland, Russian Federation, Saudi Arabia, Slovakia, South Africa, Spain, Turkey, United Kingdom and United States as members of the Policy Commission;
- Elected Argentina, Canada, European Union, France, Gambia, Germany, Italy, Japan, Korea (Republic of), Netherlands, Pakistan, Saudi Arabia, Sweden, Uganda, Ukraine, United Kingdom and United States as members of the Finance Committee;

- Elected Mr. B. O’Hearn (United States) as Chairperson of the Finance Committee for 2013/2014 and Mr. W. Williamson (United Kingdom) as Vice-Chairperson;
- Elected Mr. A. Bellot (Luxembourg) as Chairperson of the Audit Committee in 2013/2014 and the Delegate of Australia as Vice-Chairperson;

**Common position**

*We should take note of the draft minutes of the 121<sup>st</sup> / 122<sup>nd</sup> Sessions of the Council and support their approval.*

**3. Comments by Chairperson of the Council (No document)**

**No position is necessary**

**4. Report of the Secretary General (Doc: SP0468; SG0192; SG0193)**

**THE DOCUMENTS ARE NOT YET AVAILABLE FROM THE WCO**

**5. Policy matters (Doc: SP0466; SP0487)**

**- Report of the WCO Policy Commission 70<sup>th</sup> Session in Dublin, Ireland, from 9-11 December 2013.** (Doc: SP0466)

The WCO Policy Commission held its 70<sup>th</sup> Session from 9-11 December 2013.

The main conclusions of the Policy Commission are as follows:

- Directed the Secretariat to continue monitoring and researching the evolution of regional economic integration and decided that this work should focus on the priorities identified by Members;
- Noted that there was a broad consensus on the importance of regular and systematic consultation between Customs and the private sector at both strategic and technical levels;
- Noted that there was no consensus on the need for a legal basis for Customs / private sector engagement;
- Took up a proposal that the WCO Regions should be asked to discuss “What does Customs want from trade and what does trade want from Customs?”;
- Adopted a WCO Policy Commission Resolution (Dublin Resolution) on the conclusion of an Agreement on Trade Facilitation by the WTO;
- Adopted a proposal for establishing a new working group on the Agreement on Trade Facilitation;
- Decided that, given the political focus on combating cross-border tax evasion and avoidance, it was timely for the WCO to review the legal framework for the exchange of information between Customs administrations;
- Encouraged the Secretariat to continue its research on the potential benefits of using other coding systems that might complement the HS codes, even if not all Members were fully convinced of the merits of this approach;



- Took note of the draft Operational Plan and Programme Budget for 2014/2015;
- Recognized the progress made with the development of the Strategic Plan and the planning process;
- Approved the Terms of Reference for the Working Group on the composition of the Finance Committee;
- Endorsed the proposed Member-driven mechanism for the inter-sessional development of papers that would assist with the identification and analysis of emerging issues and agreed on an evaluation after two years;
- Accepted a proposal by the Chairperson to prepare a paper on the procedure for the appointment of Directors for discussion at regional meetings;
- Approved the draft Code of Conduct for the election of a Deputy Secretary General in June 2014;
- Agreed that in June 2014, on a trial basis, only the shorter Policy Commission Report would be produced, focusing on outcomes and action points.

**Common position**

***We should take note of the draft report of the 70<sup>th</sup> Session of the Policy Commission held on 9-11 December 2013 and support its approval.***

- **Report of the WCO Policy Commission 71<sup>st</sup> Session from 23-25 June 2014.**

(Doc: SP0487)

The draft report (Doc: SP0487) of the 71<sup>st</sup> Policy Commission to be held on 23-25 June 2014 is not available at this stage. Reference should be made to the EU coordination paper prepared for the 71<sup>st</sup> Policy Commission Session.

**6. Technical matters**

(a) Compliance and facilitation

(i) **Compliance / Enforcement** (Doc: Report Chairperson, EC0345, EC0383)

- **Report of the 32<sup>nd</sup> session of the Enforcement Committee from 18-22 March 2013**

(Doc: EC0345)

The WCO Enforcement Committee held its 32<sup>nd</sup> Session from 18-22 March 2013. The main conclusions of the committee are as follows:

- Approved the report of the 31<sup>th</sup> session of the enforcement committee;
- Endorsed the Compliance and Enforcement Package;
- Endorsed the revised strategy and Action Plan of the Security Programme and endorsed the establishment of a strategic trade controls enforcement project;
- Endorsed the future approach for the Program Global Shield in increasing focus on operational activities;

- Endorsed the proposal of circulating a post operational questionnaire to collect lessons learned in preparation of the second phase of SKYNET in 2014-2015;
- Endorsed and supported the proposal of carrying out operation WESTERLIES 2;
- Endorsed the Report of the 8<sup>th</sup> Session of the Working Group on Commercial Fraud;
- Endorsed the WCO Customs Guide against Origin Fraud;
- Endorsed the revised version of the Compendium on Customs Operational Practices for Enforcement and Seizures (COPES);
- Endorsed the proposal for a global operation codenamed Operation GRYPHON focused on shipments of tobacco and tobacco products in maritime transport;
- Endorsed the creation of the CENcomm based communication platform for cultural Heritage ARCHEO;
- Endorsed the Business Case for Operation CULLINAN which is an initiative to support international activities against illicit trade in rough diamonds;
- Endorsed the creation of an informal working group to study potential ways of moving forward with the Customs Alert Network (CAN) project;
- Endorsed the proposal for operation DEMETER III to be conducted in 2013 targeting illegal waste shipments;

- Adopted the Report of the 10<sup>th</sup> Meeting of the Global Information and Intelligence Strategy Project Group;
- Endorsed the 12<sup>th</sup> CENMaT Meeting Report and the nCEN Dynamic Marketing Strategy;
- Endorsed the Reports on the outcomes of the 14<sup>th</sup> and 15<sup>th</sup> Global RILO Meetings;

**Common position**

*We should take note of the report of the 32<sup>nd</sup> session of the Enforcement Committee and support its adoption.*

- **Report of the 33<sup>rd</sup> session of the Enforcement Committee from 17-21 March 2014**  
(Doc: EC0383)

The WCO Enforcement Committee held its 33<sup>rd</sup> Session from 17-21 March 2014. The main conclusions of the committee are as follows:

- Approved the report of the 32<sup>nd</sup> session of the Enforcement Committee;
- Took note of an update on the WCO Compliance and Enforcement Package and endorsed the draft Action Plan;
- Endorsed the revised WCO Security Programme Strategy;
- Endorsed the WCO Strategic Trade Controls Enforcement Implementation Guide and agreed that it remains a living document;

- Supported the multi-directional approach in capacity building activities under the Programme Global Shield;
- Endorsed the proposal to conduct Operation COCAIR V, Operation WESTERLIES 3, Operation ODYSSEUS;
- Endorsed the report of the 9<sup>th</sup> session of the Working Group on Commercial Fraud;
- Agreed to release the survey results on the Protocol to eliminate illicit trade in tobacco products to the Secretariat of the Framework of the Convention on Tobacco Control of the WHO without referring to individual responses;
- Endorsed the report of the 12<sup>th</sup> Meeting of the WCO Electronic Crime Experts Group and its work plan for the year 2013/2014;
- Expressed its support to the draft “Declaration of the WCO on the Illegal Wildlife Trade”;
- Adopted the report of the 11<sup>th</sup> meeting of the Global Information and Intelligence Strategy (GIIS) Project Group;
- Agreed to adopt the Sea and Land Conveyances’ Risk Indicators and Manuals to be integrated into volume 2 of the Risk Management Compendium;
- Endorsed the 13<sup>rd</sup> CENMat meeting report, the nCEN Dynamic Marketing Strategy and Policy Document for CEN and its Applications;

- Endorsed the report of the 16<sup>th</sup> Global RILO meeting;

**Common position**

*We should take note of the draft report of the 33<sup>rd</sup> session of the Enforcement Committee which will be submitted to the next Enforcement Committee for final approval.*

*We should welcome and support the approval of the proposed Declaration of the WCO on the Illegal Wildlife Trade.*

(ii) **Facilitation /Procedures** (Doc: Report Chairperson, PC0305, PC0324, PO0065)

- **Report of the 201<sup>st</sup> / 202<sup>nd</sup> sessions of the Permanent Technical Committee (PTC) held on 4-8 November 2013** (Doc: PC0345)

The WCO Council held its 201<sup>st</sup> / 202<sup>nd</sup> Sessions from 4-8 November 2013.

The main conclusions from the PTC meeting were as follows:

- Took note of the 12<sup>th</sup> SAFE Working Group Meeting Executive Summary;
- Adopted the Report of the 64<sup>th</sup> Meeting of the Information Management Sub-Committee;
- Took note of the executive summary of the 7<sup>th</sup> meeting of the WCO IATA ICAO API Contact Committee;

- Welcomed the WCO study on Product Identification Codes and suggested that work should continue;
- Agreed with the proposal to involve the Data Model Project Team in the management of the IMO FAL Compendium;
- Took note of the updates on current GNC draft Utility Blocks and proof of concept currently under development;
- Welcomed the development of the Economic Competitiveness Package toolkit and WTO Trade Facilitation Toolkit;
- Took note of the inter-sessional developments relating to the WTO Trade Facilitation negotiations;
- Agreed to develop a Transit Handbook;
- Endorsed the setting up of a virtual group to draft Customs-Business Partnership guidance tool and road map;
- Discussed the first draft of the Revised Coordinated Border Management Compendium;
- Approved the proposal to adopt and to include in the Glossary of International Customs Terms the terms reviewed and approved by the appropriate WCO bodies;

**Common position**

*We should take note of the report of the 201<sup>st</sup> / 202<sup>nd</sup> Sessions of the Permanent Technical Committee and support its approval.*

**- Report from the Permanent Technical Committee (PTC) held its 203<sup>rd</sup> / 204<sup>th</sup> Sessions on 17-21 March 2014.** (Doc: PC0374)

The WCO Council held its 203<sup>rd</sup> / 204<sup>th</sup> Sessions from 17-21 March 2014.

The main conclusions of the PTC Sessions were as follows:

- Took note of the oral report of the first meeting of Working Group on WTO on the Agreement on Trade Facilitation (ATF);
- Endorsed the Terms of Reference of the Working Group on WTO ATF subject to some amendments;
- Endorsed the revised Terms of Reference of the WCO/UPU Contact Committee;
- Endorsed the EMS version of the CN 23 Customs Declaration;
- Endorsed, provisionally, the Joint WCO/UPU Postal Customs Guide;
- Endorsed, provisionally, the Joint WCO/UPU Memorandum of Understanding Guidelines;
- Confirmed that the revised Model Business Lens Checklist would be discussed at the next PTC;



- Took note of the revised Economic Competitiveness Package (ECP) Toolkit;
- Agreed to revise the ECP Action Plan;
- Approved the future work regarding Customs roles on regional economic integration;
- Adopted the draft report of the 65<sup>th</sup> meeting of the Information Management Sub-Committee;
- Endorsed the draft report of the 7<sup>th</sup> meeting of the WCO IATA ICAO API Contact Committee;
- Endorsed the proposed update to the Terms of Reference of the WCO/IATA/ICAO Contact Committee for Advance Passenger Information;
- Endorsed the updates to the “*PNRGOV Principles Functional & Business Requirements, Version 13.1*”, and the “*EDIFACT Implementation Guide PNR Data Pushed to States or Other Authorities: PNRGOV Message Version 13.1*”;
- Endorsed the “*XML Implementation Guide for PNR Data Pushed to States or Other Authorities: PNRGOV Message Version 13.1*”;
- adopted the Guidelines on Certification of Origin developed under the Revenue Package Action Plan Phase II;
- Agreed to include e-commerce and follow-up regarding RKC Correspondence Group into the Work Programme of the PTC;

- Agreed to refrain from making publicly available history documents;
- Agreed that the PTC delegates would be asked each time for approval to publish the list of PTC documents from the meeting, after the meeting has taken place;
- Agreed by the Joint PTC/EC Meeting for holding Joint meetings only every second year.

**Common position**

*We should take note of the draft report of the 203<sup>rd</sup> / 204<sup>th</sup> Sessions of the Permanent Technical Committee and support its approval.*

- **Report from the 12<sup>th</sup> Management Committee of the Revised Kyoto Convention (RKC) on 13-14 November 2013** (Doc: PO0069)

The WCO Management Committee of the RKC held its 12<sup>th</sup> Session from 13-14 November 2013.

The main conclusions of the RKC Session were as follows:

- Approved the RKC toolkit for use by Contracting Parties to assess their level of compliance with the provisions of the Convention and their level of implementation;
- Recommended that RKC Contracting Parties share best practices;
- Recommended to promote widely the RKC Toolkit;
- Agreed to include suitable references to PNR applications in Section 6.9.;

- Agreed to update the Kyoto ICT Guidelines;
- Adopted the report of the 12<sup>th</sup> Management Committee of the RKC;

**EU position**

*The EU should take note of the report from the 12<sup>th</sup> Management Committee on the Revised Kyoto Convention and support its approval.*

**(b) Tariff and Trade Affairs**

- (i) Rules of origin** (Doc: Report Chairperson, OC0177)

**EU position**

*The EU should take note of the report of the 32<sup>nd</sup> Session of the Technical Committee on Rules of Origin.*

- (ii) Valuation** (Doc: Report Chairperson, VT0920; VT0941)

**EU position**

*The EU should support the approval of the reports of the 36<sup>th</sup> and 37<sup>th</sup> sessions of the Technical Committee on Customs Valuation and take note of the draft report from the Committee's 38<sup>th</sup> session.*

***The EU should take note of the other valuation-related developments referred to in the Chairpersons report on the Technical Committee of Customs Valuation.***

**(iii) Nomenclature and Classification** (Doc: Report Chairperson, NC1937; NC2004 and related documents)

The Nomenclature annexed to the International Convention on the Harmonized Commodity Description and Coding System, approved by the Customs Co-operation Council on 14 June 1983, is generally amended every five years in order to take into account the changes in technology and to meet the needs of international trade and statistics. The latest amendment came into force as from 1.1.2012.

The 5th review cycle (HS 2017) was launched in September 2009. The HS Review Sub-Committee (RSC) started discussions at its 39th session (November 2009) that were closed at its 46th session (November 2013). The Harmonized System Committee (HSC) provisionally approved the HS 2017 Draft Recommendation at its 53rd session (March 2014). This text is presented for approval. Following its approval the Recommendation will enter into force as from 1.1.2017.

Since 2009, the EU has thoroughly examined numerous proposals and submitted them to the WCO Secretariat for examination by the relevant technical bodies (HSC, RSC or Scientific Sub-Committee (SSC)). With 22 proposals the EU had been a major contributor to the update of the HS Nomenclature.

**EU position**

***The EU should be supportive of the approval of the Reports of the 52<sup>nd</sup> and 53<sup>rd</sup> Sessions of the Harmonized System Committee.***

*The EU should approve the HS 2017 Draft Recommendation which has been first provisionally approved by the Harmonized System Committee, including the editorial modifications proposed in the written report of the Chairperson.*

*Additionally, the EU should take note of the various other HS-related developments referred to in the written report of the Chairperson.*

(c) **Capacity Building** (Doc: HC0064)

The WCO Capacity Building Committee (CBC) held its 5<sup>th</sup> Session on 31 March – 2 April 2014.

The main conclusions from the Capacity Building Committee were the following:

- Welcomed the development of the EU Competency Framework which was formally handed over to the WCO as potential orientation and good practice;
- Endorsed a proposal to develop a comprehensive WCO national People Development / training diagnostic tool;
- Adopted the Framework of Principles and Practices on Customs Professionalism;
- Adopted the WCO Virtual Customs Orientation Academy established to help induct new recruits and endorsed the related proposed pilot approach;
- Endorsed the new Gender Equality Organizational Assessment Tool;

- Confirmed that the WCO has the Capacity Building methodology, standards, tools and practices in place to also support Members in the implementation of the Agreement on Trade Facilitation;
- Stressed the importance of Performance Measurement to support Strategic Planning;
- Approved the update of the Capacity Building Development Compendium, Chapter on Donor Engagement;
- Endorsed the new annex to the WCO Orientation Package for Decision-makers.

**Common position**

***We should take note of the report of the 5<sup>th</sup> Session of the Capacity Building Committee.***

**7. Budgetary and financial matters (Doc: Report Chairperson, SF0368)**

**- Report of the WCO Finance Committee 95<sup>th</sup> Session from 7-10 April 2014**  
(Doc: SF0368)

The Finance Committee held its 95<sup>th</sup> Session on 7-10 April 2014, chaired by Mr. B. O'Hearn (US). The meeting was represented by seven EU delegates (EU, France, Germany, Italy, Netherlands, Sweden and UK).

The main conclusions of the Finance Committee Session were as follows:

- Recommended that the Council acquit the Secretary General of his financial responsibilities for financial year 2012/2013;
- Recommended that the Council take the budget surplus for 2012/2013 (€ 390,045.08) into account when drawing up a budget for 2014/2015, and earmarked it specifically for implementation of the WTO ATF , and agreed that the funds freed up as a result should be used to close the gap between the general operating expenses and Members' contribution;
- Approved the emoluments adjustments recommended by the Co-ordinated Organizations' Co-ordinating Committee on Remuneration (CCR) for the years 2013 (1.2% increase) and 2014 (0.3% decrease);
- Agreed that if the International Labour Organization's Administrative Tribunal (ILOAT) ruled in favour of the Organization's staff, the emoluments for 2012 would be increased by 2.2 % (1.1 % of which had been implemented). On 28 April 2014 ILOAT ruled on the complaint filed against the WCO and found in favour of the complainant;
- Agreed that if the ILOAT ruled in favour of the Organization, the 1.1 % increase in staff emoluments for 2012 would be maintained; the balance of 1.1 % would not be implemented;
- Agreed that, should the ILOAT rule in favour of the Organization, it would initiate a process on the definition of the principles that should guide the Committee in its consideration of the CCR's recommendations;

- Agreed that the implications of the ILOAT ruling would be tabled for full discussion at its next meeting;
- Approved the proposed revised daily subsistence and kilometric allowances with effect from 1 January 2014;
- Recognized the great importance and value assigned to the Organization by its Members;
- Decided, for the future, to consider a three-year budget plan in line with the Strategic Plan;
- Decided to maintain the policy of approving the Organizations budget appropriations on an annual basis;
- Agreed with the modified proposal for general operating expenses of 16,415,679.35 euro (equivalent to a 1.99 % increase);
- Agreed that the final updated scale of contributions to be presented to the Council for approval in June 2014 would reflect a 1.5 % increase in the overall contributions for financial year 2014/2015;
- Recommended that the Council:
  - (a) Approve a scale of WCO contributions for financial year 2014/2015 with an 1.5 % increase compared to financial year 2013/2014;



- (b) Approve general operating expenses of 16,415,679.35 euro for 2014/2015;
- (c) Approve the Staffing Table for 2014/2015
- Authorized the carry-over of the approved and unspent budget of 46,000 euro to the next financial year, on the condition that reporting was provided;
  - Took note of the capital expenditure committed for the current financial year (2013/2014), in an amount of 732,000 euro;
  - Recommended that the Council approve the proposed capital expenditure of 690,000 euro for financial year 2014/2015;
  - Decided to recommend to the Council, for adoption, the proposed amendments to the Staff Manual and the Technical Attachés Manual;
  - Took note of the draft Council Decision amending Rule 28 of the Rules of Procedure of the Council which sets out the composition of the Finance Committee and noted that the draft Decision would be submitted to the Policy Commission and Council in June 2014 for examination and approval.

**EU position regarding the EU contribution to the WCO budget**

***The EU should take note of the minutes of the 95<sup>th</sup> Sessions of the Finance Committee and support its approval.***

*Following the ruling of ILOAT of 28 April 2014 in favour of the complainant (the Organization's Staff) in relation to the full implementation of the CCR's recommendation for staff emoluments for 2012, the CCR recommendations have de facto become "legally" binding for the WCO – at least for the year 2012. The Secretariat will implement the full 2.2% 2012 recommendation from the CCR in accordance with the guidance of the Finance Committee.*

*The ILOAT ruling clearly stipulates that the CCR recommendations are more than purely a benchmark for the WCO, and that any discretion on the WCO to deviate from such recommendations would completely contradict the principles established by ILOAT's case law.*

*This raises two issues to be considered.*

*Firstly, what would be the role of the Finance Committee and subsequently the WCO Council in respect of future adjustments of staff emoluments? Following the ILOAT ruling the Finance Committee would in principle have very little influence on future staff emoluments adjustments, but would in principle have to take note of the CCR recommendations. From an EU perspective such future scenario would be unacceptable. Moreover, this would not be in line with the Terms of Reference for the Finance Committee, under which the Committee's role and responsibility is to provide support and advice to the Policy Commission and Council in budgetary and financial matters.*

*Secondly, consideration would have to be given to which other options would be available to ensure that the Finance Committee can fulfil the mandate set out in its Terms of Reference in respect of staff salary adjustments. The EU is of the opinion that the Finance Committee should return to the issue of looking into other options than being linked to the CCR reference system. Such other options, drawn from analysis of salary systems applied by the United Nation, the EU, or other interrogational organisations comparable to the WCO, should provide for the Finance Committee being able to perform the functions assigned to it by the Council, including taking into account the global economic climate and the financial situation of the WCO when addressing potential salary adjustments.*

*The EU should support the Secretary General being acquitted of his financial responsibilities for financial year 2012/2013.*

*The EU should support the approval of the proposed final updated scale of contributions reflecting a 1.5 % increase in the overall contributions for the financial year 2014/2015.*

*The EU should support the approval of the proposed general operating expenses of 16,415,679.35 euro for 2014/2015 (equivalent to a 1.99% increase).*

*The EU should support the Staffing table for 2014/2015, showing the budgeted posts, including the number of Technical Attaches, as agreed;*

*The EU should support the approval of the high-level costing of the Strategic Plan, as agreed;*

*The EU should support the approval of the revised daily subsistence and kilometric allowances with effect from 1 January 2014;*

*The EU should support the approval of the proposed capital expenditure of € 690.000 € for 2014/2015.*

*The EU should support the adoption of the Technical Attachés Manual.*

*The EU should support the adoption of the proposed amendments to the Staff Manual, with effect from 1 July 2014.*

## 8. Elections

### **Deputy Secretary General**

The position as WCO Deputy Secretary General will be up for election at the June 2014 Council Sessions. The following candidates have submitted their applications: Mr. Sergio MUJICA (Chile) and Mr. Shahid BASHIR (Pakistan).

### **Council Chairperson**

The position as Council Chairperson will be up for election. Mrs Josephine Feehily (IRL) has expressed that she will not willing to continue as Chairperson of the Council for 2014/2015.

At the current state of play there are no official candidates for the position.

### **Europe Region Vice-Chair**

Following the Regional 2014 Heads of Customs Conference in March last, the EU has been nominated at the region's Vice-Chair for 2014/2015, which should be confirmed by the Council.

### **Policy Commission**

The following Members from the Europe region will be proposed as representatives on the Policy Commission for 2014/2015:

France, Germany, Italy, Poland, Russia, Slovakia, Spain, Turkey and the EU (as Vice-Chair)

### **Finance Committee**

The following Members from the Europe region will be proposed as representatives on the Finance Committee for 2014/2015:

The EU, France, Germany, Italy, UK, Sweden, Kazakhstan and one representative from Sub-Group West.

### **Audit Committee**

From the Europe region Poland and Russia will be proposed as representatives on the Audit Committee for 2014/2015.

***No position is necessary***

## 9. Other business

***No position is necessary***

## 10. Date and place of next sessions of the Council and Calendar for Committee sessions and other meetings (1 July 2014 – 30 June 2015) (Doc: SG0194)

***No position is necessary***

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