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Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods (Endorsed Intersessionally on 12 May 2021)

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BEST PRACTICE GUIDELINES FOR APEC CUSTOMS ADMINISTRATIONS

TO FACILITATE THE DISTRIBUTION OF COVID-19 VACCINES AND RELATED GOODS

During the APEC Leaders' Meeting 2020, Leaders highlighted the importance of facilitating equitable access to safe, quality, effective and affordable COVID-19 vaccines that are vital to safeguard people's health and well-being.¹

The rollout of COVID-19 vaccines and related goods² in a safe, timely and effective manner while maintaining a high-level of compliance is an immediate, real-time global challenge. Economies may encounter numerous logistical challenges in the supply chain once they begin their vaccination programmes. Counterfeit and illegal movement of the vaccines are also of concern, as the global supply chain can be highly vulnerable to potential manipulation by criminal networks. The distribution of COVID-19 vaccines globally will rely on a specialised supply chain, at a time when supply chains have already been severely disrupted due to the COVID-19 pandemic. Not only will this be a high profile and potentially controversial trade challenge, it will also be 'fragile' trade, requiring economies to recognise various technical issues with respect to the transport and storage of COVID-19 vaccines and related goods. Timeliness of transport, clearance, and delivery of COVID-19 vaccines and related goods will therefore be critical.

Customs administrations are only part of the wider players in the vaccine supply chain. However, as the primary enforcement authority for regulating imports and exports, customs administrations will be important contributors to the expedited border facilitation of COVID-19 vaccines and related goods. APEC customs administrations will therefore play a pivotal role in implementing any standards and measures necessary for their respective economies.

It is acknowledged that there are currently useful efforts by other economies and international organisations to tackle this challenge through various avenues, such as publishing reports or drafting collective resolutions. This particular initiative seeks to set out what are considered best practices for the successful rollout of COVID-19 vaccines to benefit the APEC region specifically, with a focus on supply chain and customs clearance processes. To that effect, the APEC Sub-Committee on Customs Procedures (SCCP) has endorsed the Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods. The guidelines comprises a set of operational and practicable measures to ensure our supply chains are equipped to facilitate the flow of COVID-19 vaccines and related goods. It will complement the wider ongoing vaccine supply chain work and assist economies to consider all available measures to manage the complex and sensitive nature of the vaccine supply chain.

This work can not only help strengthen the predictability, visibility and reliability of the economies' vaccine supply chains but will also send a strong signal to the global community that APEC is committed to expediting the successful rollout of COVID-19 vaccines. By implementing any of the measures in the guidelines, APEC member economies can benefit from simplified, modernised and harmonised export and import processes of COVID-19 vaccines. It will also strengthen their supply chain security and connectivity, making economies more resilient to other potential supply chain disruptions and trade challenges in the future.

¹ 2020 Kuala Lumpur Declaration, the 27th APEC Economic Leaders' Meeting, 20 November 2020.

² Adequate numbers of vaccine-related goods, such as personal protective equipment (PPE) and other medical equipment, will be required in order to support the large-scale handling of vaccination programmes globally. A non-exhaustive list of COVID-19 vaccines and related goods could be drawn from the World Customs Organization HS Classification reference: hs-classification-reference-vaccines-english.pdf (wcoomd.org).

ASIA PACIFIC ECONOMIC COOPERATION SUB-COMMITTEE ON CUSTOMS PROCEDURES BEST PRACTICE GUIDELINES FOR APEC CUSTOMS ADMINISTRATIONS TO FACILITATE THE DISTRIBUTION OF COVID-19 VACCINES AND RELATED GOODS

Member economies of the Asia Pacific Economic Cooperation Sub-Committee on Customs Procedures have endorsed the following best practice guidelines for APEC customs administrations to facilitate the distribution of COVID-19 vaccines and related goods across borders.

Best practices guidelines for APEC customs administrations

Preamble

1. Recognising existing international standards and agreements relevant to the international supply chain: In implementing any measures in the best practice guidelines, economies will also have regard to the APEC Framework to Secure Trade, the World Trade Organization Trade Facilitation Agreement (WTO TFA), the World Customs Organization (WCO) Revised Kyoto Convention (RKC), the WCO SAFE Framework of Standards, the WCO Resolution on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines, the WCO Trade Recovery Guidelines and other international standards relevant to the international supply chain.

Border clearance procedures

- 2. Expedited border clearance for COVID-19 vaccines and related goods: Customs import clearance processes should allow pre-arrival processing of COVID-19 vaccines and related goods, while recognising alignment with each economy's existing regulations, to ensure import processes are as expedited as possible and goods are not held unnecessarily in economies' customs clearance processes.
- 3. **Expedited border clearance for hazardous substances**: Customs import clearance processes should also allow pre-arrival processing of any hazardous substances that are used to transport COVID-19 vaccines, i.e. dry ice, while recognising alignment with each economy's existing regulations. It is essential that any hazardous materials required to transport, store and maintain the quality of the vaccines receive the same level of expedited procedures to maintain the overall flow of the vaccines across borders.
- 4. **Tariff liberalisation measures**: Economies should take note of APEC Business Advisory Council (ABAC)'s recommendations to take tariff liberalisation measures for essential medical supplies.³ If economies undertake any tariff liberalisation measures for COVID-19 vaccines and related goods, their customs administrations should also aim to simplify customs procedures with respect to such measures, in order to reduce or eliminate any burdens and delays for their traders.

³ The *Declaration on Facilitating the Movement of Essential Goods* by the APEC Ministers Responsible Trade takes note of ABAC's recommendations on tariff liberalisation measures.

- 5. **Other unnecessary barriers to trade**: Economies should attempt to identify and resolve any unnecessary barriers to trade in COVID-19 vaccines and related goods.
- 6. **Regular border testing**: Economies should carry out regular border testing, including surface swab testing and testing of border officials involved in the clearance process, to ensure the safe transfer of COVID-19 vaccines and related goods and to protect officials and staff members from all risks.
- 7. **Digitalised process**: Where possible, customs export and import procedures should utilise online forms and digitalised trade documents. Customs administrations should accept electronic customs data, digital copies of documents and electronic payment to ensure the timely movement and clearance of COVID-19 vaccines and related goods.
- 8. **Goods in transit and transhipment**: Economies should ensure that the vaccine supply chain is uninterrupted while in transit through an economy en-route to another economy. Economies should also recognise transhipment as an essential part of the supply chain and be willing to provide expedited processing, assistance and logistics when required.
- Use of the Harmonised System: Customs administrations should identify and confirm in advance
 the correct classification of any COVID-19 vaccines and related goods in accordance with the
 Harmonised System, especially with the Joint WCO/WHO HS Classification List for COVID-19
 Medical Supplies.

Engagement with relevant traders

- 10. Government to business targeted outreach: Economies should consider proactively approaching traders involved in the vaccine supply chain, including relevant businesses, industry stakeholders and logistics operators, to ensure that they have a clear understanding of the border clearance procedures. This should provide confidence that relevant industries and stakeholders are committed to working with the government and that the relevant connections are in place to help address any potential delays.
- 11. **Exporters and importers**: Economies should ensure their exporters and importers have a clear understanding of the supply chain and customs procedures specific to COVID-19 vaccines and related goods, for instance cold chain practice and standards, to ensure full preparedness and effective facilitation in the global supply chain.
- 12. **Border officials**: Economies should ensure their border officials have a clear understanding of the logistical arrangements, such as approval and licensing processes and relevant documents required, as well as any issues associated with movements of COVID-19 vaccines and related goods (such as conditions for storage, handling requirements, temperature control, vaccines lifespan etc.).
- 13. **Trusted trader arrangements**: Customs administrations should utilise existing trusted trader arrangements and encourage businesses to be accredited as trusted traders in advance, so these risk-assessed group of traders can take advantage of simplified arrangements when importing COVID-19 vaccines and related goods.

Coordination and preparedness

- 14. **Domestic government agency coordination**: Government agencies, including those responsible for each economy's health, transport, foreign affairs, trade and customs, should coordinate any requirements as necessary in order to implement the best practices and facilitate the flow of COVID-19 vaccines and related goods.
- 15. **24 hour contact point**: Each economy's customs administration should designate a 24 hour contact point for importers, exporters and logistics operators in order to facilitate any shipments, respond to any delays, and provide advice on any technical requirements as soon as practicable to manage cross border movement of COVID-19 vaccines and related goods. This would also be relevant for an importing economy when the vaccines and related goods require a transit in a third economy. Economies should have plans to address any unexpected delays or diversions of vaccine imports.
- 16. **Physical infrastructure**: Economies should put in place adequate facilities and technical infrastructure at the border to enhance the readiness of the supply chain. This should address potential challenges associated with the handling of time and temperature-sensitive COVID-19 vaccines and related goods.
- 17. Protocols around counterfeits and illegal movement of COVID-19 vaccines and related goods: Counterfeits and illegal movement of vaccines will undermine the reliability and credibility of an economy's vaccine programme. Economies should implement appropriate measures to prevent the entry and import of sub-standard and/or falsified vaccines, as well as counterfeit and illegally obtained vaccines. Economies should carry out appropriate verification processes to detect counterfeits and illegal movements, for example, by referring to manufacture marks of authenticity and supporting documentation.
- 18. Securing the supply chain from potential exploitation: Customs administrations should cooperate with each other and with the WCO to prevent the supply chain from exploitation, for instance, from the import of prohibited goods or illegal drugs. Active sharing of intelligence with each other and with the WCO where practicable to safeguard the supply chain will be an integral part of customs administrations' roles.

Implementation

- 19. Prioritisation: Recognising the different mandates of each customs administration as well as the circumstances of each economy, customs administrations should carry out self-assessment of the guidelines against their existing frameworks and prioritise the implementation of any of the above practices over others as appropriate.
- 20. Transparency: Economies should be transparent in its cross-border facilitation process of COVID-19 vaccines and related goods. This can include targeted communications to importers and exporters of COVID-19 vaccines and related goods. Transparency is essential for effective cooperation between customs administrations in the region.

- 21. **Review process**: Taking into account each economy's existing obligations, customs administrations should conduct regular reviews and monitor progress of any implemented practices, until COVID-19 is no longer determined to be a global public health emergency.
- 22. **Sharing of lessons learnt:** There should be coordinated efforts to share lessons learnt on any implemented practices as the vaccines are rolled out in the APEC region. This is to encourage economies to assist each other with the implementation of these practices and to ensure that the practices remain fit for purpose.