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SECURING AND FACILITATING INTERNATIONAL TRADE

1 The Facilitation Committee, at its thirty-fourth session (26 to 30 March 2007), and the Maritime Safety Committee, at its eighty-third session (3 to 12 October 2007), (the Committees) recalled that the 2002 Conference of Contracting Governments to the International Convention for the Safety of Life at Sea, 1974, when considering proposals to enhance maritime security, had recognized the inter-modal and international nature of the movement of closed cargo transport units (closed CTU) and requested the World Customs Organization (WCO) to consider urgently measures to enhance security throughout international movements of closed CTUs.

2 As a result of a consultative process involving WCO member Customs administrations and representatives of the private sector, the WCO Council adopted in June 2005 the Framework of Standards to Secure and Facilitate Global Trade (Framework of Standards). In June 2006 the WCO Council adopted Authorized Economic Operator Guidelines (AEO Guidelines) which were appended to the Framework of Standards. In June 2007 the WCO Council agreed to merge the Framework of Standards with the AEO Guidelines to form one integrated document to be called the SAFE Framework of Standards. Although voluntary, at the time of issuing this circular, 149 States had expressed to WCO their intention to implement the SAFE Framework of Standards.

3 The SAFE Framework of Standards is the only global instrument encouraging Customs authorities to implement a series of measures to enhance the security and facilitation of international trade. It rests on twin pillars; a “Customs to Customs” pillar and a “Customs to Business” pillar.

- .1 The “Customs to Customs” pillar seeks to encourage co-operation among Customs and other competent authorities on the basis of common and accepted standards for data exchange and risk profiles to maximize the security and facilitation of the international supply chain. Central to this pillar is the use by Customs authorities of advance electronic information as part of a risk-based cargo security strategy. Requirements on the use of high security mechanical seals, as part of a seal integrity programme for containers, form an important element of this pillar and have been allocated a separate appendix. This programme, which is based on the use of high security mechanical seals that meet or exceed ISO 17712:2003 on Freight containers – mechanical seals or other then-existing ISO Standard¹, requires seals to be affixed at the point of stuffing of

¹ Relevant ISO Standards include ISO 18185:2007 on Freight containers – electronic seals, parts 1 to 5 and ISO 28001:2007 on Security management systems for the supply chain.

the container and checked at key interchange points along the supply chain until release from Customs.

- .2 The “Customs to Business” pillar which specifies the need for Customs authorities to establish partnerships with the private sector, particularly through the creation of an international system of Authorized Economic Operators (AEOs) whereby businesses that offer a high degree of security guarantees in respect of their role in the international supply chain can, by meeting certain criteria in the SAFE Framework of Standards, receive tangible facilitation benefits, such as the quicker movement of low risk cargo through Customs.

4 The Committees recommend that Member States, either as SOLAS Contracting Governments or as FAL Contracting Governments, or both, raise awareness of the SAFE Framework of Standards among Government agencies, local administrations and the shipping and port industries.

5 The text of the SAFE Framework of Standards is available in English and French on the WCO website (www.wcoomd.org).

6 The Committees recommend that Member States, in the context of raising awareness of the SAFE Framework of Standards give due consideration to the points detailed in the annex to this circular.

7 Member States, international organizations and non-governmental organizations with consultative status are invited to bring their experience on all aspects of the security and facilitation of maritime cargo to the attention of subsequent meetings of the Committees.

ANNEX**KEY COMPONENTS OF ANY GUIDANCE IN THE IMO CONTEXT
REGARDING THE SAFE FRAMEWORK OF STANDARDS**

Member States, either as SOLAS Contracting Governments or as FAL Contracting Governments, or both, developing guidance on the implementation of the FAL Convention and SOLAS chapter XI-2 and the ISPS Code, in the context of the SAFE Framework of Standards, should include statements to the effect that:

- .1 SOLAS chapter XI-2 and the ISPS Code sufficiently set out the requirements on ships and port facilities with respect to the security and facilitation of the movement of closed cargo transport units and of freight containers transported by ships, taking into account the appropriate references in the ISPS Code;
 - .2 the WCO has primacy over supply chain security, with IMO's role being limited to those aspects related to ships and port facilities;
 - .3 port facilities and ships are not responsible for maintaining the physical integrity of closed cargo transport units and of freight containers other than those in their custody;
 - .4 the SAFE Framework of Standards, including the risk-based cargo security strategy set out therein, should be taken into account in policies and practices with respect to the FAL Convention, SOLAS chapter XI-2 and the ISPS Code; and
 - .5 communication, co-ordination and co-operation at both national and local levels, between ships, port facilities, Customs and other competent authorities are of the utmost importance.
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