



# Economic and Social Council

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## Economic Commission for Europe

Steering Committee on Trade Capacity and Standards

### Working Party on Regulatory Cooperation and Standardization Policies (WP.6)

#### Twenty-ninth session

Geneva, 20–22 November 2019

Item 8(b) of the provisional agenda

#### Discussion on draft Recommendation V on

“Addressing product non-compliance risk in international trade”

## Draft Recommendation V on “Addressing product non-compliance risk in international trade”

Submitted by the secretariat

### *Summary*

This document contains a draft proposal for a new recommendation. It is hereby submitted for discussion by the Working Party. This first discussion will seek the opinion of delegates on the direction taken and the overall approach being designed. If their opinion is favourable, a final proposal will be submitted for the Working Party 6 annual meeting in 2020.

#### *Proposed decision:*

Member States expressed overall support for the draft Recommendation V on “Addressing product non-compliance risk in international trade”. They mandate the secretariat to further refine the text of the recommendation in order to present it for adoption it on the thirtieth session in 2020.

GE.19-15346(E)



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1. The Working Party on Regulatory Cooperation and Standardization Policies,
2. Taking into account the wide range of risks present within an international trade system,
3. Noting that these risks include at least trade-facilitation, customs and product non-compliance related risks,
4. Taking into account the principles of the WTO TBT, SPS and Trade Facilitation agreements, as well as those of international standards on risk management and of previous WP.6 recommendations,
5. Recognizing the need for systematically and proportionately addressing all risks present within an international trade system,
6. Stressing the need for coordinated and systematic risk management to be applied by all regulatory agencies involved in border management,
7. Underlining the central role of the Customs Authorities in border management and generally high level of data processing infrastructure available at the Customs,
8. Reminding that the Customs Authorities are owners of critical information required for performing an evaluation of trade related risks, including the risks of product non-compliance,
9. Highlighting that:
  - Management of product non-compliance risk is of particular importance for providing safety of consumers, society and environment, as well as for achieving fair market competition,
  - Management of product non-compliance risk, especially import compliance procedures performed by product regulators at the border, has a strong impact on and often hampers trade facilitation,

*Recommends that:*

10. Governments develop and implement an integrated risk management strategy for systematically addressing all trade-related risks within border management procedures, including customs-related, trade facilitation and product non-compliance related risks.
11. Governments ensure that processes required for management of product non-compliance risks are integrated into processes aimed at addressing customs related and trade facilitation risks.
12. Product regulators develop and implement procedures necessary to explicitly address the risk of product non-compliance within their scope of responsibility, including within import compliance processes at the border. These processes include:
  - Those required for defining compliance rules and algorithms based on best available data, to allow inspectors focusing on shipments that contain products that are dangerous when non-compliant and have a high probability of non-compliance;
  - Establishing processes for applying these rules and algorithms at the border upon arrival of a shipment containing products within the scope of responsibility of the product regulator.
13. Governments establish/strengthen cooperation among product regulators (whose product are involved in international trade) and customs authorities in management of product non-compliance risks by establishing the following processes:

- Allowing the Customs to provide product regulators with data necessary to determining compliance rules or applying predictive algorithms for profiling the incoming shipments, as described in Recommendation S;
- Allowing the evaluation of the product non-compliance risk associated with the incoming shipments, as well as shipment clearance procedures with respect to this risk, be performed upon shipment's arrival:
  - By product regulators based on the data supplied by the Customs within product regulator's own IT infrastructure, or
  - By product regulators based on the data supplied by the Customs within the IT infrastructure of the Customs, or
  - By the Customs according to the compliance rules or algorithms developed by product regulators, as described in Annexes.

14. Governments establish/strengthen cooperation among product regulators (whose product are involved in international trade) and customs authorities in management of product non-compliance risks by establishing the following processes:

- Allowing the Customs to provide product regulators with data necessary to determining compliance rules or applying predictive algorithms for profiling the incoming shipments, as described in Recommendation S;
- Allowing the evaluation of the product non-compliance risk associated with the incoming shipments, as well as shipment clearance procedures with respect to this risk, be performed upon shipment's arrival:
  - By product regulators based on the data supplied by the Customs within product regulator's own IT infrastructure, or
  - By product regulators based on the data supplied by the Customs within the IT infrastructure of the Customs, or
  - By the Customs according to the compliance rules or algorithms developed by product regulators, as described in Annexes.

15. Governments establish processes/infrastructure that allow the Customs providing technical and methodological support to product regulators in applying targeting and profiling techniques at the border

## Annex

### Risk-based cooperation among the Customs and product regulators in import compliance

