

## Joint Minutes

### **8th Colombia/Ecuador/Peru/EU Sub-committee on Customs, Trade Facilitation and Rules of Origin**

November 18<sup>th</sup>, 2021

Video conference (Peru host)

The 8<sup>th</sup> meeting of the Colombia/Ecuador/Peru/European Union Sub-committee on Customs, Trade Facilitation and Rules of Origin was held on 18<sup>th</sup> November 2021 and took place via Zoom

#### • *Adoption of the Agenda*

Peru presented the proposed agenda, which had been agreed by the Sub-Committee (see Annex).

### **A. CUSTOMS COOPERATION AND TRADE FACILITATION**

#### **I. Recent developments on customs legislation and procedures**

##### **European Union**

The EU presented recent developments related to its customs legislation and procedures

- In 2020, the EU adopted a Customs Action Plan<sup>1</sup> that contains 17 actions to be implemented until 2025;
- The EU described the latest steps in the implementation of its import control system ICS2<sup>2</sup>, Single Window<sup>3</sup>, and
- The removal of VAT thresholds on importation of low value goods accompanied by system for advanced VAT collection by the vendor of goods (IOSS)<sup>4</sup>

##### **Colombia**

Colombia mentioned several provisions covered by Decrees 1090 of 2020 and 360 of 2021 which modifies the Decree 1165 of 2019 regarding Customs Regime a value was established

<sup>1</sup> [https://ec.europa.eu/taxation\\_customs/customs-action-plan-supporting-eu-customs-protect-revenues-prosperity-and-security\\_en](https://ec.europa.eu/taxation_customs/customs-action-plan-supporting-eu-customs-protect-revenues-prosperity-and-security_en)

<sup>2</sup> [https://ec.europa.eu/taxation\\_customs/customs-4/customs-security/import-control-system-2-ics2\\_en](https://ec.europa.eu/taxation_customs/customs-4/customs-security/import-control-system-2-ics2_en)

<sup>3</sup> [https://ec.europa.eu/taxation\\_customs/cu-single-window-environment-customs\\_en](https://ec.europa.eu/taxation_customs/cu-single-window-environment-customs_en)

<sup>4</sup> [https://ec.europa.eu/taxation\\_customs/business/vat/vat-e-commerce\\_en](https://ec.europa.eu/taxation_customs/business/vat/vat-e-commerce_en)

on which no customs duty is charged in express shipments; tuna fishing or related species captured in Colombian vessels with Colombian flag that carry out operations outside the Colombian maritime territory, provided that they have the appropriated authorizations and permits, and unloaded directly in authorized foreign ports in accordance with the legislation of the country of destination, will be considered as export; possibility to submit export and import documents by electronic means and the elimination of the requirement of export value of 5,000 USD for postal traffic and urgent shipments

### **Ecuador**

Approval and publication of some changes in the Comprehensive Organic Penal Code (COIP) to strengthen the prevention and fight against illicit trade

Besides, some changes in the Organic Code of Production, Trade and Investment (COPCI) (Auction, Free Allocation and Destruction) and in the Organic Code of the Social Economy of Knowledge, Creativity and Innovation (COESCCI) (Border measures and suspension of the Customs operation at the request of the Party and ex officio) were made.

Additionally, there were published: Executive Decree No 227, Executive Decree No 68, SENAE-SENAE-2021-0037-RE, SENAE-SENAE-2021-0115-RE, SENAE-SENAE-2021-0128-RE and SENAE-SENAE-2021-0018-RE.

### **Peru**

Main changes in Customs regulations were adopted: implementation of the Istanbul Convention - ATA carnet (DESPA-PE.00 23); simplification of customs procedures; elimination of in-person procedures; elimination of the submission of hardcopy formats, use of electronic notification system (SINE), Virtual Desk (MPV), use of risk management, use of advanced guarantees and use of technology for physical inspection.

## **2 COVID-19 responses in Customs issues**

### **European Union**

The EU issued COVID-19 Guidance, which is published on its website. The EU informed the Andean Countries that these measures are prolonged under further notice.

### **Colombia**



Additionally, as part of the Pacific Alliance, Colombia participated in the negotiation process with Singapore, Australia, New Zealand and Canada. The negotiation of Pacific Alliance with Singapore was concluded in July, 2021.

On the other hand, the terms of reference were agreed for the negotiations with Ecuador as a full member of the Pacific Alliance and with South Korea as a Candidate to Associated State.

### **Ecuador**

The negotiation process with Chile is finished and the negotiation process with Mexico is ongoing.

Ecuador expects to resume the negotiations with South Korea next year

With Panama, the terms of reference to begin a negotiation process is finished

Ecuador is preparing a joint study with China before the negotiation process. Additionally, with Costa Rica will start their negotiation process the next year

### **Peru**

The Trade Facilitation and Customs Procedure Chapter is closed as part of the negotiation process with Nicaragua. Meanwhile, the Customs Cooperation Chapter of this process is pending. The provisions of the Chapters included measures of WTO TFA.

The negotiation processes with India and China are pending as well.

## **B. RULES OF ORIGIN**

1 Trade Committee Decision to update Appendices 2, 2A and 5 of Annex II for the Harmonized System (HS) 2012 and 2017

The Parties agreed the English and Spanish versions of the Appendices 2, 2A and 5 of Annex II in the Harmonized System (HS) 2017.

The EU mentioned that it has completed its internal procedures regarding the update of Appendices 2, 2A and 5 of Annex II and will send the final documents to the Andean countries.

The Decision with the updated Appendices 2, 2A and 5 is expected to be signed in the next meeting of the Trade Committee.

## **2. Topics of relevance to Colombia:**

- a) Development of the status of approved exporter in the European Union. Acceptance of invoice declarations by European importers.

Colombia expressed again its concern regarding difficulties faced by invoice declarations issued by Colombian Approved Exporters to be accepted as a proof of origin by EU importers. Also, Colombia informed that promotion programs of the figure of Authorized Exporter have been made.

On this matter, the EU requested Colombia's structure of the Approved Exporter's number, which Colombia agreed to provide. Additionally, the EU expressed that the use of Invoice Declaration to claim preferential tariff treatment under the Agreement is an importer decision.

## **3. Topics of relevance to Ecuador**

- a) Invoice declaration a third-Party invoice

Ecuador expressed its concern regarding receiving invoice declarations made out on documents issued on third-Party documents. On this matter, Colombia reminded that invoice declaration must be issued on a document issued in the exporting Party.

The EU will send guidance documents regarding on which documents the invoice declaration can be made out and what information has to be contained.

- b) Replacement of Movement Certificate EUR 1, electronically issued by Spain.

Term of issuance of the electronic Movement Certificate EUR 1.

Ecuador asked about how long the Electronic Movement Certificates EUR 1 issued by Spain will be in place and when those documents will be replaced by Movement Certificates EUR 1 issued in accordance with Annex II of the Agreement.

The EU will send information about the dates until when Spain stopped issuing electronic Movement Certificates EUR 1.

## **4. Topics of relevance to Peru**

- a) Application of Article 22 in the case when the proof of origin is not presented at the time of importation

The EU described that for the application of paragraph 4 of Art. 22 importers have up to 2 years to submit the proof of origin if the goods are for instance in a customs warehouse.

The EU will share its guidance on belated presentation of proof of origin and reimbursement.

b) Article 29 Amounts Expressed in Euro

Peru reminded the EU that by 15th October each year the EU shall notify a list of the equivalent national currency amounts for those Member States not using the Euro

The EU will provide the information, which is already available on its website. However, the EU proposed that instead of a formal communication, it would be more expeditiously to send the information by e-mail.

c) Article 17 Movement Certificate EUR.1 Issued Retrospectively

Peru mentioned that importers are dealing with problems regarding the amendment of the Movement Certificate EUR.1 when they identify these documents contain errors. According to the information brought by the importers, European exporters cannot change the Movement Certificates EUR.1 until the import customs rejects them

The EU expressed that if it is an obvious error, the Movement Certificate EUR.1 can be amended before its submission at the import customs.

d) Article 16 Procedure for the Issuance of a Movement Certificate EUR.1

Peru indicated that there are some cases when the Movement Certificates EUR.1 were printed and filled in by hand at the same time and this situation is raising doubts at Peruvian customs

EU expressed that if the import customs office has doubts about the originating status of the good covered in the certificate, it may ask for a verification. However, the security measures of the green guilloche and the customs stamp are the important factors

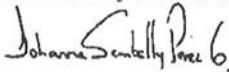
**C. MUTUAL ADMINISTRATIVE ASSISTANCE**

1 Mutual administrative assistance Exchange of contact points

Parties exchanged contact points before the meeting


**Colombia**

Johanna Sembelly Pérez Giraldo



**Ecuador**

Marcq Flores González

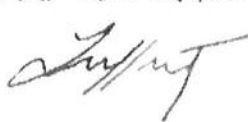


**European Union**

Marko Lätti



Peru Ingrid Huapaya Puicón



Jennifer Olórtégui Marín

