



18th OCO ANNUAL CONFERENCE 2016

Funafuti, Tuvalu
1 – 3 June 2016

“Digital Customs: Progressive Engagement”

18th Oceania Customs Organisation Annual Conference Communique

1. The 18th Annual Conference of the Oceania Customs Organisation (OCO) was hosted in Funafuti, Tuvalu from 1 – 3 June 2016 and was attended by Heads of Customs Administrations of the Governments of the Cook Islands, Federated States of Micronesia, Fiji, Guam, Kiribati, Republic of the Marshall Islands, New Caledonia, New Zealand, Niue, Commonwealth of the Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Apologies were received from American Samoa, Australia, French Polynesia, Nauru, Timor Leste, and Wallis and Futuna.
2. In attendance were invited representatives from the European Union, IMF Pacific Financial and Technical Assistance Center (PFTAC), International Port Community Systems Association (IPCSA), Office of the Chief Trade Adviser (OCTA), Pacific Islands Chiefs of Police (PICP), Pacific Islands Forum Secretariat (PIFS), Secretariat of the Pacific Community (SPC), United Nations Conference for Trade and Development (UNCTAD), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Williams and Goslings Ltd, World Bank, and WCO Regional Office for Capacity Building for Asia Pacific (ROCBAP).
3. Customs Heads expressed their deep gratitude to the Government and people of Tuvalu for the excellent arrangements in hosting the 2016 Annual Conference, and for the kind hospitality extended to them during their stay in Funafuti.
4. The Conference thanked Mr John Tarkong for his contribution as Chair of the OCO Annual Conference and Steering Committee in the past year, and welcomed Mr Letasi Iulai, Permanent Secretary for Finance, Government of Tuvalu, as the new Chair. The Conference welcomed the appointment of Mr John Tarkong of Palau as the first Vice-Chair and Mr Vincent Perez of Guam as the second Vice-Chair.
5. The Conference welcomed the good progress and achievements made by OCO and the Secretariat over the past 16 months as noted in the OCO Interim Transitional Report. The progress made to enhance capacity development outcomes for the small Customs administrations and as well as the oversight and strategic direction provided through the OCO Steering Committee were some of the major highlights noted. In light of the implications arising from the transition from a calendar year to a July to June fiscal year, the Conference endorsed the new reporting periods and timelines for delivery of the OCO corporate business matters as follows: (a) OCO Annual Report tabled for approval by the OCO Steering Committee in October and subsequently disseminated out-of-session for the information of Members; (b) OCO Annual Budget and Work Program tabled for approval at

the OCO Annual Conference; and (c) OCO Annual Audit Report and Financial Statements tabled for consideration by the OCO Steering Committee in October and subsequently disseminated out-of-session for the endorsement of Members.

6. The Conference endorsed the OCO Audit Report for the six months ended 30 June 2015, and approved the appointment of Ernst & Young as OCO's external auditor for the years ended 30 June 2016 and 2017.

7. The Conference discussed in detail the proposed budget and work program for 2016-17, and focused specifically on how the carry forward loss position noted in the 30 June 2015 audited financial statements flowed into the budget, and the criteria used to prioritise activities included in the work program. The Conference endorsed the OCO Annual Budget and Work Program for 2016-17; tasked the Head of Secretariat to provide a revised budget to the OCO Steering Committee for approval once the funding carry over figure into 2016-17 is confirmed through the 2015-16 financial audit; and directed the Head of Secretariat to complete the work on a long-term sustainable funding strategy for the OCO, and present relevant recommendations including an appropriate membership contribution structure to the 2017 Annual Conference.

8. The Conference endorsed the proposed revisions to the OCO Administration Policy; and directed the Head of Secretariat that where there are inconsistencies between staff entitlements in the revised Administration Policy and existing staff contracts, those contracts should be revised accordingly, unless a special entitlement has been agreed.

9. The Conference endorsed the approval process for the various layers of the OCO financial governance framework, and the approach for a comprehensive review of OCO's Financial Policies and Procedures Manual whereby the Annual Conference approves high level financial management principles; policy review and development will be carried out by the OCO Steering Committee; and the financial procedures will be undertaken by the Head of Secretariat. Furthermore, the Conference endorsed the proposed amendments to the OCO Financial Regulations; the OCO Operational Fund Rules; and the Overarching Financial Policy Principles in the Manual.

10. The Conference endorsed the concept for a Joint Pacific Law Enforcement Conference to be explored with PICP, PIFS and PIDC; endorsed in-principle the convening of simultaneous conferences for OCO, PICP and PIDC in 2018, culminating in a Joint Pacific Law Enforcement Conference; and directed the Head of Secretariat to report back to Members at the next annual conference on arrangements for that joint conference.

11. The Conference reaffirmed the need to maintain the OCO conference annually, and also agreed that hosts for annual conferences from 2019 onward be determined alphabetically. In the event that a Country was unable to host, the opportunity would be provided to the next country in the alphabetical order. Should this country also be unable to host, the opportunity would then be provided to one of the larger administrations including Australia, Fiji, New Zealand and Papua New Guinea.

12. The Conference commended the Working Group on Information Sharing for its work in developing the recommendations for Members to consider and requested that it continue

to advance activities proposed under the OCO Regional Information and Intelligence Sharing Framework. The Conference adopted the OCO Regional Information and Intelligence Sharing Framework; endorsed and adopted the OCO Regional High Level Understanding on Information and Intelligence Sharing; welcomed the expansion of the Working Group on Information Sharing to include New Caledonia; and tasked the working group to develop an MOU for signing by members to facilitate more formal sharing of information.

13. Following the informal workshop sessions, the Conference welcomed the key priority areas discussed by Members and:

- (a) Agreed on the need to develop more formal processes for the sharing of information that would support the implementation of the OCO Regional Information and Intelligence Sharing Framework;
- (b) noted the importance of digital solutions to Customs administrations, Port and Airport regulators, freight and shipping agencies as well as the wider trading community and the need to modernise, simplify, standardise and harmonise trading processes through a more integrated Single Window Environment;
- (c) welcomed further discussions on the regional efforts to develop a common data model to enhance an integrated border approach; and
- (d) agreed to establish a working group comprising relevant technical agencies and members to explore available options to address Harmonized Coding System deficiencies.

14. The Conference welcomed the presentations provided by Member administrations, partner organisations and service providers sharing national experiences, approaches and processes linked to digitisation, the advancement of paperless trade and the implementation of Single Window processes across the breadth of the supply chain. Members further noted the importance of potential threats to border security posed by transnational and e-crime and reaffirmed the significant need to prioritise leadership to support both national and regional efforts to implement reforms necessary to implement agreed future directions.

15. The Conference considered the issues that were discussed during the TFCC Project Steering Committee and noted the project narrative and financial reports provided for 2015. The Conference reaffirmed its support for the TFCC Annual Work Plan 4 for calendar year 2016, and corresponding budget, and for the OCO's alternate financing strategy to address ineligible project expenditure incurred in 2012, 2013 and 2014. The Conference also noted the status of the TFCC Loan Repayments, and current outstanding balances.

16. The Conference accepted Guam's offer to host the next annual conference in 2017 subject to the Guam Government approval. In the event that this approval is not forthcoming, the Conference accepted the offer by the Commonwealth of the Northern Marianas Islands to host the 2017 Annual Conference.

17. The Conference was officially closed by the Prime Minister of Tuvalu, the Honourable Enele Sopoaga.