

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA



Sixteenth meeting of the Conference of the Parties
Bangkok (Thailand), 3-14 March 2013

Interpretation and implementation of the Convention

Trade control and marking

PURPOSE CODES ON CITES PERMITS AND CERTIFICATES

1. This document has been prepared by the Chair of the Standing Committee working group on purpose-of-transaction codes^{*}, on behalf of the Standing Committee.
2. In Decision 14.54, adopted by the Conference of the Parties at its 14th meeting (The Hague, 2007) and revised at its 15th meeting (Doha, 2010), the Standing Committee is instructed as follows:

The Standing Committee shall re-establish an intersessional joint working group to review the use of purpose-of-transaction codes by Parties, with the following terms of reference:

- a) *the working group shall be composed of Parties from as many of the six CITES regions as possible, and appropriate intergovernmental and non-governmental organizations, with expertise in the issuance of CITES documents and use of purpose-of-transaction codes for evaluation within the permit issuance process and trade data analysis;*
 - b) *the working group shall, communicating through electronic media, focus on clearly defining purpose-of-transaction codes to encourage their consistent use, and consider the possible elimination of current codes or the inclusion of new ones;*
 - c) *in evaluating the use and definition of purpose-of-transaction codes, the working group should take into account any difficulties of implementation by Parties and the potential resource implications of inclusion of any new codes or deletion of current purpose-of-transaction codes; and*
 - d) *the working group should submit a report and any recommendations for amendments to Resolution Conf. 12.3 (Rev. CoP15), or to any revision thereof, at the 62nd meeting of the Standing Committee, which shall report, with its recommendations, at the 16th meeting of the Conference of the Parties.*
3. At its 61st meeting (Geneva, August 2011) the Standing Committee established the working group on purpose-of-transaction codes, with Canada as the Chair. It conducted its work through a dedicated online discussion forum on the CITES website. This document summarizes the key results of the long and detailed discussions held by the working group.
 4. Canada, as Chair of the working group, reported on progress at the 62nd meeting of the Standing Committee (Geneva, July 2012) and requested permission to continue its discussions electronically with a view to finalizing a suggested suite of purpose codes for consideration at the 16th meeting of the

^{*} *The geographical designations employed in this document do not imply the expression of any opinion whatsoever on the part of the CITES Secretariat or the United Nations Environment Programme concerning the legal status of any country, territory, or area, or concerning the delimitation of its frontiers or boundaries. The responsibility for the contents of the document rests exclusively with its author.*

Conference of the Parties, in fulfilment of Decision 14.54. The Standing Committee agreed that the outcomes of the working group should be reported at CoP16.

5. The working group discussions determined that, in order to achieve the aim of consistent use of purpose-of-transactions codes, both clear definitions and uniform application of purpose codes were required. Guiding principles that could assist Parties in their interpretation and application of purpose codes were discussed. There was general agreement that:
 - i) Purpose codes may be applied to permits and certificates even when this is not required by the Convention, such as on import permits for specimens of Appendix-II species;
 - ii) For each international movement of CITES specimens, when the permit or certificate is issued to authorize the export and the import of the specimens being moved, the purpose codes are assigned independently by the authorities of the State of export and import. Therefore the purpose codes on the export document and the import document do not need to match for the transaction to occur;
 - iii) The purpose code on the export permit does not necessarily reflect the purpose of import;
 - iv) The application of purpose codes should not be dictated by the requirements of the importing or exporting Party to meet obligations based on stricter domestic measures or other national requirements.

These principles are reflected in the recommended amendments to Resolution Conf. 12.3 on *Permits and certificates*, found in the Annex of the present document.

6. There was considerable discussion, in working group, on the application of purpose codes and the information being reflected. One view was that purpose codes should indicate the purpose of export on export permits and re-export certificates, should indicate the purpose of import on import permits, and should indicate the purpose of the introduction on certificates of introduction from the sea. However, the opposing view was that, both on all permits and certificates, the code should describe the end use of the specimen. A consensus could not be achieved. In light of these differing views on the application of purpose codes, there may yet be inconsistencies in how purpose codes are used by Parties and care will be needed when interpreting trade data based on the use of purpose-of-transaction codes.
7. In addition to principles of application, a suite of purpose codes and definitions is proposed for adoption as amendments to Resolution Conf. 12.3, in the Annex of the present document. This suite reflects the non-consensus view that there is a need for the definitions of purpose codes to clearly distinguish between commercial and non-commercial transactions. However, it was clear that there are transactions that can have both commercial and non-commercial elements. In these potentially ambiguous situations, Management Authorities will need to use their judgement in determining whether a purpose is commercial or not and applying the code they feel best suited.
8. In order to simplify the application of purpose codes, the proposed suite of codes also eliminates codes that were identified by the working group as being rarely used or as being too ambiguous in their application.

Recommendation

9. On behalf of the Standing Committee, the working group on purpose-of-transaction codes has prepared a draft revision of Resolution Conf. 12.3 (Rev. CoP15), section I, paragraph g), which is presented in the Annex for adoption by the Conference of the Parties. With this submission, the Standing Committee considers Decision 14.54 to have been implemented and recommends deletion of Decision 14.54.

COMMENTS FROM THE SECRETARIAT

- A. Under the text of the Convention, the purpose of any transaction is to be taken into account only in relation to wild-taken specimens of Appendix-I species, for which no import may take place for primarily commercial purposes. However, the Conference of the Parties long ago decided to recommend the use of codes on permits to indicate the purpose of the transaction even where not required by the Convention.

Nonetheless, in relation to permit confirmation, purpose codes are referred to only in the case of Appendix-I species.

- B. The Secretariat believes that the key objective in the preparation of the current document was to simplify the list of purpose codes to the extent possible, while ensuring that the explanations were unambiguous and that there was no overlap between different codes. Although there was not complete agreement on all points, the Working Group has achieved this objective.
- C. In the proposed explanation of code 'T', the Secretariat suggests inserting the words (other than specimens covered by code Q) after the word 'purposes', for consistency, reflecting the parentheses in the explanation of code 'N'.
- D. With this addition, the Secretariat supports the proposed amendments to Resolution Conf. 12.3 (Rev. CoP15) in the Annex.

PROPOSED REVISIONS TO RESOLUTION CONF. 12.3 (REV. COP15)
ON PERMITS AND CERTIFICATES

Revisions proposed to Section I. *Regarding standardization of CITES permits and certificates* starting in paragraph g) under "RECOMMENDS that:" as follows (additions in underline, deletions in ~~strike through~~ text):

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- g) Parties state, on each of their permits and certificates, the purpose of the transaction using the following codes:

Codes to indicate primarily commercial purposes of import, export, re-export or introduction from the sea:

- T** Commercial Specimens imported or exported for commercial purposes, including the sale or potential sale, display or commercial exhibition, captive breeding or artificial propagation for commercial use, and biomedical activities for commercial gain, including diagnostic specimens for commercial testing
- Z** Zoo
- G** Botanical garden
- Q** ~~Circus or travelling exhibition~~ Specimens that form part of a circus or other travelling exhibition with the intent of returning them to the country where the circus or exhibition is based without changing the ownership of the specimens

Codes to indicate primarily non-commercial purposes of import, export, re-export or introduction from the sea:

- S** Scientific Specimens imported or exported for conservation, scientific research and analysis, or non-commercial biomedical research and analysis
- H** ~~Hunting trophy~~ Specimens of a personally sport-hunted animal (i.e. hunting trophy), either whole or readily recognizable part or derivative, being imported, exported or re-exported by or on behalf of the hunter, ultimately to the hunter's State of usual residence
- P** ~~Personal~~ Specimens, excluding hunting trophies, imported or exported for personal, non-commercial purposes including, but not limited to, personally owned live animals, personally owned items, or items acquired for personal possession or use
- M** ~~Medical (including biomedical research)~~
- E** Educational
- N** ~~Reintroduction or introduction into the wild~~
- B** ~~Breeding in captivity or artificial propagation~~
- L** ~~Law enforcement / judicial / forensic~~ Specimens related to enforcement and judicial activities, including return or disposal of seized specimens
- N** Specimens imported or exported for non-commercial purposes (other than specimens covered by code P, H, L or S) including, but not limited to, conservation and educational purposes including non-commercial exhibition

NOTE: when permits or certificate are issued by the importing Management Authority to authorize import and exporting Management Authority to authorize export of the same specimen, the above codes are assigned independently and therefore do not need to match for the transaction to occur. Thus, the purpose-of-transaction code on the export permit does not necessarily identify the purpose of the import. The application of purpose-of-transaction codes should not be dictated by the requirements of the importing or exporting

Party to meet obligations based on stricter domestic measures or other national requirements.

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