

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



Sixty-sixth meeting of the Standing Committee
Geneva (Switzerland), 11-15 January 2016

Interpretation and implementation of the Convention

Trade control and traceability

PURPOSE-OF-TRANSACTION CODES ON CITES PERMITS AND CERTIFICATES
REPORT OF THE WORKING GROUP

1. This document has been submitted by the Chair of the Standing Committee working group on Purpose-of-transaction codes (Canada).
2. At its 16th meeting (CoP16, Bangkok, 2013), the Conference of the Parties adopted Decision 14.54 (Rev. CoP 16) directed to the Standing Committee 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 shall 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 shall submit a report and any recommendations for amendments to Resolution Conf. 12.3 (Rev. CoP16), or to any revision thereof, at the 66th meeting of the Standing Committee, which shall report, with its recommendations, at the 17th meeting of the Conference of the Parties*
3. Due to a change in personnel in Canada, the work of the intersessional working group was delayed and did not commence until May 2015. The working group conducted its work electronically.
 4. As a first step, the Chair of the working group proposed to break down the issue of purpose-of-transaction codes into smaller components to ensure clear understanding by all members of the concepts involved in purpose-of-transaction codes. It would then be possible to build up from those smaller components into the complete proposal. It has been apparent in past discussions of the purpose-of-transaction codes that

* *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.*

different interpretations and points of view was causing difficulties in arriving at full agreement of a proposal to recommend to the Standing Committee and the Conference of the Parties.

5. The proposed approach for dividing the problem to finally arrive at a solution was well received by all members of the working group and activities have commenced. However, due to the late start and other competing factors, the working group has not progressed beyond the first stage of the Chair's proposed strategy.
6. The Chair of the Purpose-of-Transaction Codes Working Group proposes the Standing Committee permit the working group to continue its discussions electronically with a view to presenting current analysis of the progress on this issue to the 17th meeting of the Conference of Parties (Johannesburg, Sept. 2016) for their information. The report would include progress on a definition of:
 - a) the "actors" involved with the Purpose-of-transaction code, which include any person who assigns, reviews, analyses or consults the code at any point of time in the life of a CITES document or CITES report.
 - b) the set of possible "transaction models" that could be represented by the purpose-of-transaction code, which represents different actions which occur before, during, after the permitting process. This would also include any post-processing of permit information which contains the purpose-of-transaction code.
 - c) the set of "use cases" (sample scenarios) which represent a complete set of possible permitting scenarios, which will then be used to assess the various transaction models defined previously.
7. The Working Group Chair further proposed the Standing Committee seek the Conference of the Parties permission to continue their discussions and provide their conclusions at the 18th meeting of the Conference of the Parties through a continuation of the existing Decision as follows:

Decision 14.54 (Rev. CoP 17) directed to the Standing Committee:

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 shall 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 shall submit a report and any recommendations for amendments to Resolution Conf. 12.3 (Rev. CoP16), or to any revision thereof, at the 70th meeting of the Standing Committee, which shall report, with its recommendations, at the 18th meeting of the Conference of the Parties*

Recommendations

8. The Standing Committee is invited to note the report of the intersessional working group on purpose-of-transaction codes and to invite the intersessional working group to provide a progress report to the 17th meeting of the Conference of the Parties (Johannesburg, September 2016)
9. The Standing Committee is invited to endorse the revised Decision 14.54 (Rev. CoP16) found in paragraph 8 of this report for transmission to and consideration of the 17th meeting of the Conference of the Parties.