

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



Seventy-third meeting of the Standing Committee
Online, 5-7-May 2021

Interpretation and implementation matters

Regulation of trade

ELECTRONIC SYSTEMS AND INFORMATION TECHNOLOGIES:
REPORT OF THE WORKING GROUP

1. This document has been submitted by Switzerland as Chair of the Standing Committee working group on Electronic systems and information technologies, in consultation with the Secretariat.*

Background

2. At its 18th meeting (Geneva, 2019), the Conference of the Parties adopted Decisions 18.125-18.128 on *Electronic systems and information technologies*:

18.125 Directed to the Parties

Parties are invited to:

- a) *consider the eCITES Implementation Framework in regard to its potential usefulness in planning and implementing electronic CITES systems and report back on which information is useful to their own particular efforts and what additional support is needed to address other issues affecting implementation such as governance structure, technical capacity, and law enforcement restrictions;*
- b) *call upon donor agencies to take note of the interest of those Management Authorities from developing countries to adopt automated, electronic permit solutions and to provide funding for the implementation of these solutions;*
- c) *consider the implementation of electronic CITES systems in a manner designed to increase transparency and efficiency of the permit issuance and control process, to prevent use of fraudulent permits, and to provide quality data for improved sustainability assessment;*
- d) *take note of the UNCTAD aCITES system (Electronic CITES Certification System) as a low cost, off-the-shelf solution that is now available to Parties for implementation;*
- e) *if using electronic CITES systems:*

* 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.

- i) *consider UN/CEFACT Recommendation 14 on Authentication of trade documents as good practice when implementing the electronic equivalent of signatures and seals for electronic CITES permitting systems and exchanges;*
 - ii) *authenticate each user who has access to the electronic system using username and passwords, and/or similar technologies, or both;*
 - iii) *ensure that electronic CITES systems keep an audit trail, i.e. keep electronic records (including, but not limited to, confirmation of transmission and receipt with associated time stamps and message headers) that enable the Management Authority to identify each person who requested, approved, processed, issued, endorsed, or altered electronic CITES permits and certificates;*
 - iv) *keep archives of audit trails for no fewer than five years after the expiry date of the permit or certificate, or no fewer than five years after the date that the trade was reported in the Party's annual report, whichever is later;*
 - v) *provide the CITES Secretariat with copies of all valid electronic signatures it uses for issuance of permits and certificates in accordance with Article IX (4) of the Convention and paragraph 3 q) of Resolution Conf. 12.3 (Rev. CoP18) on Permits and certificates;*
 - vi) *notify the Secretariat immediately when authenticated users are removed or no longer authenticated; and*
 - vii) *recognize that in electronic CITES systems that meet the above requirements i) – iv), the electronic equivalent of a physical signature and seal may be provided through the authenticated identification of any of the following individuals: the permit applicant; the official who issued or authorized the permit or certificate; the official who altered the permit or certificate; the issuing authority; and the inspecting official who endorsed the permit or certificate;*
- f) *establish a systematic dialogue and ongoing collaboration between their Management Authorities and their national customs and border control agencies to implement an efficient, risk-based control system for international trade in CITES-listed species where possible and appropriate; and*
- g) *provide information to the Secretariat on the state of automation of CITES permit processes and the implementation of control systems for international trade in CITES-listed species and share their lessons learned.*

18.126 Directed to the Standing Committee and to the Secretariat

The Standing Committee and the Secretariat shall undertake the following tasks:

- a) *work with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), the World Bank, the World Customs Organization (WCO), the World Trade Organization (WTO) and other relevant partners, to continue the development of joint projects that would facilitate Parties' access to electronic permitting services and their alignment to international trade standards and norms, such as the further development and implementation of the UNCTAD aCITES system;*
- b) *work with all relevant partners on the development of standards and solutions for Electronic Permit Information eXchange (EPIX) for the exchange of CITES permits and certificates and to improve the validation of CITES permit data by CITES Management Authorities and customs officials;*
- c) *work with the Secretariat of the International Plant Protection Convention (IPPC), National Plant Protection Organizations (NPPOs) and other relevant organizations to exchange information and experience on the efforts towards a harmonization of standards and*

procedures for licenses, permits and certificates frequently used in conjunction of cross-border trade in CITES-listed specimens;

- d) *monitor and advise on Parties' work related to the development of traceability systems for specimens of CITES-listed species to facilitate their harmonization with CITES permits and certificates;*
- e) *support the development of the capacity of Management Authorities, especially those with the greatest needs, to electronically collect, secure, maintain, and transmit data using systems compatible with those of the Secretariat and other Management Authorities; and*
- f) *make recommendations, as necessary, for the revision of Resolution Conf. 12.3 (Rev. CoP18) on Permits and certificates, Resolution Conf. 11.17 (Rev. CoP18) on National reports and the Guidelines for the preparation and submission of CITES annual reports distributed by the Secretariat.*

18.127 Directed to the Secretariat

The Secretariat shall, subject to the availability of external funding:

- a) *organize in collaboration with the World Customs Organization and other relevant partners an international workshop on modern customs procedures for improved control of trade in CITES-listed species to simplify compliant trade and combat against illegal trade in wildlife and prepare recommendations to the Standing Committee;*
- b) *work with national and international organizations, such as the World Customs Organization (WCO), the United Nations Conference on Trade and Development (UNCTAD), the UN Regional Commissions, the United Nations Office on Drugs and Crime (UNODC), the World Trade Organization (WTO) and the World Bank to support Parties in the implementation of efficient and risk-based procedures for control in CITES-listed species in relation to the automation of CITES permitting processes using information technologies and modern trade control procedures;*
- c) *provide capacity-building and advisory services to support Parties interested in implementing electronic solutions for the management and control of CITES permits and certificates and support Parties in establishing electronic permit systems and information exchanges;*
- d) *work with relevant partners to explore emerging technologies including Blockchain related technologies for secure and efficient issuance, exchange and control of CITES permits and certificates; and*
- e) *submit reports on activities undertaken under Decisions 18.125, 18.126 and 18.127 and make recommendations to the Standing Committee as appropriate.*

18.128 Directed to the Standing Committee

The Standing Committee shall review the reports and recommendations of the Secretariat under Decision 18.127, paragraph e), and make recommendations on electronic systems and information technologies as required to the 19th meeting of the Conference of the Parties.

Intersessional working group on Electronic systems and information technologies

3. The Standing Committee, at its 72nd meeting (SC72, Geneva, August 2019) established the working group on electronic systems and information technology with the mandate to work in collaboration with the Secretariat to implement Decisions 18.126 and 18.128.
4. The membership of the working group was agreed as follows: Argentina, Australia, Bahamas, Bahrain, Brazil, Canada, China, Cuba, Czech Republic, European Union, Georgia, Germany, Japan, Kenya, Malaysia, Republic of Korea, Singapore, South Africa, Spain, Switzerland (Chair), Thailand, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America and Zimbabwe; Economic Commission for Europe, United Nations Conference on Trade and Development; United Nations

Environment Programme-World Conservation Monitoring Centre; Pacific Regional Environment Programme (SPREP); Americas Fur Resource Council, Association of Zoos and Aquariums, Born Free Foundation, Environmental Investigation Agency USA, International Wood Products Association, Ivory Education Institute, China Biodiversity Conservation and Green Development Foundation, Pearle, San Diego Zoo, Wildlife Conservation Society and World Animal Protection. In addition, Sri Lanka and Nature Needs More submitted a late request to join the working group, which were accepted.

Electronic Permit Information eXchange (EPIX) Task Force

5. In April 2020, UNECE and UNESCAP, in cooperation with the present working group and the CITES Secretariat, organised a virtual consultative workshop on [CITES Electronic Permit Information eXchange \(EPIX\) for Parties from the UNECE and ESCAP regions](#). The workshop brought together interested Parties and organizations to exchange information on the latest state of electronic cross border exchange of CITES permits (EPIX) and its implementation, and to kick-off electronic CITES permit exchange pilots between interested CITES Parties.
6. Following the workshop, UNECE and UNESCAP established an EPIX Task Force to provide a forum where Parties could continue to share experiences and information related to the piloting and testing of electronic CITES permit information exchange, and to network with other interested Parties. The Task Force, which is convened by UNECE, is chaired by the chair of the present working group and meets online approximately every month.

International workshop on modern customs procedures for improved control of trade in CITES-listed species

7. Pursuant to Decision 18.127 paragraph a), the Secretariat, in close consultation with the working group chair and in collaboration with WCO, organised an international workshop on modern customs procedures for improved control of trade in CITES-listed species. The online workshop took place from 7 to 9 December 2020, with the financial support from the European Union.
8. The workshop also served to address Decision 18.130 on *Authentication and control of permits*, in particular to review the progress of the in-depth study on the current practices in CITES permit authentication and control, where some of the working group members provide case studies, and to identify possible gaps in relevant Resolutions, from the perspective of adapting CITES permitting process to match the current range of trading practice.
9. The workshop brought together the members of this working group, as well as some 200 representatives of the CITES Management Authorities and Customs administrations from over 30 countries, and selected resource persons from WCO, UNCTAD, UNCEFACT, the private sector and academia. The [summary and the report of the workshop](#) are published on the CITES Website.
10. Using the key messages from the workshop as a basis, the working group met twice to identify and discuss actions that would contribute to the implementation of Decisions 18.126, which included, among others: the issuance of a notification to the Parties to update the status on eCITES implementation and the permit templates (see Notification to Parties No. 2021/010 on *CITES permits and certificates*), review of Resolution Conf. 12.3 (Rev. CoP18), review of the Guidelines and specifications for Electronic Permit Information eXchange (EPIX) of CITES permits and certificates (EPIX guidelines), review of permit signature and endorsement practices, and review of permit validation *inter alia* the use of QR codes. Some of these are elaborated further in the sections below.
11. Some matters identified at the workshop, such as the need for updating the CITES e-permitting toolkit, the analysis on the information used in a risk-based approach for CITES trade controls and the use of HS codes in implementing risk-based control procedures, were deemed important but the working group agreed that it would require a clear mandate from the Conference of the Parties at its next meeting to pursue them.

Review of the EPIX guidelines

12. The working group agreed that a general guidance document outlining the technical and procedural specifications for electronic permit information exchange between Parties would be useful; this would complement the data standards defined in the CITES e-permitting toolkit. The working group agreed to propose that the EPIX guidelines, which has been developed by the CITES Secretariat in cooperation with the UNECE, act as a reference document for this purpose.

13. The current version of the EPIX guidelines is available in English as information document to this meeting and will be translated into French and Spanish in due course. The working group stressed that this is a living document that would evolve over time to take in account technological developments and surrounding policy discussions. In particular, the current version relies exclusively on bilateral point-to-point connections, and the working group felt that the development of alternative architectures, such as hub systems, merit close attention and are not discouraged by the recommendations in the document.

Guidance on the electronic signatures on CITES permits and certificates

14. The working group agreed that Parties needed clarity regarding who must sign or endorse the CITES permits, and what signatures required in Res. Conf.12.3 (Rev. CoP18) are still needed. At the request of the working group, the Secretariat prepared a brief overview of the current practice of Parties regarding permit signature and endorsement, including their electronic equivalent, which incorporates the text from Decision 18.125 e).
15. In reviewing the abovementioned document, the working group agreed that the signature of the applicant in Box 4 of the standard CITES form contained in Annex 2 of Resolution Conf. 12.3 (Rev. CoP18) is optional and noted that it is used by a minority of the Parties or only in specific situations (e.g. when issuing permits under simplified procedures). The working group therefore agreed to propose the deletion of the reference to the signature of the applicant from Box 4 in the standard CITES form, while noting that this does not preclude any Parties from retaining this in their permits.
16. As for the requirements of the issuing Management Authority to sign the CITES permits and certificates, the working group agreed the need to clarify what constitutes an electronic equivalent to a physical signature when dealing with CITES permits or certificates in electronic formats, while remaining flexible and accommodating the different requirements set by Parties. The working group will continue to discuss the issues surrounding the methodologies used to authenticate the signatures in the electronic CITES permits and certificates.
17. The working group also agreed to take into consideration UN/CEFACT Recommendation 14 on *Authentication of trade documents* which provides recommendations to Governments and the trade community on the use of physical and electronic signatures in trade documents. The working group agreed that it would be useful to turn the elements from Decision 18.125 e) into guidance on *Electronic Signatures on CITES Permits and certificates*. This would provide a reference list of issues that Parties need to consider when reviewing their permit authentication practices, particularly when considering the move into implementing an electronic system. The document is contained in Annex 1 to the present document.
18. Regarding the current practice of export endorsement (Box 14 of the standard CITES form, in Resolution Conf. 12.3 (Rev. CoP18) Annex 2), the working group was unable to come to an agreed way forward and will continue to examine and discuss the matter further in order to present any recommendations to the Standing Committee at a future meeting.

Revision of Resolution Conf. 12.3 (Rev. CoP18) on *Permits and certificates*

19. The working group reviewed Resolution Conf. 12.3 (Rev. CoP18) and made a number of recommendations to amend the text as presented in Annex 2 of this document.
20. The purpose of these amendments is to better integrate the suite of guidance documents, including those referred to in paragraphs 13 and 17 above; address the proposals regarding the signature requirements on CITES permits and certificates as outlined in paragraphs 14 through 18 above; and to further clarify the different aspects that need to be considered for processes involving electronic CITES permits and certificates.

Looking forward

21. As noted in paragraphs 10, 11, 17 and 18 above, the working group will continue to discuss a number of issues during the current intersessional period. This may result in additional recommendations from the working group to the Standing Committee, including further revisions to resolutions.
22. Any additional recommendations, as well as the set of draft decisions to be considered for adoption by the Conference of the Parties at its 19th meeting (CoP19), will be proposed to the Standing Committee at its 74th meeting.

Recommendations

23. The working group invites the Standing Committee to take note of the present document and to propose the draft amendments of Resolution Conf. 12.3 (Rev. CoP18) on *Permits and certificates* contained in Annex 2 to this document for the consideration of CoP19.

Electronic Signatures on CITES Permits and certificates

Guidance

Reference is made to Resolution Conf. 12.3 (Rev. CoP18), paragraph 2 and e), paragraph 3 l) and q), paragraph 24 a) and Annex 1, paragraph l)

In Decision 18.125, paragraph e), the Conference of the Parties invites Parties using electronic CITES systems to:

1. consider **UN/CEFACT Recommendation 14** on *Authentication of trade documents*¹ as good practice when implementing the electronic equivalent of signatures and seals for electronic CITES permitting systems and exchanges;
2. **authenticate each user** who has access to the electronic system using username and passwords, and/or similar technologies, or both;
3. ensure that electronic CITES systems keep an **audit trail**, i.e. keep electronic records (including, but not limited to, confirmation of transmission and receipt with associated time stamps and message headers) that enable the Management Authority to identify each person who requested, approved, processed, issued, endorsed, or altered electronic CITES permits and certificates;
4. keep **archives** of audit trails for no fewer than five years after the expiry date of the permit or certificate, or no fewer than five years after the date that the trade was reported in the Party's annual report, whichever is later;
5. provide the CITES Secretariat with copies of all **valid electronic signatures** it uses for issuance of permits and certificates in accordance with Article IX (4) of the Convention and paragraph 3 q) of Resolution Conf. 12.3 (Rev. CoP18) on *Permits and certificates*;
6. notify the Secretariat immediately when authenticated users are removed or no longer authenticated; and
7. recognize that in electronic CITES systems that meet the above requirements in paragraphs 1-6 above, the electronic equivalent of a physical signature and seal may be provided through the authenticated identification of any of the following individuals: the permit applicant (if appropriate); the official who issued or authorized the issuance of permit or certificate; the official who altered the permit or certificate; the issuing authority; and the inspecting official who endorsed the permit or certificate.

¹ https://unece.org/fileadmin/DAM/cefact/recommendations/rec14/ECE_TRADE_C_CEFAC_T2014_6E_Rec14.pdf

Amendments to Resolution Conf. 12.3 (Rev. CoP18) suggested by the Working Group

1. The working group suggests amending the following three paragraphs in the preamble:

NOTING that the eCITES Implementation Framework, CITES electronic permitting toolkit, Guidelines and specifications for Electronic Permit Information eXchange (EPIX) of CITES permits and certificates, and the Guidance on CITES Electronic Signatures provides guidance to Parties on common internationally recognized information exchange formats, protocols and standards, and electronic signatures;

RECOGNIZING the need to adopt the principles outlined in the ~~CITES electronic permitting toolkit~~ above-mentioned guidance documents to facilitate the exchange of information among national Management Authorities;

RECOGNIZING that the ~~CITES electronic permitting toolkit~~ these guidance documents will require updates and revisions to reflect the evolution of technologies and ongoing development of international standards;

There would be a hyperlink to documents referred to in the first of these paragraphs and in the paragraphs below.

2. The working group suggests the following amendment to paragraph 2 of the Resolution:

- e) if a permit or certificate form, whether issued in an electronic or paper format, includes a place for the signature of the applicant, the absence of the handwritten signature or in case of electronic forms any electronic equivalent, taking into account the Guidance on CITES Electronic signatures, should render the permit or certificate invalid;

3. The working group suggests the following amendments to paragraph 3 of the Resolution:

- c) Parties using or developing electronic permits and certificates, adopt the standards recommended in the CITES electronic permitting toolkit, Guidelines and specifications for Electronic Permit Information eXchange (EPIX) of CITES permits and certificates and Guidance on CITES Electronic Signatures;
- q) Parties that have not yet done so communicate to the Secretariat the names of the persons empowered to sign permits and certificates, as well as three specimens of their signatures, or in case of electronic permits and certificates the names of the empowered persons or methodologies used to authenticate them, and that all the Parties communicate, within one month of any change thereto, the names of persons who have been added to the list of those already empowered to sign, the names of persons whose signatures are no longer valid and the dates the changes took effect;

4. In paragraph 24, the working group suggests the following amendment:

- a) the Parties refuse to accept permits and certificates if they have been altered (by rubbing out, deleting, scratching out, etc.), modified or crossed out, unless the alteration, modification or crossing-out has been authenticated by the stamp and signature, or its electronic equivalent, of the authority issuing the document, taking into account the Guidance on CITES Electronic Signatures;

5. In paragraph I) of Annex 1 of the Resolution, the working group proposes the following amendment:

- l) The name of the signatory and his/her handwritten signature for paper permits and certificates or its electronic equivalent for electronic permits and certificates taking into account the Guidance on CITES Electronic Signatures;

6. In the standard CITES form, contained in Annex 2 of the Resolution, the working group proposes to delete the space in Box 4 dedicated to the Signature of the Applicant. The working group notes that Parties wishing to maintain this space in their standard permits or in certain specific situations can do so; therefore paragraph 2 e) is maintained.