CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA
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Seventy-fourth meeting of the Standing Committee
Lyon (France), 7 - 11 March 2022

Interpretation and implementation matters

Regulation of trade

AUTHENTICATION AND CONTROL OF PERMITS:
REPORT OF THE SECRETARIAT

1.   This document has been prepared by the Secretariat.

2.   At its 18th meeting (CoP18, Geneva 2019), the Conference of the Parties adopted Decisions 18.130 and 18.131 on *Authentication and control of permits* as follows:

   18.130   Directed to the Secretariat:

   Subject to external funding, the Secretariat shall:

   a)   prepare, in consultation with interested Parties, an in-depth study on the current practices in CITES permit authentication and control, using a selection of Parties as case studies to demonstrate the state-of-play on how current trading practices and the use of technologies affect their CITES trade regulation process; and

   b)   identify possible gaps in relevant Resolutions that could be addressed to provide guidance to Parties, particularly from the point of view of adapting CITES permitting process to match the current range of trading practice.

   18.131   Directed to the Standing Committee

   The Standing Committee shall consider the report on authentication and control of CITES permits prepared by the Secretariat and make recommendations to the Conference of the Parties, as deemed necessary.

Implementation of Decision 18.130

3.   With generous support from Switzerland, the CITES Secretariat carried out the in-depth study on permit authentication and control as indicated in paragraph a) of Decision 18.130. The study was finalized in May 2021 and is available upon request to the CITES Secretariat. The Secretariat has shared the study's key findings with the working group on electronic systems and information technologies at its meeting in August 2021. Issues that fall within the mandate of the working group are subject to recommendations of the working group, contained in the report of the working group and the Secretariat to the Standing Committee, in document SC74 Doc. 41. In the present document, the Secretariat summarizes and discusses the key findings of the study, taking into account the discussions of the working group, and presents its additional recommendations to the Standing Committee in accordance with Decision 18.131.

<u>Summary of the study on permit authentication and control</u>

Methodology

4. The study is organized around the four pillars of the <u>eCITES Implementation Framework</u>: permit issuance, border control, reporting, and inter-country permit data exchange. The topic of border control is divided into the subtopics of general border control, export control, and import control. Parties were selected from the six CITES regions (see details in paragraph 6 below). In this summary, the term "permits" is used to refer to both CITES permits and certificates. Similarly, "export permits" is understood to refer to both CITES export permits and re-export certificates. Permitting process refers to the processing of all CITES documents. Each of the Parties selected for the case studies were invited to respond to a detailed questionnaire around these issues. The responses were summarized and analyzed by the consultant and suggestions were developed on that basis. The Parties involved were invited to comment on the study before it was finalized.

5. An important consideration for the study was to review the practices of Parties that had instituted automated online permit application systems and the practices of those that had not (yet) done so. An automated online system allows applicants to enter the required information directly into the national CITES permitting system via web-based interface. This contrasts with the traditional approach where applicants submit the permit application by filling a form and sending it by email, post or in person to a CITES Management Authority (MA) who in turn manually enters the application information into a database (or simply use it to issue a paper permit).

6. Most of the Parties that featured in the case studies were selected from the members of the CITES working group on electronic systems and information technologies. Other Parties were added to ensure a more adequate regional representation. A total of seventeen Parties from across all six CITES regions were included in the study:

    Africa: Democratic Republic of the Congo, South Africa
    Asia[1]: Indonesia, Sri Lanka, Thailand, United Arab Emirates
    Central and South America and the Caribbean: Peru
    Europe: Czech Republic, Georgia, Germany, Switzerland
    North America: Canada, United States of America
    Oceania: Australia, Solomon Islands, Tonga

7. The Secretariat would like to thank these Parties for their collaboration in preparing the study. At the same time, the Secretariat notes that the study only featured a small fraction of the Parties and that many other Parties are making progress on the implementation of eCITES systems and may have relevant information that is not included here.

Key findings

8. With respect to the <u>permitting process and the permits</u>, the study found the following:

    a) Ten out of the seventeen participating Parties have automated permit application systems in place. Of these ten:

        i)   Most Parties incorporate CITES source and purpose of transaction codes, and ISO country codes into the systems, but only two automatically update the Appendices and nomenclature changes using the CITES Species+ application programming interface (API);

        ii) Most systems offer the option for electronic submission of supporting documents for permit applications;

        iii) Most offer the option for traders to check the status of their permit applications online.

    b) The remaining seven Parties do not have automated permit application systems. Of these seven:

        i)   Most still allow application documents to be sourced from the Internet;

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[1]   *Singapore should be added to the list of Parties covered by the study.*

ii) Five allow applications and supporting documents to be submitted electronically via email while two require permit applications to be submitted as hard copies by post or in person;

iii) As the permit application system is not online, there is no option for traders to check the status of their permit applications online.

c) None of the Parties that participated in this study indicated they had established any special permitting procedures for e-commerce.

d) About half of the seventeen Parties had introduced simplified permitting procedures to facilitate trade where conservation risks were considered minor.

e) Fourteen of the seventeen Parties manage CITES permit data in a dedicated database.

f) Six Parties issue permits from more than one office of the designated Management Authority; of these six, the four with an automated permit system in place have a central permit database, where all of the offices can share the information.

g) Fifteen of the seventeen Parties charge fees for CITES permits, and the ten Parties with automated permit application systems allow applicants to pay such fees electronically.

h) Eight Parties include security stamps on their permits. The other Parties use different security measures such as printing permits on special security paper with embedded security features.

i) Four Parties (all with automated systems) have incorporated two-dimensional (2D) barcodes on their permits. Several of the Parties reported they are considering incorporating 2D barcodes (including QR codes).

j) All of the participating Parties issue permits in at least one of the official CITES languages. Nine issue permits in a single official language and eight issue each permit in an official CITES and a national language.

9. The findings under the general border control focus on the mandates of involved agencies and institutional set-up and include the following:

a) Three Parties rely exclusively on their respective national customs authorities for enforcing CITES at their borders. Each of the other 14 Parties have designated one or more enforcement entities as responsible for CITES enforcement in addition to customs. These range from subunits of the same federal departments as the CITES MA to various groups with wider mandates, such as the police or military.

b) Most Parties have multiple agencies engaged in CITES border enforcement, but only five have established formal multi-agency working groups or similar to exchange information and coordinate enforcement activities.

c) Most Parties reported that a Customs Single Window either had been established or was in the process of being established.

d) Enforcement authorities in most Parties have a stand-alone database with enforcement-related information.

e) None of the Parties that participated in this study indicated they had established any special border control procedures related to e-commerce.

10. On export control, the study focuses on whether the shipments are inspected and whether the export permits are endorsed by the border officials at the time of export. The findings include the following:

a) Enforcement authorities in eight of the ten Parties with automated systems in place have access to the national CITES MA permit database. Three other Parties indicated that a policy had been established for data exchange between the CITES MA and enforcement authorities.

b)   Most Parties indicated that the CITES MA shares export permit data with enforcement authorities, although it was not always clear which enforcement authorities these data were shared with. Other means for data sharing that Parties used included the transmission of regular reports, and periodic data exchanges.

c)   Most Parties do not alert enforcement authorities when export permits are issued.

d)   Five of the seventeen Parties reported that all shipments of CITES-listed species must be inspected on export. Of the remaining 12 Parties that do not inspect all exports, six indicated that permit data could be used to trigger risk assessments and physical inspections.

e)   For most Parties, customs services are responsible for validating and endorsing export permits.

f)   Fourteen Parties reported that copies of validated export permits are sent from the border control agency to the respective CITES MAs. Three indicated that copies were not sent to the CITES MAs.

g)   Thirteen of the seventeen Parties indicated that the border control authorities provide information on the actual export quantities to the CITES MA.

11.   With regard to the <u>controls of import</u>, the key findings of the study include:

a)   Five Parties indicated that their national customs authorities are primarily responsible for enforcing CITES for imports. CITES import control for the other Parties involved one or more other agencies in addition to customs. Typically, imports are first reviewed by customs and any shipment containing wildlife (including CITES-listed species) is referred to the other agency or agencies for possible inspection and further actions.

b)   Eight of the ten Parties with automated permit processes have established policy for physical inspections of CITES imports. The two other Parties import few CITES goods and have therefore not established a specific policy for inspections of goods involving CITES-listed species.

c)   Most of the Parties confirmed that CITES import data was communicated to the CITES MA. One Party noted that, in the future, their permitting and customs systems will be linked to facilitate information exchange.

d)   Most of the Parties specifically indicated that copies of cancelled (used) permits are sent to the CITES MA or retained by MA staff that are engaged in import control activities.

e)   Most of the Parties indicated that if CITES non-compliance was detected on import, this was communicated back to the country of export (depending on the circumstances). Only one Party indicated that CITES non-compliance was not reported to the country of export.

f)   Two Parties indicated that foreign export permits that were not endorsed by the authorities in the country of export would not be considered valid and the import would be rejected. Conversely, four Parties reported that unendorsed foreign export permits were generally accepted. However, most of the Parties reported that when unendorsed permits were received, they would detain the shipment in question and contact the CITES MA of the country of export to verify the validity of the permit.

12.   In line with the eCITES Implementation Framework and its four pillars, the study also looked at <u>reporting and exchange of permit information between Parties</u>. Key findings include:

a)   Most of the Parties indicated that CITES reports needed to be manually compiled, or that reports generated from their permit databases required review and manual reorganization to meet the reporting requirements. Only one Party indicated that reports generated automatically from their permitting system are in the format ready for submission to the Secretariat.

b)   Eight Parties indicated that they compile annual reports from verified import and export data. The other nine compile their annual reports from permit issuance data.

c)   Six Parties report only in-country issued export and import permit data, while eleven Parties indicated that they also report data collected from foreign CITES export permits and certificates.

d)   At the time of writing, five Parties were participating in Electronic CITES Permit Information Exchange (EPIX) pilot projects, where permit data are exchanged automatically; three of these Parties currently exchange permit information data with other Parties through an automated process.

e)   No Parties can electronically track cross-border use of permits.

Discussion

Implementation of automated online permit systems

13.   None of the seventeen Parties covered by the study implement the CITES permitting requirements in exactly the same way. This diversity of approaches is understandable, considering that each country has its own unique legal, administrative, socio-economic and CITES trade-profile and different practical circumstances that affect how the Convention is implemented. However, it could be problematic if the different implementation pathways lead to inconsistencies and lack of common elements that prevents Parties from communicating and collaborating with each other, which in turn impacts the consistency of CITES implementation from both national and global perspectives. The policies and procedures for permit issuance and border control should be designed to make it as straightforward as possible for legitimate traders to comply with CITES, while at the same time deterring and discouraging wildlife trafficking and smuggling.

14.   The Parties reviewed in the study fell into two groups: those that have instituted automated permitting procedures using online systems and those that have not. There are clear advantages to automated online systems and for most Parties, moving to an automated online system should likely be a priority.

15.   The Secretariat notes that, since CoP18, many Parties have moved towards implementing an online system for submitting requests for issuing CITES permits, also in response to the pandemic that has accelerated the need for such systems. In January 2021, the Secretariat issued Notification to the Parties No. 2021/010 inviting Parties to inform the CITES Secretariat of the implementation of automated permitting systems. The Secretariat has developed a new overview of the implementation of e-permitting systems, available on the CITES website: https://cites.org/eng/prog/eCITES. The Secretariat understands that, for many Parties, automated permitting systems are relevant and are being implemented or considered.

16.   For other Parties, however, an online permitting system may not (yet) be relevant, for instance because of the costs involved relative to the number of permits issued, the lack of reliable Internet access across the country, etc. However, it is also clear that all Parties can benefit from an electronic permit management system where all permit data can be stored in one central database that is maintained by the CITES Management Authority. The Secretariat suggested to the working group on electronic systems and information technologies that this diversity be reflected in Resolution Conf. 12.3 (Rev. CoP18) on *Permits and certificates* and the working group has proposed an amendment to the Resolution to that effect in its report to the Standing Committee.

Use of the Species+/CITES Checklist API

17.   The Secretariat drew the attention of the working group to the fact that only two of the ten Parties with automated permit systems have linked their systems to the Species+/CITES Checklist Application Programming Interface (API). This system enables institutions to request data from the CITES Checklist and Species+ for use in websites and databases irrespective of the technology they use. It may be used, for example, by CITES Authorities to update their national systems with information maintained in the CITES Checklist and Species+, thus increasing standardisation and reducing errors and duplication of effort. The API provides information on CITES taxonomy (including scientific names and synonyms) and CITES Appendix listings as per the CITES Checklist. In addition, it provides information on distribution, references, common names, CITES export quotas and trade suspensions.

18.   Use of the API is an effective and efficient way to ensure that the nomenclature and species list in the permitting system is accurate and up to date. It may be used for both online and offline permitting management systems and can be used even if the national system contains additional species. The working group is considering the apparently limited uptake of the API as set out in its report to the Standing Committee.

Use of security stamps and/or 2D barcodes

19. The study found that nearly half of the Parties surveyed do not include security stamps on their permits. According to the information available to the Secretariat, about 80 Parties are using security stamps (See the [List of Parties that use security stamps](#)). Other Parties opt instead for watermarks and/or other imbedded security features. Almost a quarter of the Parties in the study have incorporated two-dimensional barcodes on their permits. Sri Lanka noted that permit data may be readily accessed by scanning the code on each permit. Singapore commented that the secure code allows foreign authorities to access permit data and validate the authenticity of a permit. This may be indicative of a global trend, where Parties are increasingly replacing the physical, visual means for ensuring the permit validity/security with virtual means. The 2D barcode cannot be forged and can only be decoded using a specific secure application.

20. Resolution Conf. 12.3 (Rev. CoP18) recommends that Parties affix a security stamp to each permit and certificate. If more and more Parties are foregoing the use of security stamps in the future, this recommendation may become out of date. At the same time, the Resolution makes no mention of two-dimensional barcodes. The working group on electronic systems and information technologies agreed to propose language that includes reference to the use of 2D-barcodes and other security features as an addition or an alternative to the security stamp.

E-commerce

21. None of the Parties surveyed in the study indicated they had established any special permitting or border control procedures related to e-commerce. Communication between traders, customers and courier services may provide an opportunity for information gathering and could contribute to assessing the risks associated with specific products, species, or traders. However, all trade in CITES goods still requires permits or certificates and the goods still need to be physically transported across borders.

22. In this context, the Secretariat notes that Decision 18.83, directing Parties to *inform the Secretariat of any best practice models that pertain to regulation of online marketplaces and social media platforms* may provide some relevant insights. As reported in document SC74 Doc. 33.4 on wildlife crime linked to the Internet, the Secretariat issued Notification No. [2020/031 on 1 April 2020](#) inviting Parties to submit information in response to this Decision. The responses received are summarized and available to Parties under the heading *Measures and activities implemented to address wildlife crime linked to the Internet* on the *[Wildlife crime linked to the Internet](#)* webpage maintained by the Secretariat. Parties have for instance strengthened national legislation related to online transactions, including introducing legal obligations for Internet-based sites advertising CITES listed species to clearly specify the CITES permitting requirements for potential customers or those items for which commercial trade is not allowed under CITES.

23. The Secretariat also notes that Resolution Conf. 11.3 (Rev. CoP18) on *Compliance and enforcement* contains recommendations on wildlife crime linked to the Internet in paragraphs 12 and 13, in particular paragraph 13 a) which recommends that Parties and ICPO-INTERPOL "submit information to the Secretariat on the methodologies used by other agencies that may assist in the evaluation of mechanisms to regulate legal commerce of CITES-listed species via the Internet." The *Wildlife crime linked to the Internet* webpage maintained by the Secretariat also summarizes information provided by INTERPOL and other International Consortium on Combating Wildlife Crime (ICCWC) partners related to the issue of wildlife crime linked to the Internet.

24. The growth of the Internet and its accessibility provides access to a vast international marketplace. The Standing Committee may therefore wish to encourage Parties to review the controls of authorized e-commerce in specimens of CITES-listed species in their implementation of the Convention.

Border controls

25. For Parties with multiple enforcement authorities, the study found that it was not always obvious which authority has jurisdiction in which situations and how the different authorities communicate and coordinate their activities. For some Parties, enforcement authorities other than customs appear to have more of a leadership role regarding CITES trade. For other Parties, customs is the first point of contact for imports and exports and will inform the CITES MA or other designated enforcement authority of shipments of plants and animals for inspection.

26. Even though most Parties (14/17) have multiple agencies engaged in CITES border enforcement, only five Parties have established a formal multi-agency body to exchange information and coordinate enforcement activities. Other Parties seem to rely on more informal lines of communication between different enforcement authorities, and between those authorities and the CITES MA. This approach to communication and

coordination may be impacted by staffing changes and evolving organizational priorities. By establishing formal working groups (or equivalent) with clear mandates, established points of contact and meeting schedules, communication and coordination is institutionalized and less vulnerable to weakening over time. Furthermore, formal bodies can readily liaise with similar groups in other Parties to facilitate regional cooperation on enforcement priorities.

27. The Secretariat notes that this issue is addressed in Resolution Conf. 11.3 (Rev. CoP18) that contains relevant provisions in the preamble and in paragraph 10 as follows:

> *AWARE of the need for improved cooperation and coordination among CITES authorities and wildlife law enforcement agencies at the national, regional and international levels;*
>
> *[…]*
>
> *10. RECOMMENDS that:*
>
> > *a) Management Authorities coordinate with governmental agencies responsible for enforcement of CITES, including customs and the police, and, where appropriate, sectoral nongovernmental organizations, by arranging training activities and joint meetings, and facilitating the exchange of information;*
> >
> > *b) Parties establish inter-agency committees at the national level, bringing together Management Authorities and governmental agencies responsible for the enforcement of CITES, including customs and the police;*

28. The Secretariat also notes that Resolution Conf. 18.6 on *Designation and role of Management Authorities* contains similar provisions in paragraphs 11 and 12 as follows*:*

> *11. ENCOURAGES Management Authorities to establish mechanisms for coordination and communication between Management Authorities and Scientific Authorities, as well as other government agencies with a role in the implementation and enforcement of the Convention (including, for example, customs, police and inspection services) to facilitate the effective implementation and enforcement of the Convention in accordance with their national laws and practices;*
>
> *12. URGES Management Authorities and enforcement authorities to cooperate closely in the fight against illegal trafficking of wild fauna and flora in accordance with Resolution Conf. 11.3 (Rev. CoP18) on* Compliance and enforcement*;*

29. Despite these clear provisions, it is concerning that only five of the seventeen Parties covered by the study have such mechanisms in place and Parties are encouraged to scale up efforts to fully implement the provisions outlined in Resolutions Conf. 11.3 (Rev. CoP18) and Conf. 18.6 as highlighted above, and to actively work toward putting in place an effective mechanism for coordination and collaboration.

30. In this regard, the Secretariat notes that the global CITES/World Customs Organization (WCO) workshop in December 2020 also highlighted that collaboration and coordination between customs services and CITES authorities with regard to border controls could be improved. This matter was considered to fall outside the mandate of the working group on electronic systems and information technologies and hence is not included in the report of the working group to the Standing Committee. However, the Secretariat and the Chair of the working group drafted the following additional recommendations for inclusion in a possible new section on national coordination in Resolution Conf. 11.3 (Rev. CoP18) on *Compliance and enforcement:*

> XX. RECOMMENDS that Parties:
>
> > i) institutionalize regular formalized meetings between customs and CITES authorities;
> >
> > ii) where possible and appropriate, exchange information on seizures between customs and the CITES authorities;
> >
> > iii) allow customs systems access to permitting databases of Management Authorities;

iv) institute automated verification schemes between customs application systems and CITES permitting databases;

v) ensure collaboration between CITES authorities and customs to use information contained in the respective electronic data systems, available intelligence and the HS code to implement risk-based control procedures;

vi) ensure that professionals involved in wildlife trade and management, such as veterinarians receive training on CITES and their role in implementing the Convention and compliance with relevant national laws as part of their professional practice and ongoing accreditation;

31. This is also an aspect that is central to the ICCWC Indicator Framework for Combatting Wildlife and Forest Crime and ICCWC Wildlife and Forest Crime Analytical Toolkit and to the National Legislation Project (NLP). The revised draft model law therefore places further emphasis on this aspect.

Inspection and endorsement of CITES documents at the point of export

32. In two of the surveyed Parties, foreign export and re-export permits that have not been endorsed by the exporting country are accepted as valid. In contrast, at least one other Party usually rejects CITES documents that have not been fully endorsed by the authorities of the country of export. The policies of the other Parties are positioned somewhere between these two approaches. Most Parties will detain the shipment and contact the CITES MA of the exporting country to verify the validity of the export permit.

33. Permits that have been endorsed on export could be an indication that the shipment has been inspected and the contents validated by an officer in the exporting country prior to the export. However, the logistics involved in inspecting and verifying every item in large or varied shipments is challenging and most Parties do not require all exports to be physically inspected.

34. This seems to suggest that permit endorsement does not always serve as a means for the verification of the contents of a shipment but serves as an indication that the shipment has been declared and presented to the authorities on export and that that permit cannot be used for export again. Border authorities of importing countries should retain permits and there should not be any opportunity for a trader to reuse a permit once a shipment has been accepted by the authorities.

35. The Secretariat notes that the Conference of the Parties, in paragraph 24 f) of Resolution Conf. 12.3 (Rev. CoP18), recommends that:

f) *Export permits and re-export certificates be endorsed, with quantity, signature and stamp, by an inspecting official, such as Customs, in the export endorsement block of the document. If the export document has not been endorsed at the time of export, the Management Authority of the importing country should liaise with the exporting country's Management Authority, considering any extenuating circumstances or documents, to determine the acceptability of the document;*

In paragraph 5 l) of Resolution Conf. 12.3 (Rev. coP18), the Conference of the Parties recommends that

l) *as far as possible, inspections of documents and shipments be conducted at the time of export. This should be regarded as essential for shipments of live animals;*

36. On this basis, it would appear that the intention of the Conference of the Parties is that all CITES shipments should be declared and presented at the point of export and that the export permit should be endorsed by inspecting officials, such as customs or other CITES enforcement official. However, there seems to be no clear recommendation that all shipments must be inspected at the point of export. Paragraph 5 l) clearly state that shipments should be inspected *as far as possible* and that this is considered *essential for shipment of live animals.* This is because the conditions of the transport of live animals need to be verified to ensure compliance with the provisions of the Convention and the *Live Animal Regulations* or the *CITES Guidelines for the non-air transport of live wild animals and plants*.

37. In line with these recommendations, the study finds that, in all seventeen Parties, customs or another agency inspect and validate the export document at the point of export. However, it also finds that the shipments are not necessarily inspected at the same occasion – see below.

38. The Secretariat notes that the information with regard to the exported quantities can be found on the airway bill or bill of lading (or similar transport document) and hence could be included in box 14 of the CITES document without necessarily requiring the inspecting official to inspect the content of the shipment. The information with regard to the quantities is critical and should be collected by the inspecting officials and communicated to the CITES Management Authority for the purposes of monitoring trade (Art. IV, paragraph 3) and for inclusion in the annual reports. In other words, inspection of each and every shipment does not seem to be required systematically and can be done on the basis of risk-assessments and intelligence.

39. The working group on electronic systems and information technologies has also considered this issue and provides its recommendations on the matter in its report to the Standing Committee (see document SC74 Doc. 41).

Guidance for physical inspection

40. As mentioned above, most Parties do not physically inspect every CITES export or import. This is not surprising given the volume and diversity of trade crossing international borders. Most of the Parties indicate that they follow a risk-based or intelligence-led approach to deciding on physical inspections. However, the study notes that it is not always clear to what extent this approach follows established policy and procedures, or whether the decision on when to inspect a shipment is up to the discretion of the individual officer.

41. This makes the individual inspector unnecessarily vulnerable to corruption and bribery. The study therefore suggests that Parties adopt a "clear policy for physical inspections". The issue of physical inspection was also discussed at the global CITES/WCO workshop in December 2020. In his conclusions, the Chair of the working group on electronic systems and information technologies noted *inter alia* that:

> *Parties must consider moving away from physical inspections of all shipments to a systematized risk-based controls (rather than solely on intelligence). Perhaps some guidance on the kinds of information that can be used in a risk-based approach and on how to assess to whether the information is credible and reliable could be useful.*

42. The working group on electronic systems and information technologies considered that possible guidance on a national policy on physical inspections went well beyond the mandate of the working group and therefore did not make any recommendations on this matter. The Secretariat considers that it might be useful to identify links between the physical inspections (border controls) and the legal acquisition findings (permit issuance). This can be done by connecting the elements for risk-assessment identified in the rapid guidance for making legal acquisition findings (see document SC74 Doc. 40) and by working with the World Customs Organization to identify or develop guidance and elements for a national policy on physical inspections.

43. Regarding the possible work with the World Customs Organization, the Secretariat suggests that this be put to the Conference of the Parties for its consideration in the form of a set of draft decisions as follows:

19.AA   Directed to the Parties

Where this has not yet been done, Parties are encouraged to undertake risk assessments to develop risk profiles specific to CITES-listed specimens frequently found in trade, and to reach out to the World Customs Organization for support in this regard, where needed.

19.BB   Directed to the Secretariat

The Secretariat shall, subject to available resources, work with the World Customs Organization and other partners to develop guidance and elements for a national policy on physical inspections and present its report and recommendations to the Standing Committee.

19.CC   Directed to the Standing Committee

The Standing Committee shall consider the report of the Secretariat and endorse any guidance, as appropriate.

44. Almost all Parties in the study indicated that if CITES violations were detected on import, that information was (typically at least) communicated back to the exporting Party. It would seem evident that Parties would want information about traders that were exporting CITES goods from their country in violation of the Convention. Such information allows the exporting Party to increase scrutiny of future exports by the

offending trader and take appropriate actions to prevent future violations of CITES. Furthermore, communicating CITES violations to an exporting Party conforms with the recommendations to the Parties in Resolution Conf. 11.3 (Rev. CoP18), paragraphs 14 a) vi) and 15 j), and Resolution Conf. 12.3 (Rev. CoP18) paragraph 24 h).

45. Parties that have not established policy for communicating CITES violations to the country of export should consider doing so. At the very least, exporting Parties should be informed about all exports for commercial purposes that violate CITES (e.g. those involving Appendix-I species), as well as significant exports for other purposes.

Data recorded in the annual reports

46. Current guidelines for the preparation of CITES annual reports are provided in Annex 1 to Notification to the Parties No. 2021/044 of 6 July 2021. These guidelines state that annual reports must contain information on imports, exports, re-exports and introductions from the sea. However, the study shows that approximately one-third of the seventeen Parties in the study do not appear to report data from foreign CITES export permits for imports of specimens of species listed in Appendices II or III. Several reasons might explain this, including the fact that the Convention does not require any CITES document to be issued by the importing Party for such specimens – although many Parties have adopted stricter domestic measures requiring import documents for Appendix II and III and therefore have the data. Another reason could be that Parties that are not reporting on imports of species in Appendices II or III are mainly exporting countries with very few imports.

47. The guidelines for the preparation of CITES annual reports also notes that reports should contain the record of the actual quantity of specimens that entered or left the country. If that is not possible, then the reported trade data should come from each permit and certificate issued. The seventeen Parties that participated in the study were almost evenly split between those who compile annual reports from verified import and export data (eight Parties) and those who compile their annual reports from permit issuance data (nine Parties). It is also noted that the data recorded only refer to the quantities but does not contain any information on the values declared to pay customs duties or fees.

48. CITES Management Authorities only authorize the maximum quantity that can be exported through a given permit or certificate, and the quantity actually shipped may be less than what was originally authorized. There may therefore be an incentive for traders to overestimate the quantity at the time of the permit application. This is especially true if the permit approval period is protracted, and the trader is unsure of how many specimens will be available or required by the time of shipping. Hence, there may consistently be a margin of error with reports based on permit issuance data compared to the actual number of specimens traded. Reports based on verified import and export data are presumably more accurate, although given that most Parties do not physically inspect all shipments entering or leaving the country, the accuracy of these data may also be in question.

49. Based on the key findings and the discussion of the study, the Secretariat notes that many issues surveyed in the study are cross-cutting. Many are related to the mandate of the working group on electronic permitting and information systems and were therefore brought to the attention of that working group. Based on its consideration of the findings, the working group proposed a number of amendments to Resolution Conf. 12.3 (Rev. CoP18) as well as additional recommendations in its report to the Standing Committee (see document SC74 Doc. 41).

Recommendations

50. The Standing Committee is invited to

   a) take note of the information on the study on permit authentication and control, contained in the present document;

   b) encourage Parties to review the controls of authorized e-commerce in specimens of CITES-listed species their implementation of the Convention;

   c) consider proposing to the Conference of the Parties at its 19th meeting the proposed amendments in paragraph 30 above for inclusion in Resolution Conf. 11.3 (Rev. CoP18);

   d) consider proposing to the Conference of the Parties at its 19th meeting the draft decisions contained in paragraph 43 above; and

e)   agree that Decisions 18.130 and 131 have been implemented and can be proposed for deletion by the Conference of the Parties.