

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



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Interpretation and implementation of the Convention

Trade control and marking issues

PURPOSE-OF-TRANSACTION CODES ON CITES PERMITS AND CERTIFICATES

1. This document has been submitted by the United States of America.

Introduction

2. After reviewing CITES permits and certificates issued by various Management Authorities over the past several years, and in discussions with other CITES Parties, non-governmental organizations and permit/certificate users, it appears that there is a lack of consistent understanding or agreement on the use of the 'purpose-of-transaction' codes currently described in Resolution Conf. 12.3 (Rev. CoP13) (Permits and certificates). The inconsistent use of the purpose-of-transaction codes has led to confusion over the purposes of some shipments, delays or inability to issue CITES documents and inconsistent reporting of trade data.
3. From the start of the Convention, the Parties have recognized the value of identifying the purpose of transactions in the CITES annual reports. Notification to the Parties No. 25 (1 June 1976 – entitled 'Annual report') included a request by the Secretariat for Parties to identify the commercial purposes of CITES imports in their annual reports. At the third meeting of the Conference of the Parties (CoP3, New Delhi, 1981), the Parties adopted Resolution Conf. 3.10, which called on the Secretariat to develop guidelines for the preparation of CITES annual reports. Within these guidelines, Parties were called on to identify the purposes of all shipments. These guidelines were transmitted to the Parties via Notification to the Parties No. 205 on 22 March 1982. Revised *Guidelines for the preparation and submission of CITES annual reports* were transmitted to the Parties via Notification to the Parties No. 2006/030 of 2 May 2006. At CoP7 (Lausanne, 1989), the Parties adopted Resolution Conf. 7.3, entitled Export/Re-export Permits/Certificates, which addressed several elements for standardizing CITES permits and certificates. In addition, the Resolution directed the Secretariat to undertake an in-depth study of the necessary changes in the standard permit model contained in Resolution Conf. 3.6 and to make recommendations at CoP8. As a result of the Secretariat's efforts, purpose-of-transaction codes, as well as many other recommendations, were adopted by the Parties at CoP8 (Kyoto, 1992) in Resolution Conf. 8.5 (Standardization of CITES Permits and Certificates). The purpose-of-transaction codes recommended for use in Resolution Conf. 8.5 are almost identical to the purposes identified in Notifications to the Parties No. 205 and No. 2006/030 and are the same as the codes currently recommended for use in Resolution Conf. 12.3 (Rev. CoP13).
4. Purpose-of-transaction codes on CITES permits and certificates are important because they help determine the nature of the trade and allow CITES Parties to monitor the volume of commercial and non-commercial trade. Purpose-of-transaction codes could be used to assist in reviewing data used during the Review of Significant Trade, particularly in determining whether transferring a species from Appendix II to Appendix I would address a significant trade threat. The use of the purpose-of-transaction codes is particularly significant in relation to the required determination for imports of Appendix-I specimens that they will not be used for primarily commercial purposes [Article III,

paragraph 3.(c), of the Convention]. The accurate and consistent application of these codes is important to the review of trade in Appendix-I species, as directed to the Standing Committee in Decision 13.20. However, Resolution Conf. 12.3 (Rev. CoP13) does not currently provide sufficient definitions for the purpose-of-transaction codes, particularly with regard to which codes are to be used for commercial transactions and which are for non-commercial transactions. The lack of clear definitions for these codes appears to be contributing to their inconsistent use by the Parties.

5. Several of the current purpose-of-transaction codes described in Resolution Conf. 12.3 (Rev. CoP13) clearly identify transactions recognized as being non-commercial (i.e. **H** – Hunting trophies; **P** – Personal; **N** – Reintroduction or introduction into the wild; **L** – Law enforcement / judicial / forensic). One code, **T** – Commercial, clearly indicates a commercial transaction, but is non-specific as to the type of commercial activity. The remaining codes (i.e. **Z** – Zoos; **G** – Botanical gardens; **Q** – Circuses and travelling exhibitions; **S** – Scientific; **M** – Medical (including biomedical research); **E** – Educational; **B** – Breeding in captivity or artificial propagation) could indicate either a commercial or non-commercial transaction.
6. Another problem that has been identified regarding the use of purpose-of-transaction codes on CITES permits and is not addressed in Resolution Conf. 12.3 (Rev. CoP13) is whether, for trade conducted under Article III of the Convention, the purpose-of-transaction code used on the import permit must match the code used on the export permit. In most cases, the purpose of the export transaction is the same as the purpose of the import transaction, but this may not always be the case.
7. The United States of America believes that this issue must be addressed by the Parties to ensure the consistent and accurate use of purpose-of-transaction codes, and thus the proper issuance of CITES documents and accuracy of trade data. The United States of America is therefore proposing that Section I of Resolution Conf. 12.3 (Rev. CoP13), as well as related sections of Annexes 1 and 2 of the Resolution, be amended to provide more specific definitions for each purpose-of-transaction code and to clarify that this information is recommended on all CITES permits and certificates. Proposed amendments are contained in the Annex to this document.

COMMENTS FROM THE SECRETARIAT

- A. The Secretariat agrees that there is some misunderstanding and incorrect use of the purpose codes listed in Resolution Conf. 12.3 (Rev. CoP13) and that it would be useful to simplify the list and to reduce the burden for Parties when issuing permits.
- B. The only provision of the Convention that requires Parties to make a determination about the purpose of a transaction is in Article III, which specifies that an import permit (or a certificate of introduction from the sea) for a specimen of an Appendix-I species may be granted only when a Management Authority of the State of import is satisfied that the specimen is not to be used for primarily commercial purposes. This means that Parties are required by the Convention to decide only whether such an import (or introduction from the sea) is for primarily commercial purposes or not. Parties are not required to make any determination about the purpose of trade for specimens of species included in Appendix II or III, and they are not required to make any determination about the purpose of export or re-export of specimens of species included in Appendix I.
- C. Consequently, the Secretariat suggests that Parties consider a further simplification of the recommendations relating to purpose codes and that this issue be considered in two parts:
 - a) under what circumstances should a purpose code be included in a permit or certificate, e.g.:
 - i) only for imports of specimens of Appendix-I species; or
 - ii) only for trade in Appendix-I species; and

b) which codes are really necessary on a permit or certificate, e.g.:

i) only 'T' for commercial or 'N' for non-commercial; or

ii) a simplified version of the codes currently listed in the Resolution, such as the list proposed by the United States.

D. The Secretariat concurs with the United States that, for any transaction, the purpose of export may be different from the purpose of import and that, therefore, it would be preferable to specify this if codes are to be used both on export permits and on import permits.

DRAFT RESOLUTION OF THE CONFERENCE OF THE PARTIES

Revision of Resolution Conf. 12.3 (Rev. CoP13) on Permits and certificates

NB: Text to be deleted is ~~crossed out~~. Proposed new text is underlined.

1. Proposed changes to Resolution Conf. 12.3 (Rev. CoP13), Section I, paragraph f) under RECOMMENDS:

I. Regarding standardization of CITES permits and certificates

RECOMMENDS that:

f) Parties state, on each of their permits and certificates, the purpose of the transaction for which the shipment is being made using the following codes (Note: the purpose-of-transaction codes on import and export permits do not need to be identical):

T Commercial trade – trade in live or dead specimens, parts or products for economic benefit not covered under B, M or Z

B Breeding in captivity or artificial propagation – trade in live specimens for breeding in captivity or artificial propagation, including the production of progeny, for economic benefit

M Medical/scientific – trade in live or dead specimens, parts or products for scientific or medical use (including biomedical research) for economic benefit.

Z Zoo/aquarium/botanical garden/museum – trade in live or dead specimens, parts or products for economic benefit

~~G Botanical gardens~~

Q Circuses and travelling exhibitions – exhibition of live or dead specimens, parts or products with the intent of returning to the country of origin at the completion of exhibition

S Scientific – trade in live or dead specimens, parts or products for non-commercial scientific or medical activities

H Hunting trophies – personally sport-hunted trophies transported by the hunter or their legal representative

P Personal – personal, non-commercial activities involving live or dead specimens, parts or products (does not include specimens covered under H)

~~M Medical (including biomedical research)~~

E Educational exhibition – non-commercial display of live or dead specimens, parts or products by a museum, zoo, aquarium or botanical garden

N Reintroduction or introduction into the wild – live specimens to be used in conservation efforts to reintroduce or supplement wild populations, including the movement of specimens for non-commercial breeding in captivity or artificial propagation in support of *in situ* conservation efforts

~~B Breeding in captivity or artificial propagation~~

L Law enforcement/judicial/forensic – live or dead specimens, parts or products transported for governmental law enforcement, judicial or forensic purposes;

2. Proposed changes to Annex 1 of Resolution Conf. 12.3 (Rev. CoP13):

Information that should be included in CITES permits and certificates

- a) The full name and the logo of the Convention
- b) The complete name and address of the Management Authority issuing the permit
- c) A unique control number
- d) The complete names and addresses of the exporter and importer
- e) The scientific name of the species to which the specimens belong (or the subspecies when it is relevant in order to determine in which Appendix the taxon concerned is included) in accordance with the adopted standard nomenclature
- f) The description of the specimens, in one of the Convention's three working languages, using the nomenclature of specimens distributed by the Secretariat
- g) The numbers of the marks appearing on the specimens if they are marked or if a Resolution of the Conference of the Parties prescribes marking (specimens from ranches, subject to quotas approved by the Conference of the Parties, originating from operations which breed animals included in Appendix I in captivity for commercial purposes, etc.)
- h) The Appendix in which the species or subspecies or population is listed
- i) The source of the specimens
- j) The purpose of the transaction
- jk) The quantity of specimens and, if appropriate, the unit of measure used
- kl) The date of issue and the date of expiry
- lm) The name of the signatory and his/her handwritten signature
- mn) The embossed seal or ink stamp of the Management Authority
- no) A statement that the permit, if it covers live animals, is only valid if the transport conditions comply with the *CITES Guidelines for transport and preparation for shipment of live wild animals and plants (CITES Guidelines for transport)* or, in case of air transport, with the *IATA Live Animals Regulations*
- op) The registration number of the operation, attributed by the Secretariat, when the permit involves specimens of a species included in Appendix I that originate from an operation practising breeding in captivity or artificial propagation for commercial purposes (Article VII, paragraph 4), and the name of the operation when it is not the exporter
- pg) The actual quantity of specimens exported, certified by the stamp or seal and signature of the authority that carried out the inspection at the time of the exportation
- qh) When specimens are marked with microchip transponders, all microchip codes, together with the trade mark of the transponder manufacturer, and, where possible, the location of the microchip in the specimen

To be included in certificates of origin only

- rs) A statement that the specimens originate in the country that issued the certificate

3. Finally, proposed changes to paragraph 5a of the 'Instructions and explanations' section of Annex 2 (Standard CITES form) of Resolution Conf. 12.3 (Rev. CoP13):

Standard CITES form

Instructions and explanations

(These correspond to block numbers on the form)

- 5a. The following codes should be used to identify the purpose of the import, export or re-export for which a CITES document is being issued: T for commercial trade, B for breeding in captivity or artificial propagation, M for medical/scientific specimens, Z for zoos/aquarium/botanical gardens/museums, G for botanical gardens, Q for circuses and travelling exhibitions, S for scientific purposes, H for hunting trophies, P for personal use, M for medical, E for educational exhibition, N for reintroduction or introduction into the wild, and B for breeding in captivity or artificial propagation, and L for law enforcement/judicial/forensic as defined in Section I, paragraph f) of Resolution Conf. 12.3 (Rev. CoP14).