

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



Eighteenth meeting of the Conference of the Parties
Colombo (Sri Lanka), 23 May – 3 June 2019

Interpretation and implementation matters

Regulation of trade

PURPOSE CODES ON CITES PERMITS AND CERTIFICATES

1. This document has been submitted by the Standing Committee.*
2. At its 14th meeting (The Hague, 2007), the Conference of the Parties adopted Decision 14.54 directed to the Standing Committee. This Decision was revised at the 17th meeting of the Conference of the Parties (Johannesburg, 2016), as follows:

14.54 (Rev.CoP17) 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. CoP17) on Permits and certificates, 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.*
3. At SC69, the Standing Committee established an intersessional working group on purpose codes with a mandate to:
 - a) 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;

* *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.*

- b) in evaluating the use and definition of purpose-of-transaction codes, 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
 - c) submit a report and any recommendations for amendments to Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates*, or to any revision thereof, at the 70th meeting of the Standing Committee.
4. The membership of the intersessional working group on purpose codes was agreed as follows: Canada (Chair), Australia, Belgium, Brazil, China, Germany, Israel, Italy, Japan, Malaysia, Norway, Saudi Arabia, South Africa, United Arab Emirates, and the United States of America; and Alliance of Marine Mammals Parks and Aquariums, Association of Zoos and Aquariums, Food and Agriculture Organization, Global Eye, Lewis & Clark – International Environmental Law Project, Parrots Breeders Association of Southern Africa, Pet Industry Joint Advisory Council, Pro Wildlife, Safari Club International, San Diego Zoo Global, Species Survival Network, and TRAFFIC.
 5. As the mandate of the working group states, the purpose-of-transaction codes should be clearly defined in order for them to be used consistently. There are two main causes for the inconsistent use of the purpose-of-transaction code:
 - a) Lack of definition and guidance on the codes for the purpose-of-transaction. The codes are listed in Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates* with a letter and a few words giving a general idea of the meaning associated with the letter code. This vague “definition” does not provide the guidance necessary for selecting the appropriate code for use on a permit. It also does not provide sufficient guidance for interpreting the code on the permit or in the trade database.
 - b) Lack of clarity on the specific transaction which is being described by the purpose-of-transaction code. Parties sometimes have different transactions in mind when determining the purpose-of-transaction code to use for its permits or certificates; which can lead to misinterpretations of the codes by other Parties.
 6. At the 70th meeting of the Standing Committee (Sochi, October 2018), the Chair of the working group submitted its report for consideration by the Standing Committee (see document [SC70 Doc. 35](#)). An in-session working group was struck to continue work on a key element of the mandate in “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”, with the aim of adding these to the amendments to Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates* which were in Annex 1 to document SC70 Doc. 35, for consideration at the 18th Conference of the Parties.
 7. The in-session working group could not complete all the elements of the mandate, but did recommend additional changes to Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates*, and proposed an amendment to Decision 14.54 (Rev. CoP17) directed to the Standing Committee.
 8. The Standing Committee took note of the report and the recommendations of the working group, and agreed to propose to the Conference of the Parties the amendments to Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates* and the renewal of Decision 14.54 (Rev. CoP17) as found in Annex 1 and Annex 2 to the present document.

Recommendation

9. The Standing Committee invites the Conference of the Parties to adopt the draft amendments to Decision 14.54 (Rev. CoP17), as set out in Annex 1 to this document. The Conference of the Parties is also invited to adopt the draft amendments to Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates* as set out in Annex 2 to this document.

COMMENTS OF THE SECRETARIAT

- A. The Secretariat notes that Decision 14.54 (Rev. CoP17) was adopted at the 14th meeting of the Conference of the Parties (CoP14, The Hague, 2007) and after more than a decade, and several meetings of the CoP later, progress on the development of clear definitions of purpose-of-transaction codes remains limited.

Although the Secretariat was not actively involved in the deliberations of the Standing Committee's working group during the last intersessional period, it is aware of the difficulties encountered in clearly defining the twelve purpose-of-transaction codes established in Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates*.

- B. With regard to the proposed draft amendment to Decision 14.54 (Rev. CoP17), contained in Annex 1 to the present document, the Secretariat notes that, as was the case previously, only the Standing Committee is directed to implement that Decision. It involves neither any other Parties and stakeholders nor the Secretariat. The Conference of the Parties may wish to consider exploring different approaches for the continuation of this work during the next intersessional period. For instance, the Conference of the Parties may wish to include this issue in a broader discussion on CITES permit policy, as proposed in document CoP18 Doc. 27 on *CITES compliance matters*. It may also wish to involve more actively Parties in this work and gather their experiences and challenges to enrich the deliberations. If the Conference of the Parties wishes to proceed along these lines, it may consider adopting a new set of decisions as follows, instead of the revised decision contained in Annex 1:

18.AA Directed to Parties and concerned stakeholders

Parties and concerned stakeholders are invited to provide to the Secretariat information, experiences, or examples regarding the use of purpose-of-transaction codes and any relevant information regarding the difficulties experienced in the applicability of the use of the codes provided in Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates*. Parties are further invited to request feedback from the regulated public/applicants to identify challenges in the use of the purpose-of-transaction codes;

18.BB Directed to the Secretariat

The Secretariat shall:

- a) issue a Notification to the Parties requesting input pursuant to Decision 18.AA;
- b) provide a summary of the responses received from Parties and concerned stakeholders and its own recommendation on the possible ways forward to the Standing Committee;

18.CC Directed to the Standing Committee

The Standing Committee shall assess the report submitted by the Secretariat and, if appropriate, make recommendations to the 19th meeting of the Conference of the Parties.

- C. With regard to the proposed amendments to Resolution Conf. 12.3 (Rev. CoP17), contained in Annex 2 to the present document, the Secretariat does not recommend the adoption of those amendments at this stage. Parties may need more time to consider the proposed amendments and the practical implications for trade. The Secretariat recommends conducting first a broad consultation with the Parties as proposed in draft decision 18.AA and would like to suggest the preparation of a document with an analysis of the inputs received and recommendations on possible ways forward for the consideration of the Standing Committee.
- D. The Secretariat considers that the implementation of the proposed draft decisions will have implications for the workload of the Secretariat and the Standing Committee that can be absorbed within the existing allocated budgetary and human resources.

DRAFT AMENDMENT TO DECISION 14.54 (REV. COP17)

Directed to the Standing Committee

14.54 (Rev. CoP1718)

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 also consider any Resolution related to or affected by purpose-of-transaction codes, to ensure coherent interpretation; and
- e) the working group shall submit a report and any recommendations for amendments to Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates*, or to any revision thereof, and recommendations for amendments to any other Resolution identified under c) above to the 70th 74th meeting of the Standing Committee, which shall report, with its recommendations, at the 48th 19th meeting of the Conference of the Parties.

Conf. 12.3

(Rev. CoP18~~7~~)^{*}

Permits and certificates

3. RECOMMENDS that:

- a) Parties wishing to modify their permit and certificate forms, to reprint existing documents or to introduce new documents, first ask the Secretariat for advice;
- b) Parties adapt the contents and, to the extent practicable, the format of their permits and certificates to the standard form attached to the present Resolution as Annex 2;
- c) Parties using or developing electronic permits and certificates, adopt the standards recommended in the [CITES electronic permitting toolkit](#);
- d) the Secretariat, subject to availability of external funding, organize the printing of permit and certificate forms on security paper for Parties that request it;
- e) to avoid abusive or fraudulent use, the Parties not use forms for their internal-trade certificates that are identical to CITES forms;
- f) for tracking and annual reporting purposes, permit and certificate numbers be limited, if possible, to 14 characters in the format:

WWxxYYYYYY/zz

where WW represents the last two digits of the year of issuance; xx represents the two-letter ISO code of the country; YYYYYY represents a six-digit serial number; and zz represents two digits or letters, or a combination of a digit and a letter, that a Party may use for national informational purposes;

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

- T** Commercial
- Z** Zoo
- G** Botanical garden
- Q** Circus or travelling exhibition
- S** Scientific
- H** Hunting trophy
- P** Personal
- 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;

- h) The purpose of transaction code is determined as follows:

i) The transaction between the sender/exporter and receiver/importer directly involved in the movement between 2 Parties is used to assess the purpose of transaction code for the export permit or re-export certificate. This indicates the reason there is an exchange or movement of the specimen(s) from the

^{*} Amended at the 13th, 14th and 15th, 16th and 17th meetings of the Conference of the Parties.

sender/exporter and receiver/importer. The sender/exporter and receiver/importer can be the same entity (e.g. personal move).

ii) The intended use of the specimens by the importer is used to determine the purpose of transaction code for the import permit. This indicates the reason the importer has requested or is receiving the specimen(s).

iii) When both the export permit/re-export certificate and the import permit are issued, the purpose of transaction code used on the two CITES documents may be different.

iv) In the case of these certificates, the following purpose of transaction codes should be used:

Certificate of Ownership _____ P

Travelling Exhibition Certificate _____ Q

Musical Instrument Certificate _____ P or Q

Scientific Certificate _____ S

v) For the remaining certificates, the purpose of transaction code is determined as follows:

Pre-convention certificate – as outlined in i. above for export permits or re-export certificates.

Certificate of Origin – as outlined in i. above for export permits or re-export certificates.

Certificate of captive breeding and artificial propagation – as outlined in i. above for export permits or re-export certificates.

Introduction from the Sea certificate – as outlined in ii. above for import permits.

h) The term 'hunting trophy', as used in this Resolution, means a whole animal, or a readily recognizable part or derivative of an animal, specified on any accompanying CITES permit or certificate, that:

i) is raw, processed or manufactured;

ii) was legally obtained by the hunter through hunting for the hunter's personal use; and

iii) is being imported, exported or re-exported by or on behalf of the hunter, as part of the transfer from its country of origin, ultimately to the hunter's State of usual residence.

[...]

VI. Regarding travelling-exhibition certificates

12. RECOMMENDS that:

d) travelling-exhibition certificates should ~~contain the purpose code 'Q' and~~ include in block 5, or in another block if the model form is not used, the following language: "The specimen/s covered by this certificate may not be sold or otherwise transferred in any State other than the State in which the exhibition is based and registered. This certificate is non-transferable. If the specimen/s dies/die, is/are stolen, destroyed, lost, sold or otherwise transferred, this certificate must be immediately returned by the owner to the issuing Management Authority";

TENTATIVE BUDGET AND SOURCE OF FUNDING
FOR THE IMPLEMENTATION OF DRAFT RESOLUTIONS OR DECISIONS

According to Resolution Conf. 4.6 (Rev. CoP16) on *Submission of draft resolutions, draft decisions and other documents for meetings of the Conference of the Parties*, the Conference of the Parties decided that any draft resolutions or decisions submitted for consideration at a meeting of the Conference of the Parties that have budgetary and workload implications for the Secretariat or permanent committees must contain or be accompanied by a budget for the work involved and an indication of the source of funding.

The authors of this document propose that the resource implications of the implementation of this draft decision can be absorbed within the current financial and human resources of the Secretariat.