



**Asia-Pacific  
Economic Cooperation**

# **Supporting Continued Growth in Trade and Facilitation: End to End Review of the APEC Business Travel Card Scheme**

## **Travel Study Report**

**APEC Business Mobility Group**

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## 1 Executive summary

### 1.1 Research Activities

The research team has been actively conducting phone and in-person interviews, literature research, and data collection through surveys of cardholders and government operators.

In addition to literature research, 25 phone interviews and 26 in-person interviews have been conducted across the 11 case study economies for this research project. In addition, the online survey for cardholders has, as of early July, received 87 responses from cardholders across the APEC region.

#### Research Travel

The research team has conducted four research trips in total:

Date	Economies visited
May 09 – 20	Australia, Malaysia, Singapore, Thailand
June 03 – 06	Indonesia, New Zealand
June 14 – 21	China, Japan
June 18 – 21	Peru

For each selected economy, the research team met with both government and industry stakeholders. These in-person meetings were invaluable opportunities to discuss at length on various aspects of the ABTC process, and in many cases to witness first-hand the operation of ABTC processes by government staff, such as checking domestic applications, approving pre-clearance requests, printing cards, and other tasks.

Interviews with government stakeholders included discussions with staff members that set business mobility policies, the operational staff responsible for printing cards and reviewing domestic applications and foreign pre-clearance requests, staff from border entry agencies, and technical advisors to the government.

Interviews with industry stakeholders included trade organizations that represent large numbers of cardholders or play an important role in issuing support letters for applicants, long-term and recent cardholders, ABAC members, and staff from large firms that contain hundreds of cardholders.

In addition, interviews have also been conducted with technical experts on biometric technology, smart cards, and business travel.

## 1.2 Key Findings

<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Both government ABTC officials and cardholders expressed widespread frustration with lengthy pre-clearance processing times in select economies. Strong support was expressed for giving ABTC applicants the option to request pre-clearance only from economies that are likely business travel destinations.</li> <li>• Industry representatives frequently stressed that renewal of the ABTC card should be simpler or easier than initial applications, perhaps by reusing previously submitted information.</li> <li>• Several economies noted that communication with other economies through the ABTC system sometimes is slow or doesn't receive responses, and some economies lack clear points of contact for ABTC issues.</li> </ul>
<p><b>Best Practices</b></p> <ul style="list-style-type: none"> <li>• Australia has reduced its pre-clearance times in the past year and is now lower than the APEC average, in part due to more effective staff distribution by managers, and better understanding of the case loads.</li> <li>• Peru's national industry association plays a major role in the domestic application process for the ABTC, and reminds existing cardholders when their current ABTC card is about to expire (about three months in advance) and encourage them to initiate the renewal process. This serves to minimize the time cardholders must spend waiting to receive their new card.</li> <li>• Based on a self-evaluation carried out last year by Malaysia's government with feedback from industry organizations, Malaysia made significant reforms to streamline the domestic application process, which have significantly sped up the domestic application process from almost a year to 2-3 months, and significantly reduced costs as well.</li> <li>• In China, a recently implemented online lodgement system has greatly reduced processing time for domestic applications by having large companies or regional Ministry of Foreign Affairs (MFA) offices on behalf of smaller companies directly input application data into MFA's system, saving MFA ABTC staff from the need to perform this task.</li> </ul>
<p><b>Future Priorities</b></p> <ul style="list-style-type: none"> <li>• Several economies noted that it is important that Canada and the U.S. move towards full ABTC scheme membership in the future, and APEC needs to consider creative ways to meet concerns so that all 21 economies could participate fully in the scheme</li> <li>• Some officials have noted that the card is currently based on an old-fashioned technological and processing base and is competing with the fact that in 5-10 years, most of the world will have some kind of automated gates for border processing, such as those already deployed by economies including Australia, China, Japan, Malaysia, and Singapore. It is important to look ahead at how the ABTC with biometrics can eventually make use of the kind of instant and secure access that an automated gate can provide.</li> </ul>

## 2 Overview of travel study strategy

### 2.1 Travel planning

The selection of economies for travel visits was informed by publicly available data regarding participation in the ABTC scheme, such as estimates of ABTC cardholders by economy and other relevant metrics.<sup>1</sup> Selected economies included founding participants in the scheme as well as more recent members, and provide a cross-section of developed, developing, large and small economies across different areas of the APEC region. Many of the economies visited had also offered to host the research team for the purposes of this study.

For each economy, the research team met with a variety of both government and industry stakeholders. Meeting candidates were generally chosen based on their expertise with card policy, card processing steps, technology, or local industry views on the card.

The travel was planned in May and June based on expectations of the project deadlines and the availability of research staff and interviewees. Most selected economies' government staff were available to meet in mid-late May and early June, which led Washington CORE staff to plan the initial round of travel for that time period, and to set up additional trips later in June for the remaining economies. .

Two members of the research staff participated in the initial research trip, in order to provide better support and to handle the busy initial schedule of the trip more effectively. Australia and Singapore were chosen as the initial locations to visit so that research team staff could meet with the interim project overseer and the APEC Secretariat early in the research travel, and could see each economy's card processing, printing, and application capabilities demonstrated. Afterwards only one researcher was sent to each of the remaining economies, due to limited travel funds and the growing background knowledge gained from earlier interviews.

### 2.2 Meeting planning

In most cases, the research team prepared for these meetings through an initial phone interview with the respective government and industry organizations to answer initial questions and lay the groundwork for more detailed discussions in person.

The research team created detailed question lists for each in-person meeting. These lists used the project scoping document as a foundation, and took into account the knowledge gained from comments and concerns voiced in phone conversations with the interim project overseer, and with government and industry stakeholders from several economies. Discussion questions focused on several different aspects of the ABTC scheme: the domestic application process, the pre-clearance review process, at-the-border immigration processing, the printing process, various technical challenges, views on new technologies, and opportunities for future initiatives.

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<sup>1</sup> ABTC cardholder estimates provided by interview research and by: APEC, Policy Support Unit, "Reducing Business Travel Costs: The Success of APEC's Business Mobility Initiatives," October 2011, URL: [http://publications.apec.org/publication-detail.php?pub\\_id=1214](http://publications.apec.org/publication-detail.php?pub_id=1214)

## 3 Economy visit reports

### 3.1 Australia

#### 3.1.1 Overview and main findings

##### Background

Two members of the research team traveled to Australia from May 11 – 14, and met with several staff members from the Department of Immigration and Border Protection (DIBP), both at DIBP's main offices in Canberra and at the Brisbane facility where ABTC processing and printing is conducted. The research team also met with cardholders and industry association representatives from the Australian Chamber of Commerce and Industry, which had played a supporting role by certifying applicants for the ABTC until a recent government policy decision to return this responsibility to DIBP as part of an initiative to streamline government policies and reduce costs for customers. Prior to this research trip, the research team conducted phone discussions with both organizations.

Australia has had a significant role in the development of the ABTC scheme from the trial stage conducted with Korea and the Philippines in the mid-1990s to full implementation in 1999 and onward. Australia developed the central web-based processing system for ABTC applications in 2005, and has maintained hosting and systems administration responsibilities for the system since then. Originally the system was hosted by a third party provider in Australia, but in October 2013 the system was moved in-house to the Australian government's own servers as part of a broad IT procurement streamlining initiative undertaken by the government. This move enabled more regular software and hardware updates, which helped to greatly reduce system outages and improve server response times. Australia also provides card printing for some other participants in the scheme.

##### Key Challenges/Concerns

- Officials noted that the card is currently based on an old-fashioned technological and processing base and is competing with the fact that in 5-10 years, most of the world will have some kind of automated border processing. It is important to look ahead at how the ABTC can eventually give the kind of instant access that a SmartGate can provide.
- Similarly, some cardholders expressed skepticism about the long-term benefits of the ABTC card as the region's airports become more automated and efficient
- The card's success has led to a very large number of potential travelers who could desire the card, which puts a strain on the relatively limited resources that are available at each border for entry & departure facilitation.

##### Best Practices

- The move of physical servers to a new internal location, as part of a broad IT procurement change by the Australian government, has greatly improved system performance for all ABTC processing areas within APEC.
- Australia has drastically reduced its pre-clearance times in the past year and is now lower than the APEC average, in part due to more effective staff distribution by managers, and better understanding of the case loads.



### Future Priorities

- Online lodgement could significantly reduce time spent on manual data entry
- In the long-term, Australia would like to see ways for different member economies to provide more assistance across APEC for smaller economies as part of the scheme, such as through training programs and similar exercises.
- It is important that Canada and the U.S. move towards full ABTC scheme membership in the future, and APEC needs to consider creative ways to meet concerns so that all 21 economies could participate fully in the scheme

### 3.1.2 Government meeting summaries

**Table 1: Government meetings**

Organization	Participants <sup>2</sup>	Topics	Date
I. Australia Department of Immigration and Border Protection, Canberra	<ul style="list-style-type: none"> <li>• Mr. Stephen Allen, First Assistant Secretary, Border, Refugee, &amp; Onshore Services</li> <li>• Ms. Penelope Robinson, Offshore Border and APEC Section, Border Security Policy Branch, Border, Refugee and Onshore Services Division</li> <li>• Mr. Justin Vavrina, Offshore Border and APEC Section, Border Security Policy Branch, Border, Refugee and Onshore Services Division</li> </ul>	ABTC policy	5/12/14
II. Australia Department of Immigration and Border Protection, Brisbane	<ul style="list-style-type: none"> <li>• Mr. Nigel Manns, Director, Brisbane Temporary Visas and APEC Section</li> <li>• Mr. Eddie Wallace, Assistant Director, Brisbane Temporary Visas and APEC Section</li> <li>• Ms. Ananta Arifin, Team Leader, ABTC processing team</li> </ul>	ABTC processing and printing	5/13/14

On policy issues, the Australia is currently drafting a concept note for APEC funding to support multilateral capacity building over the next few years related to the ABTC, among some other initiatives, and is working to help respond to Canadian inquiries about data retention and privacy information. Australia is interested in supporting steps towards a more modern and convenient ABTC, such as biometric technologies, as long as APEC member economies are comfortable with proposed changes and able to reach a consensus decision.

<sup>2</sup> Participant lists are not necessarily exhaustive in all cases, but provide a representative sampling of major discussion contributors.

### 3.1.3 Industry meeting summaries

**Table 2: Industry meetings**

Organization (s)	Participants	Topics	Date
Australian Chamber of Commerce and Industry	<ul style="list-style-type: none"> <li>Mr. Bryan Clark, Director - Trade &amp; International Affairs, ACCI</li> <li>Mr. Andrew Willcocks, Certificate of Origin Compliance Officer, ACCI</li> <li>Mr. Paul Gallagher, Executive Director of Japan and ASEAN affairs, ACCI (ABTC cardholder)</li> </ul>	Industry views on the ABTC scheme	5/12/14

The chief concerns expressed in a meeting with several cardholders, supporting staff, and ACCI leadership were about the need for simplification of ABTC renewals and how Australia would manage the applicant certification process when it assumes this role after several years of effective stewardship by ACCI. Cardholders were very eager to see the eligibility period of the card expanded from 3 to 5 years, and would be interested in any additional benefits that could make membership more compelling over the long term.

## 3.2 Singapore

### 3.2.1 Overview and main findings

#### Background

Two members of the research team traveled to Singapore from May 14 – 16, and met with several staff members from the Immigration and Checkpoints Authority (ICA) of Singapore, which is responsible for the ABTC, as well as a staff member from the Singapore Business Federation, which serves as the ABAC Secretariat for Singapore. Prior to this research trip, the research team conducted phone discussions with both organizations and with a longtime cardholder from Singapore as well.

Singapore has introduced a number of innovations to simplify business travel for residents. Applicants can apply for the ABTC online and pay via credit card through the application website. Singapore also has a card-less visa in place, reducing paperwork for residents, as well as automated kiosks at immigration gates for use by domestic travelers.

#### Key Challenges/Concerns

- The process to grant approval for foreign pre-clearance requests requires a number of manual steps to accomplish, since Singapore's visa processing system is not integrated with the core ABTC system. Data files sometimes require significant staff work to correct minor data entry mistakes by the requesting economy, such as incorrect biographic data. This can be a tedious and manual process. As such, Singapore has suggested that the review study and explore whether batch uploads of pre-clearance results into the ABTC system would be possible, and whether validation checks on points such as correct data format or

passport validity could be included in the batch excel/csv file used by all economies, so as to mitigate the number of data entry mistakes.

- Singapore's server connection to the core ABTC system is sometimes slow and can face lag times of about 1 minute when uploading new data.
- Staff suggested that the backend processing system should be enhanced and streamlined with the front end application to better manage the projected growth of ABTC applicants. It would be ideal if there were a complete end-to-end system, wherein the submission of the application and the ABTC system are integrated to improve processing time, which would cut down the data entry needed by both the applicant and the processing officer.
- A representative from a large industry association noted that sometimes applicants from other economies that are working in Singapore face challenges to get cards from their home economies, particularly because of requirements for a letter of support or other documentation.
- Industry representatives stressed that renewal of the ABTC card should be simpler or easier than initial applications.

### Best Practices

- Domestic applications for the ABTC are submitted by online lodgement, through an online platform for application. The application data is then manually entered into the ABTC system, which takes about 10 minutes per case on average.
- Singapore is encouraging citizens to use automated kiosks, called the enhanced-Immigration Automated Clearance System (eIACS), at the immigration gate, which allows travelers in possession of valid machine-readable Singapore passports to clear immigration via the automated gates on their own.

### Future Priorities

- Singapore would like to see improvements to the core ABTC system to allow further automation of tasks, such as more opportunities for batch uploading of pre-clearance results and automated input of dates in the ABTC system.<sup>3</sup>
- Singapore currently has a card-less visa system, which staff hope could perhaps serve as a model for a card-less ABTC system in the future
- If APEC decides to implement regular training for ABTC system operators, then one cost-effective solution might be to create an online tutorial showing the step by step process for different ABTC processes, possibly in multiple languages.

### 3.2.2 Government meeting summaries

**Table 3: Government meetings**

Organization	Participants	Topics	Date
Singapore Immigration & Checkpoints Authority	<ul style="list-style-type: none"> <li>• Mr. Jackson Tan, Deputy Head (International Affairs &amp; Legislation), Policy Administration &amp; International Affairs Division</li> <li>• Ms. Chin Siew Fong, Head (Visa), Visitor Services Centre</li> </ul>	ABTC policy and card processing	5/16/14

<sup>3</sup> This would prevent economies that are engaged in processing pre-clearance requests from missing applications which have the wrong dates stated on the applications.

	<ul style="list-style-type: none"> <li>Mr. Boey Khing Soong, Senior Customer Services Executive (Identity Card), Citizen Services Centre</li> </ul>		
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On policy issues, the ICA remains very concerned that APEC economies will need to address passport change issues for the card, and noted that the extension of card validity from 3 to 5 years would not be beneficial if the current issues with the card, including passport change issues, are not resolved.

Discussions of the core ABTC system led to a number of suggestions for improvements to the ABTC platform, both large (a technical review of the system) and small (clearly labeling the correct format for dates, standardizing formats for family and given names). In particular, staff noted that the timely submission of the applications by the Home/requesting economy as a batch file download from the ABTC system should have the submission dates clearly marked in order to avoid duplicate applications with new passport validity when the previous application is still being processed, and to ensure a prompt reply to queries raised by other economy. Staff also emphasized the need to set standards for response times to queries by email on the ABTC system.

### 3.2.3 Industry meeting summaries

**Table 4: Industry meetings**

Organization (s)	Participants	Topics	Date
Singapore Business Federation (Singapore's National ABAC Secretariat)	<ul style="list-style-type: none"> <li>Mr. Alwyn Lim, Executive, Global Business Division, Singapore Business Federation (SBF)</li> </ul>	Industry views on the ABTC scheme	5/15/14

The most common complaint from Singapore business travelers was the lengthy renewal process for current cardholders, especially since cardholders' priority economies for the interim card often included some of the economies that are slower to grant pre-clearance. The extension of the card validity from 3 to 5 years would be very welcome.

In addition, it was noted that sometimes applicants from other economies that are working in Singapore face challenges to get cards from their home economies because they have trouble with requirements for a letter of support and other documentation.

## 3.3 Thailand

### 3.3.1 Overview and main findings

#### Background

Interviews were conducted in Bangkok, Thailand from May 16 – 19, with several staff members from the Ministry of Foreign Affairs of Thailand (MFA), which is responsible for ABTC policy and processing; the Director of the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB), which is responsible for prescreening and submitting domestic ABTC applications to MFA; and Dr. Pratit Santiprabhob, a professor of computer science at Assumption University who advises MFA on ABTC technical

issues. Prior to this research trip, the research team had conducted preliminary phone discussions with MFA and Dr. Pratit.

Thailand does not appear to be pursuing any major changes to its ABTC processes at the moment. There is interest in technical enhancements such as online lodgement and a biometrics-enhanced ABTC card, but budget concerns and political uncertainty caused by the recent change in government appear to make any significant changes by MFA unlikely for the immediate future. Dr. Pratit is leading a survey for Thailand of ABTC topics including immigration fast lane practices and biometrics.

### Key Challenges/Concerns

- The long wait to receive pre-clearance approval from certain economies is the chief concern expressed by cardholders

### Best Practices

- Pre-clearance request approval involves checking each name against a database of visa violations. Beyond this, Thailand trusts the judgment of the home economy and quickly grants approval in most cases.

### Future Priorities

- Thailand would be very interested in implementing online lodgement if funding were to become available.

### 3.3.2 Government meeting summaries

**Table 5: Government meetings**

Organization	Participants	Topics	Date
I. Assumption University	<ul style="list-style-type: none"> <li>• Dr. Pratit Santiprabhob, Director of Intelligent Systems Laboratory (also technical advisor to MFA on ABTC issues)</li> </ul>	Biometrics and other potential technical enhancements to ABTC scheme	5/16/14
II. Ministry of Foreign Affairs of Thailand (MFA)	ABTC Section staff, Department of Consular Affairs: <ul style="list-style-type: none"> <li>• Mr. Apipan Charoen (policy lead)</li> <li>• Ms. Naphat (processing lead)</li> </ul>	ABTC policy and card processing	5/19/14

#### I. Assumption University

Dr. Pratit discussed the feasibility of biometrics and other potential technical enhancements to the ABTC scheme, and was very enthusiastic and confident that biometrics could be widely implemented into the ABTC scheme in the near future, though some economies may take a little longer to deploy the required supporting IT infrastructure.

#### II. Ministry of Foreign Affairs (MFA)

Ms. Naphat demonstrated the processes for approving domestic applications and pre-clearances on her PC. MFA did not express any urgent concerns about the ABTC scheme, and agreed with most current BMG proposals, such as the 3 to 5 year extension and the establishment of a central training/capacity building resource for ABTC.

MFA was intrigued by the potential benefits of online lodgement and biometrics, but uncertain how such innovations could be funded. MFA's funding for ABTC activities is almost entirely provided by the JSCCIB.

### 3.3.3 Industry meeting summaries

**Table 6: Industry meetings**

Organization (s)	Participants	Topics	Date
Joint Standing Committee on Commerce, Industry and Banking – Thailand (JSCCIB) Thai Bankers' Association (TBA)	<ul style="list-style-type: none"> <li>Kanchana Thaichon, Director, JSCCIB</li> <li>Dr. Twatchai Yongkittkul, Secretary General, TBA (also ABAC Thailand representative)</li> </ul>	Industry views on the ABTC scheme	5/16/14

This meeting focused on the views, concerns and experiences of Thai cardholders. Strong concerns were expressed over the long period of time required for pre-clearance approval from certain economies. The extension of the card validity from 3 to 5 years was welcomed.

## 3.4 Malaysia

### 3.4.1 Overview and main findings

#### Background

Interviews were conducted in Malaysia from May 16 – 19 with several government agencies and industry associations responsible for ABTC processes. Meetings conducted in Kuala Lumpur and nearby Putrajaya included a roundtable discussion set up by the Federation for Malaysian Manufacturers, a major trade association, which included a FMM representative and staff from the Ministry of Trade & Industry and the Malaysia Investment Development Agency.

There are many government and industry actors involved in Malaysia's initial verification of "bona fide" applicants for the ABTC, and there is a high level of interest from both industry and government to improve the ABTC process. The general consensus appeared to be that the application process for domestic cardholders was streamlined and well-received by cardholders, however, two major issues concerned most interviewees: the length of time to receive a card (based on pre-clearance approval by other economies), and issues with printing ABTCs, such as printing errors and shortages of card stock.

#### Key Challenges/Concerns

- Malaysia is looking into ways to improve the printing process, such as localizing printing supplies to reduce costs. Some interviewees suggested that if Australia could suggest a different vendor and/or model of printer it might solve many localized issues that economies face by creating an APEC-wide system.

- Communication with other economies through the ABTC system sometimes is slow or doesn't produce responses.

### Best Practices

- Recent reforms to the partnerships between government and industry associations have significantly sped up the domestic application process by streamlining the number of approved bodies that can issue a support letter to confirm an applicant's "bona fide" status as a business traveler. Previously it took almost a year to receive a card, and the costs were higher as well. But it currently takes only about 2-3 months for domestic applicants to receive a card. The reforms also clarified the eligibility requirements for the card to prevent inappropriate applications by artists and other non-business travelers.

### Future Priorities

- Malaysia is eager to see Canada and the US's full participation in the scheme.
- Malaysia is currently conducting a survey among APEC economies about the ease of use of the ABTC system (user friendliness) and issues that other economies face in systems integration and similar issues. The intent is to identify potential areas where improvements to the system can build up the automated functions of the system and reduce workloads.
- There is strong support for policies which might reduce costs and the work burden on economies, such as streamlining the renewal process for ABTCs, and more efficient communications and information sharing among economies to promote faster clearance.
- Industry members are very much looking forward to the extension of card validity from 3 years to 5 years.

### 3.4.2 Government meeting summaries

**Table 7: Government meetings**

Organization	Participants	Topics	Date
Immigration Affairs Division, Ministry of Home Affairs of Malaysia	<ul style="list-style-type: none"> <li>• Mr. Abdul Wahap bin Abdul Hamid, Director, Visa, Pass, and Permit Division, Immigration Department</li> <li>• Mr. Azman Azra Abdul Rahman, Principle Assistant Secretary, Immigration Affairs Division, Ministry of Home Affairs, Malaysia</li> <li>• Ms. Kasthuri Bai Venugopal, Deputy Assistant Director of Immigration (Senior), Visa, Pass, and Permit Division, Immigration Department</li> </ul>	ABTC policy and card processing	5/19/14

This meeting involved several government staff members responsible for ABTC processing, including policy staff and staff responsible for processes such as meeting clients and accepting applications, card printing, ABTC and visa system updates, and granting pre-clearances.



The initial discussion focused on policy-oriented issues with the ABTC and potential areas for improvement. For example, staff members heavily emphasized the need for Canada and the U.S. to become full members of the ABTC in a timely manner. Other policy topics included Malaysia's strong support for extending the card duration from 3 to 5 years, proposals for various ways to eliminate passport issues, possible methods for implementing a streamlined renewal process for ABTCs, support for increased capacity building among BMG members (such as training sessions), possibly including more biometric information as part of the card, and the challenges that APEC would face in achieving a card-less ABTC.

After this initial discussion, the meeting shifted to the processes for domestic applications for the ABTC and granting pre-clearances, which were demonstrated in a presentation by staff members. At the end of the meeting, processing staff demonstrated the card printing process and the customer service for clients applying for an ABTC in-person. Staff members were very proud of the in-person customer service support for clients, such as providing a reference number for clients to track their applications within an hour of the Ministry's receipt of the application. However, the staff expressed some frustration with the printing process, such as quality issues with the printers and issues with receiving a stable supply of card stock.

### 3.4.3 Industry meeting summaries

**Table 8: Industry meetings**

Organization (s)	Participants	Topics	Date
I. Malaysia International Chamber of Commerce & Industry (MICCI)	<ul style="list-style-type: none"> <li>Ms. Esther Tan, Senior Manager for Finance</li> <li>Mr. Jude Liew, Assistant Manager for Membership &amp; Communications</li> </ul>	Industry views on the ABTC scheme	5/16/14
II. Federation of Malaysian Manufacturers, Malaysia Ministry of International Trade & Industry, Malaysia Investment Development Authority	<ul style="list-style-type: none"> <li>Ms. Shamini Sakthinathan, Head of Unit (Manager), International Trade Policy, Federation of Malaysian Manufacturers</li> <li>Ms. Aedreena Reeza Alwi, Senior Principal Assistant Director, APEC Division, MITI</li> <li>Ms. Zulina Mohamed, Deputy Director, Capacity Development &amp; Industry Talent Management Division, MIDA</li> </ul>	Industry and government roundtable discussion on ABTC application process	5/19/14

A research team member met with MICCI, one of the six industry associations that issued a letter of support for ABTC applicants, and later participated in a roundtable discussion with FMM, a supporting industry association that is also the ABAC national secretariat for Malaysia, along with two government agencies that play a similar supporting role for the ABTC.

The general consensus from the industry members appeared to be that the application process for domestic cardholders was streamlined and well-received by cardholders, however, industry stakeholders would like to see a reduction in the length of time to



receive a card (based on pre-clearance approval by other economies), and a simpler process for renewal of an ABTC card.

Industry stakeholders were supportive of extending the validity of the ABTC from 3 to 5 years, though one stakeholder noted that the change, while welcome, would mean that clients would need to be aware that they should apply for a 5 year passport to gain the full benefits. Industry members would also support online applications for ABTC cards, though the “back end” support process would also need to be moved online to coordinate the application process effectively between different supporting organizations. Moving some or all of the application process online would be especially helpful for cardholders from outlying islands, because they must physically travel to the Immigration Department to pick up the card, which can be time-consuming and potentially costly.

## 3.5 Indonesia

### 3.5.1 Overview and main findings

#### Background

From June 3 – 4, meetings were conducted with ABTC processing staff at the Government of Indonesia’s Directorate General of Immigration (DGI) and with senior executives at KADIN Indonesia (the Indonesian Chamber of Commerce and Industry). Prior to the conduct of these meetings, the research team spoke with selected representatives of both organizations to acquire needed background information and to discuss preliminary observations/concerns vis-à-vis the ABTC scheme.

To date Indonesia has produced few ABTC cardholders relative to the size of its population and economy, giving the program enormous untapped growth potential. There are currently just 2,700 active cardholders in Indonesia, though interest from the business community is increasing: in 2013, DGI processed over 1,100 domestic applications. As with certain other APEC economies, the government requires applicants to obtain certification from an approved business association (KADIN Indonesia is a major provider of this service) as a condition of their eligibility for the card.

The application must be submitted in-person, though not necessarily by the applicant him or herself. Processing is normally completed within 15 – 30 minutes on the same day the application is submitted, but pre-clearance requests, which outnumber domestic applications nearly 50 to 1, can take up to two months to be approved (measured from the time they are uploaded to the ABTC System).

#### Key Challenges/Concerns

- Extending the validity of the ABTC card from three years to five could result in some cardholders retaining their cards after their personal circumstances—and therefore their eligibility for the program—have changed.
- The quality of the ABTC cards could be improved. The color on the cards often “bleeds” or “runs,” resulting in an inconsistent look across cards.
- Indonesian cardholders have faced intermittent problems entering certain economies using their ABTC cards, typically when their cardholder status is not

recognized by the immigration computer systems in those economies. The problem is believed to result from foreign economies creating a separate visa for the Indonesian applicant at the time their pre-clearance request is approved.

- DGI is unable to edit applicant data after it has been uploaded to the ABTC System in Australia. When DGI notices or is alerted to an error in an Indonesian applicant's profile, it must place a "stop order" with all the other APEC economies and then create a new profile for the applicant from scratch.
- Indonesian applicants for the ABTC card are not able to check the status of their pre-clearance requests online.

### Best Practices

- Domestic applicants for the ABTC card initiate and pay for a police background check themselves. This saves time for the DGI staff that might otherwise be responsible for managing this step in the application process.

### Future Priorities

- At present, DGI does not support de-linking the ABTC card from its owner's passport, on security grounds. Without a passport number on the ABTC card, it would be difficult for immigration officers to verify the card's legitimacy. KADIN Indonesia, however, would like to see the documents de-linked in order to reduce the frequency with which existing cardholders must reapply for the card.
- Indonesia would like to assume responsibility for printing its own ABTC cards, both to reduce the time that applicants spend waiting to receive their cards and to ensure the card's quality.
- The ABTC System should incorporate an automatic notification feature that would alert APEC governments when one of their citizens had received pre-clearance approval from all 19 fully-participating economies. This feature should also initiate auto-printing of the card.
- DGI would like for Indonesian applicants to be able to look up their own pre-clearance status, as this would eliminate the need for staff to field phone calls from applicants seeking updates.
- APEC should create an ABTC Customer Support Center capable of facilitating both staff-to-staff and mass communications across the APEC region, especially if this organization could: (a) supply pre-clearance status updates to applicants; (b) increase responsiveness from individual economies when additional information is required regarding one their applicants; and (c) notify all other economies of any error detected in an Indonesian applicant's profile after it has been uploaded to the ABTC system, thereby allowing DGI to simply amend the existing profile without the need to create an all new one.

## 3.5.2 Government meeting summaries

**Table 9: Government meetings**

Organization	Participants	Topic	Date
Directorate General of Immigration	<ul style="list-style-type: none"> <li>• Mr. Teuku Sjahrizal, Director of Cross Border and International Cooperation</li> <li>• Mr. Rochadi Iman Santoso, Director of Immigration Information System and Technology</li> </ul>	ABTC policy and card processing	6/4/14

	<ul style="list-style-type: none"> <li>Mr. Made Tony Nuryana, Assistant Deputy Director for Multilateral Cooperation</li> </ul>		
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A researcher visited the Jakarta offices of the Directorate General of Immigration to speak with both division-level officials with oversight of the ABTC card application process and with line officers responsible for applications processing.

DGI officials were principally concerned with the inability of staffers to edit an Indonesian applicant's profile once it has been uploaded to the ABTC System. They noted that much time and effort is wasted whenever staffers detect an error with a profile, which must then be withdrawn and re-submitted. DGI indicated that it would not support the de-linking of ABTC cards from their owners' passports, citing security concerns. With respect to process improvements, officials noted that while there is no online application system as yet, this capability could be implemented without undue burden on DGI's resources. Staffers also expressed an interest in assuming responsibility for card printing, which is currently performed outside of Indonesia.

### 3.5.3 Industry meeting summaries

**Table 10: Industry meetings**

Organization	Participants	Topics	Date
KADIN Indonesia	<ul style="list-style-type: none"> <li>Mr. Rahardjo Jamtomo, Executive Director</li> <li>Mr. Bernardino Vega, Jr., Secretary General, Korea Committee</li> <li>Mr. Suprayitno, Director of Finance and Personnel</li> </ul>	Industry views on the ABTC scheme	6/3/14

The research team's meeting with the Indonesian Chamber of Commerce and Industry (KADIN Indonesia) was held in Jakarta. KADIN Indonesia was represented by executives with years' of experience both using the card and with managing the applicant certification process required under Indonesian law. In general, KADIN Indonesia was pleased with the operation of the ABTC program but would like to see more Indonesian business travelers making use of the card. The number of applications from small- and medium-sized enterprises (SMEs) would increase, the executives said, if the government lowered the wealth requirement (currently set at US\$50,000) for applicants. Given the current eligibility criteria, the ABTC card is available only to very high net-worth individuals.

KADIN Indonesia was not aware of any serious problems experienced by its members when they travel with the card, and emphasized instead that the card was particularly useful to business persons traveling with government officials as part of a trade mission. In contrast to DGI, KADIN Indonesia would prefer to de-link the ABTC card from its owner's passport if doing so would help to expedite the card renewal process.

## 3.6 New Zealand

### 3.6.1 Overview and main findings

#### Background

Interviews were conducted in Auckland, New Zealand with officials from Immigration New Zealand (INZ), the government body responsible for issuing ABTC cards, and with two representatives of New Zealand's International Business Forum (NZIBF), which provides policy advice and support to the New Zealand ABAC team. These interviews built upon the findings of previous telephone conversations with both organizations.

As an island nation far removed from export markets in both mainland Asia and the Western Hemisphere, trade is of great importance to New Zealand and its economy. China has recently overtaken Australia as New Zealand's largest trading partner, and in INZ's view the ABTC card has played a meaningful role in facilitating the growth in this bilateral trade.

While acknowledging the benefits of the card, both government and industry stakeholders expressed concern that lengthy delays in the pre-clearance process reduced the effectiveness of the program overall. At INZ, individual staffers with responsibility for processing ABTC card applications have discretion to approve or deny domestic applicants, who are not required to apply through or be certified by a professional business association. Although there is not currently a system for the lodgement of applications online, an IT system upgrade scheduled for 2014 should give INZ the flexibility to implement this capability in the future.

#### Key Challenges/Concerns

- The lack of an online application system was cited by certain industry stakeholders as a key factor in their decision not to apply for the ABTC card. The need to gather and submit paper copies of the relevant application materials was said to be prohibitively time-intensive.
- It currently takes New Zealander applicants for the ABTC card six months to receive pre-clearance approval from all 19 fully-participating APEC economies. This lengthy wait time, though attributable to only a few economies, affects all equally and makes it difficult to justify expending additional resources on processing operations. New Zealand already approves pre-clearance requests at a rate better than the APEC average.
- There is a need for greater transparency in the applicant information received through the ABTC System. INZ receives a foreign pre-clearance applicant's name, date of birth, and passport, but does not receive any information about their company or line of work. It does not even receive their photograph. This contributes to uncertainty on the part of INZ as to whom it is approving.
- The printer that INZ uses to print the ABTC cards requires frequent maintenance due to age and software. When a domestic ABTC card applicant voluntarily terminates the pre-clearance process and requests issuance of a card without approval from all 19 fully-participating economies, the printer automatically prints another card each time one of the remaining economies approves the applicant. This results in considerable waste.

- A majority of APEC economies do not designate an official point of contact (POC) that can assist with issues related to ABTC card applications or to the use of the card by New Zealanders. As a result, there is an overreliance on informal connections to resolve problems.

### Best Practices

- INZ staffers are individually responsible for processing both domestic ABTC card applications and foreign pre-clearance requests, but generally only one at a time and for a certain length of time. INZ prefers to have staffers switch between the two tasks periodically so that they acquire experience with both procedures.
- INZ has an IT system upgrade scheduled for 2014, and although there is no official estimate for when an online lodgement capability will be added for use by domestic ABTC card applicants, the upgrade will be performed with consideration for INZ's request to have such a capability in the future.

### Future Priorities

- NZIBF identified three issues with the ABTC program that it believes should be APEC's priorities in the near-to-mid-term: (1) APEC should work to secure full participation in the ABTC program by all 21 member economies; (2) APEC should make an effort to simplify the ABTC card renewal process by de-linking the card from the passport; and (3) APEC should encourage all member economies to expedite their pre-clearance approval procedures so that applicants may receive and use their cards sooner.
- INZ officials concur that one of APEC's highest priorities should be finding a way to de-link the ABTC cardholder's passport from their card. Even with an ABTC card that is valid for five years, cardholders will still be applying for updated cards every time their passport expires. The need to request and receive pre-clearance approval for an updated card adds significantly to the processing burden on governments. If the ABTC card were de-linked from the passport, however, cardholder's would only need to apply for the card once every five years, regardless of whether they have been issued a new passport.
- Although there is general recognition within APEC that a virtual—or, "paperless"—ABTC card would provide tangible benefits to governments and users alike, there seems to be reluctance on the part of many economies to actively explore what it would take to create one. Without clear-cut goals and deadlines for implementing this and other changes to the program, it is unlikely that such improvements will ever be realized.

### 3.6.2 Government meeting summaries

**Table 11: Government meetings**

Organization	Participants	Topics	Date
Immigration New Zealand	<ul style="list-style-type: none"> <li>• Mr. Bruce Burrows, Assistant General Manager, Visa Services, Ministry of Business, Innovation, and Employment</li> <li>• Mr. Neeraj Nagpal, Immigration Manager, Visa Services, Auckland Central Area Office, Ministry of Business, Innovation, and Employment</li> </ul>	ABTC policy and card processing	6/6/14

	<ul style="list-style-type: none"> <li>Mr. Mark Underwood, Assistant Administrative Advisor - Immigration International, Ministry of Business, Innovation, and Employment</li> </ul>		
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Officials at Immigration New Zealand’s Auckland Central Area Office discussed the mechanics of ABTC card applications processing, related challenges, and INZ’s overall recommendations for improving the ABTC scheme. Statistics provided by INZ indicate that processing of both domestic applicants and foreign pre-clearance requests is performed with a high degree of efficiency. Officials are concerned about committing additional resources to the pursuit of internal improvements, as these would not mitigate the processing delays that currently affect the APEC region as a whole.

To reduce the processing burden on APEC economies and expedite the pre-clearance process, INZ endorsed a proposal to de-link the ABTC card from its owner’s passport, as this—combined with the recent decision to extend the validity of the card from three years to five—would considerably reduce the frequency with which existing cardholders must reapply for the card. Whatever programmatic changes are needed, INZ advocated strongly for the setting of goals and deadlines by which to achieve them.

### 3.6.3 Industry meeting summaries

**Table 12: Industry meetings**

Organization	Participants	Topics	Date
NZ International Business Forum / ABAC New Zealand	<ul style="list-style-type: none"> <li>Mr. Stephen Jacobi, Executive Director, NZ International Business Forum; Alternate Member, ABAC New Zealand</li> <li>Ms. Fiona Cooper-Clarke, Associate Director and Lead Staffer, ABAC New Zealand</li> </ul>	Industry views on the ABTC scheme	6/6/14

The industry view of the ABTC program is positive, and executives identified the card as APEC’s greatest accomplishment. Despite agreeing that the ABTC card application process is generally straightforward, ABAC is eager for INZ to implement an online lodgement capability that would obviate the need to gather and mail the application paperwork. The executives cited two issues that they would like to see APEC address on a priority basis: first (and in agreement with INZ), the ABTC card should be de-linked from its owner’s passport; and second, applicants should have access to a formalized dispute resolution system in the rare instances where one or more economies declines to approve their pre-clearance request.

## 3.7 China

### 3.7.1 Overview and main findings

#### Background

During meetings in Beijing, China from June 15 – 18, interviews were held with staff members from the following organizations:

- China Council for the Promotion of International Trade (CCPIT), which functions as the ABAC China Secretariat and is responsible for facilitating international trade and related activities for Chinese businessmen
- Department of Automation at Tsinghua University, which is conducting research on biometrics detection speed and accuracy
- Huawei Corporation, which was the first company to participate in China's ABTC online lodgement system
- Ministry of Foreign Affairs of China (MFA), which is responsible for ABTC policy and processing
- Ministry of Public Security, which is responsible for ABTC cardholder immigration processing at the border

Prior to this research trip, the research team conducted a preliminary phone discussion with MFA.

China has made major efforts in recent years to enhance and expand its participation in the ABTC scheme. Consequently, at the same time that the number of domestic applications has dramatically increased due to growing awareness of the scheme's benefits, increasing by more than 200% since 2011, China has reduced the time required for domestic application processing through implementation of online lodgement. China is very interested in making further technical improvements locally and to the core ABTC system in order to keep pace with the expected continuation of rapid cardholder growth.

### **Key Challenges/Concerns**

- The very large and rapidly growing number of domestic applications that China has to process is driving interest in ways to further secure and speed up connections with the ABTC system.
- The long wait to receive pre-clearance approval from certain economies is the chief concern of cardholders, especially since wait this significantly reduces the useful period of the card.
- Greater transparency and information about domestic and pre-clearance processing procedures and timelines would be appreciated by cardholders.

### **Best Practices**

- A recently implemented online lodgement system has greatly reduced processing time for domestic applications by having applicants or their agents directly input application data into MFA's system, saving MFA staff from the need to perform this task.
- By combining ABTC fast lanes with other privileged groups such as the elderly these lanes can be efficiently kept constantly staffed.

### **Future Priorities**

- China would like to see the U.S. become a full member as soon as possible.
- China is aggressively deploying automatic gates across all its international airports to facilitate immigration processing. This infrastructure could support ABTC technical enhancements such as biometrics.



### 3.7.2 Government meeting summaries

**Table 13: Government meetings**

Organization	Participants	Topics	Date
I. Ministry of Foreign Affairs (MFA)	Staff of the Consular Department: <ul style="list-style-type: none"> <li>• Dr. Ran Qu, First Secretary</li> <li>• Yuanxing Qiu, Deputy Director, Division of Foreign Visa Application</li> <li>• Gang Ge, Third Secretary (ABTC Affairs)</li> </ul>	ABTC policy and card processing	6/17/14
II. Ministry of Public Security (MPS)	Staff of the Immigration Inspection Division, Exit-Entry Administration Bureau: <ul style="list-style-type: none"> <li>• Weicheng Jin, Director</li> <li>• Shihui Jiang</li> </ul>	ABTC fast lanes and immigration processing	6/17/14

#### I. Ministry of Foreign Affairs (MFA)

MFA staff discussed the ABTC scheme policy and the processes for domestic applications and approval of pre-clearance requests. It was unfortunately not possible for security reasons to directly observe the processes for approving domestic applications and pre-clearances. MFA gave a detailed presentation on ABTC processing steps and statistics, expressing pride in their recent efforts to increase efficiency and substantially reduce processing time for domestic applications and pre-clearances. MFA expressed broad support for current BMG proposals such as the 3 to 5 year extension, and indicated interest in continuing to pursue ambitious changes and goals to enhance the scheme. MFA indicated that China would be happy to participate further in the ABTC scheme and help with its operation.

#### II. Ministry of Public Security (MPS)

MPS staff discussed current ABTC fast lane procedures and cardholder volume, as well as the feasibility of biometrics and other potential technical enhancements to the ABTC scheme. MPS expressed confidence that even a 100% near term increase in the total number of active ABTC cardholders would not cause any kind of delays in using ABTC fast lanes in China. Currently these lanes see relatively little use from ABTC cardholders, and so to make it efficient to keep these lanes constantly staffed other groups such as pregnant women and the elderly are also entitled to use them. MPS is aggressively deploying automatic gates across all of China's 63 international airports and expects to be in a good position in a few years to potentially start supporting a biometrics-enhanced card or card-less approach.

### 3.7.3 Industry meeting summaries

**Table 14: Industry meetings**

Organization (s)	Participants	Topics	Date
<ul style="list-style-type: none"> <li>• China Council for the Promotion of International Trade (CCPIT)</li> </ul>	<ul style="list-style-type: none"> <li>• Bing Xia, International Program Manager (Also ABAC Executive Director 2014)</li> </ul>	Industry views on the ABTC scheme	6/16/14
<ul style="list-style-type: none"> <li>• Tsinghua University</li> </ul>	<ul style="list-style-type: none"> <li>• Dr. Jianjiang Feng Associate Professor, Department of Automation</li> </ul>	Considerations and challenges for implementing	6/16/14



		biometrics in ABTC scheme	
<ul style="list-style-type: none"> <li>Huawei Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Ms. Sophie Tong Senior Manager, Huawei Global HR Shared Service Center</li> </ul>	Industry views on the ABTC scheme	6/16/14

I. China Council for the Promotion of International Trade (CCPIT)  
Mr. Xia discussed the views, concerns and experiences of Chinese cardholders. CCPIT expressed strong support for the ABTC scheme, which is providing a major benefit for Chinese businessmen. Concern was expressed about domestic applicant confusion over variation in ABTC eligibility requirements enforced by regional MFA offices in China, suggesting greater harmonization or education efforts are needed. CCPIT suggested that a proposal to allow applicants to select a limited number of economies to request pre-clearance from ought to be coupled with additional online information about average wait times for pre-clearance from each economy in order to enable applicants to make educated choices.

II. Tsinghua University  
Dr. Feng discussed the feasibility of implementing biometrics to the ABTC scheme. Dr. Feng said that biometrics detection rates are growing faster all the time, so using a biometrics-enhanced ABTC card and scanning fingerprints at an automatic gate should be a very quick process.

III. Huawei Corporation  
A manager from large employer Huawei discussed the views, concerns and experiences of Chinese cardholders. Strong concerns were expressed over the long period of time required for pre-clearance approval from certain economies. The extension of the card validity from 3 to 5 years was welcomed, and it was suggested that the validity period should begin from the date that the final economy grants pre-clearance. Another suggestion was that after a set period, perhaps a few weeks, pre-clearance requests could be automatically approved if economies do not take any action to deny them.

## 3.8 Japan

### 3.8.1 Overview and main findings

#### Background

Interviews were conducted in Tokyo, Japan from June 18 – 21, with staff members from the following organizations:

- Support Council for ABAC-Japan, which represents ABC in Japan and advocates on behalf of Japanese businesses
- Athena Smartcard Solutions, which develops solutions for biometrics-enhanced travel documents such as e-Passports
- Ministry of Foreign Affairs of Japan, which is responsible for ABTC policy and application/pre-clearance processing

Japan is considering changes to its ABTC processes, but has not achieved any major progress so far. The government has strong interest in any technical or policy

enhancements, such as online lodgement and outsourcing, that could reduce application and pre-clearance processing times and help resolve the major problem of manpower. Cardholders expressed some ambivalence about the card, stating that while it is useful, the benefits are nearly outweighed by the complexity of the application/renewal processes.

### Key Challenges/Concerns

- The Average processing time of domestic applications is, at 1-2 months, considerably over the APEC average. Factors contributing to this challenge include staff resource limitations and the need to follow up with applicants for insufficient supporting documents.
- The long wait to receive pre-clearance approval from certain economies and the complexity of card renewals are the chief concerns of cardholders

### Best Practices

- Japan's advanced usage of biometric ePassports and automatic gates could potentially be leveraged to support ABTC as well.

### Future Priorities

- Any policy changes that might reduce the pre-clearance processing burden would be greatly appreciated.
- If current growth trends in domestic applications and pre-clearance requests continue, it will be necessary to make major new investments in processing capabilities or pursue outsourcing.
- Cardholders would be interested to see any additional benefits that might make the card more compelling.

## 3.8.2 Government meeting summaries

**Table 15: Government meetings**

Organization	Participants	Topics	Date
I. Ministry of Foreign Affairs of Japan (MOFA)	<ul style="list-style-type: none"> <li>• Tamaki Maeda, APEC Division Economic Affairs Bureau</li> </ul>	ABTC policy and card processing	6/20/14

MOFA staff discussed the ABTC scheme policy and the processes for domestic applications and approval of pre-clearance requests. It was unfortunately not possible for security reasons to directly observe the processes for approving domestic applications and pre-clearances, but MOFA provided a thorough explanation. MOFA expressed great concern about keeping pace with the growing numbers of applications and pre-clearance requests, which are straining current resources. MOFA expressed strong support for most current BMG proposals, such as the 3 to 5 year extension, and would be very interested in some technical measures to resolve resource constraints such as establishing online lodgement and outsourcing, which need further elaborate consideration on political and technical problem.

### 3.8.3 Industry meeting summaries

**Table 16: Industry meetings**

Organization (s)	Participants	Topics	Date
I. Support Council for ABAC Japan (SCABAC-J)	<ul style="list-style-type: none"> <li>Mr. Osamu Kamikawa ABTC cardholder and Executive Director, SCABAC-J (also Deputy General Manager, Corporate Planning &amp; Strategy Division, Mitsui &amp; Co., Ltd.)</li> <li>Ms. Mika Takahashi ABTC cardholder and ABAC Japan Staffer to Mr. Hidetoshi Kamezaki, a Japan ABAC Member (also Deputy General Manager, Global Relations Department, Mitsubishi Corporation)</li> <li>Ms. Atsuko Ishizawa ABTC applicant and ABAC Japan Staffer to Mr. Hidetoshi Kamezaki, a Japan ABAC Member (also External Relations Team, Global Relations Department, Mitsubishi Corporation)</li> </ul>	Industry views on the ABTC scheme	6/18/14
II. Athena Smartcard Solutions	<ul style="list-style-type: none"> <li>Mr. Masaru Kosaka CEO and founder</li> </ul>	Considerations and challenges for biometrics in ABTC scheme	6/19/14

#### I. SCABAC-J

Strong concerns were expressed over the long period of time required for pre-clearance approval from certain economies. The extension of the card validity from 3 to 5 years was welcomed, but there was still a strong desire for the renewal process to be simplified. As Japanese citizens do not normally need visas to travel to most APEC economies, the enthusiasm for the scheme was perhaps not as high as in more visa-dependent economies, and there was interest in possible additional benefits.

#### II. Athena Smartcard Solutions

This meeting focused on the state of biometrics in travel documents in the APEC region and the feasibility of implementing biometrics in the ABTC scheme. Mr. Kosaka said that biometrics has already been smoothly implemented in ePassports in several economies, including Japan and Australia, and are in use with automatic gates for quick immigration processing. However, so far each economy has developed proprietary technology for this purpose, so there could potentially be interoperability issues if each economy's system was expected to recognize biometrics data in a common format on the ABTC card. Some economies might need to replace existing systems, requiring heavy investment.

## 3.9 Peru

### 3.9.1 Overview and main findings

#### Background

Interviews were conducted in Lima, Peru from June 19 – 20 with the Peruvian Government's Ministry of Foreign Affairs (MOFA), which both approves foreign pre-

clearance requests and issues the ABTC card; and with COMEXPERU, a business association with primary responsibility for the vetting of domestic applicants. These meetings served as a follow-up to previous telephone interviews with different individuals from the same organizations.

Peru has been a participant in the ABTC scheme since 2002. In contrast to some APEC economies, the government of Peru delegates most of the authority for vetting domestic applicants to a handful of business associations, which also serve as the continuing point-of-contact (POC) for applicants throughout the lifetime of the card. Under this arrangement, six business associations sponsored 746 applicants in 2013, with COMEXPERU—at 612 applications submitted—accounting for the vast majority.

### **Key Challenges/Concerns**

- The pre-clearance approvals provided to an applicant on the BMG website do not always match the approvals recorded by MOFA. There seems to be a lag or delay in the sharing of information across systems, which can add to the time an applicant must wait before issuance of their ABTC card.
- Upon arriving in a foreign economy some ABTC cardholders have found that, despite their cards showing they are pre-cleared for entry, they are in fact not. It is unclear if this problem results from an error in the ABTC system or in the computer systems used by immigration authorities.
- Peruvian ABTC cardholders have reported that some economies do not clearly indicate their immigration fast-track lanes. Usually this lane will correspond to the diplomatic or crew lane, but this is not always obvious.
- Peruvian ABTC cards are manufactured from material that must be imported from Australia, which adds significantly to their cost. As a result, MOFA has taken the decision to issue cards only when all 19 economies have granted an applicant pre-clearance approval or when the applicant voluntarily terminates the pre-clearance process. Interim cards are not available.

### **Best Practices**

- MOFA requires cardholders to turn in their expired ABTC cards when applying for a new card; this ensures that older cards will not be used for fraudulent purposes.
- MOFA provides COMEXPERU with an application tracking number that it then shares with the applicant, allowing them to check the status of their pre-clearance approvals on the Business Mobility Group website.
- COMEXPERU will remind existing cardholders when their current ABTC card is about to expire (about three months in advance) and encourage them to initiate the renewal process. This serves to minimize the time cardholders must spend waiting to receive their new card.

### **Future Priorities**

- Both MOFA and COMEXPERU feel that ABTC cards should be made valid for three years regardless of when the cardholder's passport expires. COMEXPERU advises business travelers with expiring passports to renew their passport before applying for the card, lest they receive a card that is valid for less than three full years.

- Securing the full participation of all 21 APEC economies in the ABTC scheme is of central importance to COMEXPERU and its members. MOFA would also encourage Canada and the U.S. to increase their level of participation.
- COMEXPERU suggested that APEC should allow non-member economies—such as India—to participate in the ABTC program.
- MOFA emphasized the need for each APEC economy to provide a designated point-of-contact (POC) that cardholders, governments, and sponsoring business associations could contact, when necessary, to clear up misunderstandings related to the ABTC card or to a cardholder’s pre-clearance status. It would also be helpful if APEC created a dedicated “customer support center” that facilitated communication between these POCs and ABTC program stakeholders.

### 3.9.2 Government meeting summaries

**Table 17: Government meetings**

Organization	Participants	Topics	Date
Ministry of Foreign Affairs	<ul style="list-style-type: none"> <li>• Mrs. Claudia Maria Velit Palacios de Lesevic</li> <li>• Ms. Jocelyin Andrea Guillen Ocampo</li> <li>• Mrs. Rosario Alfaro Manrique</li> </ul>	ABTC policy and card processing	6/20/14

MOFA provided a statistical overview of the ABTC program, including a breakdown of Peruvian applications submitted by each sponsoring business association and of applicants pre-cleared by each APEC economy. In general, Peruvian cardholders are from Lima and male. They tend to represent one of several growing sectors of Peru’s economy, namely: mining; petroleum and gas; agriculture; and fishing. Cardholders’ number one business travel destination is China.

MOFA officials had three priority recommendations for improving the ABTC program. First, they would like APEC to make all ABTC cards valid for three years regardless of when the cardholder’s passport expires. Second, the ABTC System should automatically notify governments when one of their applicants has been pre-cleared by all APEC economies. Finally, APEC should encourage each economy to designate an official POC that can provide assistance in matters related to the ABTC card. Before adjourning, processing staff demonstrated how they check an applicant’s status on the ABTC System and then printed an actual card for the research team’s inspection.

### 3.9.3 Industry meeting summaries

**Table 18: Industry meetings**

Organization	Participants	Topics	Date
COMEXPERU / ABAC Peru	<ul style="list-style-type: none"> <li>• Ms. Jessica Luna, International Affairs Manager; ABAC Peru Secretariat</li> <li>• Ms. Cecilia Gaviria Raymond, Manager for Business Promotion</li> <li>• Ms. Gladiz Martinez, Secretary for International Affairs</li> </ul>	Industry views on the ABTC scheme	6/19/14

COMEXPERU is the largest sponsor of Peruvian applicants for the ABTC card. As the organization with primary responsibility for the vetting and approval of applicants, executives were able to provide a detailed overview of the application process.

COMEXPERU also shared its concerns regarding the ABTC program and offered a number of recommendations for improving its operation.

As with MOFA, COMEXPERU emphasized the need for APEC to fix the ABTC card's validity at three years regardless of when its owner's passport expires. Executives indicated their support for a firm deadline by which APEC should either de-link the passport from the ABTC or create a virtual—or, "paperless"—card.

Additionally, COMEXPERU is the primary organization responsible for assisting members when they encounter difficulties with the application or with their card overseas. Through the use of informal contacts in the other APEC economies (typically, fellow ABAC members), COMEXPERU executives can occasionally resolve these problems when they occur. It would be helpful, however, for each economy to designate an official POC with responsibility for providing assistance with these issues. Finally, given the large number of foreign CEOs at the head of Peruvian companies, COMEXPERU indicated its interest in allowing permanent residents to apply for the ABTC card.