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United States of America

INTER-AMERICAN DRUG ABUSE
CONTROL COMMISSION

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FINAL REPORT
GROUP OF EXPERTS ON CHEMICAL SUBSTANCES AND PHARMACEUTICAL PRODUCTS
(DRAFT)



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Secretariat for Multidimensional Security

GROUP OF EXPERTS ON CHEMICAL SUBSTANCES AND PHARMACEUTICAL PRODUCTS
July 11-15, 2011
Quito, Ecuador

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July 18, 2011
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**FINAL REPORT
(DRAFT)**

Executive Summary

The Inter-American Drug Abuse Control Commission (CICAD) received and approved the report of the Group of Experts on Chemical Substances and Pharmaceutical Products during its forty-eighth regular session (December 7-9, 2010) in Washington, DC. The Commission also approved the plan of action and recommendations presented by the group further to its meeting in San Jose, Costa Rica (August 23-27, 2010) and directed that it meet in 2011. The Government of Ecuador offered to chair and host this meeting.

The Commission also directed that the Group meet to finalize its work on the review of the model regulations for the control of chemicals. This meeting took place in Lima, Peru (February 22-24, 2011) at the offices of the United Nations Office on Drugs and Crime (UNODC). The final draft model regulations generated during this meeting were presented to the Commission during its forty-ninth regular session in Paramaribo, Suriname (May 4-6, 2011). Further to comments and suggestions for changes to the draft proposed during the meeting the Commission directed that the Group review these proposed changes when it met in Quito to finalize the model regulations.

The Group of Experts met in the Radisson Hotel in Quito, Ecuador from July 11 to 15, 2011. Ing. Rodrigo Vélez Valarezo (Secretario Ejecutivo del CONSEP) chaired this meeting. Approximately 75 experts representing 17 member states (Argentina, Bolivia, Brazil, Canada, Chile, Costa Rica, Ecuador, Dominican Republic, Guatemala, Haiti, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, United States, and Uruguay), representatives of PRELAC and the United Nations attended the meeting.

Following the attached schedule of activities the Group worked on the tasks assigned in the plans of action approved by the Commission during its forty-eighth regular session.

The Group of Experts offers the following priority recommendations for the Commission's consideration:

1. That the Commission:

- **accept and approve** the revised draft Model Regulations for the Control of Chemical Substances Used in the Manufacture of Illicit Narcotic Drugs and Psychotropic Substances;
- **consider** if the Group of Experts can include the issue of national requirements/need estimates (excluding methodology of calculating these requirements) for chemical substances within its mandate;
- **consider** if the Group of Experts could include, one or more articles, as appropriate, of the national requirements/need estimates for chemical substances in the the model regulations;
- **recommend** that member states use the Chemical Abstract Service (CAS) registration number on forms associated with the import or export of chemical substances. The registration number is assigned by the Chemical Abstracts Service (CAS) of the American Chemical Society (ACS);
- **approve** the initiative and proposed action plan with respect to the major producers of controlled chemicals substances and the establishment of the mission suggested by the delegates to communicate and meet with officials of those countries;

- **direct** the Group of Experts to continue its work on the issues initiated for consideration and finalizing at the next meeting;
- **accept** the proposed plan of action for the Group of Experts;
- **direct** the Group of Experts to meet during 2012 and implement the plan as proposed, allowing for the consideration of new or emerging issues

I. BACKGROUND

During its forty-eighth regular session in Washington, DC (December 7-9, 2010) the Inter-American Drug Abuse Control Commission (CICAD) received and approved the report and plan of action presented by the Group of Experts on Chemical Substances and Pharmaceutical Products further to its meeting in San Jose, Costa Rica (August 23-27, 2010). The Commission directed that the Group of Experts meet in 2011 to execute the plan of action. The Government of Ecuador offered to host and chair that meeting.

In addition to this meeting in Ecuador, the Commission directed the Group of Experts to have a special meeting to finalize the review of CICAD's model regulations on the control of chemical substances. Mr. Flavio Mirela, Director of the United Nations Office on Drugs and Crime (in Lima, Peru) had offered the Executive Secretariat the use of the UNODC's offices. He also offered additional support for this important meeting.

The meeting took place in Lima from February 22 to 24, 2011. The Group of Experts completed its review of the model regulations and presented the revised draft model regulations to the Commission during its forty-ninth regular session in Paramaribo, Suriname (May 4-6, 2011). In considering this draft the Commission received a number of proposed changes from the delegation of Venezuela. The Commission referred the proposed changes to the Group of Experts for consideration during its next meeting in Ecuador in addition to the other tasks included in their plan of action. It directed that the Group of Experts focus their efforts on the changes proposed by Venezuela and not reopen the draft for a broader review.

II. PROCEEDINGS

A. PARTICIPANTS

MEMBER STATES OF CICAD

Approximately 75 experts representing 17 member states (Argentina, Bolivia, Brazil, Canada, Chile, Costa Rica, Ecuador, Dominican Republic, Guatemala, Haiti, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, United States, and Uruguay) and the United Nations attended the meeting in Quito.

B. SESSIONS AND ORGANIZATION OF THE MEETING

1. OPENING SESSION

The opening session for the meeting of the Group of Experts took place at 9:00 on July 11 at the Radisson Hotel in Quito, Ecuador. Dra. Ma. Elena Porras Paredes (Coordinadora General de Derechos y Garantías del Ministerio de Relaciones Exteriores, Comercio e Integración), Dr. Javier Córdova Unda (Subsecretario de Seguridad Interna del Ministerio del Interior) and Ing. Rodrigo Vélez Valarezo (Secretario Ejecutivo del CONSEP) welcomed the participants and offered opening remarks.

2. WORKING SESSIONS

A. Presentations

During the meeting several delegations delivered presentations to the plenary. The presentations delivered included the following:

- Presentation by the United Nations Office on Drugs and Crime (UNODC)

Mr. Juan Carlos Araneda is the project manager for the Global Synthetics Monitoring: Analysis, Reporting and Trends (SMART) Programme in the Americas. He provided participants with an overview of the program which was implemented by UNODC in 2008 in the Far East. It serves to increase the availability of quality information concerning the production, trafficking and use of synthetic drugs and identify new trends regarding these drugs.

- Presentation by the delegation of Ecuador on the Preventative Control of Chemical Substances

The delegation of Ecuador delivered a presentation on their national preventative program for the control of chemical substances. The program includes an inspection and investigative program that is supported by a computer and internet-based system.

The presentation included an overview of the inspection process used in Ecuador to monitor the import, export and use of chemical substances. Regulators, inspectors and other officers concerned with the control of chemical substances use this automated system to support their activities. The system includes information about the companies authorized to use or transact business in these chemicals.

The automated system is very similar to the National Drug Control System (NDS) developed by the United Nations. Ecuador chose to develop their own system, which they say responds to their particular needs, rather than use the NDS. Officials from Ecuador are currently working with counterparts in Chile and other countries to implement the same system there. Ecuador offered to work with other member states interested in implementing this automated system. The Executive Secretariat offered to distribute any information that Ecuador wished to share about the system with other member states.

- Presentation on behalf of the International Narcotics Control Board (INCB)

The Executive Secretariat of CICAD delivered a presentation on behalf of the INCB concerning a proposal that they have regarding changes to the Harmonized Code (HC) identifying chemical substances being imported or exported.

Ephedrine and pseudoephedrine in bulk or as raw materials have unique codes within the Harmonized System (HS). This is not true when these drugs are contained in pharmaceutical preparations. This difference in the classification of the same substance (ephedrine and pseudoephedrine), depending on the form in which it is traded, makes the monitoring of international trade in pharmaceutical preparations more difficult and facilitates its diversion.

Further to various resolutions adopted by the Commission on Narcotic Drugs and ECOSOC, the INCB, in cooperation with the World Customs Organization (WCO) has initiated a process to strengthen the monitoring of the international trade in these substances. They propose to establish new tariff codes for pharmaceutical preparations and mixtures containing ephedrine, pseudoephedrine and norephedrine.

Allowing for the process that WCO needs to follow, the implementation of a unique code for these preparations would not be likely until 2017. As such the INCB was seeking an indication as to whether CICAD member states would be prepared to consider possible voluntary implementation of a unique code for these preparations at the national level prior to the estimated 2017 official date.

Delegations indicated general support in principle for the proposal and voluntary implementation at the national level prior to the 2017 date. At the same time many delegations raised questions as to how this might proceed. Participants were advised that additional information would be forthcoming from the INCB. Representatives from the Southern Cone indicated that further consultations among the countries in that sub-region would be required to provide a formal reaction to the proposal. Similarly, Central American member states stressed the need for the INCB to discuss the proposal through the Tariff Group in their sub-region.

- Presentation by the delegation of Ecuador on its Control of Chemical Imports and Exports

The delegation of Ecuador delivered a presentation on its system to control the import and export of chemical substances. The presentation included details of the procedures and steps that officials follow when dealing with the import or export of chemical substances. One important element of their control system is the use of the Chemical Abstract Service (CAS) number to precisely identify chemical substances. This was seen as a critical piece of information that should appear on all forms to enhance control over these substances.

Further to this presentation, the Group decided to establish a working group to develop a procedures manual on the control of imports and exports of chemical substances.

- Presentation on the Experience of the Chemical Private Sector

A representative of Novartis Ecuador delivered a presentation on the growing global problem of counterfeit pharmaceutical drugs. The presentation included an overview of the extent to which this is happening, the dangers associated with this problem and the techniques used to make and distribute counterfeit drugs. Legislation on the control of counterfeit drugs varies from country to country. Awareness and understanding of this problem and its significance among judges and prosecutors also seems to be an issue.

The presentation served to increase awareness of this problem among those present. At the same time some experts felt that this issue was outside of the Group's mandate. Others suggested that counterfeit versions of controlled pharmaceutical drugs are being smuggled into countries and sold on the streets but also through pharmacies. In this way, the issue does fall within the Group's mandate.

In the end, no further action on this subject was proposed.

A representative of Brenntag Ecuador provided an overview of that company's efforts to minimize the diversion of chemical substances. An important element of efforts is the "know your client" program. Through this program the company ensures the legitimacy of clients with whom it works. It also engages their clients to ensure that they apply similar diligence in their transactions of chemical substances.

The presentation included information on additional procedures that Brenntag has in place to ensure that chemical substances are not diverted. At the same time it was noted that not all companies apply this level of diligence.

B. Plenary Discussions:

The Group of Experts considered the following issues:

Draft guide on Training Judges and Prosecutors (Chile)

This issue was the subject of discussion during the last meeting of the Group in San Jose, Costa Rica. The delegation of Chile had been tasked with finalizing the draft guide for presentation at this meeting. Unfortunately organizational changes in Chile and associated complications made it impossible to proceed as planned. As such, the delegate from Chile indicated that the document would be completed and forwarded to the Executive Secretariat for distribution to the experts prior to the next meeting.

Draft guide for an administrative and criminal framework for the control of materials and chemical substances (Chile)

This guide is to be prepared once the model chemical control regulations are finalized and accepted by the Commission. The Group has completed its work and awaits the approval of the Commission before proceeding with this guide. Once this takes place the delegation of Chile will finalize the draft guide for consideration by the Group when it next meets.

CICAD Model Regulations for the Control of Chemical Substances Used in the Manufacture of Illicit Narcotic Drugs and Psychotropic Substances

The Group of Experts was directed by the Commission to review the draft model regulations as they relate to comments and suggestions for changes received from Venezuela prior to the forty-ninth regular session of CICAD in Paramaribo, Suriname.

With the exceptions noted below, the Group successfully completed its review of these comments and suggestions, modifying the draft model regulations accordingly. The revised and finalized version of these model regulations is attached for the Commission's consideration.

One aspect of the model regulations that generated a great deal of discussion and no small amount of frustration by many participants relates to the articles providing for countries to assess their national need for chemical substances. During the forty-ninth regular session of the CICAD Commission meeting the delegation of Venezuela argued that the Group of Experts should not take up this issue. The Venezuelan delegate referred to a decision made during the forty-fourth regular session in Santiago, Chile, while the Commission was considering the proposed plan of action for the Group's next meeting. The report from that meeting states:

“The delegation of Venezuela requested that the Group discontinue its work on the document “Mechanisms for Determining National Legitimate Requirements for Chemical Substances and Precursors,” and that the document “Legal Framework for Synthetic Drug Control” not be considered for adoption until the next regular session.”

The Group of Experts notes that the prohibition in question related to this specific proposed item in the plan of action under consideration during the forty-fourth regular session in November 2008.

The Group of Experts recognized the fact that national chemical needs estimates have become a major element in national and international chemical control mechanisms. Some countries in applying these strategies have identified significant problems that resulted in significant changes in national regulatory controls. Excluding such an important element from the model regulations could undermine their currency, relevance and full potential.

Therefore, the Group of Experts requests the Commission to consider the inclusion of the national requirements/needs estimates (excluding methodology of calculating these requirements) for chemical substances issue within its mandate. In addition, without delaying consideration and approval of the Model Regulations, the Group of Experts seeks the Commission's approval to prepare one or more articles, as is appropriate, concerning this issue in the model regulations, for the Commission's consideration by a date it defines.

The Group of Experts notes that the importance of national estimates of legitimate requirements for precursor chemicals is traceable to the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, article 12, paragraph 8, stating that party states may, with respect to chemicals on Table I or Table II, "prevent the accumulation of such substances in the possession of manufacturers and distributors, in excess of the quantities required for normal conduct of business and the prevailing market conditions".

The Group also takes note of the 2011 INCB Report entitled "Annual legitimate requirements for substances frequently used in the manufacture of amphetamine-type stimulants (ATS)". This report makes note of resolution 49/3 from the Commission on Narcotic Drugs (CND), requesting member states "to provide to the INCB annual estimates of their legitimate requirements for ephedrine, pseudoephedrine, 3,4-methylenedioxyphenyl-2-propanone (3,4-MDP-2-P) and 1-phenyl-2-propanone (P-2-P) and, to the extent possible, estimated requirements for imports of preparations containing those substances that could be easily used or recovered by readily applicable means."

Paragraph 6 of the INCB report mentioned above spoke of the positive effects of these estimates: "It is worth noting that publishing precursor estimates has already achieved some results, which has also been highlighted at the 50th session of the Commission on Narcotics Drugs in March 2007. The precursor estimates have been described as a useful, practical tool within the overall framework for precursor control."

The Group also brings to the Commission's attention the following non-exhaustive list of recent and significant documents endorsing national needs estimates for certain key precursor chemicals:

The 2010 INCB report E/INCB 2010/4 on Precursor Chemicals, "Conclusions" section, paragraph 88, calling upon governments "to continue to strengthen their control mechanisms for precursors for amphetamine-type stimulants, including through the provision of realistic estimates of legitimate requirements, thereby reducing the risk of diversion," and citing a reference document by the INCB for countries to consult as they deem appropriate in preparing their estimates.

UNODC Model Drugs of Abuse Bill 2000. Article 26 ("Power to limit licensee's stocks"), affording the option for the competent authority of the state to determine a maximum quantity of controlled chemicals for each licensee.

CND Resolution 54/8 (2011), operative paragraph (OP) 5, encouraging states to regularly review their estimated requirements for ephedrine and pseudoephedrine, including pharmaceutical preparations containing such chemicals, and to provide the most recent data to the INCB.

CND Resolution 53/15 (2010), OP 11, encouraging exporting and importing states of substances frequently used in the illicit manufacture of illicit drugs and psychotropic substances "to maintain, to the extent possible, updated annual estimates of their legitimate requirements for such substances, in accordance with General Assembly resolution 64/182 of 18 December 2009."

CND Resolution 51/10 (2008), OP 9, encouraging states to maintain updated annual estimates for their requirements of four precursor chemicals used to manufacture methamphetamine and MDMA.

CND Resolution 49/3 (2006), OP 1, requesting states to provide estimates of legitimate requirements for the same four chemicals, including to the extent possible estimates for imports of preparations containing them that can be easily recovered for illicit manufacture.

Based on the foregoing, the Group of experts requested the Commission to assess whether the group could incorporate the topic of estimates of national needs of chemicals, in the model regulations.

C. Working Groups

Working groups were established to further elaborate draft documents related to challenges and issues raised during the roundtable introduction of participants. These issues served as the basis for discussions during this meeting or will be included in the plan of action for future proposed meetings. Working groups considered the following issues:

Guide for tracing chemical substances (Argentina)

The Delegation of Argentina noted the importance of establishing a guide of best practices for tracing controlled chemical substances within the same batch, so when any of these products is found in clandestine labs of narcotic drugs and/or psychotropic substances in the country or abroad, would be possible to determine when and where they were diverted from licit channels. The group proposes to develop a guide or best practices manual on how this tracing might be accomplished.

Guide for tracing seized narcotics and psychotropic substances (Ecuador)

While discussing the issue of tracing the chemical substances the working group expanded their discussions to the issue of tracing the manufacture of narcotic and psychotropic substances. The focus of this tracing effort is to identify the chemical substances and procedures used to manufacture these drugs and then link samples seized to specific clandestine laboratories or originating countries. This "fingerprinting" process would be very useful for operational planning and the analysis of new trends.

Under Ecuador's leadership the working group proposes to develop a best practices manual for this purpose to be considered by the Group when it next meets.

Procedures manual for the control imports and exports of chemical substances and products that contain them (Ecuador)

Further to the presentation made by Ecuador on this subject, a working group was established to prepare a procedures manual to control the import and export of chemical substances. The delegation of Ecuador will coordinate the preparation of this procedures manual for presentation at the Group's next meeting.

Problem of methamphetamine precursor diversion: Initiative concerning major exporters of chemical substances (Mexico)

The Group of experts noted that certain countries such as China, India and Bangladesh are the primary sources of certain chemical substance often used in the manufacture of illicit drugs. They include drugs and chemical substances such as ephedrine, pseudoephedrine and phenyl acetic acid.

A working group was formed to examine this issue more closely and develop a strategy through which we might deal directly with these source countries. The objective of this process is to increase the level of cooperation and communication between these source countries and CICAD's member states as a group. In this way it would be possible to decrease the opportunities for and levels of chemical diversion.

A copy of the proposed course of action and recommendation is attached for the Commission's consideration.

The Group of Experts seeks the Commission's approval to form a working group to execute the proposed plan of action that would include forming a delegation of officials from the Member States and the Executive Secretariat to communicate and meet with officials in selected chemical source countries to increase cooperation and implement processes and procedures to reduce the diversion of chemical substances.

3. PLAN OF ACTION

Further to the discussions in plenary and in the working groups, the Group of Experts has prepared the following plan of action from which the assigned products will be presented when the Group next meets:

Preparation of guides, manuals or other papers associated with the following:

- **Draft guide on Training Judges and Prosecutors (Chile)**
- **Draft guide for an administrative and criminal framework for the control of materials and chemical substances (Chile)**
- **Draft guide for tracing chemical substances (Argentina)**
- **Draft guide for tracing seized narcotics and psychotropic substances (Ecuador)**

- **Procedures manual for the control of imports and exports of chemical substances and products that contain them (Ecuador)**

Other issues for discussion at the next meeting:

In addition to the foregoing, the Group identified the following topic as a potential issue for further discussion at the next meeting:

- **New trends in drugs and chemical substances**
- **Trans border smuggling of chemicals**
- **Best practices for the control of chemicals in ports and borders**
- **Model regulations for control of internet sales of drugs**
- **Model curriculum for the regulatory control of pharmaceuticals and training of inspectors**
- **Model curriculum for the training of pharmaceutical drug control inspectors**
- **Model curriculum for the training of chemical control inspectors**
- **Voluntary code of conduct for the chemical and pharmaceuticals industry**

4. CLOSING SESSION

The Group of Experts concluded its work at 13:30 on July 15. Ing. Rodrigo Vélez of CONSEP offered closing remarks and thanked the members of the Group of Experts for their participation.

III. CONCLUSIONS AND RECOMMENDATIONS OF THE GROUP OF EXPERTS

RECOMMENDATIONS TO CICAD IN ITS FIFTIETH REGULAR SESSION:

The Group of Experts on Chemical Substances and Pharmaceutical Products recommends:

1. That the Commission:

- **accept and approve** the revised draft Model Regulations for the Control of Chemical Substances Used in the Manufacture of Illicit Narcotic Drugs and Psychotropic Substances;
- **consider** if the Group of Experts can include the issue of national requirements/need estimates (excluding methodology of calculating these requirements) for chemical substances within its mandate;
- **consider** if the Group of Experts could include, one or more articles, as appropriate, of the national requirements/need estimates for chemical substances in the model regulations;
- **direct** the Group of Experts to draft an article for the model chemical control regulations concerning national requirements/need estimates for chemical substances;
- **recommend** that member states use the Chemical Abstract Service (CAS) registration number on forms associated with the import or export of chemical substances. This is the identification number assigned by the Chemical Abstracts Service (CAS) of the American Chemical Society (ACS);

- **recommend** that member states use the Chemical Abstract Service (CAS) number on forms associated with the import or export of chemical substances;
- **approve** the initiative and proposed action plan with respect to the major producers of controlled chemicals substances and the establishment of the mission suggested by the delegates to communicate and meet with officials of those countries;
- **approve** the proposed initiative and plan of action regarding major source countries for chemical substances as well as the associated mission of delegates to communicate and meet with officials in major chemical source countries;
- **direct** the Group of Experts to continue its work on the issues initiated for consideration and finalizing at the next meeting;
- **accept** the proposed plan of action for the Group of Experts;
- **direct** the Group of Experts to meet during 2012 and implement the plan as proposed, allowing for the consideration of new or emerging issues.



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July 11-15, 2011

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CICAD/SRGE/doc. 3/11

June 6, 2011

Original: English

SCHEDULE OF ACTIVITIES

Monday, July 11

08h30 – 09h00	Registration
09h00 – 09h30	Opening <ul style="list-style-type: none">- Attorney General- Minister of Interior- Minister of Foreign Relations- Director of the OAS National Office in Ecuador
09h30 – 09h45	Introduction and Review <ul style="list-style-type: none">• Background• Objectives and CICAD Commission expectations• Schedule of work• Proposed work methodology• Status report on Recommendations• Other issues
09h45 – 10h30	Roundtable introductions and identification of issues of concern
10h30 – 10h45	Break
10h45 – 11h15	Presentation by UNODC: Global SMART Programme Mr. Juan Carlos Araneda
11h15 – 11h45	Presentation by COPOLAD
11h45 – 12h30	Draft Guide Training of Judges and Prosecutors (Chile)

12h30 – 14h00 Lunch

14h00 – 17h30 Review of CICAD's Model Regulations for the Control of Chemicals (Comments by Venezuela)

Tuesday, July 12

09h00 – 09h45 Presentation by Ecuador
Preventive control of chemical substances subject to regulation strengthened by the "on-line" information system – Preliminary guide for control processes (Ecuador)

09h45 – 10h15 Proposal of new measures for monitoring of imports and exports of pharmaceutical preparations containing ephedrine and pseudoephedrine (International Narcotics Control Board)

10h15 – 10h30 Break

10h30 – 13h00 Review of CICAD's Model Regulations for the Control of Chemicals (Comments by Venezuela) – Cont.

13h00 – 14h30 Lunch

14h30 – 17h00 Review of CICAD's Model Regulations for the Control of Chemicals (Comments by Venezuela) - Cont.

19h00 – 21h00 Visit to Quito's Historical Center

Wednesday, July 13

09h00 – 09h45 Presentation by Ecuador
Procedures Manual for the import and export of controlled chemical substances and products containing chemical substances (SENAE – CONSEP / Ecuador)

09h45 – 13h00 First Working Group Sessions

- Preparation of model training curriculum for general control of pharmaceuticals, training of inspectors; anything else identified
- Criteria for scheduling chemicals substances (this was something that came from the round table discussion)
- Draft legislation and regulations for the control of internet sales of drugs
- Draft guide for an administrative and criminal framework for the control of materials and chemical substances (Chile)

- Procedures manual concerning the import and export of controlled chemical substances and products that contain them
- Preventative control of chemical substances
- Other issues identified during the round table

13h00 – 14h30	Lunch
14h30 – 17h00	First Working Group Sessions – Cont.
19h00 – 21h00	Visit to La Ronda

Thursday, July 14

09h00 – 09h45	Presentation by Ecuador Experience by the private sector in the preventive control of controlled chemicals substances and products that contain them (Brenntag Ecuador S.A. / Novartis Ecuador S.A.)
09h45 – 10h45	Presentations by Working Groups
10h45 – 13h00	Second Working Group Sessions
13h00 – 14h30	Lunch
14h30 – 17h00	Second Working Group Sessions (cont)
20h00 – 22h00	Formal Dinner

Friday, July 15

09h00 – 12h30	Second Working Group Session – Cont.
12h30 – 14h00	Lunch
14h00 – 15h00	Presentations by Working Groups
15h00 – 15h30	Conclusions, commitments and recommendations for action by the Working Group
15h30 – 15h45	Break
15h45 – 16h15	Closing



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**MODEL REGULATIONS FOR THE CONTROL CHEMICAL SUBSTANCES USED IN THE
ILLCIT MANUFACTURE OF NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES**

**INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION
(CICAD)**

DRAFT

MODEL REGULATIONS FOR THE CONTROL OF CHEMICAL SUBSTANCES USED IN THE MANUFACTURE OF ILLICIT NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

Background:

In 1990, the Inter-American Drug Abuse Control Commission (CICAD) approved Model Regulations to Control Chemical Precursors and Chemical Substances, Machines and Materials developed by its Group of Experts on Chemical Substances.

In 1999 and again in 2011 the CICAD Commission directed the Group of Experts to review and update these model regulations. The revised version of these model regulations is attached.

These Model Regulations present a response to the dynamic nature of the illicit manufacture of narcotic drugs and psychotropic substances, and comprise general aspects of the issue, which is broad and highly complex. They represent an effort by the Expert Group to provide a point of departure or a tool for Member States that are developing or updating their legislation regarding the control of chemical substances. Member states are urged to consider these Model Regulations as they undertake this process.

Taking into consideration the possible need for updating of the tables of these Model Regulations, there are existing procedures that allow Member States to suggest the addition, deletion or transfer of chemical substances between tables.

In addition to these updated model regulations, the Group of Experts on Chemical Substances and Pharmaceutical Products offer the following recommendations to member states as a means to strengthen their controls over chemical substances:

Recommendations:

That each member state:

1. Enact or update its pertinent legal norms and promote the application of these norms to prevent and control the diversion of chemical substances from legitimate purposes to the illicit manufacture of narcotic drugs or psychotropic substances.
2. Establish legislation or update its current legislation, to control national and international transactions of chemical substances. Insofar as possible, such laws should be compatible with those of the other countries, taking into account the Model Regulations prepared by the CICAD Group of Experts.
3. Improve its national and international communication systems for the exchange of information on transactions of chemical substances.
4. Ensure the application of a surveillance system of any movement of chemical substances at crossings and borders wherever traffic between or border trade with neighboring countries takes place.
5. Ensure that the authorities entrusted with border control exercise a close watch over any large quantities of chemical substances held there that are not used for consumption in the area or for a licit transaction.
6. Enact or update its pertinent legal norms to prevent and control the diversion of tablet pressers, encapsulating and packaging machines and, as appropriate, materials, instruments and laboratory equipment from legitimate purposes to the illicit manufacture of narcotic drugs, or psychotropic substances.
7. Consider requiring brokers of the chemical substances regulated by CICAD's Model Regulations to register and notify the governments of the countries in which they are registered whenever they are engaged in arranging international transactions of those chemical substances.
8. In accordance with its concerns, incorporate safety measures into national laws relating to the proper handling and storage of chemical substances by the private sector taking into account their physical-chemical properties and grouping them separately to prevent contact between those that are incompatible and could cause emergency situations and harm to the environment.
9. Should respond promptly to requests for information from another country concerning suspicious transactions or alleged diversion and illicit uses chemical substances, machines, materials and equipment
10. Consider classify diversion of chemical substances as a felony in domestic legislation.
11. Exchange information on substances not subject to control.
12. Establish interagency coordination groups to improve capacity for control of chemical substances used in illegal manufacture of drugs.

13. Establish controls at the final distribution level or eliminate exemptions from administrative control in those countries where the domestic use of certain controlled chemical substances poses a problem that could lead to illicit manufacture of drugs.
14. Consider establishing a policy of “know your customer” that allows individuals and entities that handle chemical substances to have a better basis for reporting irregular movements and transactions as provided in Part IX, Article 34 of CICAD’s Model Regulations.
15. Establish mechanisms to control operations of recycling or recovery of chemical substances to prevent entry into the illegal cycle, subjecting these activities to the controls established under Part VI, Articles 12 and 13 of CICAD’s Model Regulations.



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**INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION
(CICAD)**



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INTER-AMERICAN DRUG ABUSE
CONTROL COMMISSION
CICAD

Organization of American States

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Secretariat for Multidimensional Security

**MODEL REGULATIONS FOR THE CONTROL CHEMICAL SUBSTANCES USED IN THE
ILLCIT MANUFACTURE OF NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES**

**INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION
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PART I

PURPOSE AND SCOPE OF APPLICATION

ARTICLE 1

The purpose of these Model Regulations is to monitor and control the manufacture, preparation, transformation, storage, import, export, marketing, transportation, possession, or other type of national or international operation, act, or transaction involving chemical substances, as well as to prevent and to punish diversion of chemical substances that can be used in or intended directly or indirectly for the illicit manufacturing, preparation or extraction of narcotic drugs or psychotropic substances.

ARTICLE 2

The controlled chemical substances shall correspond, as a minimum, to the substances included in Tables I and II of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. In addition, other substances may be included in accordance with national requirements or regional concerns.

ARTICLE 3

The provisions for the control of chemicals used in the illicit manufacture of narcotic and psychotropic substances shall apply in all areas of national jurisdiction.

PART II

DEFINITIONS

ARTICLE 4

The definitions of this Article shall be subject to the provisions of the domestic law of the Member States.

Except where otherwise expressly indicated or where the context otherwise requires, the following definitions shall be applicable throughout the text of these Model Regulations;

- **Marketing:** Any transaction, direct or indirect, among individuals or entities involving the transfer of ownership of chemical substances, tools, materials or equipment that may be used in the manufacture of other chemical substances, narcotic drugs or psychotropic substances.
- **Entity:** Any operator or actor, other than an individual or natural person, that engages or proposes to engage in operations, acts or transactions involving chemical substances. For purposes of these Model Regulations, an entity may include, but is not limited to being, a corporation, company, partnership, firm, trust, unincorporated association, society, or other organization that conducts business, no matter how constituted. Entity is also any group regarded as a unit that is a legal person.
- **Distribution:** The process of supplying, selling, transferring, or otherwise making available chemical substances through one or more Parties involve in the various stages of delivering substances to the final user or consumer.
- **Import and Export:** In their respective connotations, entry into or exit from one country or territory to another, including temporary customs jurisdiction.
- **Mixture:** Any combination of one or more substances in the Tables I, II or III of these Model Regulations among themselves or with another substance or substances, and that may be used in the illicit manufacture, preparation or extraction of narcotic drugs, psychotropic substances.
- **Manufacture:** All processes by which psychotropic substances may be obtained, and includes refining as well as the transformation of psychotropic substances into other psychotropic substances. The term also includes the making of preparations other than those made on prescription in pharmacies.
- **Preparation:** The means of obtaining any mixture in bulk or in a dosage form, in whatever physical state, containing one or more narcotic drugs, one or more psychotropic substances or chemical substances mixed or not mixed with other non-controlled components.
- **Processing:** The means of changing the chemical of a substance to convert it to a new chemical compound.
- **Storage:** To store under the control of an individual or entity in bulk or separate containers of chemical substances in either a closed or open space.
- **Transportation:** To take chemical substances from one place to another using any means within a country or territory or from one country or territory to another.
- **Possession:** Having chemical substances, tools, materials or equipment to produce narcotic drugs

or psychotropic substances.

- **Chemical substances:** Substances used directly or indirectly in the illicit manufacturing, preparation or extraction of narcotic drugs or psychotropic substances.
- **Transshipment:** Under customs control, the transfer of goods from one means of transport to another, within a Customs zone.
- **Transit:** Under Customs control, the shipment of goods from one Customs zone to another within a country or from one country to another.

PART III

TABLES OF CHEMICAL SUBSTANCES

ARTICLE 5

The substances subject to controls established in the provisions of these Model Regulations that are incorporated into domestic law shall be arranged in three Tables where Table I and II contain at least the same substances in Tables I and II of the Annex to the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and Table III is to include the substances referred to in Article 8.

ARTICLE 6

Chemical substances shall be identified by the names and corresponding numeric codes under which they are listed in the Harmonized Commodity Description and Coding System (HS) of the World Customs Organization (WCO).

These classification systems should also be used in statistical records and in documents pertaining to importation, exportation, transit and transshipment and apply to other customs operations and in free trade zones and free ports.

ARTICLE 7

Member states may, through their competent authority or other appropriate body, add, delete or transfer chemical substances in the pertinent tables under their domestic legal systems, in accordance with national needs and circumstances, respecting the provisions of Article 2.

Member states shall report, through their competent authority or other appropriate body, these decisions to the Executive Secretariat of the Inter-American Drug Abuse Control Commission (CICAD).

PART IV

SUBSTANCES UNDER SURVEILLANCE

ARTICLE 8

There is hereby established a Table III containing substances not found in Tables I and II that, in the experience of some competent authorities of member countries, are being diverted to or are being used as substitutes in the manufacture, preparation, or extraction of narcotic drugs and psychotropic substances.

ARTICLE 9

In accordance with their respective national legal systems and constitutional principles, member states may, as they deem appropriate, adopt, with respect to substances included in Table III, some or all of the control and monitoring measures in Parts VI, VII and IX of these Regulations.

PART V

MIXTURES

ARTICLE 10

Mixtures of substances that can be used in the manufacture, extraction, purification, transformation or synthesis of narcotic drugs and psychotropic substances as well as other chemical substances included in the tables defined by the provisions of these Model Regulations that are incorporated into domestic law shall be subject to the control or monitoring measures set out in Parts VI, VII, VIII and IX. In determining the controls or measures of surveillance to be applied, countries shall take into consideration the following:

- a) A mixture that contains one or more substances included in Table I shall be subject to the controls applicable to Table I;
- b) A mixture that contains one or more substances included in Table II at an individual or combined level of concentration, as the case may be, above the percentage determined by the competent authorities shall be subject to the controls applicable to Table II.
- c) A mixture that contains one or more substances included in Table III at an individual or combined level of concentration, as the case may be, above the percentage determined by the competent authorities shall be subject to the controls applicable to Table III.

ARTICLE 11

The competent authority shall determine which of the mixtures including chemical substances in Tables I, II and III will not be subject to the suggested controls or measures, if it is determined that it is difficult or impractical to extract them, or that it is unlikely to be used as such for illicit manufacture, preparation or extraction of narcotic drugs or psychotropic substances.

PART VI

CONTROL MEASURES

Member States may adopt more strict or severe measures of control than those provided by this part if, in its opinion, such measures are appropriate or necessary.

A. LICENSES, REGISTRATION AND PERMITS

ARTICLE 12

Whosoever manufactures, prepares, distributes, transforms, stores, supplies, imports, exports, markets, transports, possesses, uses, recover, recycle or engages in any other type of transaction involving substances included in Table I shall be subjected to controls, consisting of a permit, licensing or similar system.

ARTICLE 13

Whosoever, manufactures, prepares, transforms, stores, imports, exports, markets, uses, recover, recycle or engages in any other type of transaction involving substances included in Table II, shall at a minimum register with the competent authorities so that the scope and nature of the activities they conduct may be known.

ARTICLE 14

The competent authorities shall require periodic updates to the licenses, permits and registrations provided in this part. The competent authorities shall maintain a record of all permits, licenses and registrations, either granted, denied, suspended or revoked.

ARTICLE 15

Competent authorities may stipulate exceptions to the licensing, permit or registration requirements of this Part in accordance with their national needs and circumstances, provided that such exceptions are not inconsistent with the objectives of these Regulations.

When competent authorities stipulate such exceptions they shall take into account regulatory needs and differing trends in neighboring countries, their respective regions, and the global context.

ARTICLE 16

With respect to the issuance of licenses, registrations, permits or other forms of authorization, competent authorities should take into account background information relating to the applicant, such as

- a) Evidence of the applicant's ability to maintain effective controls over the chemical substances;
- b) The applicant's compliance with applicable national laws for the control of chemical substances as well as health and environmental laws;
- c) The need of the chemical substances in relation to the activities of the company;
- d) The existence of formal charges or convictions of an offense relating to illicit trafficking of narcotic drugs and psychotropic substances or diversion of chemical substances, or money laundering and related offenses that have been imposed on administrators, owners or associates.

In accordance with domestic law, factors such as the foregoing may be taken into account in order to suspend or revoke an existing license, permit or other authorization.

B. RECORDS

ARTICLE 17

The persons referred to in Articles 12 and 13 shall keep, for a period of not less than two years, a complete, accurate and up-to-date record of each of the chemical substances listed in Tables I and II and any other chemical substances specified by the competent authority, including the following information at a minimum:

1. Initial inventory;
2. Amounts received, including any difference from the amount invoiced;
3. Amounts produced, manufactured, packaged, prepared or extracted;
4. Amounts imported and their origins;
5. Amounts used for any other activities or purposes;
6. Amounts distributed domestically and their destination;
7. Amounts exported and their destination;
8. Existing stocks and in the case of active ingredients, their status (e.g. quarantine, storage, expired, rejected, waste, others);
9. Amounts lost during the production process, storage and handling, destroyed amounts transferred, surplus or decrease differences;
10. Amounts lost due to pilferage or other causes,
11. Amounts recycled;

12. Any other movement of the chemical substances, with appropriate documentation to explain it.

ARTICLE 18

Records of the amounts of substances referred to in items 2, 4, 6 and 7 of the preceding Article shall include the following information, at a minimum:

1. Date of the issuance of the invoice or bill of sale and date of the respective operation, act, or transaction;
2. Name, address, telephone, facsimile number and e-mail address, where available, as well as license, permit or registry number of each and every party involved in the operation, act, or transaction, and those of the final consignee if not one of those parties involved in the operation, act, or transaction;
3. Chemical name, amount, unit of measurement and form of presentation and packaging of the chemical substance (level of detail and nature of the information to be recorded will be defined by the competent authority);
4. Means of transportation and identification of the transport company, route lists, itinerary, destination and all other documents required related to the transport of the substance.

ARTICLE 19

Individuals and entities shall submit periodic reports on chemical substances based on the records maintained in accordance with Articles 17 and 18. The information to be reported, the form and the frequency will be defined by the competent authority.

Records required by Articles 17 and 18 shall be made available for inspection and provided to the competent authority upon request.

C. INSPECTIONS

ARTICLE 20

The competent authorities may inspect individual or entity applicants or current holders of licenses, registration or permit for the purpose of:

1. Verifying the existence, location and legitimacy of the individual or entity and its activities with respect to the use of chemical substances
2. Confirming compliance with applicable laws and regulations including security and internal control measures

The inspection carried out prior to the acquisition of license, registration or permit will include confirmation of the location, provisions for physical security and procedures, physical assets, capacity of the installation, and other relevant elements of the operation.

ARTICLE 21

The inspections of individuals or entities that already process licenses, registrations and permits may be carried out on the stocks, required records, relevant financial/accounting documentation, and computer systems.

ARTICLE 22

If individuals or entities refuse to permit a reasonable and lawful inspection by a competent authority they shall be subject to administrative sanctions, civil fines and, if warranted, criminal penalties pursuant to Part X.

PART VII

IMPORT, EXPORT TRANSIT AND TRANSSHIPMENT REQUIREMENTS

ARTICLE 23

In addition to the license and registry requirements, but without prejudice to any other authorizations required by the respective foreign trade system, importers and exporters of the substances listed in Table I shall obtain an import, export, transit or transshipment permit from the competent authorities.

The competent authorities may subject all or some of the substances listed in Table II to the same system as above.

ARTICLE 24

The competent authorities may also determine which of the substances included in Tables II and III shall be subject to an import, export, transit or transshipment notification.

ARTICLE 25

The competent authority should define a minimum and maximum period of time by which applications for permits and notifications should be submitted prior to the import or export in question.

ARTICLE 26

Import or export permits shall expire not later than 180 days after the date of their issue. Such permits shall be issued for a single substance only and may not be used more than once. If the 180-day period has passed and no importation or exportation has occurred, application for a new permit must be made.

ARTICLE 27

The application for a permit or notification shall contain the following information, at a minimum:

1. The importer's or exporter's name and address, license, registration or permit, telephone, telex and fax numbers and e-mail address, where available;
2. The name and address and telephone, telex, and fax numbers and e-mail address, where available, of the agent of the importer or exporter and of the forwarder, if any;
3. The name and corresponding numeric codes under which each chemical substance is listed in the Harmonized Commodity Description and Coding System (HS Code) of the World Customs Organization (WCO), as well as the description on the label of drums, barrels or other containers or packaging;.
4. Net weight or volume of the product, in kilograms or liters and fractions thereof as well as the concentration and density and any other relevant information concerning the chemicals
5. Quantity and net weight of the drums, barrels or other containers or packaging;
6. Quantity and identification of containers, if applicable;
7. Scheduled shipping and import or export date, place of origin, and the points of shipment, stopover ports, place of entry into the country, and final destination;
8. Means of transportation and identification of the carrier;
9. Names, addresses and telephone, telex and fax numbers and e-mail addresses, where available, of the supplier and purchaser;
10. Name, address and telephone, telex and fax numbers and e-mail address, where available, of the end-user or consignee, if known, or ascertainable;
11. If known and applicable, the permit or authorization number or another reference number issued by the competent authority of the other country that can be used to identify the importing or exporting transaction.

ARTICLE 28

As required by the competent authority, within [a period of time defined by the competent authority] days after the import or export of all or any part of the chemical substances that were the subject of a permit application, the importer or exporter shall file a declaration with the following information:

1. Date of the import or export;
2. Quantity;
3. Chemical substance;
4. Name of licensed dealer (importer or exporter) and permit number related to the transaction in question;
5. Port of entry or exit;
6. For imports, and where practicable for exports, the name(s) of any known or intended recipients of all or any part of the chemical substance shipment (“downstream” customers);
7. The permit or notification number issued by the competent authority of the exporting and importing country (or countries).

ARTICLE 29

The competent authorities may deny the permits, licenses or authorizations referred to herein or suspend a transaction when:

1. It can verify that the competent authority of the other country:
 - a. Has not issued the proper permit or authorization for the transaction and
 - b. Has not issued the proper license or registration to the individual or entity engaging in the transaction, or
2. There exists a substantial reason to believe that such items may be used for illicit manufacture, preparation or extraction of narcotic drugs, psychotropic substances.

PART VIII PRE NOTIFICATION

ARTICLE 30

Before exporting a substance included in Table I, a country intending to export such a substance shall provide, through its competent authorities, the information required under Article 27 to the competent authorities of the importing country.

ARTICLE 31

The information requirements of Article 27 may also be applied to specified substances in Table II, where countries participating in the respective transactions so decide.

ARTICLE 32

Within 15 days of receipt of pre notification by the importing country, the competent authority of the importing country shall advise the exporting country whether or not the transaction is legitimate. Failure by the competent authority of the importing country to advise the exporting country within the above-noted timeframe shall signify acceptance of the transaction.

ARTICLE 33

Regarding pre-export notifications, as specified in Article 12 paragraph 11 of the 1988 UN Convention, where a Party furnishes information to another Party in accordance with paragraph 9 and 12 of that article, the Party receiving such information may require that the Party receiving it keep confidential any trade, business, commercial or professional secrets or trade process.

PART IX REPORTS OF IRREGULAR MOVEMENTS

ARTICLE 34

Individuals or entities engaged in the manufacture, preparation, processing, storage, importation, exportation, recycling, distribution, marketing, transportation, or possession of chemical substances listed in Tables I, II or III shall immediately report to the competent authorities any unusual or unjustified operation, act, or transaction made or proposed to which they are parties, whether occasional or repeated, when they have reasonable grounds to suspect that such substances may be used in the manufacture, preparation or extraction of narcotic drugs or psychotropic substances

It will be considered that operations, acts, or transactions are unusual or unjustified among others when the quantity of the above-mentioned chemical substances involved in a transaction, the method of payment or the personal characteristics of the purchaser are extraordinary or unusual.

ARTICLE 35

Regulated individuals or entities shall report to the competent authorities any losses or unusual or significant disappearances of chemical substances under their control.

The report shall contain all available information and shall be made to the competent authorities, as soon as the circumstances that warrant suspicion are known, by the quickest means possible and, if the transaction has not been completed, as far in advance of the completion of the transaction as possible.

After the information has been confirmed, the competent authorities shall notify those authorities of the country of origin, destination or transit as soon as possible and provide them with all available information.

ARTICLE 36

All information given to the competent authorities provided under the provisions of these Model Regulations that are incorporated into domestic law shall be treated as confidential and not divulged to any person except for law enforcement, judiciary or members of competent authorities, or in furtherance of international cooperation.

PART X OFFENCES

ARTICLE 37

The following acts shall be considered as a punishable offence:

- 1) The manufacture, preparation, processing, storage, importation exportation, marketing, transportation, possession or any other operation, act, or transaction involving chemical substances if the party knows, should have known, or is intentionally ignorant that it could be used in or is intended directly or indirectly for the illicit manufacturing, preparation or extraction of narcotic drugs or psychotropic substances, in any manner prohibited by law, and whether or not the manufacture, preparation or extraction of these psychotropic substances occurs within the country or abroad;
- 2) Any of the actions specified above that may have been done when the party knows, when it should have known or when intentionally ignorant that the chemical substances could be intended for use in any illicit conduct, whether it be within the country or abroad;
- 3) Acts, transactions and operations that are done with intent, but not limited to, counterfeiting, diversion or omission of licenses registrations and permits or other documents related to the actions mentioned above, whether they have been done with the intent to divert or hinder the detection of diversion of chemical substances;
- 4) Any actions specified above that have been done due to inexcusable negligence;
- 5) Manufacturing, importation, exportation, marketing, transport, or possession of instruments, materials, or equipment when the party knows, should have known or is intentionally ignorant that these will be used for the illicit elaboration, transformation or extraction of narcotic drugs or psychotropic substances;
- 6) The organization, management, or financing of the offences referred to in this Article;
- 7) The use of any means to incite or induce to commit the offences referred to in this Article;
- 8) Participation in, concealment of, association or conspiracy to commit, attempts to commit and aiding, abetting, facilitating and counseling to commit the offences referred to in this Article.

For the purposes of this Article, chemical substances include any that by their nature can be used, directly or indirectly, in the illicit manufacture of narcotic drugs or psychotropic substances unless precluded by national law or constitutional provision.

PART XI
INVESTIGATION AND PROOF OF OFFENCES

ARTICLE 38

The competent authorities shall be entitled to use the following investigative techniques, among others, in the investigation and proof of offences cited in the previous Article, as follows:

1. Monitored or controlled deliveries of chemical substances;
2. Interception, the opening, registration and recording of all types of private communication and documents and electronic or other types of surveillance pursuant to the corresponding authorization;
3. Undercover operations using police agents or civilian informants and the use of cooperating individuals or defendants in exchange for concessions in prosecution or penalties, as permitted by national law;
4. Investigation of financial activities of individuals or entities suspected of involvement in unlawful activities.

ARTICLE 39

Knowledge, intention or purpose required as elements of any of the offences mentioned in Article 37 could be inferred from objective circumstances of the case.

PART XII
EXTRADITION AND MUTUAL LEGAL ASSISTANCE

ARTICLE 40

The offences referred to in Part X of these Model Regulations shall be extraditable, in accordance with the constitutional and legal principles of each Member State.

ARTICLE 41

Such offences shall be afforded the widest possible mutual legal assistance under the international treaties subscribed by the Member State.

PART XIII

CIVIL, ADMINISTRATIVE AND OTHER CRIMINAL OFFENCES

ARTICLE 42

Contraventions of the control measures set out in the provisions of these Model Regulations that are incorporated into domestic law may result in the application of the following measures:

1. Civil proceedings which can lead to the application of financial sanctions or injunctions;
2. Administrative proceedings which can lead to the application of financial sanctions or the revocation, suspension or application of other sanction involving the required license, permit or registration;
3. Criminal sanctions in cases where the contravention is considered as an offence punishable under corresponding national law.

The application of any one or combination of sanctions with respect to an individual or entity shall not exclude or bar the application of other sanctions available under this law, as permitted by the constitution and domestic law system.

PART XIV

FINAL DISPOSITION OF SEIZURE AND/OR FORFEITURE OF CHEMICAL SUBSTANCES

ARTICLE-43

Each competent authority shall establish the final disposition of seized proceeds and/or forfeiture of chemical substances by implementing measures such as: transfer, donation, transformation, disposal or destruction, under environmental security, industrial and public health safety criteria, ensuring that the chemical substances do not re-enter the illicit cycle.

PART XV

COMPETENT AUTHORITIES FOR INTERNATIONAL COOPERATION

ARTICLE 44

Member States shall designate a competent authority to attend to requests for international cooperation and information pursuant to these Model Regulations or to convey them to the authority responsible for their execution.

The authorities designated for these purposes and any changes of such authorities shall be identified to the Secretary General of the OAS and the Secretary General of the United Nations.

PART XVI

COOPERATION WITH THE PRIVATE SECTOR

ARTICLE 45

Competent authorities shall promote the creation and adoption of cooperation measures in collaboration with the entities of the private sector that carry out activities related to the subject matters covered by the provisions of these Model Regulations that are incorporated into domestic law. Within these cooperation measure can be considered, amongst others, the creation of joint working groups, the establishment of a voluntary code of conduct and cooperation, agreements, guidelines and/or programs to encourage good business practices.

TABLE I / CUADRO I

Harmonized Code Código Armonizado	Substance Sustancia	Synonym Sinónimo
2914.31	1-Phenyl-2-propanone/ 1-Fenil-2-propanona	P-2-P F-2-P
2932.92	3,4-Methylenedioxyphenyl-2-propanone/ 3,4-Metilendioxifenil-2-propanona	
2924.23	<i>N</i> -acetylthranilic acid and its salts/ Acido <i>N</i> -acetilantranílico y sus sales	2-carboxy acetanilide/ 2 carboxi acetalinida
2922.19	Phenylpropanolamine its salts, optical isomers, and salts of its optical isomers salts/ Fenilpropanolamina sus sales, isómeros ópticos y sales de sus isómeros ópticos	PPA FPA
2932.91	Isosafrole and its optical isomers/ Isosafrol y sus isómeros ópticos	
2932.94	Safrole/ Safrol	
2939.63	Lysergic Acid/ Acido Lisérgico	
2939.41	Ephedrine, its salts, optical isomers, and salts of its optical isomers/ Efedrina, sus sales, isómeros ópticos y sales de sus isómeros ópticos	
2939.61	Ergometrine and its salts/ Ergometrina y sus sales	Ergonovine and its salts/ Ergonovina y sus sales
2939.62	Ergotamine and its salts/ Ergotamina y sus sales	
2932.93	Piperonal/ Piperonal	Heliotropine/ Heliotropina
2939.42	Pseudoephedrine, its salts, optical isomers and salts of its optical isomers/ Seudoefredina, sus sales, isómeros ópticos y sales de sus isómeros ópticos	Isoephedrine/ Isoefedrina
2841.61	Potassium Permanganate/ Permanganato de Potasio	

2915.24	Acetic Anhydride/ Anhídrido Acético	Acetyl oxide; Acetic acid anhydride; Acetic oxide; Ethanoic anhydride/ Óxido de acetilo, anhídrido del ácido acético, óxido acético, anhídrido etanoico.
2916.34	Phenylacetic acid and its salts/ Acido Fenilacético y sus sales	PAA and its salts AFA y sus sales

TABLE II / CUADRO II

Harmonized Code Código Armonizado	Substance Sustancia	Synonym Sinónimo
2922.43	Anthranilic Acid and its salts/ Acido antranílico y sus sales	O-aminobenzoic acid and its salts/ Acido o-aminobenzoico y sus sales
2806.10	Hydrochloric acid/ Acido Clorhídrico	Muriatic Acid, Hydrogen Chloride/ Acido Muriático, Cloruro de Hidrógeno
2807.00	Sulfuric Acid/ Acido Sulfúrico	Hydrogen Sulfate/ Sulfato de Hidrógeno
2814.20	Ammonia (anhydrous or in aqueous solution)/ Amoníaco Anhídrido o en disolución acuosa.	
2815.20	Potassium Hydroxide/ Hidróxido de Potasio	Caustic Potash/ Potasa Cáustica
2815.00	Sodium Hydroxide/ Hidróxido de Sodio	Caustic Soda/ Soda Cáustica
2833.11	Sodium Sulfate/ Sulfato de Sodio	Disodium Sulfate/ Sulfato Disodico
2836.40	Potassium Carbonate/ Carbonato de Potasio	Potash/ Carbonato Neutro de Potasio
2836.20	Sodium Carbonate/ Carbonato de Sodio	Soda Ash, Washing Soda/ Carbonato Neutro de Sodio, Soda Solvay
2901.10	Hexane/ Hexano	N-Hexane/ Hexano Normal
2902.20	Benzene/ Benceno	
2902.30	Toluene/ Tolueno	Methylbenzene/ Metilbenceno
2902.41	Xylenes/ Xilenos	o-Xylenes, m-Xylenes, p-Xylenes, xylol (isomers mixture) /1,2 dimethyl benzene,1,3 dimethyl benzene, 1,4 dimethylbenzene. o-xileno, m-xileno. P-xileno, xilol (mezcla de isómeros), 1,2-Dimeltibenceno, 1,3 Dimeltibenceno, 1,4 Dimeltibenceno.

**Harmonized Code/
Código Armonizado****Substance/Sustancia****Synonym/Sinónimo**

2903.12	Methylene Chloride/ Cloruro de Metileno	Dichloro-metane/ Diclorometano
2909.11	Ethyl Ether/ Eter Etilico	Diethyl ether; ethyl oxide; ethoxyethane, sulfuric ether, Ethyl Oxide. Éter dietílico, óxido de etilo, etoxietano, éter sulfúrico, óxido etílico
2914.11	Acetone/ Acetona	2-Propanone/ 2-Propanona
2914.12	Methyl Ethyl Ketone/ Metil Etil Cetona	2-Butanone/MEK 2-Butanona, MEC
2914.13	Methyl Isobutyl Ketone/ Metil Isobutil Cetona	4-methyl 2-pentanone, Isopropilacetone, MIBK 4-metil 2-pentanona, isopropilacetona, MIBC
2915.21	Acetic Acid/ Acido Acético	
2915.31	Ethyl Acetate/ Acetato de etilo	
	Fenil acetato de etilo	
2933.32	Piperidine/ Piperidina	

TABLE III / CUADRO III

Harmonized Code Código Armonizado	Substance/Sustancia	Synonym Sinónimo
2903.29	Acetyl Chloride/ Cloruro de Acetilo	Ethanoyl Chloride/ Cloruro de Etanoílo
2827.10	Ammonium Chloride/ Cloruro de Amonio	Ammonium Muriate/ Muriato de Amonia
2814.20	Ammonium Hydroxide/ Hodróxido de Amonia	Ammonia aqueous Solution/ Amoníaco en solución acuosa
2912.21	Benzaldehyde/ Benzaldehido	Benzoic Aldehyde, Artificial oil of almond, Benzenecarbonal/ Aldehído benzoico, aceite sintético de almendras, bencenocarbonal
2903.69	Benzyl Chloride/ Cloruro de Bencilo	Chloromethylbenzene, α -chlorotoluene/ Clorometilbenceno, α -clorotolueno
2926.90	Benzyl Cyanide/ Cianuro de Bencilo	Benceneacetonitrile, phenyl-acetonitrile, α - tolunitrile, cyanotoluene/ Acetonitrilo de Benceno, 2-Fenilacetnitrilo, α - toluinitrilo, cianotolueno
2926.00	Bromobenzyl Cyanide/ Cianuro de Bromobencilo	Bromo-benzyl-acetonitrile/ Bromo-bencil acetnitrilo
2815.90	Calcium Hydroxide/ Hidróxido de Calcio	Calcium Hidrate, Caustic Lime/ Hidrato Cálcico, Hidrato de Cal, cal apagada
2825.90	Calcium Oxide/ Óxido de Calcio	Lime, Burnt Lime/ Cal, Cal viva
2914.22	Cyclohexanone/ Ciclohexanona	Pimelic Ketone, Nadone, Ketoexamethylene / Cetona Pimélica, nadona, Cetoexametileno
2921.12	Diethylamine/ Dietilamina	N-Ethyletanamine, N,N-diethylamine / N-etiletanamina, N,N-dietilamina
2207.10	Ethyl Alcohol/ Alcohol Etílico	Ethanol, anhydrous alcohol, Ethyl Hidroxide/ Etanol, Alcohol Anhidro, hidróxido etílico

Harmonized Code Código Armonizado	Substance/Sustancia	Synonyms Sinónimo
2924.10	Formamide/ Formamida	Methanamide; methanoic acid amide; / Metanamida, amida del ácido metanoico
2915.11	Formic Acid, its salts and derivatives/ Acido Fórmico, sales y sus derivados	Metanoic acid; aminic acid/ Acido metanoico, ácido amínico
2811.19	Hydriodic Acid/ Acido Yodhidrico	
2801.20	Iodine/ Yodo	
2905.14	Isobutyl Alcohol/ Alcohol Isobutílico	2-Methyl-1-Propanol; 2-methylpropanol/ 2-Metil-1-Propanol; 2-metil propanol.
2915.39	Isopropyl Acetate/ Acetato Isopropílico	2-Propylacetate/ 2-propil acetato.
2905.12	Isopropyl Alcohol/ Alcohol Isopropílico	2-Propanol, isopropanol, dimethyl carbinol, petrohol, secondary propyl alcohol. IPA/ 2-propanol, isopropanol, dimetilcarbinol, petrohol, alcohol propílico secundario.
2710.00	Kerosene/ Queroseno	Kerosine/ Querosina
2277.00	Methyl Alcohol/ Alcohol Metílico	Methanol, Carbinol, Wood Alcohol/ Metanol; Carbinol, Alcohol de Madera
2912.11	Methylamine/ Metilamina	Mono methylamine; methanamine/ Monometilamina; metanamina
2904.20	Nitroethane/ Nitroetano	
2903.00	Trichloroethylene/ Tricloroetileno	



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INTER-AMERICAN DRUG ABUSE
CONTROL COMMISSION

CICAD

Organization of American States

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Secretariat for Multidimensional Security

**CICAD TECHNICAL EXPERTS' SUB-GROUP
RECOMMENDATIONS TO CICAD TO ADDRESS THE PROBLEM OF
METHAMPHETAMINE PRECURSOR DIVERSION**

CICAD Technical Experts' Sub-Group
Recommendations to CICAD to address the problem of methamphetamine precursor diversion

During the meeting of the Group of Experts on chemical substances and pharmaceutical products held in Quito, Ecuador, on July 11 – 15, 2011, a sub-group proposed this initiative to address the problem of methamphetamine precursor diversion from major chemical source countries (primarily in Asia) to the region (primarily Mexico and Central America).

The sub-group was composed of representatives from Costa Rica, Ecuador, United States, Guatemala, Mexico, Panamá, Paraguay, Dominican Republic, Trinidad y Tobago, and Venezuela. Uruguay also participated as an observer.

Objectives:

To advise CICAD of the newly identified trends in methamphetamine precursor diversion in the region as identified by the Group of Experts and to submit a proposal and plan of action to address the issues for their consideration and approval.

Background

As a result of enhanced controls, in some countries, of the internationally controlled chemical substances illicitly used as methamphetamine precursors (e.g. ephedrine, pseudoephedrine and pharmaceutical preparations that contain them), an increase in illicit traffic of phenylacetic acid, its salts, esters, and derivatives has been detected in the region. Additionally, new routes, diversion techniques, and modalities have also been detected.

The shipments entering the Western Hemisphere that ultimately supply methamphetamine-producing clandestine laboratories mainly come from Asia (Bangladesh, China, and India) and Europe (Germany, Belgium), and are mainly destined for Mexico and Central America.

It should be noted that some of these shipments may depart the source countries legitimately but when they are detected in the Western Hemisphere many are identified as not authorized by the destination countries. Eventually, the problem may expand to other countries in the region, as experienced with other substances.

Different methods being used for precursor diversion, including:

- “Technical smuggling” (falsifying precursor documentation and labeling to pass the precursors as non controlled products, using licit trade channels);
- Substances or products are smuggled by land border zones remote from the reach of authorities; and
- Precursors are concealed by using modalities similar to those used to conceal illicit drugs.

Methods of methamphetamine synthesis using alternative precursors to ephedrine or pseudoephedrine, including methods using phenylacetic acid (PAA), its salts, esters, and derivatives, pose a new challenge for control and regulatory authorities. For example, some countries control only PAA itself (and sometimes its salts), as provided in Table I of the 1988 UN Convention, but not PAA esters or derivatives. To demonstrate the gravity of the problem, Annex 1 presents seizure statistics and some

trafficking routes that have been identified by INCB's Operation PAAD (Phenyl Acetic Acid and Derivatives) under Project Prism.

China and India remain the major suppliers of methamphetamine precursors, and the lack of pre-notification of some shipments to the destination countries exacerbates this problem. Some precursor-exporting or transit countries also fail to pre-notify shipments of PAA and its salts as required by the 1988 Convention. Although not required by the Convention, failure to pre-notify shipments of esters and derivatives also impedes control by the "importing" countries.

Proposal

To form a working group, to be chaired by Mexico, which will invite representatives of the region, in order to carry out the information-gathering exercise in the Working Group Plan of Action below, and to coordinate meetings with government authorities and private sector entities in countries where manufacturing and exportation of the subject chemicals takes place. The working group will in turn form a delegation, including technical specialists and diplomatic officials in countries of the region, supported by officials of the CICAD Executive Secretariat. It is expected that the delegation will be comprised of experts from Mexico and select Central American countries, along with officials of the Executive Secretariat.

Funding for the activities of the working group shall be at the Member States' expense. Additionally, funding for delegation's travel shall also be provided by member states, unless otherwise provided.

Working Group Plan of Action

Based on the analysis of the OAS Member States' experience with precursor diversion, clandestine methamphetamine production laboratories, violence, organized crime, and related offences surrounding this illicit business, among others, the working group will undertake the following actions in preparation for the delegation's contact with previously identified source countries.

1. Identify which countries and businesses produce and export the substances in question.
2. Identify the current control measures applied by participating OAS Member States to methamphetamine precursors, which will be indicated in a matrix to be prepared with input from competent authorities of responding countries. This action will allow the identification of the countries and regions that require the strengthening of controls.
3. Obtain historical data, for at least the past three years, related to the licit imports and exports of the precursors that are the object of this proposal, in order to further identify additional significant increases. Information related to seizures of precursors will be collected for the same time period.
4. Inform SICA (Central American Integration System), the INCB, and CARICOM (Caribbean Community) and other multilateral organizations of the actions that are proposed with the support of the CICAD Executive Secretariat.
5. Request that the CICAD Executive Secretariat extend an invitation to those countries that did not participate in the CICAD Group of Experts Meeting on Chemical Substances and Pharmaceutical Products in Quito, Ecuador from July 11 to 15, 2011.

6. Establish the necessary contacts in advance, through formal letters that inform the appropriate authorities of the countries that will be visited.
7. Identify topics of interest that the delegation (described in the above proposal) will address at the meetings with the contacted countries.

Recommendation:

That the OAS-CICAD Commission approve this proposal, as well as the plan of action for the working group, at the next regular session.

ANNEX 1

Statistics on phenylacetic acid shipments stopped or seized until June 2011, and some trafficking routes identified by the PAAD operation under INCB's Project Prism

Shipments of phenylacetic acid and its esters stopped or seized in 2011, based on data from the PAAD operation under Project Prism

Date	Substance	Quantity			To	Port	Container	Company/Shipper	MO (smuggle/ mislabel/ admin/ etc)	PAAD Communication	
		KG	GL	L							
1-Mar-01	Ethylphenyl acetate		11,000		Guatemala	Quetzal			Residence		
3-Mar-11	Ethylphenyl acetate	16,000			Mexico	Lazaro Cardenas	SUDU762 3803	Guangzhou Maikeli Import & Export		PAAD 02	destined for GUA. INCB has 2 more seizures under PAAD02
7-Mar-11	Ethylphenyl acetate		8,000		Guatemala	San Jose	TGHU353 2508; MLCU293 3333	Jiaying Barton Chemicals Inc.	Residence		Same residential address as the seizure of 1 March 2011

23-Mar-11	Ethylphenyl acetate		11,000		Guatemala	San Jose	TRLU541 5270; INBU5106 674	Qingdao Huamao Import & Export	Residence	Same residential address as the seizure of 1 March 2011
30-Mar-11	Ethylphenyl acetate		5,500		Guatemala	San Jose	CMAU82 35942	Zibo Lixing Trade Co., Number 39 Wutian Road, Zibo, Shandong		
			5,500				CRXU432 4541	Weifang Xinghai Import and Export, Number 235 Ronghua Road, Weifang, Shandong		
			4,000				ECMU114 5670	Jiaxing Barton Chemicals Inc., Number 162 Fu Ming Road, Hong He Town, Jiaxing, Zhejiang		
			4,000				ECMU160 1831	Jiaxing Barton Chemicals Inc., Number 162 Fu Ming Road, Hong He Town, Jiaxing, Zhejiang		
			4,860				FSCU327 2399	Shanghai Jianpu Import and Export, 1035 Nanquan Road, Room 207, Building 6, Shanghai, 200122		

Shipments of phenylacetic acid and its esters stopped or seized in 2011, based on data from the PAAD operation under Project Prism

Date	Substance	Quantity			To	Port	Container	Company/Shipper	MO (smuggle/ mislabel/ admin/ etc)	PAAD Communication	
		KG	GL	L							
4-Apr-11	PAA esters				Guatemala	Quetzal	TGHU419 3271; TGHU503 6575	Fan Cheng International Transportation Service, 8-9/F, No.218 Wu Song Road, Shanghai	2 consignees		
5-Apr-11	Unknown				Guatemala	Quetzal	CMAU13 61532	Shanghai Jianpu Import Export, Room 206, 6th Floor, No.1035, Nanquan Bei Road, New Area. Phone: 008602151389375	Seizure not confirmed		Same consignee as the 56 tons in ELS

12-Apr-11	Ethylphenyl acetate	56,000			El Salvador	Acajutla	CMAU01 68030; GESU346 5140; EMCU143 1606	Jiangsu Holly Corporation, Holly Building No.50, Nanjing; Sinotrans Eastern Company, Room 701, No.88 Ouyang, Shanghai and Shanghai Sunworld Concern International Logistics	destined for GUA	PAAD 04	
14-Apr-11	Ethylphenyl acetate		4,000		Guatemala	Santo Tomás	KNLU329 0286	Yiwu City Jiafu Import & Export trade Co. Ltd., 2106 Futian Mansion, No.1121 Chouzhou North Road, Yiwu, Zhejiang			
			4,000				POCU053 6417	Yiwu City Jiafu Import & Export trade Co. Ltd., 2106 Futian Mansion, No.1121 Chouzhou North Road, Yiwu, Zhejiang			

Shipments of phenylacetic acid and its esters stopped or seized in 2011, based on data from the PAAD operation under Project Prism

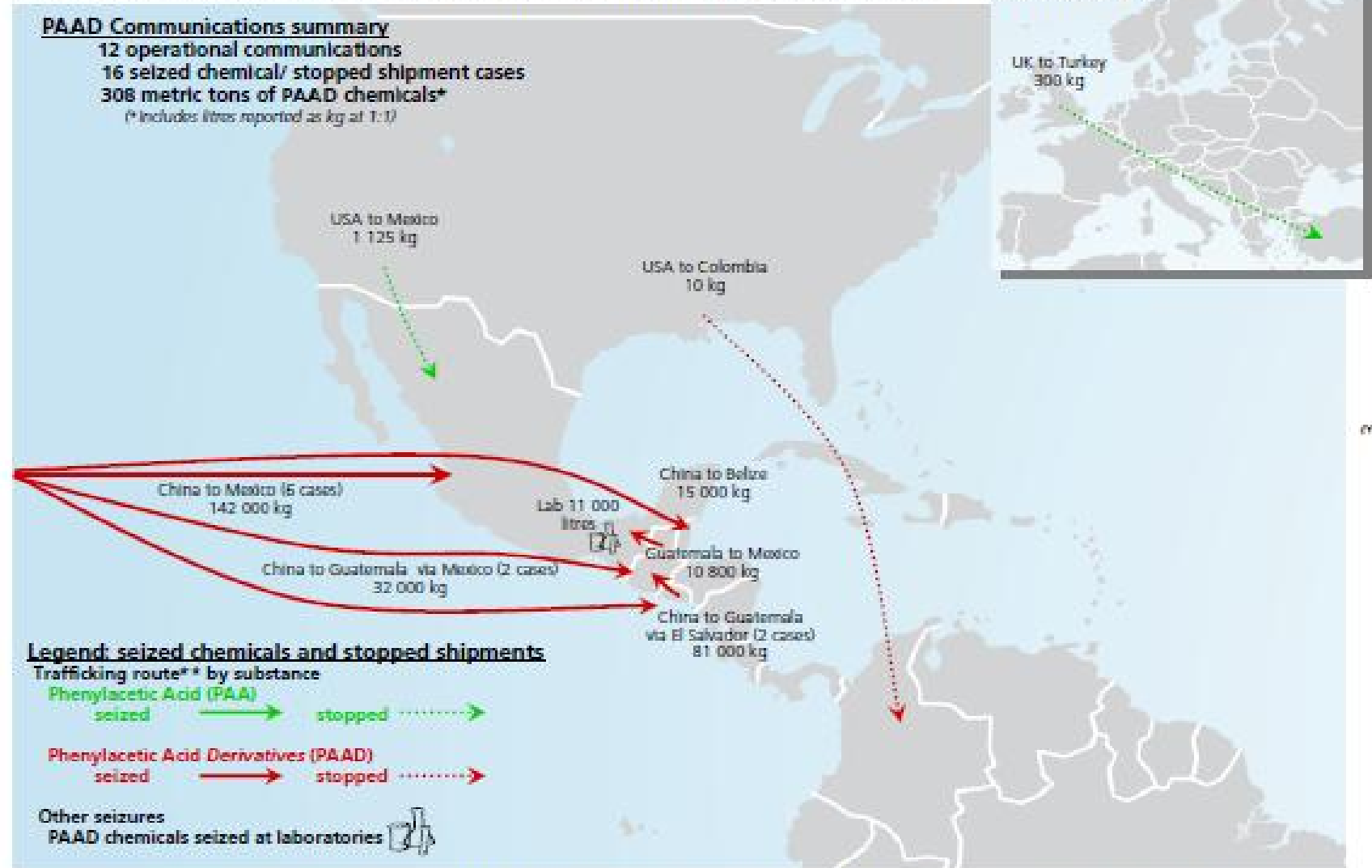
Date	Substance	Quantity			To	Port	Container	Company/Shipper	MO (smuggle / mislabel/ admin/ etc)	PAAD Communication	
		KG	GL	L							
			4,000				MSKU443 9548	Guangzhou Shiny Co. Ltd., Room 330, Gigcas Building, No.511, Kehua Street, Tianhe District			
			4,000				MSKU508 5304	Yiwu City Jiafu Import & Export trade Co. Ltd., 2106 Futian Mansion, No.1121 Chouzhou North Road, Yiwu, Zhejiang			
27-Apr-11	Ethylphen yl acetate	24,000			Mexico	Lázaro Cárdenas	MSCU258 9337	Li Jianpeng and Alvin Yip	Attempt to transship. without docs		destined for NIC; seized in MEX because of transship. Without docs.
28-Apr-11	Ethylphen yl acetate	17,000			Guatemala	Quetzal	EMCU121 3498	Everspring Investment Holding Corporation, No.5 Jiaying Garden, West Zhong Shan Road, Jiaying, Zhejiang			

Shipments of phenylacetic acid and its esters stopped or seized in 2011, based on data from the PAAD operation under Project Prism

Date	Substance	Quantity			To	Port	Container	Company/Shipper	MO (smuggle/ mislabel/ admin/ etc)	Commun	
		KG	GL	L							
29-Apr-11	Ethylphenyl acetate			12,750	Honduras	Cortes	ECMU157 4272		Agricultural herbicide		Bottles and jars from 1 to 200 litres
				12,754			IPXU3957 526		Agricultural herbicide		Bottles and jars from 1 to 200 litres
				12,550			ECMU135 2810		Agricultural herbicide		Bottles and jars from 1 to 200 litres
6-May-11	Phenylacetic acid	16,000			El Salvador	Acajutla	CMAU15 41262	Shanghai Jianpu Import Export	mis-declared as Benzyl salicylate	PAAD 08	Informed to INCB as Ethylphenyl acetate
		8,000							Residence	PAAD 08	Consignee the same from 56MT seized in ELS on 11 April 2011

6-May-11	Phenylacetic acid	15,000			Belize	Belize		Shenzhen Miti Import & Export Trading Company Ltd., Hunagpu	Hidden under bags/luggage	PAAD 07	Informed to INCB as Ethylphenyl acetate
19-May-11	Ethylphenyl acetate	32,000			El Salvador	Acajutla	CMAU13 04403; CMAU00 93625		mis-declared as Benzyl salicylate		Consignees were fictitious
1-Jun-11	Ethylphenyl acetate				El Salvador	Acajutla		Shanghai	160 drums		
3-Jun-11	Ethylphenyl acetate	34,848			Mexico	Manzanillo	FSCU771 8323; ECMU153 2089		no import permit		
10-Jun-11	Ethylphenyl acetate	32,000			Mexico	Manzanillo				PAAD 12	

Map. Interim results of INCB Project PRISM Operation PAAD



**Arrows indicate origin and intended destination, but may not reflect exact routing. The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations or the International Narcotics Control Board.