II. Action taken by Governments and the International Narcotics Control Board

A. Scope of control

7. In June 2023, the Board notified the Secretary-General of its proposal to add two series of closely related precursors of amphetamine and methamphetamine and of "ecstasy"-type substances to the tables of the 1988 Convention. The proposal was made in response to a significant increase in seizures (see paras. 110–111 and paras. 127–128 below) of P-2-P methyl glycidic acid and its methyl ester ("BMK glycidate"), and of the ethyl ester of 3,4-MDP-2-P methyl glycidic acid ("PMK ethyl glycidate"), which are alternative precursors to P-2-P and 3,4-MDP-2-P, two precursors already under international control. The proposal to include a total of 16 substances in the notification was made in line with Commission on Narcotic Drugs resolution 65/3 of March 2022, in which the Commission recommended consideration be given during the scheduling process to derivatives and related chemicals which may readily be converted to or used in place of the substance being considered in illicit manufacture.

8. Furthermore, in July 2023, the Government of the United States of America proposed that two precursors of fentanyl and fentanyl-related substances, namely, 4-piperidone and 1-boc-4-piperidone, also be included in the tables of the 1988 Convention.

9. Pursuant to the procedure set out in article 12, paragraph 3, of the Convention, Governments were invited to submit their comments and supplementary information for each of the chemicals listed in the proposals to assist the Board in establishing assessments and making scheduling recommendations to the Commission on Narcotic Drugs at its sixty-seventh session. In November 2023, following analysis of the information received from Member States, INCB recommended the scheduling of all 18 substances in Table I of the 1988 Convention. The Commission on Narcotic Drugs is to vote on the proposals in March 2024.

B. Adherence to the 1988 Convention

10. After South Sudan deposited its instrument of accession on 20 October 2023,[3] as at 1 November 2023, the 1988 Convention had been ratified, acceded to or approved by 191 States and formally confirmed by the European Union (extent of competence: art. 12). Details on the status of accession are provided in annex I. To reduce the vulnerability of the States that have yet to become parties to the Convention to trafficking in precursors, **INCB urges the remaining States in Africa (Equatorial Guinea and Somalia) and Oceania (Kiribati, Papua New Guinea, Solomon Islands and Tuvalu) that have yet to become parties to the 1988 Convention to implement the provisions of article 12 and to become parties without further delay**.

C. Reporting to the Board pursuant to article 12 of the 1988 Convention

11. Under article 12, paragraph 12, of the 1988 Convention, Governments are required to submit annually to INCB information on substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances. The information is provided on a form, known as form D,[4] which is made available by INCB on its website. The information to be submitted includes: *(a)* the amounts seized of substances included in Tables I and II of the 1988 Convention and, when known, their origin; *(b)* any substance not included in Table I or Table II that is identified as having been used in the illicit manufacture of narcotic drugs or psychotropic substances; and *(c)* methods of diversion and illicit manufacture. That information is critical as it allows INCB to identify and analyse emerging trends in trafficking in precursors and the illicit manufacture of drugs (see chap. III). The deadline for submission of the data for 2022 was 30 June 2023.

12. By the deadline of 30 June 2023, only 60 States parties had submitted form D for 2022. The number had increased to 113 States parties by the cut-off date of 1 November 2023. The Federated States of Micronesia also submitted form D for 2021. Several States parties failed to submit data for 2022 altogether. Of those, 12 have not done so for the past five years, and 26 have not done so for the past 10 years (see table 1). Comprehensive information about the status of the submission of form D by individual Governments is included in annex II.

Table 1. States parties failing to report as required under article 12, paragraph 12, of the 1988 Convention, 2022

Africa		
Algeria	Eritrea[b]	Mauritania
Angola	Eswatini[b]	Namibia
Benin	Ethiopia[a]	Niger
Burkina Faso[b]	Gambia[a]	Sao Tome and Principe[b]
Burundi	Guinea[b]	Senegal
Cabo Verde	Guinea-Bissau[b]	Seychelles[a]
Cameroon	Kenya	Sudan
Central African Republic[b]	Lesotho[b]	Togo
Chad	Liberia[b]	Tunisia
Comoros[b]	Libya[b]	Uganda
Congo[b]	Madagascar	Zambia[a]
Côte d'Ivoire[a]	Malawi[b]	Zimbabwe
Djibouti[b]	Mali[a]	
Americas		
Antigua and Barbuda[b]	Cuba[b]	Peru
Bahamas[b]	Dominica	Saint Kitts and Nevis[b]
Barbados[a]	Grenada[b]	Saint Vincent and the Grenadines
Belize[a]	Guyana	Suriname
Brazil	Paraguay	

[3] In accordance with its article 29, paragraph 2, the Convention will enter into force for South Sudan on 18 January 2024.

[4] The latest version of form D is available on the INCB website in the six official languages of the United Nations. In an effort to streamline and expedite the reporting process and to minimize the potential for data entry errors, INCB requests the utilization of a spreadsheet form. Fifty-two States have used the spreadsheet version of form D for 2022.

Asia		
Afghanistan	Kazakhstan	Sri Lanka
Bangladesh[a]	Mongolia	Timor-Leste
Brunei Darussalam	Nepal	Turkmenistan
Cambodia[a]	Oman[a]	Yemen
Iran (Islamic Republic of)		
Europe		
Denmark	Greece	
Oceania		
Cook Islands[b]	Nauru[b]	Samoa[b]
Fiji[a]	Niue[b]	Tonga[b]
Marshall Islands[b]	Palau	Vanuatu[b]

Note: See also annex II.

[a] Government that failed to submit form D for any year during the past five years (2018–2022).

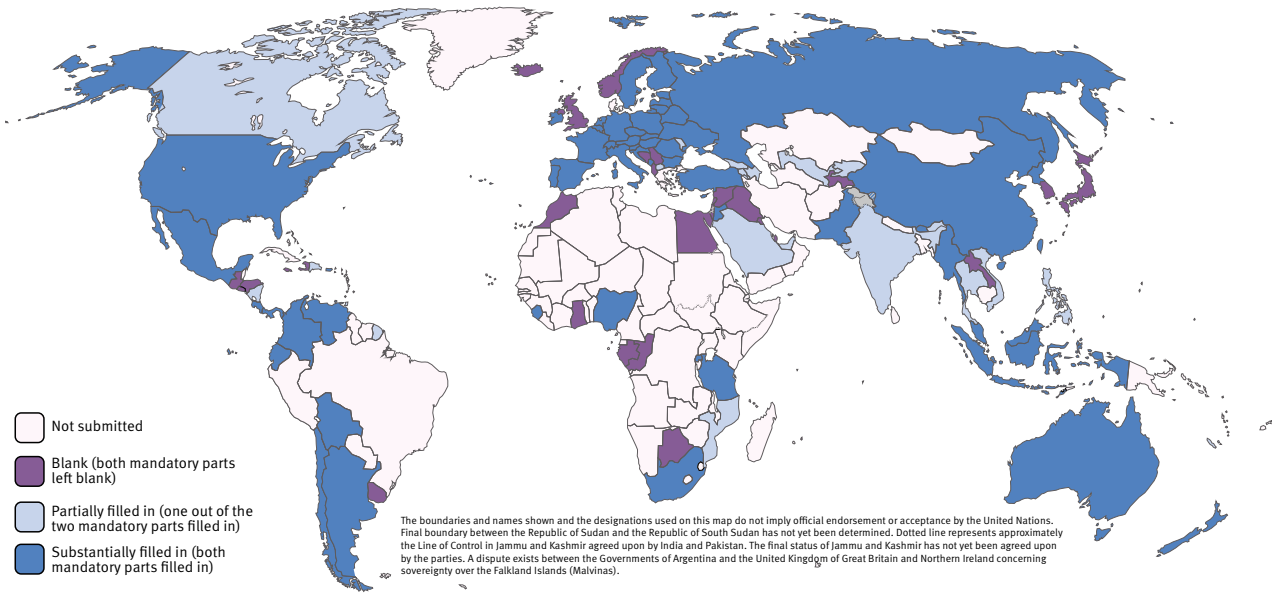
[b] Government that failed to submit form D for any year during the past 10 years (2013–2022).

13. As at 1 November 2023, 70 Governments had reported seizures of substances listed in Table I or Table II of the 1988 Convention on form D for 2022. Fifty-seven Governments had reported seizures of substances not included in Table I or Table II, and only 35 had supplied information concerning methods of diversion and illicit manufacture. Several Governments had submitted incomplete forms lacking details necessary for the Board to identify and analyse weaknesses in precursor control mechanisms, as well as emerging trends in trafficking in precursors and the illicit manufacture of drugs (see map 1). **The Board therefore urges Governments to make every effort to collect, consolidate and report complete information to the Board on time, as mandated in article 12, paragraph 12, of the 1988 Convention**.

D. Legislation and control measures

14. Establishing and strengthening appropriate national control measures constitutes the basis for effective monitoring of the movement of precursors both in international trade and domestic distribution. In accordance with Economic and Social Council resolution 1992/29, INCB collects information on the specific controls applied to the substances in Tables I and II of the 1988 Convention and maintains a directory of those requirements to assist Governments in monitoring trade in controlled chemicals. The Board also maintains a list of chemicals under national control in different countries. Both resources are available as part of the Board's information package on the control of precursors and can be accessed by competent national authorities on the Board's secure website. To ensure that the information is up to date at all times, **INCB encourages all Governments to inform it regularly of relevant changes to their national precursor legislation and requirements related to the legitimate trade in these substances.**

Map 1. Status of submissions by Governments of form D for 2022 containing information concerning seizures of substances listed in Table I or Table II of the 1988 Convention and seizures of substances not listed in Table I or Table II, as at 1 November 2023



15. The following changes in control measures have been brought to the attention of INCB since the publication of its report on precursors for 2022.

16. In Argentina, the Argentine Observatory on Chemical Precursors was created as an advisory body to the enforcement authority of the National Registry of Chemical Precursors through resolution No. 760/2022 of 8 November 2022 of the Ministry of Security. The Observatory is intended to strengthen the capacity of the Government of Argentina in the prevention and investigation of precursor trafficking, by consolidating and enhancing inter-agency coordination and through cooperation with relevant private sector entities.

17. In Viet Nam, Decree No. 57/2022/ND-CP, effective as of 25 August 2022, established a regulatory framework for the control of narcotic substances and their precursors. The new legislation contains the lists of narcotic substances and precursors subject to control, including those used as raw materials for the manufacture of veterinary drugs.

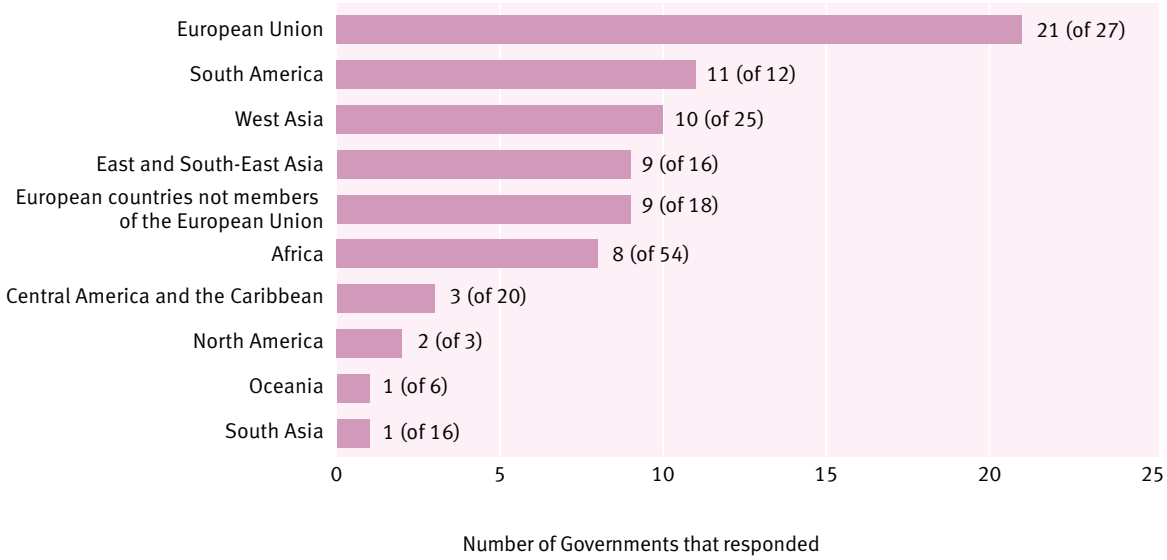
18. In India, the Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Amendment Order, 2022, effective as of 26 October 2022, placed three precursors of fentanyl (4-AP, 1-boc-4-AP and norfentanyl), as well as APAAN, under national control. With this amendment, the export and import of the substances are now regulated; however no controls are yet in place in relation to their domestic manufacture and trade. In addition, the Central Bureau of Narcotics of India launched its unified portal on 11 April 2023. The portal will facilitate and simplify the processes for applicants (in industry) to obtain various licences, including import certificates, export authorizations, no objection certificates for narcotic drugs, psychotropic substances and precursors, manufacturing licences and narcotic drug quota allocations.

19. In New Zealand, the Misuse of Drugs (Classification and Presumption of Supply) Order 2022 came into force on 15 December 2022. Through the Order, seven fentanyl and five methamphetamine precursors were added to Schedule 4 of the Misuse of Drugs Act 1975. These chemicals included internationally controlled fentanyl precursors, as well as three fentanyl precursors that have not yet been placed under international control. They also included five chemicals used in the illicit manufacture of methamphetamine by the Nagai method (see para. 115 below).

20. Pursuant to European Commission Delegated Regulation (EU) 2023/196, the scheduling decisions of the Commission on Narcotic Drugs of March 2022 related to three fentanyl precursors (4-AP, 1-boc-4-AP and norfentanyl) were implemented at the level of the European Union on 20 February 2023. In addition, DEPAPD (a precursor of amphetamine and methamphetamine) and 3,4-MDP-2-P ethyl glycidate (a precursor of MDMA and related substances) were added as category 1 substances to the annexes of Regulation (EC) No 273/2004 of the European Parliament and of the Council and Council Regulation (EC) No 111/2005. Substances included in category 1 are subject to the strictest controls under the European Union precursor legislation.

21. In the Kingdom of the Netherlands, State Court Regulation No. 9472 on the designation of chemicals that can be used to manufacture controlled drugs and that have no known legitimate uses entered into force on 1 April 2023. Under article 4a, paragraph 1, of the Misuse of Chemicals Prevention Act, it is prohibited to import, export, transport

Figure 1. Governments that responded to the survey on national drug precursor legislation and domestic controls, by region



or possess the chemicals designated in that Regulation. The list of designated chemicals was compiled in coordination with the Netherlands Drug Precursors Expert Group formally established under Decision No. 9473. The initial list includes more than 100 substances that are precursors of various amphetamine-type stimulants and their traditional precursors, including P-2-P, 3,4-MDP-2-P, amphetamine, methamphetamine, MDMA and mephedrone. The entry into force of this decision and the establishment of the list of designated chemicals is a practical example of how to address the proliferation of designer precursors without creating an administrative burden for competent authorities and commercial operators.

22. The Egyptian Drug Authority amended the procedures for exporting precursor chemicals on 1 April 2023. If the authority of the importing country does not explicitly authorize a proposed shipment through the PEN Online system, the shipment is suspended.

23. The Government of Brazil placed three fentanyl precursors (4-AP, 1-boc-4-AP, and norfentanyl) under national control on 6 April 2023. All three substances have been under international control since November 2022.

24. Mexico amended its federal law on the control of chemical precursors, essential chemicals and machines for making capsules and tablets. The amendment came into force on 4 May 2023 and, among other things, established prison sentences of 10 to 15 years for the diversion or use of precursors in illicit drug manufacture, with additional charges if the person is a public servant. A central part of the reform is the creation of the Integrated System of Chemical Substances (SISUS), which is aimed at simplifying administrative procedures for operators to record any regulated transaction involving precursor chemicals within 24 hours following the transaction. The amendment also establishes a number of additional agencies that have a role in precursor and equipment control and diversion prevention.

25. The Government of the United States included 4-piperidone, a fentanyl pre-precursor, as a list I regulated chemical under the Controlled Substances Act on 12 May 2023. In line with Commission on Narcotic Drugs resolution 65/3, the scope of control extends to closely related derivatives, namely, acetals, amides and carbamates, as well as their salts, and any combination thereof, whenever their existence is possible. All transactions, regardless of size, involving 4-piperidone and its designated derivatives are regulated and are subject to control under the Act. The same provisions also apply to chemical mixtures containing any quantity of 4-piperidone or its designated derivatives. In addition, the halides of 4-AP, a fentanyl precursor that has been controlled in the United States since May 2020 and internationally since November 2022, were included as list I chemicals under the Controlled Substances Act effective 30 November 2023. The addition of halides to the prior listing of 4-AP subjects these analogues to the same regulatory provisions as the parent substance. Lastly, on 24 October 2023, the United States updated its Special Surveillance List of Chemicals, Products, Materials and Equipment Used in the Manufacture of Controlled Substances and Listed Chemicals.

26. In Canada, the Order Amending Schedule V to the Controlled Drugs and Substances Act and Regulations Amending the Precursor Control Regulations (Novel Fentanyl Precursors), by which analogues and derivatives of 4-AP were added to that Schedule, became permanent on 31 August 2023. The order had already been in place temporarily for the one-year period prior.

Survey on domestic controls and extent of utilization of the provisions of article 12, paragraph 8, of the 1988 Convention

27. With regard to international precursor control, it has been seen over many years that as a result of more effective control and monitoring, the diversion of precursors for illicit activities has evolved from being carried out through international trade to being essentially domestic in nature.

28. In order to assess the development of national normative and regulatory precursor control frameworks and voluntary controls on substances not scheduled internationally, the Board sent a comprehensive questionnaire to all Governments in June 2021. In March 2023, the Board sent a reminder soliciting responses from Member States. As at 1 November 2023, a total of 78 Governments[5] and the European Commission[6] had responded to the survey (see figure 1).

[5] Albania, Algeria, Andorra, Argentina, Austria, Azerbaijan, Belgium, Bolivia (Plurinational State of), Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Canada, Chile, China, Croatia, Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, Georgia, Germany, Ghana, Guatemala, Hungary, India, Iraq, Ireland, Italy, Japan, Kyrgyzstan, Latvia, Lebanon, Lithuania, Madagascar, Malaysia, Malta, Mexico, Moldova, Morocco, Myanmar, Netherlands (Kingdom of the), New Zealand, Nicaragua, Niger, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, Tunisia, Türkiye, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, Uruguay, Uzbekistan and Venezuela (Bolivarian Republic of).

[6] In view of the fact that in the European Union, the legislation and measures decided by the European Commission are directly applicable in the 27 European Union member States through European Union regulations (on, for example, monitoring, scheduling and "catch-all" clauses), the response by the European Commission reflects, to a large extent, the situation in the 27 European Union member States, even though only 21 of them responded directly.

29. An analysis of the replies received shows that more than half of the respondents reported not having controls over the domestic manufacture of one or more of the substances listed in Table I or Table II of the 1988 Convention. About one quarter of the respondents reported not having controls over the domestic trade in and distribution of one or more of the substances included in Table I. Very few respondents reported not having controls over the domestic trade in and distribution of any of the 33 substances currently listed in Table I and Table II.

30. The survey also enquired about the existence of controls over end use. In this respect, about one fifth of the respondents reported that they had no controls over the end use of one or more of the substances listed in Table I of the 1988 Convention. Governments were also asked to report on the existence in their regulations of specific measures such as the registration of trading companies and end users, the reporting of domestic trade, the submission of end-use declarations and the reporting of suspicious orders. The majority of the replies received indicated that while some measures had been established in national legislation, others were voluntary in nature.

31. In view of the fact that many Governments have national controls in place over several internationally non-scheduled chemicals, the survey extended the same questions about domestic controls to other chemicals found to have been used in the illicit manufacture of drugs. More than three quarters of the responding Governments reported that they had placed internationally non-scheduled chemicals under national control. Those controls covered a broad range of substances, from one up to more than 70 chemicals listed in their individual national legislation. The Board is also aware that some countries generically extend the definitions of chemicals under control, for example, by including derivatives of listed chemicals and other substances closely related to them in the definitions.

32. Valuable responses were also received with regard to details of the control systems applied to the import and export of substances listed in the tables of the 1988 Convention, the status of the monitoring of international trade in chemicals that are not included in those tables but that are under national control in different countries, and the sanctions for non-compliance with national control measures. The use of both administrative and criminal sanctions were reported in that regard. Administrative sanctions ranged from simple notification to administrative pecuniary penalties and the revocation or permanent cancellation of the licence of the offending operator. Criminal sanctions ranged from confiscation, fines of up to several times the value of the seized consignment and terms of imprisonment of a few months up to several years. The punishment itself typically depended on the manner of commission and intent.

33. Respondents also elaborated on and provided practical examples of the specific information and level of detail that they would require to allow them to act on information, intelligence or evidence from counterparts or to launch investigations, especially with regard to chemicals not under control in their country.

34. Analysis of the replies received since 2021 has substantiated the Board's earlier assessment that there is a need to further enhance domestic controls over chemicals listed in Table I and Table II of the 1988 Convention. While controls over manufacture are applied by more than half of the responding Governments and domestic trade and distribution are reportedly controlled by about three quarters of all responding Governments, end use is more often not controlled. Domestic controls appear to be implemented more consistently for chemicals that are under national control but that are not listed in the tables of the 1988 Convention. The results of the survey have also revealed that the normative frameworks of about one quarter of the responding Governments do not yet provide for control at the national level of all of the substances in Table I and Table II of the 1988 Convention.

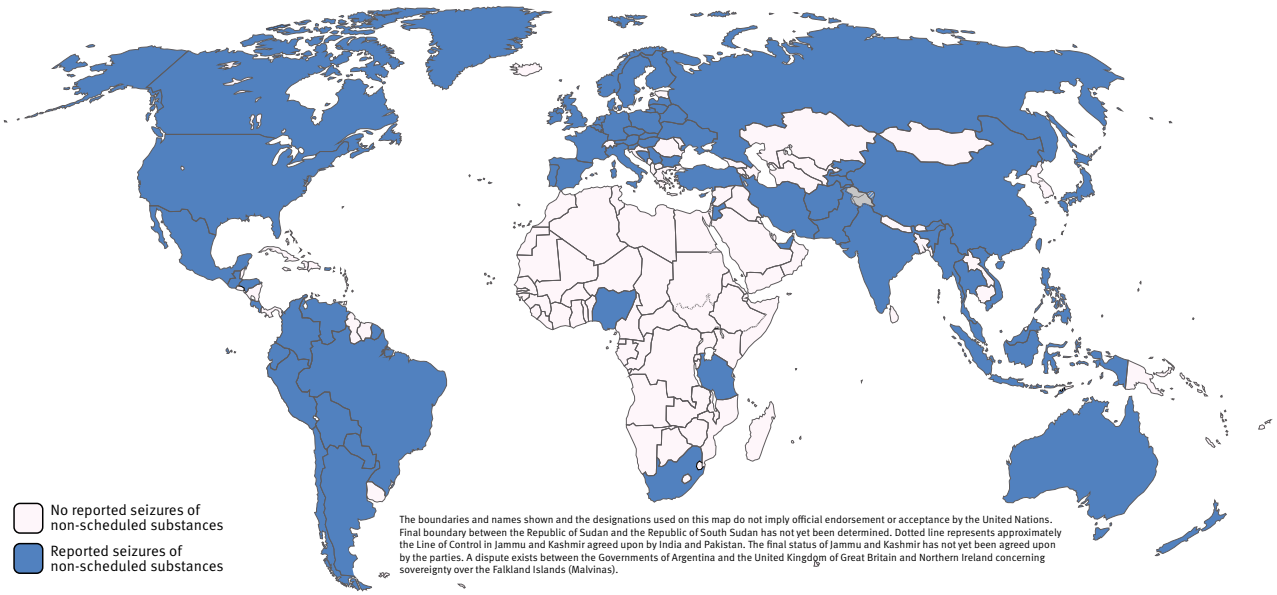
35. The information provided through the survey is crucial for the Board in updating its information package on the control of precursors, enhancing its dialogue with individual Governments and contributing to policy discussions on the international precursor control framework. **INCB commends all Governments that have provided these valuable insights into the scope and extent of their national legislation, including domestic controls over substances in both Table I and Table II of the 1988 Convention, as well as additional chemicals that are not included in Table I or Table II but that are under national control.**

Measures to address the proliferation of non-scheduled chemicals, including designer precursors

36. Incidents involving chemicals not listed in Table I or Table II of the 1988 Convention that can be used to illicitly manufacture, or substitute for, controlled precursors, continue to account for a large proportion of precursor seizures worldwide. A total of 70 Governments have now reported seizures of such substances (see map 2).

37. Following the adoption in March 2022 of Commission on Narcotic Drugs resolution 65/3, entitled "Intensifying

Map 2. Governments reporting seizures of substances not listed in Table I or Table II of the 1988 Convention on form D and through PICS, 2019–2023



efforts to address the diversion of non-scheduled chemicals frequently used in the illicit manufacture of drugs and the proliferation of designer precursors", more focus has been placed on groups of substances that are chemically related to controlled precursors and that may readily be converted to or substituted for those precursors. To support Governments in this regard, in 2022 INCB conducted a survey among Governments on the scope of national controls over chemically related precursors.

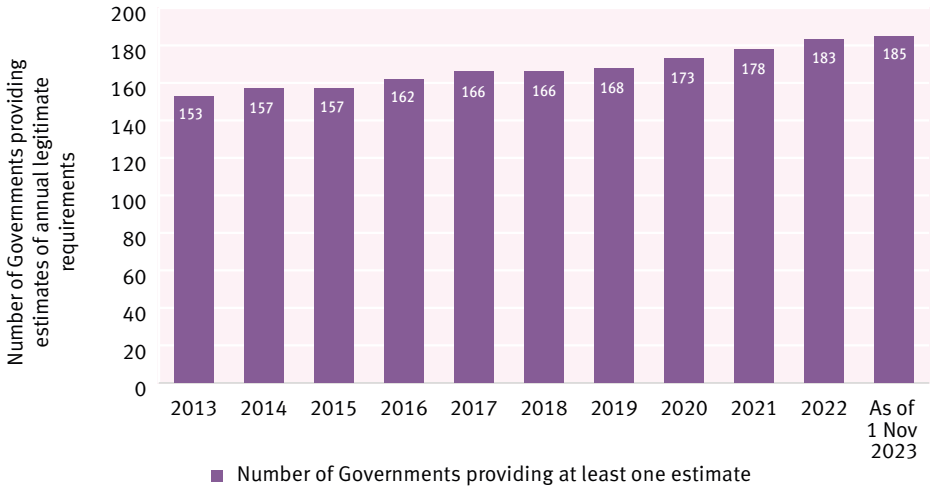
38. Survey results indicate that a number of countries already have precursor legislation that extends controls to certain derivatives, and sometimes analogues, of controlled precursors in a generic manner. For example, Argentina, Belarus, Canada, Egypt, Honduras, Liechtenstein, Malaysia, Mexico, Switzerland and the United States follow this approach in one way or another. Information available to INCB is included in the list of chemicals under national control in different countries, which is made available to Governments on the INCB secure website as part of the information package on the control of precursors. **The Board welcomes the application of the concept of group scheduling to precursors, that is, the scheduling of chemicals that are closely related to controlled precursors and that may readily be converted to or substituted for those precursors, pursuant to Commission on Narcotic Drugs resolution 65/3. Alternatively, or in addition, the Board encourages Governments to consider taking specific measures with regard to chemicals that do not currently have any recognized legitimate uses.**

39. The concept of derivatives of and other substances closely related to controlled precursors has been an integral part of the Board's limited international special surveillance list of non-scheduled substances since 2013, those derivatives and substances being included under the title "extended definitions". The list contains the different types of derivatives that can be converted into a controlled precursor by readily applicable means. INCB is now in the process of compiling the specific derivatives and chemical relatives of the substances in the tables of the 1988 Convention and the limited international special surveillance list for dissemination to all Governments in order to provide them with practical guidance in this regard.

40. The use of derivatives of controlled precursors as substitutes in illicit drug manufacture and the increase in seizures of some of them (see paras. 110–114 and 127 and 128 below) have also guided the Board's proposal for the international scheduling of a total of 16 precursors of amphetamine-type stimulants, namely, a series of esters of P-2-P methyl glycidic acid and of 3,4-MDP-2-P methyl glycidic acid (see para. 7 above).

41. Given the continued global use of non-scheduled chemicals, the Board remains convinced of the need to further promote and advance measures to address the proliferation of chemicals not included in Table I or Table II of the 1988 Convention, and to facilitate global cooperation on this matter. To that end, **INCB invites Governments to make extensive use of the INCB tools and resources on**

Figure 2. Number of Governments providing estimates of annual legitimate requirements, 2013–2023



non-scheduled chemicals and designer precursors, such as PEN Online Light, the limited international special surveillance list, and the part of the information package on the control of precursors that compiles the import and export authorization systems applied to chemicals under national but not international control. All tools and resources are presented in an interactive compendium available on the INCB website.

E. Submission of data on licit trade in, uses of and requirements for precursors

42. In accordance with Economic and Social Council resolution 1995/20, Governments provide data on their licit trade in, uses of and requirements for substances listed in Tables I and II of the 1988 Convention. Those data are provided on a voluntary and confidential basis and allow INCB to help Governments prevent diversion by cross-checking data from trading partners.

43. Although those data are provided on a voluntary basis, they were submitted by more Governments than the number that provided the mandatory data on seizures of precursors (see para. 13 above) and, in some cases, were more comprehensive. As at 1 November 2023, 105 Governments had submitted data on licit trade in substances in Table I or Table II of the 1988 Convention, and 91 Governments had furnished data on the licit uses of and/or requirements for one or more of those substances (see annex IV). **INCB commends those Governments that have provided comprehensive data on licit trade in substances in Table I and Table II of the 1988 Convention. The data are important to understand patterns of regular trade with a view to facilitating the identification of suspicious activity and preventing the diversion of those substances.**

F. Annual legitimate requirements for imports of precursors of amphetamine-type stimulants

44. With a view to providing exporting countries with an additional tool to monitor the amounts of selected amphetamine-type stimulant precursors involved in proposed shipments to importing countries, the Commission on Narcotic Drugs, in its resolution 49/3, requested Member States to provide to INCB estimates of their annual legitimate requirements for 3,4-MDP-2-P, pseudoephedrine, ephedrine and P-2-P and, to the extent possible, estimated requirements for preparations containing those substances that could be easily used or recovered by readily applicable means. Annual legitimate requirements for imports of precursors of amphetamine-type stimulants as reported by Governments are presented in annex V to the present report and are updated regularly on a dedicated page of the INCB website.[7]

45. Governments have continued to report their annual legitimate requirements for imports of precursors of amphetamine-type stimulants and their preparations to INCB, mostly on form D and, to a lesser extent, by means

[7] www.incb.org/incb/en/precursors/alrs.html.

of individual communications. As at 1 November 2023, 185 Governments had provided at least one estimate (see figure 2). The figure includes Governments of a number of territories and States that are not yet parties to the 1988 Convention. At the same time, a total of 16 States parties to the 1988 Convention had not yet provided any estimates to the Board; the majority of those are in Africa and Oceania.

46. The main objective of estimating such requirements is to provide the competent authorities of exporting countries with an indication of the amounts legitimately required by importing countries. The provision of annual legitimate requirements also facilitates the monitoring of individual shipments by drawing on and analysing established trade patterns. Since the publication of the Board's report on precursors for 2022, 105 countries and territories have reconfirmed or updated their estimates for at least one of the substances. However, some estimates provided to INCB date back several years and have not been updated. More than 48 Governments are in this category, some having missed the opportunity to update their submission for one year and others for several years.

47. In several countries, planned shipments of precursors of amphetamine-type stimulants pre-notified through the PEN Online system exceeded or were close to reaching the estimated annual requirements for the period concerned at the time of the pre-notification, prompting requests from INCB for clarification by the respective competent authorities. In contrast, several countries had indicated annual legitimate requirements that by far exceeded the amounts imported or pre-notified to them for import, suggesting unrealistically high estimated requirements. In some other cases, Governments indicated on form D the use of a substance or a number of substances for specific purposes; however, they did not provide any indication regarding the estimated amounts required. **INCB once again invites Governments to review the methodology used to estimate their annual legitimate requirements for individual precursors of amphetamine-type stimulants to reflect changing market conditions, and to provide updates to the Board, at any time throughout the year, on any necessary changes**.

48. In order to establish their estimates more accurately, Governments may refer to the *Guide on Estimating Requirements for Substances under International Control*, developed by INCB and the World Health Organization, as well as the recently updated document entitled "Issues that Governments may consider when determining annual legitimate requirements for ephedrine and pseudoephedrine". Both documents are available on the Board's website.

G. Pre-export notifications and utilization of the Pre-Export Notification Online and Pre-Export Notification Online Light systems

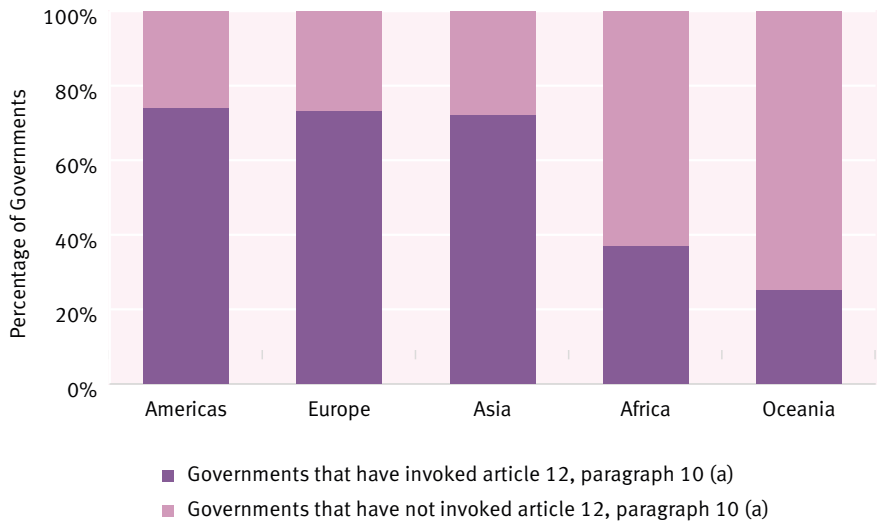
49. One of the most effective means of verifying the legitimacy of transactions and of detecting and preventing the diversion of precursors from international trade continues to be the exchange of information, through pre-export notifications, between Governments of exporting and importing countries and territories. A pre-export notification makes the competent authorities of an importing country aware of a planned shipment of precursors destined for their territory before the shipment leaves the exporting country, thus enabling them to provide feedback on the validity of a transaction and suspend or stop it in a timely manner, where necessary. Pursuant to article 12, paragraph 10 (a), of the 1988 Convention, Governments of importing countries can make it mandatory for exporting countries to inform them of planned exports of precursors prior to shipping. Although it is not a treaty-mandated requirement, Governments should also register with the Board's automated online system for the exchange of pre-export notifications, PEN Online, as it provides for the secure submission of such notifications in real time.

1. Pre-export notifications

50. As at 1 November 2023, 118 States and territories had formally requested to receive pre-export notifications (see annex VI). This figure includes the latest addition, the Government of Burkina Faso, which invoked article 12, paragraph 10 (a), for all substances in Tables I and II of the 1988 Convention. The Governments of Belarus and the United States amended their initial requests to now include all substances in Table I and all substances in Tables I and II, respectively. The Board welcomes adjustments by Governments to requests for pre-export notifications to reflect changes in national controls and **emphasizes the need for Governments to regularly review their import and export systems applicable to substances controlled under the 1988 Convention and to communicate any updates to INCB.**

51. Not all Governments make use of their right to be pre-notified of shipments of internationally controlled precursors destined for their territory. By region, the percentage of countries that have invoked article 12, paragraph 10 (a), are as follows: the Americas, 74 per cent; Europe, 73 per cent; Asia, 72 per cent; Africa, 37 per cent; and Oceania, 25 per cent (see figure 3). As illicit drug manufacture knows no borders, the Board remains concerned about some countries, in particular

Figure 3. Governments that have invoked article 12, paragraph 10 (a), of the 1988 Convention, by region, in descending order (as at 1 November 2023)



in Africa and Oceania, that remain vulnerable to traffickers' diversion attempts. Although the authorities of the majority of exporting countries issue pre-export notifications for all planned shipments of precursor chemicals, regardless of whether or not the importing country has invoked the article, several exporting countries may not issue such notifications, given the absence of a legal requirement to do so.

52. **The Board urges all remaining Governments, in particular those of countries in Africa and Oceania, to take the necessary steps to invoke the provisions of article 12, paragraph 10 (a), without further delay.** The forms to be used for formally requesting to be pre-notified of all shipments of substances included in Tables I and II of the 1988 Convention are available from INCB, including from its secure website.

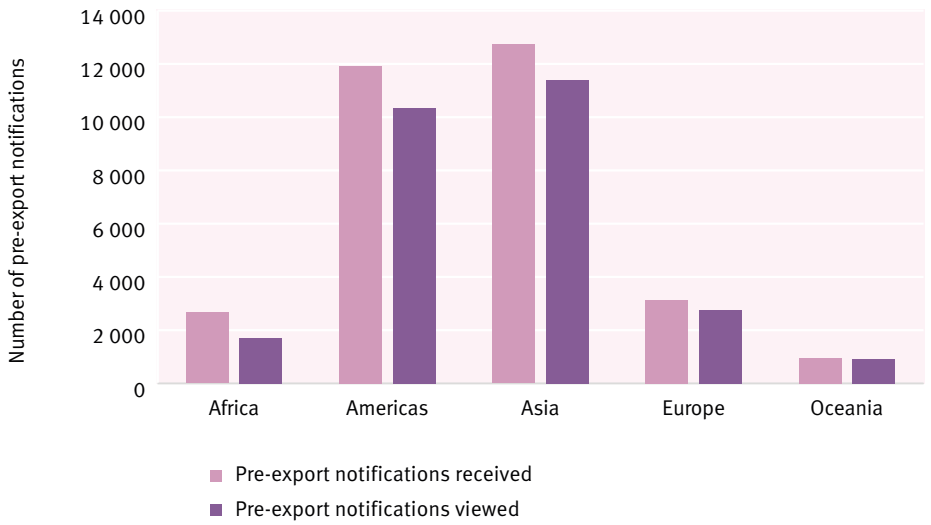
2. Pre-Export Notification Online system

53. Since the Board published its report on precursors for 2022, the Government of Antigua and Barbuda has been registered as a user of the PEN Online system, thus increasing the number of Governments with authorized access to this electronic tool to 169 countries and territories. The number of pre-export notifications communicated through the PEN Online system has slightly decreased compared with the previous reporting period, with an average of 2,700 notifications sent per month during the reporting year. During the reporting period, approximately 32,000 pre-export notifications were submitted by 62 exporting countries and territories through the PEN Online system. While the Board is pleased with the level of active utilization of the system by registered Governments, it is concerned that not all authorities registered with the PEN Online system view or regularly view pre-export notifications sent to them. Improvements in that regard could be made, in particular, by users in countries in Africa, where only about 64 per cent of pre-export notifications received are viewed (see figure 4).

54. Furthermore, registered authorities do not always notify the Board of any changes in their institutional structure and the new contact person or persons responsible for precursor control. This often results in officially requested pre-export notifications not being sent by exporting authorities or incoming notifications not being viewed by importing Governments. **Therefore, INCB strongly encourages Governments to inform the Board of any changes regarding users of the PEN Online system and reiterates its recommendation to Governments to make active use of the system in both sending pre-export notifications, if applicable, and viewing incoming notifications.**

55. Five per cent of pre-export notifications were objected to during the reporting year. Similar to previous years, many of those objections were raised for administrative reasons. Moreover, it has been noted that the "objection" and the "non-objection" functions continue to be used alternatively in the PEN Online system, causing an unnecessary administrative burden and delaying

Figure 4. Number of pre-export notifications received and viewed, by region, 1 November 2022–1 November 2023

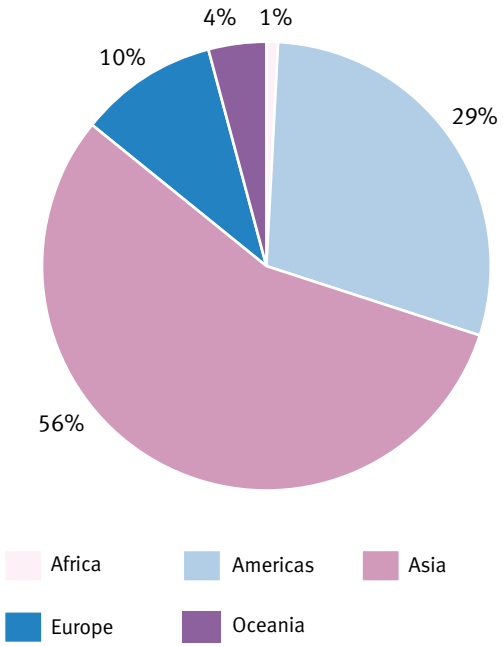


legitimate trade. This was the case for about 10 per cent of all pre-export notifications that were objected to and consequently authorized, or vice versa, by importing Governments during the reporting period. **The Board reiterates its recommendation that the authorities of importing countries use the online conversation tool available in the PEN Online system for the purposes of clarification with the exporting trading partner prior to conveying the importing authority's final decision, by means of the "objection" or "non-objection" function, as to whether a shipment is authorized or not. Detailed information about the individual functions of the PEN Online system can be found in the manual in the system. Exporting authorities are also encouraged to continue to include all relevant details, especially authorization numbers, where available, when submitting a pre-export notification in the PEN Online system.**

3. Pre-Export Notification Online Light system: sending pre-export notifications for non-scheduled chemicals on a voluntary basis

56. Since the launch of the PEN Online Light system in October 2022, 725 pre-export notifications have been submitted by 12 exporting Governments to 50 importing countries and territories. Most of those pre-export notifications have been sent to countries and territories in Asia and the Americas (see figure 5). The non-scheduled substances for which notifications are most frequently sent

Figure 5. Destination of pre-export notifications submitted through the PEN Online Light system, by region, 17 October 2022–1 November 2023



through the PEN Online Light system are GBL and acetic acid (glacial).

57. All users of the PEN Online system automatically have access to the PEN Online Light system. In addition, Governments can appoint authorities or agencies that control substances not listed in Tables I and II of the 1988 Convention as users of the PEN Online Light system exclusively. **The Board commends those Governments that already actively use the PEN Online Light system and encourages the authorities of other exporting countries and territories engaged in trade in internationally non-controlled substances to register for and utilize the system to submit pre-export notifications of planned shipments to importing Governments.**

H. Other activities and achievements in international precursor control

1. Project Prism and Project Cohesion

58. Project Prism and Project Cohesion are two international projects aimed at preventing the diversion of and trafficking in precursors of amphetamine-type stimulants and other synthetic drugs (Project Prism), and precursors of cocaine and heroin (Project Cohesion). The two projects serve as the framework for international cooperation on precursor trafficking and provide platforms for time-bound intelligence-gathering operations with a view to collecting information on potential gaps or weaknesses in international precursor control, new trafficking trends, modi operandi, the actual use of the target chemicals in the illicit manufacture of drugs and the ways in which those chemicals are diverted to clandestine laboratories.

59. The International Criminal Police Organization (INTERPOL), UNODC and WCO, as well as the regional entities the Inter-American Drug Abuse Control Commission of the Organization of American States (CICAD) and the European Commission, are active stakeholders of Project Prism and Project Cohesion and members of the INCB Precursors Task Force. **INCB would like to acknowledge the contributions of all international partners in advancing precursor control efforts worldwide.**

60. During the reporting period, INCB continued to serve as a focal point for the exchange of information on suspicious transactions in legitimate trade, trafficking trends, identified modi operandi and emerging non-scheduled chemicals, including through PICS, the INCB electronic platform dedicated to communicating information regarding precursor-related incidents (see sect. 2 below). During the reporting period, INCB issued three alerts under Project Prism. The first focused on a new method of concealment involving the smuggling of pseudoephedrine in powder form in candles; the second highlighted common characteristics of a series of shipments of methyl glycidic acid derivatives of P-2-P and 3,4-MDP-2-P; and the third related to the identification of a new designer precursor of MDMA and related "ecstasy"-type substances, namely, the sodium salt of IMDPAM. All past alerts are available to registered users of PICS.

Operation Insight

61. Operation Insight was conducted jointly by INCB, WCO and the UNODC-WCO Container Control Programme, and authorities of selected FTZs, under Project Prism in 2022 and 2023. The Operation, which targeted precursors of drugs and explosives, was aimed at raising awareness of the vulnerabilities of FTZs, in particular the opportunity they provided for traffickers to exploit the simplified procedures and regulatory exemptions conferred upon them to commit illicit activities, including those related to the diversion of and trafficking in precursors. Notably, while the 1988 Convention mandates that countries should apply measures to suppress trafficking in narcotic drugs, psychotropic substances and substances in Tables I and II of the Convention in FTZs that are no less stringent than those applied in other parts of their territories, there is often a misconception about the extraterritorial nature of FTZs, leading to reduced oversight by customs authorities of shipments entering and leaving them.

62. The interim results of the Operation confirmed a lack of consistency in the application of the territoriality aspect of FTZs, with half of the participating locations believing that the zones were outside customs territories. Divergent responses were received on the issue of the company approval process and the authorized economic operator concept in FTZs, with, in some cases, no involvement of customs authorities in the process being reported. Certain locations also reported a lack of authority of customs authorities to conduct audits, inspections (examinations) and investigations inside FTZs. While all locations reported access to the declaration of and data on shipments, disparity was noted in the quality of data. Half of the locations reported a lack of cooperation mechanisms with operators and companies in FTZs.

63. Although it was conducted in limited locations, the results of Operation Insight indicate the need for Governments to review the regulations and procedures applicable to FTZs in their territories and ensure that these areas are compliant with the revised Kyoto Convention on the Simplification and Harmonization of Customs

Procedures, as well as the provisions of article 18 of the 1988 Convention. The former gives customs authorities the right to carry out checks at any time on goods stored in an FTZ, and the latter establishes that measures applied in FTZs should not be any less stringent than those applied in other places, in order to suppress trafficking in narcotic drugs, psychotropic substances and substance in Tables I and II. **The Board, accordingly, encourages Governments to raise awareness among customs authorities and other authorities located in FTZs of the applicable measures pursuant to article 18 of the 1988 Convention and relevant provisions of the revised Kyoto Convention, as well as relevant INCB tools and resources on precursor control, with a view to applying measures in such areas that are no less stringent as those applied in other parts of their territories, in order to prevent trafficking in precursor chemicals.**

Operation Backup

64. In October 2023, the global, time-bound intelligence-gathering Operation Backup was conducted under Project Prism and targeted certain internationally non-scheduled precursors of amphetamine-type stimulants and of fentanyl and its analogues. Participants were requested to focus on the identification, interdiction, communication and potential investigation of shipments of target substances being transported using any mode, as well as suspicious postings on the Internet (the surface web) related to the target substances.

65. The amphetamine-type stimulant precursors targeted under the Operation were P-2-P methyl glycidic acid and several of its esters,[8] as well as several esters[9] of 3,4-MDP-2-P methyl glycidic acid. The fentanyl precursors targeted were 4-piperidone and 1-boc-4-piperidone. All the targeted precursors were considered for scheduling under the tables of the 1988 Convention, and the Operation was, accordingly, designed to support information-gathering to assist the Board's reviews of the substances. A total of 39 countries[10] and 3 international organizations[11] participated in the Operation.

As at 1 November 2023, 11 incidents occurring during the pre-operational and operational phases and involving P-2-P methyl glycidic acid and/or its esters, amounting to a total of 4.4 tons, had been communicated as part of the Operation. Notably, in the pre-operational phase, the ethyl ester of P-2-P methyl glycidic acid, incidents involving which had hitherto not been communicated, was reported seized in the Kingdom of the Netherlands (see also para. 131 below). Furthermore, 14 incidents involving targeted esters of 3,4-MDP-2-P methyl glycidic acid, amounting to a total of 8.7 tons, had been communicated in the same period, in addition to 9 incidents involving 1-boc-4-piperidone, amounting to more than 2.4 tons. No incidents involving 4-piperidone were communicated. **The Board thanks all the Governments and international and regional organizations that participated actively in Operation Backup, which provided useful input for the assessment of the scheduling of the three groups of substances in the tables of the 1988 Convention.**

Case meeting on trafficking in pharmaceutical preparations containing pseudoephedrine

66. From 2021 to 2023, the Board noted several seizures of pharmaceutical preparations containing pseudoephedrine originating in Egypt, and an increased number of suspicious orders for such preparations that were placed in Egypt by companies purportedly in Africa and Asia. In view of those developments, INCB organized a closed information-sharing meeting with the countries involved in follow-up investigations into the incidents, namely, Austria, Czechia, Egypt, Georgia, Jordan, Kenya, Libya, Lithuania, North Macedonia, Somalia and the United Arab Emirates. The meeting facilitated the exchange of information regarding the interim outcomes of regulatory and law enforcement investigations, including on modi operandi used by traffickers, and will assist in preventing future illicit activities. In addition, the Egyptian Drug Authority amended the procedures for exporting precursor chemicals in such a way that if the authority of the importing country does not explicitly authorize a proposed shipment through the PEN Online system, the shipment is not allowed to proceed.

2. Precursors Incident Communication System

67. PICS continued to play a decisive role in the global sharing of information on the emergence of new and designer precursors, trafficking trends and modi operandi. The system also continued to provide leads to national authorities to assist them in identifying links between seizures, initiating

[8] The methyl, ethyl, propyl, isopropyl, butyl, isobutyl, *sec*-butyl and *tert*-butyl esters.

[9] The ethyl, propyl, isopropyl, butyl, isobutyl, *sec*-butyl and *tert*-butyl esters.

[10] Australia, Bangladesh, Belarus, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Costa Rica, Denmark, Ecuador, El Salvador, Gabon, Germany, Ghana, Honduras, Hong Kong, China, Hungary, India, Italy, Kenya, Luxembourg, Malta, Maldives, Mexico, Nigeria, Netherlands (Kingdom of the), Philippines, Portugal, South Africa, Spain, Suriname, Türkiye, United Arab Emirates, United Kingdom, United Republic of Tanzania, United States and Zambia.

[11] European Commission (European Anti-Fraud Office), CICAD and WCO.

backtracking investigations, conducting further seizures and preventing diversion attempts. It also provided useful information about cases of equipment used in illicit drug manufacture and, in one case, identified a common supplier of a misdeclared tablet press seized in a country in Africa and of a designer precursor of methamphetamine, P-2-P methyl glycidic acid, seized in a country in Europe.

68. The information shared through PICS also acts as an effective early warning system, giving users notice of rapid increases in incidents involving designer precursors of amphetamine-type stimulants, including recent cases involving P-2-P methyl glycidic acid and its methyl ester, and of the ethyl ester of 3,4-MDP-2-P methyl glycidic acid. In addition, it provided important supporting evidence for the Board's assessment of these substances for international control (see also para. 7).

69. As at 1 November 2023, PICS had over 600 registered users from 129 countries and territories, representing about 300 agencies in all regions.[12] Between 1 November 2022 and 1 November 2023, nearly 500 new precursor-related incidents were communicated through the system, an increase of about 50 per cent compared with the corresponding period of the previous year, bringing the total number of incidents communicated through PICS since its inception in 2012 to over 4,300. A total of 118 distinct substances were reported in the reporting period, only 19 of which are internationally controlled (13 are listed in Table I and 6 are listed in Table II of the 1988 Convention). The majority of the seizures communicated through PICS involved substances that are not internationally controlled but are included in the INCB limited international special surveillance list 37 substances); 46 are other non-scheduled substances and 16 are cutting agents, adulterants, diluents or excipients. The cases shared through PICS in this period confirm the predominant use of non-scheduled chemicals, some of which are designer precursors, in illicit drug manufacture (see also paras. 110 and 120).

70. During the reporting period, there were also 14 incidents involving different types of laboratory equipment. Information on seized laboratories and equipment can often provide fundamental insights and opportunities for deeper investigation and prosecution, both at the national and international levels. Unfortunately, operations all too often end with the seizure of the final product – illicit drugs – thereby depriving investigative and prosecuting authorities of the opportunity to carry out much-needed backtracking investigations into illicit manufacture.

[12] Governments that have not yet registered PICS focal points for their national authorities involved in precursor control may request an account by writing to incb.pics@un.org.

71. Over 130 incidents communicated through PICS in the reporting period occurred at airport (including air cargo), mail and parcel facilities, indicating an increasing reliance on the related modes of transport for trafficking in precursors. Over 75 other incidents occurred at illicit laboratories, indicating the direct use of these substances in illicit drug manufacture.

72. During the reporting period, PICS further established its efficacy as an instrument not just for sharing incidents, but also for establishing linkages between different incidents, thereby providing a concrete basis for conducting follow-up investigations. INCB is also aware of cases in which PICS incidents have triggered active cooperation between PICS users on international trafficking incidents. **The Board commends all PICS users for sharing incidents involving precursors and/or equipment through the system. The Board also encourages Governments that are not currently sharing incidents through PICS on account of concerns about compromising live investigations to do so.** The security features of PICS guard against leakage of sensitive information by restricting access to information about company names, pictures and shipping documents.

3. Cooperation with industry

73. Cooperation with industry constitutes an invaluable addition to regulatory frameworks and is a key component of effective precursor control. It represents a proactive and flexible approach that significantly contributes to addressing persistent challenges, including the rapidly changing trends in trafficking, in particular of newly emerging designer precursors and other chemicals not under international control, as well as new methods and routes of diversion.

74. In 2022, for example, such cooperation led to the receipt by the competent authorities of Czechia of nearly 70 notifications from industry operators of suspicious transactions involving precursors and equipment. Follow-up investigations into those notifications led, in turn, to the identification of 250 methamphetamine laboratories in the country.

75. As reiterated by INCB in the past, one of the most important elements of successful industry cooperation is knowledge and understanding of the range of industries that deal with the chemicals used for illicit drug manufacture and thus might – often unknowingly – be targeted by traffickers. Beyond the chemical and pharmaceutical industry, there are other categories of industries involved in the manufacture and distribution of, and trade in, chemicals that could be used for the illicit manufacture of drugs. Those include, for example, large-scale producers of commodity chemicals, producers of active pharmaceutical ingredients, producers of fine and specialty chemicals, research and development service providers

and industries that might be approached for contract synthesis of chemicals. The presence of those industries, however, differs in each country. **The Board therefore encourages Governments to map their national industry landscape with the aim of raising awareness among industries that are likely to be susceptible to diversion.**

76. INCB resources and tools to help raise awareness and support Governments in establishing or further enhancing cooperation with industry are available on the Board's website.

4. Use of the Internet (the surface web) to facilitate trafficking in precursors

77. The misuse of the Internet to traffic precursor chemicals, as well as equipment used in the illicit manufacture of synthetic drugs, remains a pressing concern. Online e-commerce and social media platforms in various regions continue to be targeted by traffickers, who use such platforms to market a wide variety of substances to interested buyers around the world. The Board has highlighted this issue in its previous annual reports on precursors.[13]

78. During the reporting period, the use of online platforms to advertise supplies of a vast range of precursor chemicals, including designer precursors with no legitimate uses, continued. Such use has become more refined, with increased use of Chemical Abstracts Service registry numbers in place of, or in addition to, the name of the substance itself. Nevertheless, it is still possible to find suspicious Internet postings related to precursors, simply by searching by the name of the substance, one of its synonyms or its Chemical Abstracts Service registry number. The Board has advocated a two-pronged approach to address the issue, namely, partnerships with online trading platforms, business-to-business companies and Internet service providers to facilitate Governments' access to information, and the investigation of suspicious postings by the authorities. Such an approach has yielded results in the past.[14]

79. In order to strengthen the capacities of Governments in this regard, the Board organized a five-day training event on the investigation of suspicious Internet (surface web) postings related to precursor chemicals, in Vienna, in June 2023. The training was attended by 24 officials of regulatory and law enforcement agencies from 14 countries in Africa, Asia, Europe and North America, and was aimed at enabling participants to: *(a)* identify and investigate suspicious online postings, specifically those related to precursor chemicals; *(b)* safely monitor the Internet (the surface web); *(c)* request basic subscriber information; and *(d)* establish mutually beneficial relationships with online service providers. **The Board encourages Governments to continue to prioritize investigations into suspicious Internet postings related to precursors and to cooperate to that end. Governments are further encouraged to leverage domestic capabilities for cybercrime investigations and open-source intelligence tools that may not be readily available to regulatory and law enforcement officers who work in the area of precursor control.**

[13] See also the Board's report on precursors for 2022 (E/INCB/2022/4), chap. IV.

[14] Ibid.