Electronization of Customs Procedures

International Conference on Facilitation and Standardization of Customs Procedures

Istanbul, Turkey, 5 December 2017

Driver for border management modernization and reform

- o Rapid globalization and continued growth in trade volume.
    - » Industry is growing impatient with inefficient and outdated border procedures
    - » Made in the world: Industry 2.0
    - » Demand for modern logistics practices
    - » E-Commerce and sharEconomy
    - » predictable flows in the international supply chain

- o concern about supply chain security

The Role of Customs

- o Revenue Collection of Import Taxes (duties & excise)
- o Protection of Economic Interests (domestic industry)
- o Economic Development <trade, investment> (trade facilitation)
- o Protection of Society <health, safety> (drug trafficking, firearms, environment, etc.)
- o Security <counter terrorism>

ICT Related Tools

» Promotes trade facilitation and effective controls

» Simplified and harmonized Customs procedures;

» Transparency and predictability

» Standardization and simplification of the goods declaration and supporting documents;

» Simplified procedures for authorized persons;

» Minimum necessary Customs control to ensure compliance with regulations;

» Coordinated interventions with other border agencies;

» Partnership with the trade.

» Maximum use of information technology and modern technique

- risk management,
- pre - arrival information and
- post clearance audit)
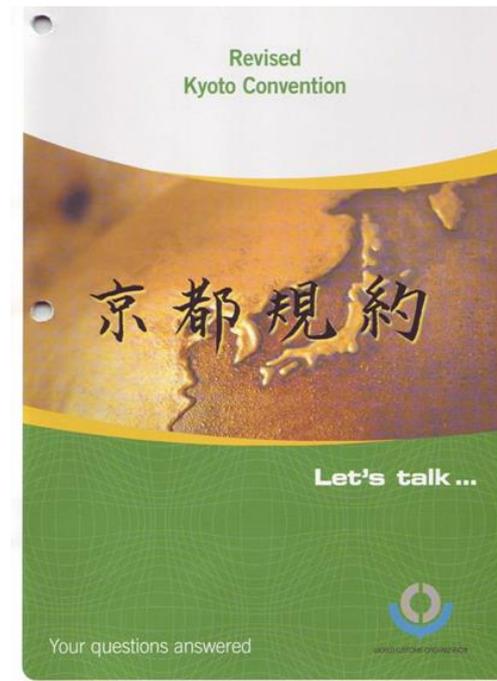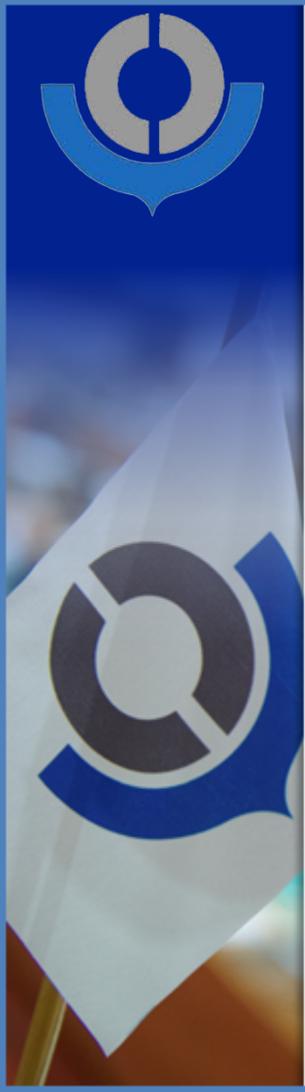
Benefit of the use of ICT for Customs

» Improved compliance through increased accessibility to regulatory information and functions, as well as services, by those engaged in international trade;

» Faster clearance times for legitimate trade;

» Enhanced coordination between Customs units, as well as between Customs and other border regulatory agencies at the national and international level;

» Increased transparency in regulatory processes and decision - making;

» The use of performance measurement to improve Customs procedures and integrity, such as through the techniques presented in the WCO Performance Measurement Contracts (PMC) Guide;

» Enhanced detection of irregularities and illicit consignments through effective collection and analysis of data

WCO Digital Customs

WCO TFA Implementation Guide

Article 1

Publication and availability of information

Article 2

Opportunity to comment, information before entry into force and consultations

Article 3

Advance rulings

Article 4

Procedures for appeal or review

Article 5

Other measures to enhance impartiality, non discrimination and transparency

Article 6

Disciplines on fees and charges imposed on or in connection with importation and exportation and penalties

Article 7

Release and clearance of goods

Article 8

Border agency cooperation

Article 9

Movement of Goods Intended for Import Under Customs Control

Article 10

Formalities connected with importation and exportation and transit

Article 11

Freedom of transit

Article 12

Customs cooperation

- » Analysis Section I
- » Contain element on the ICT consideration, where applicable.
- » Google keyword: wco tfa guidelines

Priority setup:
Understanding where are the bottlenecks

» No single solution for Single Window;

» Each Country has its unique needs, requirements and objectives;

» Time Release Study

- A unique tool and method for measuring the actual time required from arrival of goods to its release

- to access the efficiency and effectiveness of each actors in the flow process of cargo

- To Identify bottleneck processes affecting release of goods

- To obtain empirical evidence for re-engineering existing procedures.

- To identify opportunities for border management improvement

- To establishing baseline for border management performance measurement
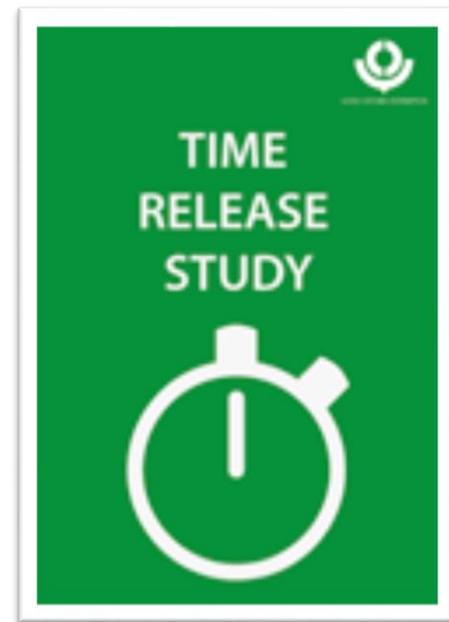
Single Window Compendium

Manufacture

Exporter

Agent

Shipping Line

Importer

Freight Forwarder

Collaboration / Information Hub

Cross-border Regulatory Agency

Environmental

Transport

Food Safety

Agricultural

Finance

Customs

Tax

Bank

Economic Operator

CBRA

Compendium
How to Build a
Single Window
Environment
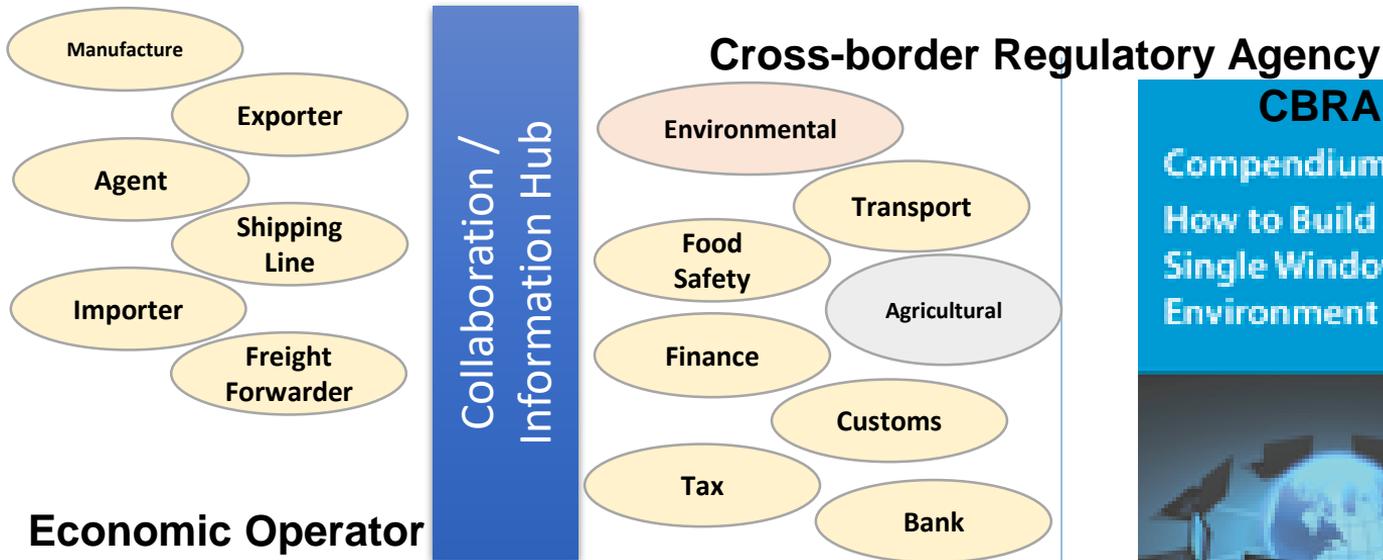
»   Single Window: Electronic collaboration platform for Border Management Agencies;

»   Has the role as Information Hub;
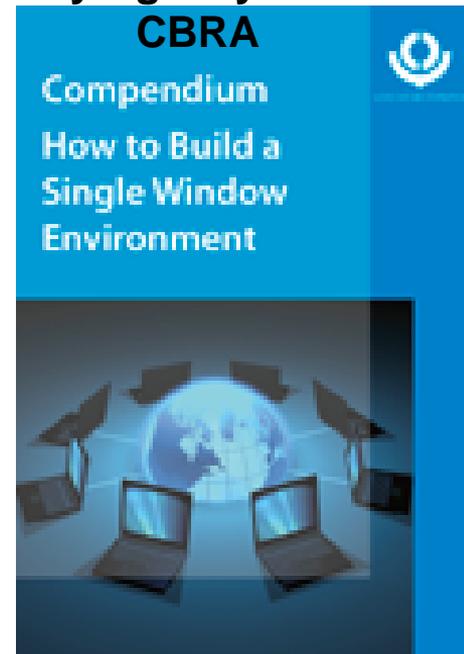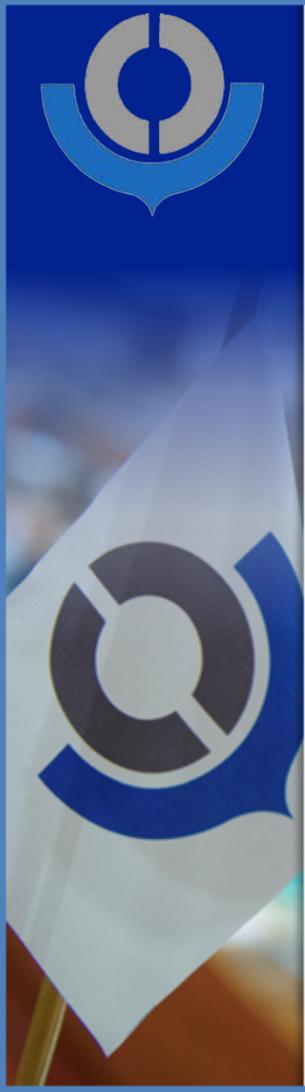
Customs Electronic Services

- » Paperless environment
- » E-processing and validations
- » Acceptance of e - copies – dematerialization of supporting documents
- » 24*7 Clearance
- » E - payment of duty and taxes – Integrated Payment System
- » E - duty calculator
- » E - appeal and decision making
- » E - refund
- » Mobile - enabled services

WCO Data Model:
Universal Language for effective border management collaboration
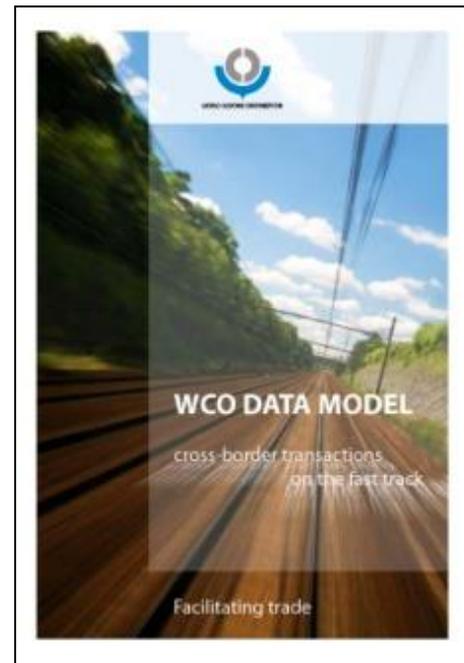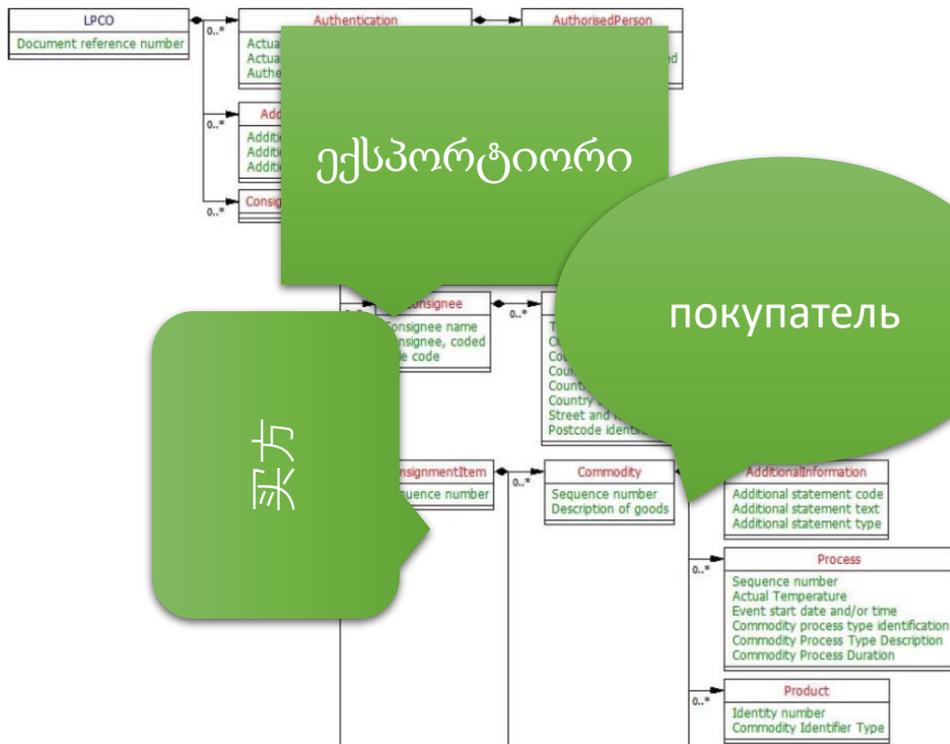
Cross border e-commerce

o ## Characteristic:
  » online initiation;
  » Cross-border transaction/shipment;
  » Physical goods; and
  » Destined to a consumer (B2C and C2C)

o ## Customs response
  » Non intrusive inspection
  » Big Data analytics
  » Advance electronic information

Supply chain security

Item undesirable introduced: Bomb, weapons, contraband items

Shipper | Freight Forwarder | Export Customs | Carrier | Import Customs | Freight Forwarder | Consignee
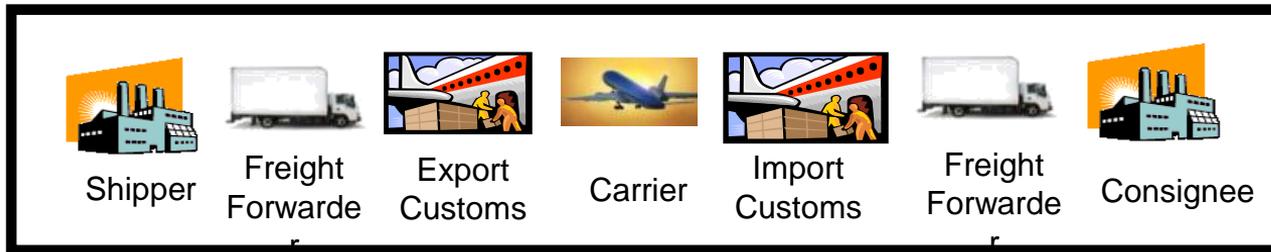
Item of value removed: Cargo theft, Information theft etc.

Standard setting activities

» WCO Information Management Sub Committee (IMSC), Meet twice a year, discuss subjects relating to the implementation of ICT to enhance the work of Customs

» The 73rd Session, 30 and 31 Oct 2017

- Setup the scope of the work of the Data Model Project team;
- Trader Identification Number
- Electronic exchange of e-CoO
- E-Commerce direct data exchange
- Discussed about the re-use of supply chain (big) data;
- Breakout session on the development of data analysis handbook;
- Discussion on Block chain.

WCO Governing Bodies

Permanent Technical Committee (**PTC**)

Information Management Sub Committee (IMSC)

Data Model Project Team (**DMPT**)

ICT Related Tools

» **WCO Data Model**

» a compilation of clearly structured, harmonized, standardized and reusable sets of data definitions and electronic messages to meet operational and legal requirements of cross-border regulatory agencies, including Customs, which are responsible for border management.

» **Coordinated Border Management**

» An approach to manage border control agencies to achieve a shared goal and a cohesive government response, by inclusively involve all stakeholders

» **Single Window Compendium**

» Volume 1: Executive Guide

» Volume 2: Practitioners handbook

» Single Window Supplement

» **Globally Networked Customs**

» The voluntary arrangement between two or more Members for a seamless exchange of cross border information at a Customs to Customs level using a standardized approach based on existing WCO instruments

» **IT Guide for Executives**

» The Guide provides information and insights into the strategic management process concerning the use of Information & Communication Technologies (ICT) in Customs. ICT can contribute to improvements in a wide range of Customs operations, and a Customs administration must prioritize based on its strategic goals and resource constraints. Aligning strategic goals with key performance indicators (KPIs) helps in developing sound planning for ICT projects

» **Passenger Reporting Standards**

» API Guidelines – for Passenger Biographic Information

» PNRGOV Standard – for Reservation related Information

» Physical inspection of a traveller and a travel document is nowadays only a small part of border controls on passengers arriving by air. The rest of the border control process relies on secure electronic data, some being provided at the time the passenger buys a ticket and some at the time the passenger boards an aircraft
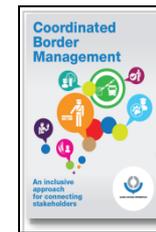
Thank you

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