



## **THE REVISED ARUSHA DECLARATION**

### **DECLARATION OF THE CUSTOMS CO-OPERATION COUNCIL CONCERNING GOOD GOVERNANCE AND INTEGRITY IN CUSTOMS**

**THE CUSTOMS CO-OPERATION COUNCIL\*,**

**NOTING** that Customs administrations throughout the world perform a number of vitally important tasks on behalf of their Governments and contribute to national goals such as revenue collection, community protection, trade facilitation and protection of national security;

**ACKNOWLEDGING** that integrity is a critical issue for all nations and for all Customs administrations and that the presence of corruption can severely limit Customs capacity to effectively accomplish its mission. The adverse effects of corruption can include :

- a reduction in national security and community protection;
- revenue leakage and fraud;
- a reduction in foreign investment;
- increased costs which are ultimately borne by the community;
- the maintenance of barriers to international trade and economic growth;
- a reduction in public trust and confidence in government institutions;
- a reduction in the level of trust and co-operation between Customs administrations and other government agencies;
- a reduction in the level of voluntary compliance with Customs laws and regulations; and
- low staff morale and “esprit de corps”;

**CONSIDERING** that corruption can be combated effectively only as part of a comprehensive national effort;

**AFFIRMING** that a priority for all Governments should be to ensure that Customs is free of corruption. This requires firm political will and a sustained commitment to the fight against corruption;

**DECLARES** that an effective national Customs integrity programme must address the following key factors :

#### **1. Leadership and Commitment**

The prime responsibility for corruption prevention must rest with the head of Customs and the executive management team. The need for high levels of integrity must be stressed and commitment to the fight against corruption maintained over the long term. Customs managers and supervisors should adopt a strong leadership role and accept an appropriate level of responsibility and accountability for maintaining high levels of integrity in all aspects of Customs work. Customs managers should demonstrate a clear and unequivocal focus on integrity and be seen to set an example that is consistent with both the letter and spirit of the Code of Conduct.

#### **2. Regulatory Framework**

Customs laws, regulations, administrative guidelines and procedures should be harmonized and simplified to the greatest extent possible so that Customs formalities can proceed without undue burden. This process involves the adoption of internationally agreed conventions, other instruments and accepted standards. Customs practices should be reviewed and redeveloped to eliminate red tape and reduce unnecessary duplication. Duty rates should be moderated where possible and exemptions to standard rules be minimized. Systems and procedures should be in accordance with the revised International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention).

#### **3. Transparency**

Customs clients are entitled to expect a high degree of certainty and predictability in their dealings with Customs. Customs laws, regulations, procedures and administrative guidelines should be made public, be easily accessible and applied in a uniform and consistent manner. The basis upon which discretionary powers can be exercised should be clearly defined. Appeal and administrative review mechanisms should be established to provide a mechanism for clients to challenge or seek review of Customs decisions. Client service charters or performance standards should be established which set out the level of service clients can expect from Customs.

\* Customs Co-operation Council is the official name of the World Customs Organization (WCO).

#### **4. Automation**

Automation or computerization of Customs functions can improve efficiency and effectiveness and remove many opportunities for corruption. Automation can also increase the level of accountability and provide an audit trail for later monitoring and review of administrative decisions and the exercise of official discretion. Where possible, automated systems should be configured in such a way as to minimize the opportunity for the inappropriate exercise of official discretion, face-to-face contact between Customs personnel and clients and the physical handling and transfer of funds.

#### **5. Reform and Modernization**

Corruption typically occurs in situations where outdated and inefficient practices are employed and where clients have an incentive to attempt to avoid slow or burdensome procedures by offering bribes and paying facilitation fees. Customs administrations should reform and modernize their systems and procedures to eliminate any perceived advantages which might be obtained through circumventing official requirements. Such reform and modernization initiatives should be comprehensive in nature and focus on all aspects of Customs operations and performance. The Revised Kyoto Convention provides a sound reference point for such initiatives.

#### **6. Audit and Investigation**

The prevention and control of corruption in Customs can be assisted by the implementation of a range of appropriate monitoring and control mechanisms such as internal check programmes, internal and external auditing and investigation and prosecution regimes. Such regimes should strike a reasonable balance between positive strategies to encourage high levels of integrity and repressive strategies designed to identify incidences of corruption and to discipline or prosecute those personnel involved. Customs personnel, clients and the general public should be encouraged to report corrupt, unethical or illegal activity and, when such information is provided, it should be investigated in a prompt and thorough manner and sources should be protected. Where large scale or complex investigations are warranted or in administrations where corruption is widespread, there should also be recourse to independent anti-corruption agencies.

#### **7. Code of Conduct**

A key element of any effective integrity programme is the development, issue and acceptance of a comprehensive code of conduct which sets out in very practical and unambiguous terms the behaviour expected of all Customs personnel. Penalties for non-compliance should be articulated in the code, calibrated to correspond to the seriousness of the violation and supported by appropriate administrative and legislative provisions.

#### **8. Human Resource Management**

The implementation of sound human resource management policies and procedures plays a major role in the fight against corruption in Customs. Human resource management practices, which have proved useful in controlling or eliminating corruption in Customs, include :

- providing sufficient salary, other remuneration and conditions to ensure Customs personnel are able to maintain a decent standard of living;
- recruiting and retaining personnel who have, and are likely to maintain, high standards of integrity;
- ensuring staff selection and promotion procedures are free of bias and favoritism and based on the principle of merit;
- ensuring that decisions on the deployment, rotation and relocation of staff take account of the need to remove opportunities for Customs personnel to hold vulnerable positions for long periods of time;
- providing adequate training and professional development to Customs personnel upon recruitment and throughout their careers to continually promote and reinforce the importance of maintaining high ethical and professional standards; and
- implementing appropriate performance appraisal and management systems which reinforce sound practices and which foster high levels of personal and professional integrity.

#### **9. Morale and Organizational Culture**

Corruption is most likely to occur in organizations where morale or 'esprit de corps' is low and where Customs personnel do not have pride in the reputation of their administration. Customs employees are more likely to act with integrity when morale is high, where human resource management practices are fair and where there are reasonable opportunities for career development and progression. Employees at all levels should be actively involved in the anti-corruption programme and should be encouraged to accept an appropriate level of responsibility for the integrity of the administration.

#### **10. Relationship with the Private Sector**

Customs administrations should foster an open, transparent and productive relationship with the private sector. Client groups should be encouraged to accept an appropriate level of responsibility and accountability for the problem and the identification and implementation of practical solutions. The establishment of Memoranda of Understanding between Customs and industry bodies can be useful in this regard. Likewise, the development of codes of conduct for the private sector, which clearly set out standards of professional behaviour, can be useful. Penalties associated with engaging in corrupt behaviour must be sufficient to deter client groups from paying bribes or facilitation fees to obtain preferential treatment.

**We**, the Members of the Customs Co-operation Council, call upon Customs administrations to implement comprehensive and sustainable integrity action plans based on the key principles outlined above and on Governments, the business sector and members of the international community to support Customs in its fight against corruption.

*Done at Arusha, Tanzania, on the 7<sup>th</sup> day of July 1993 (81<sup>st</sup>/82<sup>nd</sup> Council Sessions) and revised in June 2003 (101<sup>st</sup>/102<sup>nd</sup> Council Sessions).*

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