MEMORANDUM OF UNDERSTANDING

Between

WORLD CUSTOMS ORGANIZATION

And

WORLD BASC ORGANIZATION
Business Alliance for Secure Commerce

The World Customs Organization (WCO) and the World BASC Organization (WBO), referred to hereinafter as "the Parties":

RECOGNIZING the long-term supportive relationship between the WCO and the WBO,

RECOGNIZING that the WCO and the WBO wish to establish appropriate arrangements for co-operation,

RECOGNIZING that the WCO and the WBO (the "Parties") have a mutual interest in promoting the facilitation and security of the global supply chain and in contributing to socio-economic development through the growth of commercial trade.

The Parties agree as follows:

ARTICLE I

The Parties shall co-operate in the discharge of their respective mandates in accordance with the provisions of this Memorandum of Understanding.

ARTICLE II

The Parties agree to establish and maintain effective, systematic consultation, co-operation and exchange of information in support of this Memorandum of Understanding.

* Established in 1952 as the Customs Co-operation Council.
ARTICLE III

The Parties shall invite each other to their meetings of common interest, as observers.

ARTICLE IV

1. This Memorandum of Understanding shall enter into force on the date of its signature.

2. It shall be reviewed upon the request of either the WCO or the WBO, and may be amended by mutual agreement.

3. This Memorandum of Understanding may be terminated by either Party at any time, by written notification.

4. This Memorandum of Understanding shall be regarded as an administrative arrangement between the Parties thereto, any dispute over the interpretation or application of any provision herein contained shall be settled through negotiations or by such other means as the Parties shall mutually agree.

ARTICLE V

Wherever possible, the WCO and the WBO shall, within the limits of the resources available to them, co-ordinate joint training activities.

ARTICLE VI

The WCO and WBO acknowledge that the collaboration that they seek to foster shall facilitate the realization of their aims to promote the establishment of the SAFE Framework of Standards and thereby contribute to security and dignity for mankind and improved conditions for securing commerce. Both Parties further acknowledge that collaboration will increase the relevance and effectiveness of their development-related work. The collaboration between the WCO and WBO will be based on partnership and shared responsibility.

ARTICLE VII

The collaboration between the WCO and WBO shall be guided by the following principles:

1. Long-term approaches to sustainable secure commerce are needed;

2. Participation should be encouraged, consistent with available resources; and

3. Development and/or capacity building programmes should be results oriented and built on transparent relationships between the Parties.
ARTICLE VII

The WCO and WBO agree that they will collaborate at regional, country, sector, programme and project levels in line with the priorities of their Members and the national BASC structures. Under their respective mandates, the collaboration will focus on:

1. Seminars and training programmes to promote, among the trade community, the implementation of the SAFE Framework of Standards, the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures and other WCO conventions and instruments that support the facilitation and security of the global supply chain.

2. The organization of regional seminars with the participation of Customs administrations and the Private Sector, to promote and disseminate capacity building initiatives, especially Customs/Business compliance and facilitation partnership programmes. The events would allow exchange of best practices and concrete initiatives (e.g. AEO, CTPAT, PAP, Blue Line, etc.).

3. Selection of a country and the conducting of a pilot Workshop between Customs and the Private Sector to plan the development of a Customs/Private Sector Partnership Programme. The Workshop may be an opportunity for BASC to verify and update the standards that have a comprehensive focus on Customs compliance and cover not only the physical security but also other dimensions of a modern Customs administration (revenue collection, social protection, trade facilitation, etc.).

4. The WBO and WCO will explore the possibility of setting up a pilot project designed for small and medium sized enterprises to implement supply chain security measures. The WCO will liaise with both the WBO and the enterprise involved to check the opportunities to support this project.

5. The WBO will promote the WCO Training Programme designed for the Private Sector through its Members, according to their needs.

6. The WCO and WBO will establish mechanisms for sharing information between their Members.

7. The WBO may actively participate in any Consultative Group established to provide advice on the WCO SAFE Framework of Standards.

8. The WBO will promote co-operation and alliances as useful mechanisms for the integration of companies and national Customs administrations.

9. The WBO, together with national Customs administrations and/or the WCO, may help design validation processes.
10. The WBO will assist companies with the self-assessment process measured against pre-determined security standards and best practices to ensure that their internal policies and procedures provide adequate safeguards to protect their shipments until they are released from Customs formalities at destination.

11. The WBO may co-operate with Customs in the validation process of the companies if/when requested. The decision to validate a company as an Authorized Economic Operator (AEO) remains solely with the Customs administration.

12. The WCO will regularly update the WBO to promote minimum security standards and best practices.

Done at Brussels on 29 June 2007.

For the World Customs Organization

[Signature]

Michel Danet
Secretary General, World Customs Organization.

For the World BASC Organization

[Signature]

Mayra Hernandez de Cavelier
Executive President, World BASC Organization.