INTELLIGENCE-DRIVEN RISK MANAGEMENT: CRUCIAL TO INDUSTRY AND CUSTOMS

by:

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WHY MANAGE RISK?

Risks is everywhere.

"Risks comes from **not knowing** what you are doing”
- Warren Buffet.
DEFINITION OF RISK

RISK: Many things are actually waiting to happen:

1. “The likelihood of an event occurring that will lead to a breach of the law / regulation and as consequence exposes to the possibility of a loss in revenue or threatens national security [public health and well being of society]”. Source: Harry Wiskovic.


3. “Life is inherently risky. There is only one big risk you should avoid at all costs, and that is the risk of doing nothing” – Denis Waitley.
WHAT MAY HAPPEN?

Any Choice?

Courting Danger

Avoid?
Risk Management:

A logical and systematic method of identifying, analyzing, treating and monitoring the risks involved in any activity or process.

Source: WCO Customs Risk Management Compendium.
MANAGING RISK

RISK

The chance of something happening that will impact on the achievement of objectives

MANAGING RISK

- National Security
- Unfair Competition
- Revenue Leakage
- Public Health & Safety
- Well being of society
- Supply Chain Security

Effective customs control & trade facilitation
Optimal use of resources
Risk Management Process:
1. Establish context.
2. Identify risk.
3. Analyze risk.
4. Evaluate risk.
5. Treat risk.

Risk Management Response:
1. Avoid.
2. Control.
3. Accept.
4. Transfer.
DEVELOPING RISK MANAGEMENT PROGRAM

1. Mandate and commitment

2. Design of framework for managing risk

3. Implementing risk management

4. Monitoring and review of the framework

5. Continual improvement of the framework

RISK MANAGEMENT AS A TOOL

Facilitation Control Matrix

- High Facilitation, High Control: Balanced Approach
- High Facilitation, Low Control: Crisis Management
- Low Facilitation, High Control: Red Tape Approach
- Low Facilitation, Low Control: Laissez-faire Approach

INTEGRATED INTELLIGENCE–DRIVEN RMgt MODEL

Trade & Industry (goods)

- Single Sign On
- Track & Trace
- Reusability of Data

NSW

- DATA Hub: (Databank & Database)
- Risk Mgt Engine
- Artificial Intelligence (AI)

CCC

- e declare
- e payment
- Interface / integration OGA / PIA

CIC – Customs Control Centre
CICC – Customs Intelligence Command Centre
GCS – Gate Control System

ASW

- CBM
- Customs Clearance

CIQS

- Red
- Yellow
- Green

GCS

- Red Channel
- Green Channel

Non Intrusive Inspection (NII)

- X-Ray
- RPM
- RFID / RUBEE

- Baggage Scanner
- Body Scanner
- Ion Tracer
- Drugs Detector / ID Kit

Customs Release

People

- Conveyance (air / road / sea)
KEY SUCCESSES FACTORS FOR EFFECTIVE RISK MGT PROGRAM

INTELLIGENCE DRIVEN RISK MANAGEMENT

- Holistic Design
- Integrated & Systematic
- Dynamic
- Leverage on Technology
- Resource Allocation
- Moving towards AI
Effective Risk Mgt program is a prerequisite to move to Q1.

Q1 - Professional, knowledge-based service culture, leveraging on technology, employing intelligence-driven risk management and audit based control
CONCLUSION

1 Acknowledge risk.

Risk is like an iceberg and if not identified and correctly assessed will result in disaster.
Intelligence Driven RMgt – Way Forward.
Adoption of technology as enabler.
4 Risk Mgt is not an option, it’s a necessity.

Risks are there
AVOID THIS!!!

THANK YOU