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- What is CBM?
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# **COORDINATED BORDER MANAGEMENT (CBM)**

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# What is CBM?



- Increase in volumes of trade = increase in:
  - Complexity of global supply chain increases
  - Regulatory challenges
  - Security challenges
  - Information
  - Public expectations

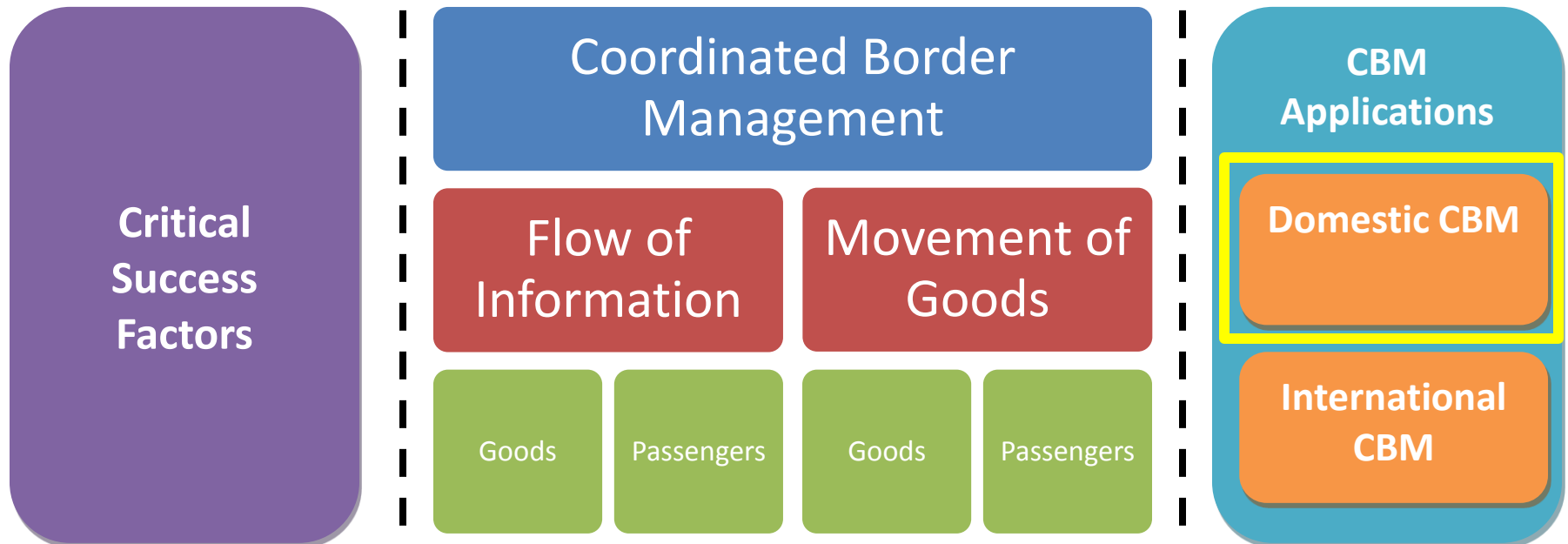


- Resources for Customs and CBRAs?

# What is CBM?



- Coordinated Border Management
  - The optimal flow of goods and information between Customs, Cross Border Regulatory Agencies and Trade to enable effective and efficient border management



# What is CBM?



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- CBM is a response to scarcity
    - Scarcity of time
    - Scarcity of manpower
    - Scarcity of information
    - Scarcity of land & infrastructures
  - Making the best use out of existing resources so that current imperatives can be met
  - Making use of new techniques and technologies to work better together
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# What is CBM?

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- CBM is a government project – without political will, it is not possible for one agency alone to move forward alone
  - Once favorable conditions are in place, Customs is well-placed to take the lead
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# The role of Customs

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- Customs typically key agency at the border
    - Receives information on all imports & exports for revenue collection & regulatory purposes
    - Processes goods carried by passengers
    - Most knowledgeable about trade processes and border procedures
    - Relatively more advanced than other CBRAs in use of IT
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# The role of Customs

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- Important source of revenue for governments
    - Customs duties essential for government operating expenses
  - Implementing agency for govt policy
    - Taxes not just for revenue purposes, but also for furthering govt economic, social policy
      - E.g. free trade agreements & anti-dumping duties
      - E.g. tobacco taxes, alcoholic beverages
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# The role of Customs

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- Maintaining a level playing field
    - Smugglers & tax evaders should not be better off than legitimate traders
    - Laws and regulations on imports needs to be upheld for everyone
  - Protect Society
    - Dangerous imports: drugs, counterfeit goods, tainted products, arms, explosive precursors, dual-use goods
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# The role of CBRAs



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- Regulates imports & exports of goods under their jurisdiction
    - Live animals, plants and agricultural products, food, pharmaceutical products, etc etc etc.
    - CBRAs regulate a subset of total trade volume
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# The role of CBRAs

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- Upholds international obligations, standards relating to trade in certain products. E.g. SPS standard setting bodies recognized by the WTO
    - International Plant Protection Convention
      - Phyto-sanitation measures
    - World Organisation for Animal Health (OIE)
      - Terrestrial Animal Health Code
    - Codex-Alimantarius
      - Food safety standards
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# The role of CBRAs

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- Govt agencies vested with specific responsibilities to uphold regulations on imports / exports of certain goods
    - Consumer safety, telecommunication standards, pharmaceutical products, dual use goods
  - All CBRAs will need to engage with Customs from time to time
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# The role of Trade

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- Private sector entities engaged in the **business** of logistics, buying and selling of goods and provision of related services
  - Carriers, freight forwarders, importers, exporters, customs brokers
    - Reason for existence: profit, shareholder equity and market success
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# The role of Trade



- “Clients” of Customs and CBRAs
  - Customs, CBRAs provide regulatory services to trade
  - Market access in return for regulatory compliance
  - Symbiotic relationship



# The role of Trade

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- Trade not just a passive entity
    - Important source of feedback
    - Key players in the overall supply chain
      - Customs & CBRAs only a small part of it
  - Without trade, there would be no need for Customs and CBRAs
    - Without Customs and CBRAs, trade would be much more disorganized and public interests would be compromised
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# CBM: Concepts & Applications



- First step to working together is recognizing the similarities & differences

CUSTOMS	CBRAs
Receives information on ALL imports & exports	Receives information on imports & exports for goods under its control
Information requirements revenue focused - Taxpayer ID, value, quantity, HS	Information requirements focused on specific regulatory requirements - License number, agency specific codes, goods description
Supporting documents - Invoice, packing list, BL, CO	Supporting documents - Phyto certs, veterinarian certs, other professional / agency specific documentation
Inspection modes - Non-intrusive, supervised un-stuffing	Inspection modes - Quarantine, lab-tests, physical checks, document authentication

# CBM: Concepts & Applications

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- RKC Chap 3: Clearance & Other Customs Formalities (Std 3.1, 3.3, 3.11, 3.35; T. Std 3.4, 3.5)
    - Designating locations, competencies operating hours of border crossings, correlating with the other side to ensure coordination
    - Use of international standards in paper forms and IT formats
    - Joint inspections between Customs and CBRAs
    - Establishment of juxtaposed Customs offices & cooperation at such offices
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# CBM: Concepts & Applications

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- RKC Chap 6: Customs Control (Std 6.3, 6.4, 6.5, 6.7, 6.8; T. Std 6.9)
    - Use of risk management
    - Cooperation between Customs Administrations
    - Cooperation with Trade
    - Use of Information Technology
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# CBM: Concepts & Applications

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- RKC Chap 7: Application of IT (Std 7.3, 7.4)
    - Stakeholder consultation in introduction of IT systems
    - Use, retention and sharing of electronic information
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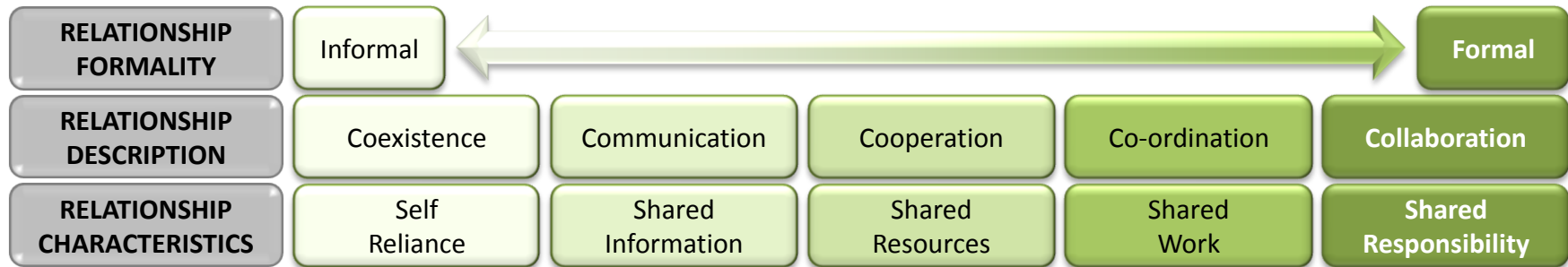
# CBM: Concepts & Applications

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- The RKC General Annex contains standards that provides guidance for CBM
  - RKC provides essential guidance for “first steps”
  - CBM is a living body of knowledge – Business innovation is key
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# CBM: Concepts & Applications



- Totally uncoordinated border situations are rare – it is common for multiple agencies to be involved in border operations
- Key issue is not the number of agencies at the border, but how well they work together
- Degree of formality is VERY important – need to move beyond informal / personal network arrangements to be sustainable

# CBM: Concepts & Applications



## Shared Information

- Eliminates duplications in info requirements – each information only needs to be submitted once
- Allows all personnel have the info they need to do their work effectively

## Shared Resource

- Reduces costs through sharing resources between different agencies – NII equipment, inspection bays, offices, IT systems
- Co-location allows everyone to work “under one roof”, enhancing communication and availability

## Shared Work

- Agencies empowered to assist each other. E.g. customs empowered to conduct checks on behalf of CBRAs, in a joint border post, customs from either country can clear imports / exports

## Shared Responsibilities

- Common sense of purpose and vision among all agencies at the border.
- Facilitation coordinated between all agencies, controls determined holistically

# CBM: The Process Perspective

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- Communication with CBRAs & Trade provides structure
  - Formality in relationship provides sustainability
  - Continual efforts unlocks value
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# CBM: The Process Perspective

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- Applying existing tools, methodologies, techniques to border clearance context
  - Not always about “examples”, “best practices” of how things are done elsewhere
    - Border conditions are different (geography, politics, laws, culture)
    - Case studies serve as inspiration, but solutions seldom 100% “plug & play”
    - Business innovation: imitation as sincerest form of flattery, but innovation is what adds **significant** value
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