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Money laundering: stopping cash couriers!

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because trucks and containers can be guided weapons

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Editorial note
WCO News is distributed free of charge in French and in English to Customs administrations, international organisations, non-governmental organisations, the business community and other interested readers. It should be mentioned that opinions expressed in WCO News are those of the contributors and do not necessarily reflect the official views of the World Customs Organization. Contributions in English or French are welcome but should be submitted not later than 10 August 2009. In this regard, the WCO reserves the right to publish, not to publish, or to edit articles to ensure their conformity with the magazine’s editorial policy. The WCO Communication Service is available to attend to all requests for subscriptions, submission of contributions for consideration, and any other enquiries relating to WCO News. Please e-mail: communication@wcoomd.org

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Acknowledgements: The Editorial Team wishes to express its sincere gratitude to all who contributed to this publication.

Pictures: Our sincere gratitude also goes to all who kindly provided photos, logos and drawings to illustrate this issue.

Design: www.inextremis.be
## Calendar of Events

It should be noted that these meetings are mentioned for information purposes and are not all open to the public. Training Workshops are devoted to Private sector. Unless otherwise indicated, all meetings are held in Brussels. Please note that these dates are indicative only and may be subject to change. This document is regularly updated on the WCO Members’ web site, under the “Information for delegates” section, and on the WCO public web site: www.wcoomd.org

### June

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<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>10 - 12</td>
<td>Expert Training Workshop for Rights Holders on Combating Counterfeiting and Piracy</td>
</tr>
<tr>
<td>11 - 12</td>
<td>Information Management Sub-Committee (57th Session)</td>
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<td>22 - 24</td>
<td>Policy Commission (61st Session)</td>
</tr>
<tr>
<td>25 - 27</td>
<td>Council Sessions (113th/114th Sessions)</td>
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<tr>
<td>29 - 30</td>
<td>Inter-Agency Forum on Coordinated Border Management</td>
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### September

<table>
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<tr>
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<tr>
<td>14 – 15</td>
<td>Publications Focus Group</td>
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<td>16 – 18</td>
<td>Harmonized System Committee Working Party</td>
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<tr>
<td>21 – 02/10</td>
<td>Harmonized System Committee (44th Session)</td>
</tr>
<tr>
<td>28 – 30</td>
<td>Picard Conference, San Jose (Costa Rica)</td>
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### October

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<thead>
<tr>
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<tr>
<td>1 – 2</td>
<td>Data Model Project Team</td>
</tr>
<tr>
<td>6 – 7</td>
<td>Private Sector Consultative Group</td>
</tr>
<tr>
<td>6 – 7</td>
<td>SAFE Meeting (Members only)</td>
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<td>8 – 9</td>
<td>SAFE Working Group (5th Meeting)</td>
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<td>12</td>
<td>Revised Kyoto Convention Management Committee (7th Meeting)</td>
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<tr>
<td>13 – 14</td>
<td>Training Workshop on HS for High-Tech Products</td>
</tr>
<tr>
<td>13 – 14</td>
<td>Permanent Technical Committee (187th/188th Sessions)</td>
</tr>
<tr>
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<td>Enforcement Committee (29th session)</td>
</tr>
<tr>
<td>15</td>
<td>Permanent Technical Committee and Enforcement Committee (combined session)</td>
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<tr>
<td>19 – 23</td>
<td>Technical Committee on Customs Valuation (29th Session)</td>
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<tr>
<td>21 – 22</td>
<td>Training Workshop on HS for Chemical Products</td>
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<td>26 – 27</td>
<td>Finance Committee (88th Session)</td>
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<tr>
<td>28 – 29</td>
<td>Intellectual Property Rights Working Group (IPR)</td>
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### November

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<tbody>
<tr>
<td>4 – 6</td>
<td>WCO Global Conference on “Security and Technology”</td>
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<tr>
<td>16 – 27</td>
<td>Harmonized System Review Sub-Committee (39th Session)</td>
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<tr>
<td>17 – 19</td>
<td>Training Workshop on Rules of Origin</td>
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<tr>
<td>24 – 25</td>
<td>Training Workshop on Customs Valuation &amp; Transfer Pricing (subject to modification)</td>
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<tr>
<td>26 – 27</td>
<td>Training Workshop on SAFE (subject to modification)</td>
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### December

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<th>Date</th>
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<tr>
<td>1 – 3</td>
<td>Global Congress on Combating Counterfeiting and Piracy, Cancun (Mexico)</td>
</tr>
<tr>
<td>7 – 9</td>
<td>Policy Commission (62nd Session)</td>
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<tr>
<td>10 – 11</td>
<td>Revenue Structures Conference</td>
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Dear reader,

With the benefit of five years’ experience in producing this magazine, the Secretariat decided to redesign WCO News while remaining faithful to your expectations and offering a quality publication. The first echoes to come back to us from our loyal readers are very encouraging. Novelty, innovation, dynamism, utility—the values that guided our choice; values that infuse the everyday activities of the Secretariat. In this issue the Special Report is devoted to coordinated border management (CBM), a fundamental component of the forward-looking “Customs in the 21st Century” strategic policy.

The introduction of this topic has made it possible to gather the experience of various Customs administrations that have begun implementing the concept and compare it with the approach of some of our partners, in terms of both strategy and practical applications. This will allow us to initiate the deliberations to be held at the Council Sessions during a panel discussion on “The Foundations for Coordinated Border Management”. These deliberations will be pursued in greater depth directly after the Council Sessions at the Inter-Agency Forum on CBM being held at WCO Headquarters in Brussels from 29 to 30 June this year. Together these events clearly illustrate the WCO’s desire for dialogue, concerted effort, the exchange of experiences and the discussion of new ideas; to serve as a centre for “brainstorming” or as a “Customs think tank”.

In this connection, the WCO, following directly on from the communiqué on the global financial crisis issued by participants attending the Policy Commission meeting in December 2008, sent a letter to the G20 informing the world’s most influential leaders of the concerns of the international Customs community regarding the consequences of the global trade crisis. Without wishing to appropriate certain terms that appear in the final declaration of the G20, it is undeniable that the WCO’s appeal did not remain a “dead letter” and was heard.

Finally, before you go on to explore this new issue, I should like to make one last point. At the Council Sessions in June, in addition to determining the WCO’s strategic orientation, Directors General of Customs will elect a new Deputy Secretary General to reinforce the Secretariat’s management team—a multitalented, mutually supportive and united team, working for a transparent, dynamic and efficient Organization, at the service of its Members.

I trust you will enjoy reading this edition.

Kunio Mikuriya
Secretary General
Rapiscan – The Cargo Inspection Leader for Ports, Borders and Customs

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BUZZ

• Last minute!
  ➤ Pravin Gordhan, former Chairperson of the WCO Council (2001-2006) and Commissioner for the South African Revenue Service (SARS), has been appointed Minister of Finance by the new President of South Africa. Oupa Magashula will act as SARS Commissioner until a new Chief is appointed.

• Love it!
  ➤ The Museum of Life at the Border, which is housed in the former village presbytery in Godewaersvelde (France), showcases objects and documents describing the story of Customs and smuggling, both past and present. The layout presents the exhibits in a highly informative and accessible way. Upon entry into the Museum, visitors are given an illustrated brochure (available in English, French and Dutch) that provides entertaining commentary throughout the tour. By prior arrangement with the town hall, a guided tour can be organized offering anecdotes about and accounts of Customs and smuggling as well as information on border traditions. There are also various themed zones for visitors in what used to be the parish priest’s formal garden. From 1 March to 31 October 2009 the Museum, in collaboration with France’s National Institute for Industrial Property (Institut national français de la propriété industrielle), is hosting the “Counterfeiting, no thanks!” exhibition which was on show in Brussels during the June 2006 Council sessions.
www.musee-godewaersvelde.fr

• Trophy
  ➤ At the June 2009 Council sessions the WCO will award its trophy for combating counterfeiting and piracy for the 4th year. All WCO Member administrations have been invited to enter. The criteria for selecting the winner will include the nature and quantity of goods seized, health and safety risks to the consumer (how dangerous the products were), and the inventiveness of the techniques used by the offenders. Look out for the results in our next issue!
www.wcoomd.org

• Accession
  ➤ On 27 March 2009, Georgia deposited its instrument of accession to the International Convention on the Harmonized Commodity Description and Coding System (Harmonized System). The Convention will enter into force in Georgia on 1 January 2011, unless Georgia decides to specify an earlier date.
www.wcoomd.org

• For your diary!
  ➤ Don’t forget the International Day against Drug Abuse and Drug Trafficking on 26 June. This is part of the WCO’s programme of action against drugs and precursors. On that day, the Secretary General has invited Directors General of Customs to organize national events at which drugs and precursors seized by their services will be destroyed. This will heighten public awareness of the fact that drugs pose a threat to society as a whole, that no-one is safe from them, and that this is an issue of concern to us all.
www.wcoomd.org

• A first!
  ➤ The WCO invites all its Members to participate in a photo competition. The theme is "Customs services in action in their day-to-day work". The objective is to give free rein to the creative imagination whilst illustrating the diversity of Customs activities around the world. These photos will contribute to the WCO’s efforts to promote the essential role of Customs as the “guardian of the border”.
www.wcoomd.org

• Look out for
  ➤ The WCO’s annual reports on drugs, tobacco products and intellectual property rights, which will be published in time for the WCO Council sessions in late June 2009. They have been redesigned to make their content more readable and easier to use, and also to meet Members’ expectations.
www.wcoomd.org

• Notepad
  ➤ On 30 April 2009 the WTO General Council agreed to reappoint current WTO Director-General Pascal Lamy for a second 4-year term which will commence on 1 September 2009.
www.wto.org

• Appointments
  ➤ Recently-appointed Directors General of Customs: Mr. E. Pemam (Albania); Mr. A. Nasiruddin (Bangladesh); Mr. W. Vargas (Bolivia); Mr. Y. Idris (Brunei Darussalam); Mr. M. Touné (Guinea); Ms. D. T. King-Sackie (Liberia); Mr. B.S. Nwedialo (Nigeria); Mr. Munir Qureshi (Pakistan); Mr. C. M. Ramirez Rodriguez (Peru); Mr. A. Sesay (Sierra Leone); Mr. Ronald Cafirine (Seychelles) and Mr. O. Esenov (Turkmenistan).
www.wcoomd.org

• News
  ➤ DG Taxation and Customs Union (DG TAXUD) at the European Commission has launched a new eLearning section on its website. Information clips and full courses on a range of customs-related topics are free to download and use. More modules will be added throughout the year.
http://ec.europa.eu/customs_tax_elearning

• What’s New
  ➤ The WTO has published a statistical brochure entitled “Trade Profiles 2008”. It contains national and trade statistics of WTO Members and countries which are in the process of negotiating WTO membership, as well as information on trade flows and trade policy measures of Members, Observers and other selected economies. This document can be downloaded from the WTO website.
www.wto.org

• Info
  ➤ The 5th Edition of the World Customs Journal from the International Network of Customs Universities (INCU) is now available. This new volume of the Journal has as its theme the use of information and communications technology (ICT) in the cross-border environment, and features a number of articles that examine the topic from the perspective of coordinated border management. The Journal (Volume 3, number 1, May 2009) can be downloaded on the following Website: www.worldcustomsjournal.org
It is 10:30 p.m. at a border crossing. A man waits in a late-model cargo van, a cigarette dangling from his mouth. Instructed to drive through the screening system, the driver, a regular, confidently complies. He grins, shifts into gear, and directs the vehicle through the portal. A Customs officer carefully analyzes three X-ray images on the system’s monitor. Several anomalies are clearly visible in the front tire, driver’s side. The officer immediately knows he is looking at a large quantity of drugs. “Could you step out, sir?” says another official. The man’s grin vanishes.

Would your cargo inspection system find the drugs? If you don’t have the Z Portal® system, it won’t. AS&E’s Z Portal three-sided screening system uses proprietary Z Backscatter technology to detect stowaways, drugs, explosives, and other contraband, which appear bright white in the image for easy image interpretation.

TO LEARN MORE ABOUT Z PORTAL, GO TO WWW.AS-E.COM/ZPORTAL.
When broaching the concept of Coordinated Border Management (CBM), factors such as partnership between services, coordination, cooperation with trade partners, consistency and rationalization of resources, come to the fore.

However, the most difficult part is not really defining the concept, despite the fact that there is no standard system in existence, but rather implementing it. Although the objective is the simplification of border controls to facilitate legitimate trade, the activities of States in carrying out their governing mission relating to border controls and all this entails must not be impeded.

This Special Report draws together the experience of pioneering countries and organizations as well as the thoughts of some of our steadfast experts and contributors, to offer everyone a clearer picture of this concept and everything it implies.

Martyn Dunne, the Chairperson of the Council and a regular WCO News columnist, also gives us a detailed account of the New Zealand Customs Service’s experience in this domain.
WCO perspectives on coordinated border management

Right now, governments, the business community and individuals are focused on improving their respective financial situations as a matter of absolute necessity during this current global economic downturn. Trade is a key driver of economic performance, and implementing a coordinated border management strategy involving new levels of integration and collaboration between public and private sectors is widely seen as critical to bolster trade flows, while facilitating the achievement of national economic and societal goals.

In June 2008, the WCO adopted its ‘Customs in the 21st Century, Enhancing Growth and Development through Trade Facilitation and Border Security’ policy document. Better coordinated border management (CBM) is highlighted as one of the 10 strategic building blocks of this forward-looking document. The WCO acknowledges that national states have full sovereignty to determine the framework of rules, regulations and policies within their territory and that each national border control system will reflect different national needs and concerns. Nevertheless, the Organization feels that CBM is critical to the overall effectiveness in managing international supply chains.

Various services and agencies are involved in implementing border controls and, in many countries, there are a myriad of inspections that take place at the border – Customs inspections, veterinary inspections, phytosanitary inspections, and immigration inspections to name a few. The complexity of the border environment demands a structured method for rationalizing the means by which regulations are given effect and for synchronizing strategies between border agencies. Indeed, if inspections are not properly managed, the result is slow clearance times, delays to travellers, inflated investment in services and infrastructure, and increased costs to the trade and ultimately to the end consumer.

There is no standard system of CBM. Models developed across the world cover everything from collaborative efforts at border crossings, utilization of joint facilities, officers cross-trained to perform multi functional tasks, common ICT systems, to full integration of services under one department or agency with all border responsibilities. The WCO recognizes that this is a complex area and will assist its Members in enhancing their working relations with the trade and their colleagues in other national agencies that have border responsibilities. CBM also extends to the coordination of policies between trading countries, through the adoption of international instruments and standards. With this in mind, the WCO has published a compendium that deals with the different elements to be considered and the necessary steps to be taken when implementing a CBM system with a view to facilitating cross-border transactions. In addition, the Organization is now preparing a guide which will contain key CBM elements and which will list the WCO tools that would be of benefit to governments considering the implementation of a CBM system.

There are indeed already many existing WCO instruments that are relevant to CBM:

- The General Annex of the WCO Revised Kyoto Convention on the simplification and harmonization of Customs procedures addresses all the essential elements required to implement a CBM system.
- The International Convention on the Harmonized System commodity description and coding system provides international standardization in the field of tariff classification.
- The Integrated Supply Chain Management Guidelines contain standards relating to the advance provision of information on goods.
- The Advance Passenger Information Guidelines provide standards for the advance submission of information on travellers.
- The SAFE Framework of Standards to secure and facilitate global trade is based on two pillars, namely, Customs-to-Customs networking arrangements and a Customs-to-Business partnership. There is now a third ‘Customs-to-Government’ pillar in development that foresees CBM among all national entities with border control responsibilities.
- The International Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of Customs Offences (Nairobi Convention), and the International Convention...
on Mutual Administrative Assistance in Customs Matters (Johannesburg Convention) provide the legal basis for international cooperation between Customs administrations. The WCO has also developed a Model Bilateral Agreement on Mutual Administrative Assistance in Customs Matters, which serves a similar purpose.

- The WCO has also been active in the global development of the electronic trade single window concept. Version 3.0 of the WCO Data Model, due for final release later in 2009, caters for the lodgment of data to meet the regulatory requirements of multiple agencies with border responsibilities. The design of the Data Model will permit the submission of this data one time only to facilitate risk assessment and release.

- The Time Release Study (TRS) is a tool for measuring the average time taken between the arrival of goods and their ultimate release. Time taken for the processes and processing at each intervening step is also measured. The objective is to identify bottlenecks in release procedures and to provide solutions to issues that cause delays in the overall clearance times at the border.

While the TRS is specifically developed for Customs authorities, its methodology could prove especially useful for other border agencies and private sector players, as it provides an established methodology applicable to all. The tool could be a stimulus to start the dialogue on border management issues between all parties involved in international supply chain management.

To commence discussions between border agencies, the WCO is organizing an Inter-Agency Forum on Coordinated Border Management that is scheduled to take place in Brussels from 29 to 30 June 2009. The aim of the forum is to engage parties involved at the border with a view to facilitating discussions on how cooperation and coordination will contribute to the delivery of better services for government and business at borders in the future.

More Information allen.bruford@wcoomd.org
The New Zealand experience by the Chairperson of the WCO Council

This issue of the WCO News focuses on coordinated border management, a topic which is now on the international Customs agenda and which has been given prominence by its inclusion in “Customs in the 21st Century”; a strategic policy adopted by the Council of the WCO at its June 2008 annual sessions.

So far, there seem to be two broad approaches to government arrangements for border management in the 21st century: combining all border functions (Customs, immigration and quarantine/biosecurity, etc) into a single organization; and various types of shared or cooperative arrangements between border agencies, with a mix of combined functions and standalone functions. These models are aiming for the same outcome – integrated border management (integration with industry is another important component, but is not the focus of this article). Perhaps a key difference between them is the purpose for which integration is sought. For example, some countries are seeking greater security; others are seeking greater trade benefits, or, as in the case of New Zealand, efficiency and service delivery gains.

Working together to achieve integration

While the WCO has focused for some time on working with industry, I want to focus on collaboration between border agencies – an area that the WCO has focused on less. In our interconnected world, border agencies have to work together more closely than in the past. Customs administrations are often allocated the lead agency role at the border and that behoves us to understand the connections between our work and that of our colleague agencies, or, for administrations covering all border functions, how the different functions interact. Recent research in New Zealand on the ways in which government agencies

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Figure 1: Continuum of Inter-Governmental integration

<table>
<thead>
<tr>
<th>Relationship Description</th>
<th>Coexistence</th>
<th>Communication</th>
<th>Cooperation</th>
<th>Coordination</th>
<th>Collaboration</th>
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<tr>
<td>Relationship Formality</td>
<td>Informal</td>
<td></td>
<td></td>
<td></td>
<td>Formal</td>
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<tr>
<td>Relationship Support</td>
<td>N.A.</td>
<td>Broker</td>
<td>Network Secretariat</td>
<td>Formal Secretariat</td>
<td></td>
</tr>
<tr>
<td>Relationship Characteristics</td>
<td>Self Reliance</td>
<td>Shared Information</td>
<td>Shared Resources</td>
<td>Shared Work</td>
<td>Shared Responsibility</td>
</tr>
<tr>
<td></td>
<td>No formal communication</td>
<td>Informal meetings e.g. web exchanges</td>
<td>Formal e.g. face to face meetings</td>
<td>Sharing on a regular formal basis</td>
<td>Formal Partnership</td>
</tr>
<tr>
<td></td>
<td>Policies and services developed in isolation</td>
<td>Regular exchange of facts, ideas, practices</td>
<td>Regular exchanges &amp; specific undertakings</td>
<td>Shared policies &amp; practices</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Autonomy emphasized</td>
<td>Autonomy attenuated</td>
<td>Autonomy further attenuated</td>
<td>Autonomy further attenuated still</td>
<td></td>
</tr>
<tr>
<td></td>
<td>May have common concerns</td>
<td>Getting together on common projects</td>
<td>Working together on shared projects</td>
<td>Working together to common goals</td>
<td></td>
</tr>
</tbody>
</table>

Source: p14, Better Connected Services for Kiwis, Institute of Policy Studies, New Zealand, July 2008
work together revealed that different situations call for different types of engagement. These types of engagement can be categorized along a continuum that represents the degree of intensity of ‘togetherness’. Collaboration is the most intensively connected at one end, and co-existence is the least connected at the other.

It is possible for government agencies to have different intensities of engagement with one another at the same time. For example, even if there are strong elements of collaboration in a relationship, collaboration will not apply to every aspect of each agency’s work. There will be areas where engagement is more appropriately one of cooperation or coordination, and others that require no engagement at all. The diagram (figure 1) depicts the continuum and explains what each stage represents.

The New Zealand experience of working with our colleague border agencies is that collaboration comprises a small and very intensive part of our collective work, and that most of what we do together is cooperation and coordination. Understanding the difference between these types of engagement is very important for working out who does what at the border, understanding the amount of effort involved, who takes the lead, whether there needs to be common standards or not and how the work is funded. Integration is important not just between but also within our administrations. New Zealand has long understood the connections between the flows of people, goods and craft across the border, and we find that we need internal collaboration and cooperation as much as external. So this continuum can be used to help us understand what sort of connections we need for particular situations.

There is increasing research about working together to guide us, but there is no substitute for doing it. I want to share with you the New Zealand collaborative approach and what we are learning from the process. While that approach sits within the frame of the WCO’s generic best practice in the 21st century which aspires to “a highly integrated border management approach with strong political support commensurate with the importance of Customs to the border”, when I look around the world, I see we in New Zealand are doing things quite a bit differently from most other nations. Why is that and what can other administrations learn from our approach?

**Components of New Zealand’s border management system**

Three main agencies have ‘border control authority’ powers – the New Zealand Customs Service (NZCS), the Ministry of Agriculture and Forestry (MAF) and the Immigration Service in the Department of Labour (DoL). The roles of these agencies are a response to the characteristics of our nation. New Zealand is an island nation, three and a half hours’ flight time away from its closest neighbour, Australia. We are therefore in the enviable position of being able to use the border as a significant control point not only for Customs and immigration purposes but also to protect our country’s unique flora and fauna. Biosecurity is very important economically as it protects the primary industries which form the majority of our exports, it protects our unique environment and it keeps us free of diseases like foot and mouth and ‘mad cow’, thus providing us with an important market advantage. As well as our natural advantages, we are a technologically developed country, and have been using technology to help us manage our border since the early 1980s.

Customs is the only border control authority for which border management is its primary role. It regulates the flows of people, goods and craft across New Zealand’s border, exercises border controls over illicit flows, facilitates flows for legitimate traders and travellers and collects revenue. It also undertakes primary immigration processing at New Zealand ports and airports on behalf of the DoL. The DoL’s Immigration Services are charged with deciding who can travel to, enter and stay in New Zealand and under what conditions. They also process visa and permit applications offshore, screen all passengers travelling to New Zealand at check-in and undertake secondary processing at the border. The DoL’s limited physical presence at the border is a reflection of our island status. The MAF’s role is to prevent risks associated with unwanted organisms, pests and diseases from entering New Zealand. Currently tasked with 100% screening of all baggage and cargo, MAF has a large physical presence at the border. This represents our country’s strong interests in maintaining biosecurity.

In our interconnected world, border agencies have to work together more closely than in the past

There are three other agencies in our border sector, none of which are border control authorities but all of which have
particular interests in the operation of border processes – the Ministry of Transport (MoT), the Department of Internal Affairs (DIA) and the New Zealand Food Safety Authority (NZFSA). MoT is responsible for regulating the transport industry, including port and airport operators, and oversees Aviation Security and Maritime NZ which provide related security services where the border system interfaces with the transport system. Port and airport operators, together with shipping and airline companies, have a critical interface with the border agencies. The other agencies are involved in particular border processes – DIA is responsible for New Zealand’s Identity Services, including issuing of New Zealand Passports and NZFSA is responsible for certifying the quality of food exports. Fifteen other agencies have an interest in using the border management system to mitigate domestic risk (e.g. drugs), to support domestic policy (e.g. data matching for benefit fraud) and to provide services such as the provision of information to Statistics NZ.

New Zealand’s collaborative border management model

The New Zealand government pays for border management services, with some cost recovery from importers and exporters where there is considered to be a private as well as a public benefit. Our services are therefore under pressure from changes of volumes, as well as high expectations from industry and travellers of efficient, effective and seamless service delivery. Almost two years ago, rather than creating a single border agency, New Zealand adopted a model of border sector cooperation and collaboration to better address these pressures – Australia has recently taken a similar path, though with different governance arrangements.

Leadership and governance

At the core of our model is the Border Sector Governance Group (BSGG), which, along with me as Chair, includes the chief executives of MAF, DoL, MoT, DIA and NZFSA. The BSGG provides the strategic overview, direction and decision-making across the border sector, supported by a small secretariat and a senior officials group. A strategic framework provides clear direction for the sector and the BSGG’s more coordinated engagement with industry stakeholders brings a direct trade and travel supply chain perspective to our work.

Direction

The key result areas for the sector are efficiency, effectiveness and more responsive services. The key means are achieved through creating a cohesive border management system. These two elements are expressed in the border sector vision and objective:

• Vision - “Deliver excellent border management outcomes for New Zealand by thinking and acting as one”.

• Objective - “An integrated and responsive border management system that best serves New Zealand’s interests by facilitating trade and travel while managing risk”

We have developed a sector collaboration strategy that describes how we work together and a work programme that reflects the border sector’s priority areas of work.

How it works in practice

There are three types of activity within the sector:

• The formal sector activities bound up in four priority work programmes: enhancing passenger facilitation and management of risk at airports; developing a multi-agency trade single window; developing a sector approach to the management of identity; and developing a cohesive approach to intelligence and risk management for the sector. These programmes are labour-intensive and the most challenging aspects of our work, particularly where initiatives involve collaboration rather than coordination.

• Two major information technology systems developments; the area where deep integration is occurring. Customs and the MAF are designing a ground-breaking joint border management system (JBMS) that will meet both agencies’ needs. The trade single window, which will give industry a single electronic interface with border agencies, is part of the design. DoL is designing a new immigration information system which will interface seamlessly with the JBMS for border-related information provision and exchange, primarily involving the movement of people across the border.

• Informal and spontaneous activities arising in the frontline as staff from all border agencies act on opportunities for greater coordination

Once implemented, the work programmes and information system developments will bring a step change in integration to the sector.

An important group for maintaining an overview of the work programmes, of the less formal sector activities and of emerging issues is the Senior Coordination and Advisory Group. Through building trust, this group has free and frank discussions about interagency tensions and wider policy and operational matters affecting the sector. They support the BSGG as a group and individual
members brief and advise their own departmental head on issues and matters needing decisions. The Secretariat plays an important coordination role in the sector, providing neutral ground for bringing together cross-agency work. It is staffed by seconded representatives of Customs, MAF and DoL and this cross-agency approach is very successful. Customs and MAF have set up internal groups that ensure departmental and sector thinking and work are aligned, and have created new roles to assist with internal and external coordination of sector matters.

Developing common definitions, standards and approaches to border management is a less visible but important area of collaboration. When complete, this will make future cooperative and collaborative work so much easier. Areas we are working on through the work programmes are intelligence frameworks, risk management definitions, information sharing processes and standards, and identity processes and principles at the border. The further expansion of the Customs National Targeting Centre into a resource for the border, with staff from MAF, DoL and Maritime NZ working together with Customs, to further develop our collective risk assessment, is promising. Some of this work also involves our Australian border agency colleagues, adding complexity to an already challenging task.

Why this model?

Since the late 1980s, various reviews repeatedly recommended structural change, but none was ever implemented. These reviews identified similar issues arising from several agencies operating at the border: operational overlaps, duplication and gaps, and therefore inefficiencies; conflicts among the strategies of various border agencies, and opportunities for better coordination, cooperation, communication and information sharing. In 2007, the then Government concluded that a single agency would not necessarily deliver greater efficiency and coordination given the degree of specialist skills and knowledge required to undertake the principal border management activities. The commitment of the BSGG to achieve greater integration at the border without structural change was another important factor.

What have we learnt?

Environmental setting

New Zealand’s State Services Commission (SSC) has been promoting the development of shared outcomes between government agencies for some years. They have six development goals for the state sector, one of which is "Coordinated State Agencies". They have identified three key factors for successful coordination – mandate, systems and behaviours – which have guided our thinking about what is needed to make the sector succeed. With the election of a new Government in November last year, and the global recession, the border sector is being pushed to deliver tangible results quickly. The Government is also interested in seeing if the ‘sectoral way’ of working can deliver the results they want. We are about to seek a reaffirmation of the model from the new Government. This will provide stability to our approach for the next few years. Interestingly, we have observed that much of the work we are doing or planning to do would be needed even if a single border agency was being created. This is because much of the change required is behavioural – learning more about one another’s agencies and developing deeper relationships based on that knowledge and trust.

Step-by-step

Even with guidance from the SSC, there is no instruction book on how to make our sort of arrangements work. In fact, SSC are learning from us, as we are seen as a model for similar types of joint working within the public sector in New Zealand. We have therefore had to recognize that some things we try won’t work, and that we do need to recognize when adjustments are needed. For example, for the formal work programmes, we have tried two different approaches to oversight and accountability that aimed to represent cross-agency interests without being overly bureaucratic. And we haven’t got it quite right yet!

Risk of collaboration fatigue

In the border sector context, all border agencies have a stake in the border objective I referred to earlier. This is a bit different from each agency’s focus on our own contribution to border management. Working collaboratively widens the scope of our attention and interest. It is intense because of the effort needed to develop understanding and respect for our colleagues’ activities and make sense of how all our activities fit together. Getting to a mutually agreed way forward can therefore take a lot longer than if the different interests were managed by one departmental head. At the start, senior staff spent a lot of time at meetings, trying to determine priorities for the sector and to work out how the new arrangements would work in practice. Many people saw ‘this sector thing’ eating up their time and at one point there was a risk that the whole process would collapse under its own weight. Understanding that we were experiencing a standard partnership development cycle was helpful. It helped us manage the pressures at the time. The diagram (figure 2) sets out the stages of partnership development.

I believe we are at a point now where we have to be able to distinguish between work that needs to be collaborative and work that is better managed by the agency with the primary interest in it. This will give us better and, in some cases, quicker results.

Strong commitment from departmental heads

The BSGG provides a powerful focal point and a mechanism for sorting out some persistent ‘boundary’ issues. Our regular meetings have deepened relationships between border agency departmental heads, and have got us discussing topics that would not necessarily have been discussed before, both as a group

"The value of our approach is that we are all committed to the best outcome for New Zealand, and that's what we have to focus on"
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and one-on-one. That is not to say the discussions are not sometimes difficult. They are. The value of our approach is that we are all committed to the best outcome for New Zealand, and that's what we have to focus on.

Cross-involvement for better understanding

People involved in sector work have demonstrated a high level of commitment to the collective result. The work is at times challenging, frustrating and labour-intensive, but it is also extremely satisfying. People seem to enjoy learning more about their colleague agencies and working together to achieve results that benefit everyone. In fact, there has been keen interest in the secondments between border agencies that have resulted from this new way of working.

Working with different 'mental models'

Some agencies, such as Customs, are action-oriented; others are more reflective and analytical. When there is time, the differences of approach are a strength for the sector, with the more thoughtful agencies injecting rigour into the conceptual underpinnings of the work and the more action-oriented agencies keeping a focus on achieving practical, observable results. However, when there is pressure from the Government to shift direction or to deliver a specific result within a certain timeframe, the different mental models can cause friction. This tension will never go away. It is not necessarily a bad thing as long as it is understood and worked with to ensure it doesn't undermine collective goals.

A work in progress

The New Zealand model is still relatively young, and it is a work in progress. Working together more closely can be a frustrating experience at times, and progress can appear to be slow. On the other hand, each agency at the border has an important role, and by working together more closely, we can get the benefit of each agency's knowledge and expertise without the disruption of a restructure. Working together is also a way of preventing 'group think'. Other agencies provide another way of looking at things, and while that is not always comfortable, it can provide a useful reality check on what we are doing at the border and why.

More information
www.customs.govt.nz
Integrated Border Management in Canada

Keeping Canada’s nearly 9,000 kilometre-long border open to travel and trade in order to support economic prosperity while protecting Canadians requires highly effective management of border operations. To attain this goal, five years ago the Government of Canada adopted an integrated border management model.

Canada’s model brought together all the major players involved in managing the movement of goods and people into Canada to form one organization, the Canada Border Services Agency (CBSA). The CBSA combined several key functions previously spread among three organizations: the Customs programme from the Canada Customs and Revenue Agency; the Intelligence, Interdiction and Enforcement programme from Citizenship and Immigration Canada; and the Import Inspection at Ports of Entry programme from the Canadian Food Inspection Agency. At the same time, the CBSA became part of the Public Safety Canada portfolio that was created in 2003 to ensure coordination across all federal departments and agencies responsible for national security, emergency management, law enforcement, corrections, crime prevention and border services.

Over the past five years, the CBSA has evolved into an integrated border management agency, delivering its programmes and services in a highly complex environment. The CBSA is responsible for processing close to 100 million people and 400 billion Canadian Dollars in trade each year at approximately 1,200 points of service across Canada and some international locations. Within this context, and by prudently managing resources and continually seeking opportunities to improve operational and cost efficiencies, the Agency delivers a wide range of programmes and services for people and goods.

On December 12, 2008, the CBSA celebrated its fifth anniversary. Achievements were recognized and a renewed vision of border integrity was launched for the future. “Border integrity is a view of border management that unifies the administration of multiple responsibilities, locations, services and people across the Agency,” said CBSA President Stephen Rigby. “To achieve this, the CBSA’s change agenda will focus on improving our capacity to manage risk by pushing the border out, enhancing the Agency’s public service orientation, strengthening our partnerships and allocating our resources in an optimal fashion,” Mr. Rigby added.

Risk Management

A key tenet of modern border management is to identify, assess and mitigate risks to Canada as close to their source as possible. As part of its risk management strategy, the CBSA will continue to move border management activity away from the physical border. Only those activities best performed at the border will be carried out there.

Client Service

The CBSA will place a renewed focus on service orientation through the development of transparent service standards. This will enable clear service expectations for clients and facilitate the flow of trade through predictable service levels. The CBSA recognizes that every single employee plays an important role in helping the Agency fulfill its mandate. As with every Customs organization in the world, CBSA employees are constantly exposed to realities that call for vigilance and caution. The CBSA has embarked on an Integrity and Professional Standards Strategy to ensure that employees reflect and uphold the highest standards of integrity and professionalism in their personal conduct and activities on and off duty. This same high level of integrity will be reflected in all CBSA programmes and systems.

As part of its focus on improved service orientation, the CBSA is coordinating a ‘single window’ initiative on behalf of ten federal departments and agencies. This is a key priority for commercial stakeholders. The initiative will streamline the collection of advance commercial trade data by creating a single electronic interface for businesses to submit information to facilitate the flow of trade while reducing delays and improving the clearance and release times of goods.

Partnerships

It is impossible to overstate the importance of cooperation with partners in the integrated border management model. Historical ties, proximity, a shared border and long-standing trade and economic relations have forged a...
strong bilateral relationship between Canada and the United States. “Our rapport grows stronger each year and I feel certain that the depth of our cooperation will remain unchanged. We will continue to work together and share knowledge to ensure our populations are safe and secure from border-related risks and to facilitate the legitimate transit of goods and people crossing our shared border,” said Mr. Rigby.

Strategic partners are not limited to the United States. We are redefining and deepening our cooperation with other partners too. The Container Security Initiative, our Customs Mutual Assistance Agreements as well as our mutual recognition arrangement with the United States are contributing to reduce delays and duplications. Additionally, we will be looking for ways to further expand the benefits and membership of our trusted trader and travellers programmes and ensure they provide tangible benefits.

The Agency’s key business results enablers include: optimal modern management; strong policy capacity at the core; consistent programme delivery in the field; and innovative use of technologies will focus our resource allocation in an environment of fiscal constraint.

Conclusion

Overall, the CBSA has a solid foundation on which to build and enormous progress has been made. The Agency has integrated three legacy organizations amid an unprecedented intensification of the security environment. Today the CBSA delivers many innovative programmes to secure Canada’s border while allowing the flow of legitimate trade and travel. “The Agency’s integrated border management, enhanced by our change agenda, will move the CBSA towards the sustainable achievement of our goals,” concluded Stephen Rigby.

More information
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In June 2007 the WCO Council agreed to the request of the European Communities to join the WCO. While not yet a full member, the EC aims to bring its own unique experience of 40 years of developing a Customs Union to the table of strategic discussions on developing Customs activity at global level.

Coordinated border management in Europe

Although a single Customs area, the 27 Member States (MS) of the European Union (EU) all have independent and unique national administrative models. In terms of coordinated border management (CBM), this means that some MS have chosen to ‘coordinate’ horizontally by establishing national border agencies; some have separate authorities that coordinate their activities on the basis of formal agreements; still others rely on completely informal coordination arrangements. Thus, the details of CBM, including the development of national Single Window applications, are still very much in the hands of EU MS. However, in order to truly act as a single administration, these national developments are monitored and guided at EU level to ensure harmonized approaches and interfaces.

In that vein, I would like to offer some ‘arms-length’ thoughts on the broader European landscape relating to the development of coordinated border management (CBM). I would like to share a few thoughts about the peculiarities of CBM in the EU in general, about the revolution that European Customs border management is about to undergo on 1 July 2009, and add some prescriptive views and potentially globally applicable conclusions.

Coordination

Undeniably, the EU has had a lot of practice and a long history of defining, agreeing and implementing strategies of integration and coordination. In this respect, I believe that the European Union’s history is a strength and can be used as a benchmark. With over 50 years of hands-on experience, Europeans arguably know a thing or two about integration and coordination. Working towards shared aims and objectives on the basis of common legislation, Europe has been and remains quite a unique test laboratory for coordinated border management. This is certainly our strength.

EU borders

The flip side of the coin of the European integration experience, however, is that the EU’s borders have developed in a seemingly uncoordinated way across policy areas. Although the result of historical and political reasons, it could understandably be considered vaguely ironic that while the European continent has integrated and removed obstacles after obstacle to the free circulation of people, goods, services and money within its borders, its external borders have developed into an increasingly complex set.

The borders of the EU Customs territory, as defined by community Customs legislation correspond to a great extent to the layman’s understanding of ‘EU borders’. However, due to historical reasons, the Customs territory is not fully equivalent to those of the physical EU territory as such. More significantly still, the borders applicable to the movement of people, i.e. that of the Schengen Area, include 25 European countries (Iceland, Norway and Switzerland) and exclude five EU members either through opt-out (Ireland and the UK) or transitional periods for implementation (Bulgaria, Cyprus and Romania).

In practice this means that different authorities acting on the basis of different EC legislation are preoccupied with the management of different borders. As the logistics of most European airports easily illustrates, being physically restrained to different locations sets particular parameters on what ‘coordination’ can mean in practice, and certainly requires a high level of creativity and pragmatism in defining a coordinated approach to border management. The example of airports is also a case in point as to why, when discussing CBM, we need to consider the concept by mode of transport – a CBM approach for maritime traffic will not necessarily be applicable for land borders, and vice versa.

Management

So what exactly do we mean and expect from the term border ‘management’? EC Customs and immigration legislation respectively define ‘control’ and ‘border controls’ - yet there is very little in the prescriptive sense about wider ‘management’ of borders. In fact, the content of ‘managing borders’ will differ depending on the role and tasks of the authority in question. Transport authorities (e.g. port and airport authorities), border guards, Customs officials and criminal investigators will engage in different activities with respect to border management.

In a broad sense, however, border management could be thought to encompass the following types of activity at various moments in the process of crossing the border: ex ante collection of information (from the trade and elsewhere); assessment of risks associated with ensuring correct and compliant cross-border movement of goods, persons, animals, modes of transport; processing and controlling of the movement on the spot for security/safety purposes; and processing a Customs declaration for Customs clearance purposes, after the arrival of the goods and checks ex poste that the requirements have been fulfilled.

Each of these management elements can be dissected, analysed and prescribed separately – coordinated information collection for clearance purposes could imply an electronic Customs Single Window portal for submitting data to authorities who never need meet each other physically, whereas coordinated controls would necessitate more organisational and
One size does not fit all
In Europe it is clear that there is a need to at least rethink the roles and responsibilities associated with border management – much dialogue will be needed among stakeholders at national and regional level on how coordination of border management can be improved. What is clear is that no one size will fit all – CBM needs to remain a set of solutions, not a single model across countries and modes of transport. It will be an important enabler for the future, but it should not be seen as the single factor of success of better CBM.

Let’s start with the benefits
A final but quite fundamental thought that I wish to share on coordinated border management is a very general one: coordinated border management, in all its uses, is often qualified as a series of different conceptual definitions in which every authority involved tends to imagine itself at the centre of the concept. In the absence of wise words to consolidate these definitions, I would propose to leave the issue of definitions aside and ask the following question: what benefits can coordinated border management provide to all stakeholders, and how best can we achieve these benefits? Certainly this is the approach I would advocate for EU Customs administrations and their European counterpart authorities.

As an integral part of the WCO family, the EC has a unique opportunity to share experiences, and look for best practices globally. I am convinced that in developing models and methods for better coordinated border management, this global dialogue will be a key contributor to our success.

More information
http://ec.europa.eu/taxation_customs/taxation/index_en.htm

Robert Verrue was the Director General of the European Commission’s Directorate-General for Taxation and Customs Union in Brussels, until 31 May 2009.

operational collaboration between authorities on the spot.

Roles and responsibilities
In distinguishing among authorities and their respective roles, it is useful to examine the timeline associated with the border management process, identify at which point each actor is concerned, and consequently establish what their respective roles are. From a Customs clearance perspective there are three main points in time: the pre-arrival phase; the arrival phase when goods are presented; and the clearance phase.

By placing authorities in the timeframe of their intervention, whether it is related to goods, passengers, or modes of transport, their respective roles become more apparent; for example, transport authorities are mainly involved in pre-arrival and the collection and dissemination of information. They are the first ones to receive information on whatever is arriving, and can provide a valuable coordination function by disseminating that information to other authorities.

Currently in Europe, coordinated border management as we understand it from the Customs perspective starts at the presentation of goods and is most relevant to the clearance phase. This is the traditional area where customs have the best access to information and the broadest overview, and are best placed to put into place coordination mechanisms such as Single Window data submission applications.

The revolution ahead
This is where my descriptive of CBM in Europe turns increasingly reflective. On 1 July 2009, the so-called ‘security amendment’ of the EU Customs code will be implemented as Customs begin the collection of electronic pre-arrival and pre-departure information on all goods entering and exiting the EU. From the CBM/Customs perspective, this means that Customs will expand its horizons from its traditional operating sphere of clearance to that of the pre-arrival sphere. In many ways, including in terms of risk analysis carried out by Customs, this will be revolutionary.

Yet, as great a change as this represents, we should be careful about interpreting these new circumstances into new roles – there is no a priori reason why Customs should take a central role with respect to coordination of pre-arrival border management. With the exception of the entry

“I am convinced that in developing models and methods for better coordinated border management, this global dialogue will be a key contributor to our success”
The breakdown of former Yugoslavia in 1992 and the subsequent establishment of 6 new states resulted in more than 5000 km of new international borders in the Western Balkans. To provide a basis for consistent implementation of border management-related activities in the Western Balkans, the European Commission (EC) decided to introduce the concept of integrated border management (IBM). To support its IBM concept, the EC established ‘Guidelines for Integrated Border Management in the Western Balkans’ in October 2004. These Guidelines were later amended in 2007.

The Guidelines define the EC IBM concept for the Western Balkans as follows: “IBM covers coordination and cooperation among all the relevant authorities and agencies involved in border security and trade facilitation to establish effective, efficient and integrated border management systems, in order to reach the common goal of open, but controlled and secure borders”.

Efficient border management and border safety are of vital importance to the Region and Europe as a whole and are an important element of the Stabilization and Association Process (SAP) which leads the countries of the Region towards European integration.

**Bosnia and Herzegovina’s IBM project**

Given that the strategic goal of Bosnia and Herzegovina (ISO country code ‘BA’) is to join the European Union, there is a need to introduce IBM as the country has a 1665 km long border.

**Main national players**

Border protection and cross-border control activities in BA involve the following authorities:

- the Border Police
- the Indirect Taxation Authority (ITA) which includes the administration of Customs
- the State Veterinary Office (SVO)
- Authorities responsible for veterinary inspections at the entity-level
- the State Administration for Plant Health Protection
- Phyto-sanitary Inspectorates at the entity-level and in the Brčko District*
- Entity and Brčko District-level inspections at border crossing points, inland Customs stations and Customs stations in respect of phyto-sanitary, market and sanitary matters

The IBM concept also implies cooperation between the above-mentioned authorities and state institutions dealing with border and cross-border activities.

**Implementation progress and challenges**

To date, BA has continued to make progress in the area of border control. It has ratified agreements on border crossing points with neighbouring countries, as well as agreements on local border traffic. The number of joint training activities and joint operations at the border has also increased.

A revised IBM Strategy for BA was adopted in July 2008. The Strategy, and the Action Plan that forms an integral part of the Strategy, define the central coordinating role for border management issues and contain a financial implementation framework. The Decision establishing a State IBM Commission, in charge of IBM coordination and implementation of the IBM Strategy, was adopted in July 2008.

BA still has a number of unresolved border demarcation issues which continue to adversely affect control of land borders or what is known as the “green” border. This led to adoption in June 2008 of the decision to establish the State Commission for the Borders of Bosnia and Herzegovina, with responsibility for the identification and demarcation of the border line.

A Memorandum of Understanding (MOU) on the establishment of the IBM Joint Analysis Centre was signed on 22 December 2008 between the institutions involved in the IBM project, namely, the Ministry of Security, the Border Police, the Indirect Taxation Authority, the State Veterinary Office, the State Plant Health Protection Agency, and the Service for Foreign Affairs. This MOU enables fast and efficient exchange of information to take place.

* The Brčko District in northeastern BA is a self-governing, entity-neutral, administrative unit under the sovereignty of the State of Bosnia and Herzegovina, having formally been part of both the Republika Srpska and the Federation of Bosnia and Herzegovina which are two entities of the State of Bosnia and Herzegovina.
Although BA has made overall progress in the area of border management, additional efforts are needed, particularly with respect to the further enhancement of intra-service, interagency and international cooperation – the three pillars of IBM. Further progress is needed on the following issues: establishment of a competent authority at BA level for managing the border crossing points; adoption of the law on border control; demarcation and identification of the BA border; blocking illegal crossings of the borderline with Montenegro and Serbia; and more harmonization of border management-related legislation with the EU Acquis (a term used in EU law to refer to the total body of EU law accumulated thus far).

**Funding assistance**

The EC has invested significant funding in support of the establishment of the IBM concept in BA, including support for the development and adoption of the BA National IBM Strategy. The EC also supports further implementation of the IBM Strategy and actions deriving from the related Action Plan. EC financial assistance amounts to 34 million Euro and includes the construction of adequate and functional border crossing points at Raca (Municipality Bijeljina – co-financed with the World Bank; completed in April 2005), Kamensko (Municipality Tomislavgrad; completed in November 2006), Karakaj (Municipality Zvornik - completed in August 2005), Gradina-Jasenovac (Municipality Kozarska Dubica; completed in January 2007), and Bosanski Samac (Municipality Domaljevac – completed in July 2008).

Furthermore, the EC has also provided assistance in blocking illegal border crossing points on the BA borderline with the Republic of Croatia. This has comprised the assessment of the locations, the development of methodology, and the physical work (erection of barriers, installation of ramps, etc.). Substantial technical assistance has also been provided with regards to the implementation of the national IBM Strategy whose main deliverables have included the revised IBM Strategy and Action Plan (adopted in July 2008) and the establishment of the IBM Joint Analysis Centre (operational as of February 2009).

Also, the EC has supported the implementation of the BA IBM Strategy by strengthening the institutions involved in IBM, through technical assistance, the provision of equipment, and twinning assistance with Member States’ partners. Further twinning assistance is planned that will continue to focus on strengthening the three pillars of IBM (intra-service, interagency and international cooperation) and aligning related legislation to the EU Acquis.

**EC regional support**

EC assistance has included support for the coordination of IBM Strategies for countries in the Region, namely, Albania, BA, Croatia, the Former Yugoslav Republic of Macedonia (FYROM), Montenegro, and Serbia. Kosovo, administered by The United Nations Interim Administration Mission in Kosovo, was represented but with the status of an observer. This support focused on the development and updating of national IBM strategies to ensure that they are coherent and effectively coordinated on a regional level, trade facilitation, and border control.

More information
delegation-bih@ec.europa.eu
www.europa.ba

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**An agency’s viewpoint on integrated border management**

To meet the requirements for eventual European integration, Bosnia and Herzegovina (BA) established an Indirect Taxation Authority (ITA) in 2003 by merging the former Customs administrations and the tax administration. The legislation establishing the ITA created a single Customs service responsible for operations covering the entire country which corresponds to the official borders of Bosnia and Herzegovina. In comparison, Customs previously operated at three levels falling within the competencies of the entities and the Brčko District.

**IBM Strategy**

As a result of the activities related to EU accession, in 2005 the BA Council of Ministers adopted the integrated border management (IBM) Strategy. An amended Strategy and Action Plan for IBM implementation was adopted in July 2008, both of which have been entirely aligned with the European Commission’s (EC) Guidelines on drafting IBM strategies for the Western Balkan countries for the period 2004/2007. The EC, other international organizations and many EU member states have wholeheartedly rendered assistance to the BA IBM project.

**Inter-agency cooperation**

Inter-agency cooperation is one of the pillars of IBM and should, through coordinated and joint activities of the services involved, provide for faster flow of cross-border traffic, enhanced border security,
The analysis revealed that:

• The infrastructure at the majority of border crossing points did not satisfy certain standards related to the control of commercial and passenger traffic, for example separating vehicles carrying goods or passengers into separate waiting lanes.

• The border services did not have proper equipment at their disposal that would allow them to perform their activities at border crossing points efficiently.

• IT support was insufficient for implementing the procedures, as border crossing points were not connected through a fast communication network and this posed a problem for proper IT support to border services.

• There were problems with the border crossing points relating to management and maintenance issues as the border infrastructure is owned by different services (A draft Law on an Agency for Border Crossing Points Management has been prepared for the purpose of establishing a separate service that would deal with IT infrastructure maintenance, purchase and maintenance of shared equipment and facilities and, in general, with the management of the border crossing points).

• There was a need for enhanced cooperation between the services at border crossing points.

A project in progress
In acknowledging the variety and complexity of tasks performed at the border, the considerable number of participants involved, the necessity for closer intra-service cooperation, inter-service cooperation as well as cooperation at the international level, huge discrepancies as well as other aggravating circumstances do still exist between the current and desired state of affairs. As these issues impact on the complexity and comprehensiveness of the IBM project, it is clear that during the period ahead, the IBM project will remain one of the most important projects for the border security services in Bosnia and Herzegovina.

More Information
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www.uin.ba
A personal trade perspective on cooperative border management

People courageous enough to move things made, grown or mined in one country to destinations in another are well aware of the hazards and hold-ups of intervening national frontiers where Customs and other official agencies of widely differing degrees of efficiency, always want information and all too often money. Sometimes part of this workload – for example quarantine or noxious waste control – is borne directly by other specialist government departments but Customs are very often called on to act as enforcers of what are, in fact, other agencies’ regulatory rights. This delegation of initial frontier controls to Customs has always been a convenience for commercial operators and is now acquiring patent extra merit because of the ways in which it can focus and co-ordinate an increasingly urgent task of review and modernisation.

Over the past half century the World Customs Organisation (WCO) has been engaged in a long and often tedious process of simplifying and standardizing the procedures associated with the manifold frontier tasks of levying and collecting duties and taxes, enforcing trade policies and protecting people, animals, plants, intellectual property, cultural heritage and now the environment. Many of these tasks have to be carried out by Customs for other government departments that can and often do by-pass the sort of technical advances that Customs are applying to their own core responsibilities such as raising revenue. So the WCO finds that many potential reforms stop short of the numerous official frontier interventions where its members are just executive agents without any influence over the origin or legal content of what traders see as basically ‘Customs’ procedures.

This composite and complicated facilitation task must also take account of some very large and powerful shifts and shoves in prevailing political circumstances. The contribution to the general benefit and well-being of steadily expanding global trade has been strikingly demonstrated by remarkable sustained improvements in national incomes and living standards in, for example, Brazil, China, India, Singapore and South Korea. Taken by themselves, they make a very convincing case for rapid reduction of any remaining constraints from over-complex frontier controls.

Unfortunately, however, the catastrophic events of 9/11 have quite understandably resulted in the adoption of new, seriously constraining frontier crossing formalities by the USA, the European Union and other major trading economies. All attempts to reconcile facilitation with security in the face of these countervailing trends and regulatory influences need to take account of and exploit a constantly intensifying set of technical changes in ways in which the essential information that manages the international transaction from origin to destination has to be generated, exchanged, recorded and processed.

Business has set a pace that Customs have had no option but to follow. The rapid advance from massive and unaffordable computers to the cheap PC and laptop, and the arrival of the internet and satellite communications have all combined to transform the way in which trade and transport operate, resulting in corresponding improvements in Customs resources and techniques. It is important to note, however, that such adjustments have operated at different rates and with different senses of urgency in other border control agencies. Customs are therefore almost unique in having a global representative and consultative body – the WCO – to stimulate, guide and assist necessary operational adjustments. Most other official border agencies are completely isolated in their national obligations and responses.

All these considerations set an urgent case and complicated background for a radical, fully international simplification and harmonization of frontier control systems. No-one will want to try and standardize the substantive regulatory backgrounds which will always reflect different national needs and resources but there can and should be a major effort to rationalise the means by which they are given effect – basically the stipulation, collection and analysis of relevant information about the consignment and participants in each transaction. The overall objective would be to give trade the operational boon of reliably rapid movement of legitimate consignments through all official controls at all national frontiers. Nothing could be timelier, as the WCO seeks to alert the G20 and other policy-makers to the urgent need for simplification and modernisation.
to enlist a wide range of new and improved Customs techniques in the all-important task of stimulating and accelerating global trade re-expansion.

The WCO has a central, indispensable role: as a global voice for a Single Window/Co-operative Border Management concept; as a catalyst to bring about strategic agreement on standard practices and instruments with other interests able to exercise international influence, such as the UN/ECE Dangerous Goods Working Party; and as a partner with UNCITRAL, in a long but vital task of research and analysis to establish legal needs and consequences. It also has, and is constantly extending, a highly relevant technical toolkit.

In practice, however, review and reform has to start and succeed in individual countries. Canada has already begun to examine and bring new simplicities to its own set of border controls which, as a highly developed industrial economy and the key trading partner of the USA, are probably among the most complex anywhere. The UK is also looking at its own frontier arrangements and this has special importance in the context of EU membership. ASEC reached formal agreement in 2005 to encourage and assist national Single Windows in all member states, whilst Singapore with a Single Window largely in place through its well-established central data processing TradeNet system is also a leading element in the APEC Single Window project.

Experience so far suggests that the all-important initial move towards a national Single Window can come from several directions. A government may set the inter-agency cooperative wheels in motion because it is pressed by its business community or persuaded by its Customs administration or influenced through membership of APEC, ASEAN, the EU or other regional groupings. If the initiative is left to Customs they may be stimulated by business interest, participation in regional grouping projects or attendance at relevant WCO meetings. It is very unlikely to come from any other frontier control agency because many of them are only interested in the relatively few consignments that have characteristics bringing them within their particular control remit.

How can Customs best open up essential consultation with other departmental interests?
The worst possible route lies through any attempt that seems to aim at hierarchical superiority or could be interpreted to aid Customs’ annexation of such substantive control functions as quarantine, veterinary, nuclear substances or dangerous goods inspections. It is therefore crucial that the Single Window mechanism be presented and seen as a set of subsidiary services, using Customs resources and skills to help other agencies offer better continued performance of their existing undiminished remits. These are good reasons to use the completely innocuous term ‘Single Window’ or ‘cooperative’ rather than ‘co-ordinated’ border management.

“**The WCO Data Model, standard Customs messages, and the Unique Consignment Reference (the UCR) are basic data handling tools**”

The best possible cooperative tin-opener is unique Customs access to and understanding of the practical means of providing data capture, storage and processing in their daily operational relationship to an enormous range of commercial resources and requirements. The WCO Data Model, standard Customs messages, and the Unique Consignment Reference (the UCR) are basic data handling tools. The ability, through the WCO, to access and draw on other national Single Window experiences is a further very rare advantage. At a later stage of any individual Single Window project, the combined official and commercial benefits of mutual recognition arrangements with other trading partner states will bring Customs again to the enabling fore because they will be able to draw on the relevant provisions of the WCO SAFE Framework of Standards written by more than 155 WCO member administrations.

The advantages of cooperative border management systems, focused and relying on Customs data handling experience and resources go deep into the core needs of both trade and government; the trade will gain immediate relief from an orderly assembly of previously disparate controls, to a single comprehensive import or export control procedure, using relevant familiar WCO IT standards, with the prospect of even greater simplicity from mutual recognition Single Window agreements. Governments will gain more efficient arrangements to optimize essential controls while offering important new simplicities to their business partners. Associated control agencies will have new, up-to-date and rapid means of fulfilling their own responsibilities, with possibilities of additional future gain from mutual recognition agreements with their counterparts in other countries. Customs will have new justifications for their investments in IT technology, an enlarged intake of transaction data, some of which could be helpful for security and other risk-management applications, and an enhanced departmental status at the border without any cause for resentment by any other cooperating agency.

Trade will find itself emerging from the tightening grip of intensified regulation with new and wider simplicities. It will escape at last from the hazards of frontier situations in which goods can pass through automated Customs procedures rapidly and reliably only to be blocked by the processing of a piece of accompanying paper demanded by some other less efficient frontier agency. Most important of all – for everyone concerned – is that the final building blocks will be in place to provide global trade and the governments that depend on it with new procedural frontiers, where risk management will enjoy and employ modern data capture, processing and recording resources, and all legitimate consignments will pass export, import and transit formalities on the basis of a single submission of standard minimal control data.

More information
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The April edition of the World Customs Journal has as its theme the use of information and communications technology in the cross-border environment, and features a number of articles that examine the topic from the perspective of coordinated border management.

The following is a brief précis of selected articles.

In his article "ICT and the New Global Investment Paradigm: Challenges to Cross-Border Trade and Investment", IBM's Andrew Jackson identifies "horizontal, intergovernmental networks among the world's regulators" as a key facilitator in helping to ensure global stability. In doing so, he points to the WCO SAFE Framework of Standards as a step in the right direction, but warns that "the ongoing challenge...is to ensure that high level commitments morph into concrete action at the regional and country level as this is where the 'rubber hits the road' in respect to ensuring material outcomes for industry and governments alike". In discussing global developments, Mr Jackson points to the need for individuals, organisations and governments to carefully consider how they may best collaborate in the use of technology in order to achieve their desired outcomes.

The University of Canberra’s Adjunct Professor, Steve Holloway, in his article "Leveraging e-Customs - The Importance of Interoperability" analyses the e-Customs phenomenon and the obstacles to its expansion across borders. His analysis draws on studies that have found that the interoperability of e-commerce legal frameworks among countries remains low, even among countries that have adopted international standards. The influence of international organisations and regional initiatives on the encouragement of cooperation among countries is discussed and Prof Holloway argues that the full benefits of ICT and electronic commerce are unlikely to be achieved until there is uniform adoption or adaptation of national policies and legal frameworks that enable and legitimize the interoperable use of ICT in its national and international aspects.

While focussing on more effective automated data management, David Hesketh from HM Revenue and Customs addresses the need for globally networked Customs and integrated border management. This, he points out, is fully consistent with the WCO’s perception of Customs in the 21st century, which includes strengthened cooperation between Customs administrations, businesses and other government agencies. Mr Hesketh has provided a very compelling article that examines the way in which seamless electronic data and logistics pipelines are serving to shift the focus of Customs from import declarations to the start of commercial transactions. In his article, he argues the case for a radical re-assessment of the Customs business model by shifting the emphasis "from the point of importation to as far upstream in the supply chain as possible". Drawing on the UK Customs and International Compliance Strategy, he comments that "through technology and partnerships our control and monitoring can be far more integrated, virtual, broad and global".

Another particularly interesting article, contributed by Alan Long from Maritime Cargo Processing Plc, discusses key elements of coordinated border management from the perspective of the international trading community. In examining the key attributes of Port Community Systems (PCS), Mr Long identifies the considerable degree of cooperation and coordination that has resulted in the internationally acclaimed Destin8 System. He observes that, despite the obvious improvements in the Business-to-Customs and Customs-to-Business areas, a notable benefit is the way in which the PCS has "encouraged data transfer and the single submission of data for multiple-use in the Business-to-Business area of port operations". The lessons learned from the Destin8 System experience translate directly to those government agencies involved in border management and, as noted by Mr Long, "Governments intending to develop 'single windows' would...do well to look at the experiences of PCS providers when doing so, or they run the risk of providing systems that do not fully meet the needs of their customers".

The World Customs Journal can be accessed online free of charge.

More information
www.worldcustomsjournal.org
The WCO Data Model: an enabler for coordinated border management

As countries developed Customs forms, requirements, and automated systems over the years, there was little coordination and consultation among them. As a result, there are thousands of data elements, hundreds of different Customs forms, and as many different Customs systems as there are Customs administrations. This lack of coordination has created a confusing and confounding environment. These different requirements are rife with redundancy and duplication and are expensive to maintain and operate. Governments created this problem; governments can correct this situation – by using the WCO Data Model.

Customs data harmonization and standardization began with the G-7. The finance ministers of the world’s seven largest economies initiated Customs data standardization and made significant progress, but more had to be done. Because of the complexity of the issue, the scope of the G7 effort was limited to basic Customs processes. The WCO participated in the G7 effort and recognized the need for a more comprehensive data set. As the international forum for Customs’ administrations, the WCO was the ideal organization to continue this standardization. The WCO would give all member Customs’ administrations, regardless of the size of their economy, the opportunity to participate and would open the standardization process to the many business and trade organizations that participate in WCO activities.

Version 1 of the WCO Customs Data Model was issued in 2002. The WCO Secretariat formed the Data Model Project Team (DMPT) under the Information Management Sub-Committee (IMSC) to continue the standardization work. WCO Members participating in the DMPT were asked to analyze their Customs’ requirements and identify additional information that had to be added to the more robust WCO Customs Data Model. In 2005, Version 2 of the WCO Customs Data Model was released. This version included Customs and transportation data for release of goods at the border.

As the WCO was working on Version 2, the “whole-of-government cross-border single window” concept was gaining momentum. Such a single window is the government single entry point for the submission of international standardized data and messages for import, export, and transit of goods, conveyances, equipment, and crew. The WCO recognized the significance of the single window and realized that there was no forum for developing a whole-of-government set of data. WCO Members decided to fill this gap and agreed to include single window requirements in the Data Model. Thus the WCO Customs Data Model became the WCO Data Model.

This ongoing standardization work necessarily led to a Version 3 of the WCO Data Model. This version includes requirements for Customs, Agriculture, Food Safety, Marine Safety, Statistics, Immigration (crew) and Environment Protection (Basel Convention). Version 3 is, it must be stressed, not the Customs interpretation of trade agencies’ requirements. For Version 3, DMPT members were asked to consult with trade agencies in their countries and identify the additional requirements that needed to be added to create the required single window data standard. In addition to Members’ input, representatives from transport, agriculture, environment and marine safety were asked to contribute and review the contents of Version 3.

Version 3 of the Data Model is nearly complete. It is not just Customs! There are three basic components to this version; the data set, the business process models, and the overall information model. These compo-

**EDI (electronic data interchange)** is the generic term defining exchange of information in an automated manner between two entities using standardized messages, from one computer to another.

**EDIFACT (electronic data interchange for administration, commerce and transport)**, is the most common and widely used vocabularies in the EDI environment. UN/EDIFACT (ISO 9735) is an international standard that defines the syntax rules for the electronic exchange of messages between players in the government, trade and transport fields. It was devised by the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT).

**XML (extensible markup language)** offers an alternative means for system-to-system exchange of data in the EDI environment. It provides a basic syntax that can be used to share information between different kinds of computers, different applications, and different organizations without needing to pass through many layers of conversion.
nents, which in fact make up version 3, were approved by the WCO Council in June 2008. The last part, consisting of message implementation guidelines and other documents to support the implementation of the WCO Data Model, will be completed at the end of 2009. WCO Members agreed that a whole-of-government data set needed a corresponding whole-of-government message called the WCO Government Cross-Border Regulatory Message (GOVCBR). The concept and development of the GOVCBR message has been approved by international standardization bodies and after its publication, a new EDIFACT message. In addition to approval of the GOVCBR message, the contents of version 3 are consistent with the international standards of the United Nations Trade Data Elements Directory (UNTDED).

There are many in government and trade who believe that the WCO Data Model will result in the submission of more data. This is not the case. All of the elements in version 3 have been vetted against Member countries’ legal requirements. Many of the elements are not routinely part of the Customs declaration. While they may not be part of the Customs declaration, it is information that is sent in some way, in some format, or on some form. A careful analysis will reveal that the elimination of multiple submissions of redundant data will actually result in a reduced amount of data needing to be submitted.

WCO Member Customs administrations as well as Ministries of Trade or Commerce and Ministries of Transport are urged to adopt version 3 of the Data Model. Many benefits will accrue to those using version 3 – most notably, the facilitation of trade processes while simultaneously improving enforcement capabilities. There is no longer need to translate and manipulate data and messages from one system to another, from one document to another, or from many documents into an automated system. This will result in tangible costs savings, improved accuracy, and more timely release of goods.

The WCO Data Model and “whole-of-government cross-border single window” are key components of several WCO initiatives and instruments. The WCO SAFE Framework of Standards uses an extract of the Data Model. The realization of the Customs-to-Customs pillar of the Framework will be possible with the Data Model. The Revised Kyoto Convention (RKC) encourages signatories to adopt international standards and develop single window-style processing. The Customs Enforcement Network (CEN) and e-ATA will adopt the international standards of the WCO Data Model too.

Considerable time, effort, knowledge, and talent have gone into the development of version 3 of the Data Model which will provide stability and predictability for business-to-government and government-to-government exchange of data. There is nothing in the “standards” world that can match the contents and comprehensiveness of version 3. WCO Members should use WCO Data Model as the standard for Customs processing and the single window!

The author
Bill Nolle is a 35-year veteran of US Customs and Border Protection (CBP) and served as a Technical Attaché at the WCO. Now retired from government service, he is working with many countries, particularly in the ASEAN region, in the development and deployment of data standards and the single window.

GOVCBR (government cross-border regulatory) messages allow users to submit a unique standard message containing all information relating to an international trade transaction once. As such, GOVCBR is the cornerstone of a Single Window environment. Using UN/EDIFACT standards, the message was developed by the WCO using Version 3.0 of the WCO Data Model as a basis. Message implementation guidelines on how to use GOVCBR (e.g. what information is needed, etc.) will be produced by the WCO. Countries will need to further develop their own guidelines that adapt the template message to national legislation and terminology.

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WORLD CLASS EDUCATION FOR THE CUSTOMS PROFESSION

KNOWLEDGE BEYOND BORDERS

www.customscentre.canberra.edu.au
Switzerland provides sustainable support for the WCO Fellowship Programme

On 25 March 2009, Mr. Kunio Mikuriya, Secretary General of the WCO, and Mr. Andrea Canonica, Head of the International Affairs Service within the Federal Customs Administration (FCA) of Switzerland, signed an agreement renewing Swiss Customs’ support for the WCO Fellowship Programme for French speakers.

The FCA has undertaken to sponsor between one and three Fellows every year, thus offering these young Customs managers an opportunity to add to their knowledge and develop their skills in the Customs domain and, more specifically, in the area of international Customs standards developed by the WCO. For many years now the FCA has also played host to Fellows selected for the study trip to Berne.

It is thanks in particular to active support from countries such as Switzerland and other donors that, earlier in their careers, several of today’s Directors General of Customs from all parts of the world reaped the benefits of the WCO Fellowship Programme.

The Programme falls within the scope of the Columbus Programme and its initiatives to develop Member administrations’ management capacities. The aim is to assist Customs administrations with their organizational development by equipping a few managers, chosen for their career development potential, with the technical knowledge and capacities required to implement reform and modernization actions within their administration.

The 50th Fellowship Programme for English-speaking Customs officers commences on 12 October 2009. The four weeks of study in Brussels will focus on the Management Course and on work, within the WCO Sub-Directorates, relating to each Fellow’s chosen subject. The Fellows will spend the last fortnight of the Programme in a host Customs administration, observing its operations.

More information www.wcoomd.org

WCO Council prepares to elect new Deputy Secretary General

On Saturday 27 June 2009, the Directors General of Customs assembled for the 113th/114th Sessions of the WCO Council will elect a new Deputy Secretary General.

The post of Deputy Secretary General has been vacant since 1 January 2009, and in accordance with the rules, the Council will be called upon to appoint a suitable candidate to the post, to take effect on 1 January 2010.

The Secretariat is pleased to announce that the following three candidates have put themselves forward for election:

- Mr. Sergio Mujica Montes, Director General of Customs (Chile)
- Mr. Janos Nagy, Commissioner of the Customs and Finance Guard (Hungary)
- Mr. Paolo Di Roma, Director of the Regional Customs Directorate in Veneto (Italy)

A press release announcing the decision of the Council in respect of the election results will be issued by the WCO Secretariat on 27 June 2009.

More information www.wcoomd.org
WCO launches database of preferential agreements and related rules of origin

The WCO has established a global database of preferential trade agreements and related rules of origin in accordance with the Action Plan to improve the understanding and application of preferential rules of origin endorsed by the WCO Council in June 2007.

The database enables users to access and study preferential trade agreement texts and their related rules of origin provisions either by means of choosing a country on a drop-down list, on a world map or via a list of agreements in alphabetical order. The database also has a function allowing users to compare the core texts of rules of origin provisions of two to four different agreements. Moreover, the database will reproduce specimens of proofs of origin (origin certificates) used in the agreements.

The database reproduces the core text of rules of origin provisions (general origin provisions) for all agreements contained therein. While the complete legal text of the trade agreements and all annexes/appendices of the rules of origin provisions are not reproduced in the database, the legal texts of agreements and annexed rules of origin provisions (namely the product specific rules of origin) may be consulted via the indicated web address/es under the factual sheet reproduced for each agreement.

These factual sheets provide the following information in respect of the various agreements:

- the countries involved in the trade agreement
- the date of entry into force of the agreement
- its actual status (still active: yes – the database lists only agreements in force)
- the type of agreement (free trade agreement, etc.)
- the web address/es of the official website/s of the agreement

Furthermore, the application offers several keywords of commonly used terminology existing in origin provisions which highlight these keywords in the legal text.

The database may be accessed either in English or French.

WCO Members are in the process of testing the application which will officially be launched at the forthcoming Council sessions. The database will be available in the Members’ section of the WCO website. A user guide which will help users become familiar with the features of the database is also in preparation.

More information
www.wcoomd.org

The WCO makes a commitment to renewable energy!

The electricity used in the WCO Secretariat premises in Brussels has been 100% renewable (guaranteed by a certifying body) since 1 April 2009. Electricity consumption at WCO headquarters is consequently “CO₂ free”, and at no additional cost.

In keeping with this aim of using “green” energy, the cooling units which supply the building’s air-conditioning system will be replaced during the course of the financial year 2010/2011 by a new and more environmentally-friendly system which will not emit any greenhouse gases.

The consumption of electricity has also been reduced as a result of various measures taken by the Secretariat.

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WCO holds first CENcomm seminar!

The first regional seminar on the general use of the WCO CENCOMM tool, outside the confines of a specific enforcement operation, took place in the city of Suzhou (China) from 16 to 20 March 2009 at China Customs’ exceptional Foreign Affairs Training Centre. Hosted by the WCO Regional Intelligence Liaison Office (RILO) for the Asia Pacific region and sponsored by the Chinese Customs administration, the seminar was attended by 23 officers from 17 Customs administrations in the region. Participants from RILO Asia Pacific together with representatives from the UK and US Embassies in Beijing also attended the event.

During the course of the seminar, two facilitators from the WCO Secretariat shared their expertise in the use of WCO Customs Enforcement Network (CEN) applications with a specific focus on CENCOMM. They also highlighted the importance of using a secure communication tool during operational activities, in addition to making a presentation on the methodologies used in analysing data exchanged during operations and within the CEN.

CENCOMM is a tool that facilitates the exchange and use of data in a timely, reliable and secure manner with direct access available 24/7. Email management and information storage are just two of its key features. Being a web-based communication tool means that it is cost effective and does not require any special installation. It is hosted by the WCO Secretariat and may be accessed via the internet by authorized users.

The CENCOMM tool permits a closed user group (CUG) of officers to communicate via encrypted channels for the duration of any Customs operation or joint Customs operation involving other law enforcement agencies. Several operations can be organised at the same time as there are no technical limitations to the number of CUGs being operational at the same time.

More information www.wcoomd.org

Our condolences
George Westcott Thorne, who joined the WCO on 1 September 1953 as a Technical Officer in the Nomenclature Directorate, passed away in the United Kingdom on 27 March 2009. He was 92 years old.

Mr. Thorne, a member of the Study Group on Customs Matters set up in 1948 and which was a prelude to the establishment of the Customs Co-operation Council (CCC) in 1953, was one of the “founding fathers” of the first Nomenclature Explanatory Notes. He also served as an Advisor in the Valuation and External Relations Directorate, as it was then known, prior to returning to the United Kingdom in 1976.

The Secretariat wishes to express its sincere condolences to his wife, children and family.
A new book on transfer pricing and customs valuation is shortly to be published by the International Bureau of Fiscal Documentation (IBFD), a leading international provider of cross-border tax expertise and independent tax research.

The WTO Valuation Agreement provides the methodology for establishing the customs value of imported goods and contains specific rules where parties to a sale are related to ensure the relationship has not influenced the price.

Transfer pricing is the term used in the direct tax world to describe how prices are set between companies within the same multi-national group. This is a major component of a company’s tax planning strategies as it determines in which country or territory they wish their profits to be taxed. The methodology for establishing an ‘arm’s-length’ price for transactions between associated enterprises is set out in the Transfer Pricing Guidelines established by the OECD.

In recent years, however, questions have been raised about the extent to which transfer prices can be used as the basis for a customs value and whether the two regimes could, or should, be converged.

These issues, which are explored in detail in the new book, have been discussed at two major conferences jointly organised by the WCO and the OECD, and are also under further examination by the WCO Technical Committee on Customs Valuation. The WCO Secretariat’s Valuation Sub-Directorate contributed to the publication by writing the chapter on the key principles of customs valuation and related transfer pricing issues.

WCO News readers are being offered a 20% discount off the regular price. In order to ensure this discount is honored, the code WCO01 must be cited in order. The discount offer is valid until 15 July 2009. The link to the book’s webpage is:

http://test-www.ibfd.org/portal/Product_030TPCV.htm

More information
www.ibfd.org

Customs intelligence and analysis training forges ahead

Some 20 Customs officers based in the WCO’s 11 Regional Intelligence Liaison Offices (RILOs) participated in an Analysis Training Course that was held at WCO Headquarters from 4 to 8 May 2009. The course was aimed at enhancing their analysis capabilities to enable them to produce better structured and higher quality analysis reports.

This training, the first of its kind, was financed by the WCO through the Euro-customs Fund. It was led by two Customs trainers from the Netherlands and coordinated by the WCO Secretariat’s Joint CEN/Intelligence Team. It covered general analysis, the different types of analysis, the main principles of analysis, analysis methods and analysis products (reports, reporting structure, reporting procedures, etc.). Participants were given an opportunity to try out their new skills by carrying out strategic and operational analysis exercises and by conducting analyses using the CEN database and other sources.

As a next step, the WCO Global Information and Intelligence Strategy (GIIS) Project Group will develop “Analysis Guidelines” to help Members implement an information and intelligence strategy.

More information
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Chinese/Dutch cooperation

Chinese Customs officers visit the WCO with their Dutch Customs trainers on 18 March 2009 for a briefing on the WCO Columbus Programme – the Organization’s capacity building initiative to support the implementation of the WCO SAFE Framework of Standards to secure and facilitate global trade. The Visit took place within the framework of a training agreement between China and the Netherlands.

More information
www.wcoomd.org
A (H1N1) virus, Customs administrations mobilize

Faced with the rapid worldwide spread of the A (H1N1) virus – also known as Influenza A (H1N1) – which constitutes a public health emergency of international scope, the WCO Secretariat has sent two letters to all Directors General of Customs informing them of the epidemic, the precautionary measures that should be taken, the latest developments, the main elements of a Customs Action Plan and, finally, the web sites of international organizations such as the World Health Organization (WHO), the Food and Agriculture Organization (FAO) and the World Organization for Animal Health (OIE). These organizations are following the pandemic very closely at the epidemiological, clinical and virological levels and are publishing, in particular, the results of assessments in progress in the form of public health recommendations.

WCO Members have been invited to inform the Secretariat of the detailed measures they have taken or are intending to take to prevent the spread of this disease. Two information papers available on the WCO website (Members’ section) describe the virus, recent developments and general preventive measures, and invite Customs administrations to intensify cooperation and information exchange with health authorities as well as various border services in order to work out a Customs Action Plan to prevent and stem the spread of the virus and thus contribute actively to worldwide efforts to combat the infection. This information will be updated regularly to keep Members informed about ongoing developments.

More information
www.wcoomd.org
www.who.org
www.fao.org
www.oie.int

WCO/Japan Internship Programme

The WCO will launch a new initiative – the WCO/Japan Internship Programme – in cooperation with the Japanese Customs administration. The Programme has five clear objectives: to promote the involvement of WCO Members where neither of the two official WCO languages (English and French) is widely spoken; to provide an opportunity for selected candidates to undertake work at the Secretariat as a trainee in order to obtain knowledge, skills and international work experience; to develop and enhance networks among WCO Members and the Secretariat; to enhance the research function of the WCO in order to support and assist the Secretariat in its missions, work and tasks; and to develop a pool of highly competent candidates with expertise in Member administrations.

Under this Programme, seven Customs officials from developing countries will be selected as interns on the basis of two criteria: by language (with free choice of theme); and by topic (IPR Focus). They will then be given an opportunity to spend a year at the WCO Secretariat and thus gain valuable international experience. Interns are expected to undertake research and study on a specific theme or a special project in cooperation with a tutor designated in accordance with the topic or project. They will have an opportunity to conduct and enhance their research and study in one or more countries including Japan. In return, interns are expected to assist and support the tasks and projects of the Secretariat.

The Programme, made possible through funding from Japan, will be an ongoing one and will enable many Customs officials to benefit over the coming years.

More information
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Customs and Excise Department
Hong Kong, China

Vision
The Customs and Excise Department of Hong Kong, China (HKC) is a progressive and forward-looking customs organization which contributes to the stability and prosperity of the community. We act with confidence, serve with courtesy and strive for excellence.

Mission
• To protect the Hong Kong Special Administrative Region (HKSAR) against smuggling
• To protect and collect revenue on dutiable goods
• To detect and deter narcotics trafficking and abuse of narcotic drugs
• To protect intellectual property rights
• To protect consumer interests
• To protect and facilitate legitimate trade and industry and to uphold Hong Kong’s trading integrity
• To fulfil international obligations

Values
• Professionalism and Respect
• Lawfulness and Justice
• Accountability and Integrity
• Foresight and Innovation

International cooperation
In fostering bilateral and multilateral customs cooperation, the HKC has concluded 15 Customs Cooperative Arrangements with its counterparts. At the WCO Council Sessions, the HKC was elected as a Member of the Policy Commission from 1998/99 to 1999/00 and as the Regional Vice-Chair for the Asia/Pacific region from 2000/01 to 2001/02.

Regional Intelligence Liaison Office
The HKC hosted the first Regional Intelligence Liaison Office for the Asia/Pacific region (RILO A/P) from December 1987 to December 1998. After the relocation of RILO A/P to Tokyo, Japan and then to Beijing, China, the HKC continued to second officers to RILO A/P as Intelligence Analysts.

Regional enforcement programmes
The HKC has been actively participating in regional enforcement programmes, such as Project Sky-Hole-Patching, Project Crocodile, and the Drug Seizures Immediate Notification System. The latter two were initiated by the HKC in 2004 and 2007 respectively for the suppression of illicit cigarette smuggling and the enhancement of the intelligence system for drug trafficking.

Investigations on the laundering of drug proceeds
Apart from investigations and surveillance of drug trafficking activities, the HKC investigates laundering of drug proceeds and initiates applications for freezing and confiscating assets derived from drug trafficking.

Anti-internet piracy
Two Anti-Internet Piracy Teams have been established to fight against piracy activities on the internet. In addition, the Customs Computer Forensic Laboratory offers professional assistance in collecting, preserving, analyzing, and presenting digital evidence to the law court in piracy cases.

Regional Training Centre
In supporting regional programmes for capacity building, the HKC has been hosting one of the five Regional Training Centres for the Asia/Pacific region since June 2004.

Integrity programme
The HKC adopted the WCO Revised Arusha Declaration as the blueprint for integrity management and established the Integrity Steering Committee in 2001. The department is also one of the pioneer customs administrations to issue a “Code on Conduct and Discipline” for all customs staff in 1999 as a result of the WCO recommendation.

Customs headquarters
The new customs Headquarters building for the HKC is currently under construction and will be completed in mid-2010.

The way forward
At the forefront in upholding the import and export controls of the Hong Kong Special Administrative Region, the HKC has throughout the past years attached great importance in striking a fine balance in its role as a law enforcer with that of a trade facilitator. The HKC will in the future strive to maintain its high level of efficiency and continue to upgrade the quality of its service.

Commissioner of Customs and Excise
Mr. Richard M F YUEN
(Appointed 1 July 2007)

Total staff
5608 (at 1 March 2009)

Official address
9/F, Harbour Building
38 Pier Road
Central
Hong Kong, China

Date of establishment:
17 September 1909

General contact point
Ms. Alice P Y LEUNG
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Date of WCO membership:
1 July 1987

More information
www.customs.gov.hk
International Customs Day celebrations around the world

Bermuda
The Minister of Finance and the Financial Secretary hand out awards for government as well as Customs long service

Korea
Korean Customs Service’s Commissioner and Deputy Commissioner pose with Ambassadors to Korea

Norway
Norwegian Customs officer hands out apples to travellers at Trondheim Airport

New Zealand
New Zealand Customs hold an open day in conjunction with the Ministry of Agriculture and Forestry, the Department of Conservation, and the Wellington Zoo, with displays that drew attention to smuggling methods, the harm caused by smuggling, offences detected, and x-ray equipment used to fight environmental crime

Sierra Leone
Sierra Leone Customs organizes a Seminar for staff of the National Revenue Authority, and representatives of civil society, the Conservation Society of Sierra Leone and the Environment Ministry

Hong Kong, China
Deserving officers involved in environmental protection pose with their WCO Certificates of Merit

Norway
Posters highlighting Norway’s “Go ahead, have an apple!” Customs campaign which advertises the work of Customs in the fight against environmental crime were displayed all over the country

Belgium
Belgium Customs displays seizures at WCO headquarters of endangered species

Korean Customs Service’s Commissioner and Deputy Commissioner pose with Ambassadors to Korea

New Zealand Customs hold an open day in conjunction with the Ministry of Agriculture and Forestry, the Department of Conservation, and the Wellington Zoo, with displays that drew attention to smuggling methods, the harm caused by smuggling, offences detected, and x-ray equipment used to fight environmental crime

Sierra Leone
Sierra Leone Customs organizes a Seminar for staff of the National Revenue Authority, and representatives of civil society, the Conservation Society of Sierra Leone and the Environment Ministry

Hong Kong Guests and senior customs officials toast the international Customs community

Posters geared at convincing the public to prevent environmental crime by changing their attitude were displayed all around Freetown, Sierra Leone’s capital city
Singapore

The “Stars team”, winner of the prestigious “Director General’s Award”, pose for the camera.

Mozambique

A proud recipient of a WCO Certificate of Merit.

Slovenia

Slovenian Customs organize an exhibition of endangered species seized by Customs officers over the last few years.

South Africa

At South Africa's O.R. Tambo International Airport, a Customs sniffer dog uncovers crates of dried abalone destined for Hong Kong.

Fiji

Fiji displays a Banded Iguana; one of their endangered species subject to smuggling.

Portugal

Director General of Portugal Customs addresses invited participants.

Mozambique Customs officers plant trees after attending a workshop on the protection of the environment.

Serbia

Deputy Director General of Serbian Customs awards Certificates of Merit to employees and operational workers responsible for monitoring the implementation of environmental multilateral agreements and fighting environmental crime.

Trinidad and Tobago

Members of the Executive Team at the Trinidad and Tobago Customs and Excise Division open the 2009 ICD Exhibition.

An "International Customs Day" cake on the menu at Fiji Customs.

A passing out parade on International Customs Day for officers of the Customs Border Control Unit.

Two former Customs officers receive WCO Certificates of Merit.

Visitors to the ICD Exhibition view local endangered/protected species provided by the Trinidad and Tobago Forestry Division.
Training, a key component of capacity building in Iran

The Islamic Republic of Iran has been a Contracting Party to the TIR (International Road Transport) Convention since 1976. This Convention is aimed at simplifying and harmonizing the administrative formalities applicable to the transit of international road transport. IRICA – the Islamic Republic of Iran’s Customs Administration – is tasked with ensuring the correct application of this Convention.

In order to update Customs officers’ knowledge of TIR regulations, IRICA organized a three-day workshop in Teheran from 17 to 19 February 2009, in collaboration with the International Road Transport Union (IRU). This workshop, opened by Iran’s Deputy Minister for Roads and Transportation, brought together over 120 Customs officials with responsibility for TIR procedures at borders and within IRICA’s head office, and more than 20 representatives of organizations and ministries dealing with transit issues, such as the Ministry of Roads and Transportation and its affiliated services, as well as Iran’s Border Police, the Secretariat of the Economic Cooperation Organization (ECO), the Iran Chamber of Commerce, Industries and Mines (ICCIM), and the Ministry of Commerce.

More information
www.irica.org

Korea takes concrete action to protect the environment

In line with the Korean Government’s drive for “Green Growth”, the Korea Customs Service (KCS) developed its Green Customs vision and released its plan to combat illegal transactions of goods detrimental to the environment in October 2008. This comprehensive long-term plan was produced by adjusting the recommendation on environmental protection adopted by the WCO Council in June 2008 to Korea’s circumstances.

The plan contains three key focus areas:

- Firstly, the KCS will enhance its targeting capability for high-risk entities and goods by developing a new cargo selectivity technique which will help customs officials effectively control environmentally harmful goods. In particular, for companies committing environmental offences, the KCS will conduct an intensive investigation into their foreign exchange transactions as well as their involvement in other cross-border illegalities or organized crimes including money laundering and diversion of criminal profits to terrorist organizations, and will also back-track their cash flow if necessary.
• Secondly, the KCS will add goods highly likely to damage the environment to the list of items subject to approval by relevant government agencies before export or import. Moreover, motorcycles, waste fibers, domestic waste, etc. would be added to the list in the long term.

• Thirdly, the KCS Commissioner, Yongsuk Hur, raised the necessity for trilateral information exchange on the illegal trade in environmentally detrimental goods at the Tripartite Customs Heads’ Meeting (attended by China, Japan and Korea) that took place last November and proposed to provide a speedier clearance service for environment-friendly goods. The KCS will continue its efforts to stimulate information sharing among nations linked to environmental offences.

As a first step under the comprehensive plan, the KCS intends to organize a special operation to crack down on illegal transactions of environmentally detrimental goods and endangered animals and plants in the first half of 2009. This operation will be jointly conducted by regional customs offices in cooperation with the private sector, under the leadership of the KCS. During the period of the operation, the KCS will focus its enforcement activities on high-risk passengers and container shipments from and to the Asian region.

More information www.customs.go.kr

Enforcement cooperation goes from strength-to-strength!

At the initiative of the Director General of Gabonese Customs, Mr. Onguinda Fridolin, the first joint meeting of National Contact Points (NCPs) for the Regional Intelligence Liaison Offices for West Africa (RILO-WA) and Central Africa (RILO-CA) was held in Libreville (Gabon) from 20 to 22 April 2009. This meeting was followed on 23 and 24 April 2009 by a training session on CEN database functionalities given by the WCO Secretariat.

Over 30 delegates attended the event, including the Director of the Central Office for Drug Control (OCLAD), representing ICPO/Interpol in Gabon, and a representative from the UN Security Council Counter-Terrorism Committee who attended as observers. During the opening ceremony the WCO Secretary General reminded participants that their daily tasks must revolve around the CEN and its applications.

The meeting recognized that the success of Operation COCAIR (see issue No. 58 of WCO News), which demonstrated once again the usefulness of the WCO CEN tool, is partly attributable to the operational training session carried out during the preparatory phase. This also emerged during the COCAIR debriefing. All participating services were unanimous about the benefits gained from the training, felt during and especially since Operation COCAIR.

Training, a key element of Customs modernization, is one of the fundamental components of Customs capacity building and the driving force behind a dynamic and efficient Customs service. Capacity building is therefore a deciding factor in the effective enhancement of Customs operations. From this perspective, there are plans to use dog and handler teams specialized in drug detection for subsequent operations.
The project to establish a Regional Training Centre for drug detection dogs was taken further when the WCO Secretary General presented Mr. Nanga, Vice Chair of the WCO West and Central Africa region and Director General of Senegalese Customs, with an extremely detailed “preliminary draft” for the establishment of such a centre in West Africa. It will be based in Dakar (Senegal) and supported by the French Customs administration. This project, despite being ambitious, represents a genuine challenge for the West and Central Africa region and is a giant leap forward in terms of building capacities to combat drug trafficking.

Representatives from Interpol and the UN took the opportunity to speak about Gabon’s drug enforcement strategy and, more generally, about combating cross-border crime. The necessity for close cooperation, especially in the intelligence domain, and for synergy between Customs, police and other relevant agencies was underscored.

Participants summed up the issues raised during the meeting as follows:

• the project to establish a Regional Training Centre for drug detection dogs for the West and Central Africa region;

• the execution of Operation COCAIR 2 and Project AIRCOP (see boxed text);

• training activities (CEN, CENcomm, CEN data analysis and risk analysis) to be conducted at the Regional Training Centre in Ouagadougou;

• the adoption of a framework training project on intelligence;

• the establishment, by the RILOs, of a hub for communication and information sharing between the various regional enforcement organizations;

• and lastly, the continued development and implementation of nCEN by the WCO Secretariat.

They concluded by adopting recommendations fully in keeping with the joint Action Plan for the region’s RILOs approved in Brazzaville (Republic of Congo) at the 14th Conference of Directors General of West and Central Africa on 17 and 18 April 2009.

More information
pierre.bertrand@wcoomd.org

COMESA takes steps towards a Customs union

From 19 to 23 January 2009, the Secretariat for the Common Market for Eastern and Southern Africa (COMESA) organized a regional meeting in Lusaka (Zambia) in which the WCO was invited to participate. Representatives from Kenya, Mauritius, Malawi, Egypt and Zimbabwe attended the meeting.

Ed de Jong from the WCO Secretariat’s Tariff and Trade Affairs Directorate provided technical assistance on refining the COMESA Common Tariff Nomenclature, to ensure that it conformed to the 2007 version of the Harmonized System nomenclature.

The COMESA Common Tariff Nomenclature is one of a number of trade facilitation measures on the simplification and harmonization of trade documents and Customs procedures in the 19 COMESA Member States. As a next step in COMESA’s integration agenda, Member States intend to launch a Customs union.

More information
www.comesa.int
A Customs officer in post at INTERPOL

For several years, the staff of the INTERPOL Secretariat has included a Customs official responsible for liaison between Police and Customs services and, in particular, for ensuring coordination between INTERPOL and the WCO Secretariat in matters of potential interest to the Customs or involving joint Customs/Police action.

This post, created in 1998, has been occupied since 1 March 1999 by a German Customs officer. After Günther Abendroth and Jürgen Hartlich, it is now Ruediger Klausmann's turn. WCO News interviewed him to learn more about his job at INTERPOL's General Secretariat and his professional career.

WCO News: What were your reasons for taking the Customs/Police Co-ordinator job at INTERPOL?

Ruediger Klausmann: INTERPOL stands for a safer world. It facilitates cross-border police cooperation and supports and assists all organizations, authorities and services whose mission includes the prevention or combating of international crime. Customs administrations have a lot of specific knowledge, experience and capability in combating cross-border crime. Therefore, the best way forward in the fight against transnational crime is close and fruitful cooperation between Customs and the police. Strengthening this cooperation makes my job both motivating and challenging.

R. K.: I am assigned to the Directorate for Specialized Crime and Analysis. This Directorate is subdivided into the following six sub-directorates: Drugs and Criminal Organizations; Financial and High Tech Crime; Public Safety and Terrorism; Trafficking in Human Beings; Criminal Analysis; and Anti-Corruption.

WCO News: Could you tell us exactly what your work involves?

R. K.: I am responsible for the coordination of all Customs/Police matters such as the working programmes related to cooperation with the WCO and its RILOs, as well as with other international bodies such as the UNODC and OLAF. I also act as a point of reference for INTERPOL's member countries requiring assistance or advice in Customs matters and of course for all Customs administrations requiring assistance or advice from INTERPOL. My other responsibilities include the development of common strategies to enhance cooperation with institutions and organizations in Customs/Police matters, and last but not least to take initiatives for joint Customs/Police operational projects and training.

WCO News: You are a German Customs official. Can you tell us something about your career before you arrived at INTERPOL?

R. K.: In 1981, I started as an investigator with the German Customs Investigation Service in Heidelberg (Germany), before moving in 1986 to the Customs Investigation office in Frankfurt am Main where I mainly dealt with drug cases. After a short time as a member of the Wiesbaden-based Joint Customs/Police Financial Investigation Group (BKA), in 1993 I moved to Cologne where I was part of the operations support division for the Customs Criminology Office (Zollkriminalamt or ZKA). Under German law, the German Customs Investigation Service has strong investigative powers, and it was within this division that I was section leader for a range of support issues relating to criminal investigations, in addition to representing the ZKA in international working groups on police activities for example. My experience over the years in joint Customs/Police operations has shown me exactly what good cooperation between the two can achieve.

And in relation to colleagues in the WCO Secretariat, since my time in Frankfurt I have worked especially closely with two – Norbert Steilen and Jochen Meyer – which is a personal benefit for me with regard to my work on the INTERPOL/WCO cooperation.

WCO News: What are your priorities for 2009?

R. K.: My priority missions certainly correspond with some of INTERPOL's priority crime areas such as 'public safety and terrorism', 'drugs and criminal organizations' and 'financial and high tech crime'. Drug trafficking, money laundering, counterfeiting and piracy, illicit cigarette production, and smuggling all come under these areas which are of major interest to Customs administrations as well. However, I would like to offer my assistance as a contact point for all Customs/Police matters where INTERPOL and Customs work together. Of course this article serves as a useful vehicle to inform the Customs community that they have a contact point at INTERPOL if they need one!

WCO News: Having just started work in Lyon, how long will you be stationed at INTERPOL?

R. K.: My secondment is for a three-year period, with the option of an extension for an additional year. As I have just begun my tour of duty at INTERPOL's General Secretariat, my focus right now is on settling in but I am certainly looking forward to the work ahead of me. So at the moment, I am not yet thinking about what will happen when I return to Germany.

More information
www.interpol.int
The WCO Data Model: a trade facilitation tool

It all started when the G7 deemed standardization and a reduction in the volume of data required for international trade operations essential for facilitating the movement of goods at borders, the key elements undoubtedly being information and documentation.

To ensure that dealings between Customs services, traders and other border regulatory agencies were as efficient as possible, a joint platform for sharing official data had to be developed that would enable all competent border services to share information required to accomplish formalities for the arrival, departure, transit, clearance and release of goods. The Data Model is the product of an ongoing task to harmonize, standardize and rationalize; a task which the international community set itself in the interests of smooth trade flows.

The G7 Customs Experts Group subsequently transferred management of the Data Model to the WCO, given the extensive work that had already been done by the Organization in terms of standardization, security, and facilitation of trade, especially in extending the review and application of data sets to all stakeholders by involving trade circles in particular.

In order to gain a greater understanding of the Project Team’s work objectives as well as obtain a progress report on version 3 of the WCO Data Model, the WCO spoke to Mr. David Hunt (Australia), who chairs DMPT meetings.

WCO News: What are the main differences between V.2 and V.3 of the Data Model?

David Hunt: One of the main differences between versions 2 and 3 of the Data Model is that for the first time information required by other regulatory agencies to meet their reporting needs is specifically included. Secondly, Government-to-business messaging is included in version 3 and greater consideration is given to support for Extensible Mark-up Language (XML) usage. Furthermore, the Data Model now includes data to specifically support other, or partner regulatory agency information for agricultural, dangerous goods, a much broader coverage of transit and the International Maritime Organisation Forms at Landing (IMO FAL) reporting requirements.

While this scope may appear to be somewhat limiting, the Data Model Project Team membership believes that by making the Data Model less Customs-centric in concert with the additional data, we have added the possibility of meeting a much broader range of cross border regulatory reporting requirements. Although the subject matter may change, fundamentally the information is required to meet a business process and those processes are largely the same no matter the subject.

W. N.: How will use of the Data Model benefit Customs Administrations, cross border regulatory agencies and private sector?

D. H.: The Data Model provides a set of data and data structures that can be used to support data exchange between business and government. The provision of data structures encourages administrations to adopt common reporting requirements, which in turn will simplify reporting for the private sector. This will also make it easier for Customs administrations to exchange data and encourage interoperability.

Because the Data Model has been developed to align with the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) data structures, it is attracting interest from a variety of industry associations and regulatory bodies interested in aligning their information requirements with the Data Model. This means that reporting data sets, standards and processes will naturally converge, thus reducing the cost of regulatory reporting and at the same time increasing the quality of data reported to regulators. In other words, it is a win-win situation for industry and regulators alike.

W. N.: What is the place of the Data Model into the "Single window" concept and more globally in that of "Coordinated Border Management"?

D. H.: The Data Model provides an electronic "lingua franca" that can be used to support development of cross-border regulatory reporting systems, whether they are single window or stand alone systems. Once the Data Model has been implemented
administrations will be better placed to exchange information, as there will not be the same need to translate the data passed between administrations and with other regulatory agencies.

W. N.: Are there pre requirements to implement this common platform for data exchange?

D. H.: No. Implementation of the Data Model simply requires commitment by an administration to adopt a set of standardized data elements and then to ensure that their systems implementations actually comply with the Data Model definitions and data structures. In a sense, adoption of the Data Model simplifies the design effort required to develop new reporting systems. This should be a significant cost saving for development teams in that much of the thinking about reporting requirements and the information needed to support them has already been done, documented and provided in the Data Model.

Although the WCO Data Model provides Electronic Data Interchange for Administration Commerce and Transport (EDIFACT) and XML messages and data structures, it has been built on information concepts and is thus technology neutral at the data level. This means the data and reporting structures can be implemented irrespective of the technology being used.

W. N.: What are the next deadlines (steps) for your Team leading up to the launch of Version 3?

D. H.: Version 3 of the Data Model has been endorsed by WCO Council and a deadline for full release set for the end of this year. I am confident that this deadline will be met and believe final release will occur at the June 2009 Information Management Sub-Committee meeting. This is because the work of the Data Model Project Team is fundamentally finished.

What remains to be finished is the formal submission and alignment of the WCO Data Model to UN/CEFACT standards. This last process is largely a paper exercise as, at every step of the development process, the Data Model Project Team has been working to ensure alignment with the UN/CEFACT standards.

W. N.: What is your personal point of view about Data Model Version 3 as Chairperson of the Project Team?

D. H.: I am pleased to have had the opportunity to work with such a dedicated group as the Data Model Project Team in developing the Data Model. Version 3 is a significant change for the WCO Data Model as it moves beyond the strict confines of Customs reporting. It recognizes that in order to support international data exchange, the discussion has moved to commerce as a whole rather than multiple industry sectors acting alone.

The fact that bodies, such as the Universal Postal Union, the International Air Transport Association, the International Maritime Organization and others, are approaching the WCO to talk about ‘alignment’ is an endorsement of the approach taken to develop version 3 of the Data Model.

More Information
www.wcoomd.org

An update of the distribution media for WCO Publications was clearly needed!

The new version of the Harmonized System Commodity Data Base (HSCDB) will be presented in the margins of the upcoming Council Sessions. The time is therefore ripe to take stock of the huge task of modernizing the WCO publications distribution media which was embarked upon one year ago. The new Head of Administration and Personnel, Ray McDonagh, has kindly agreed to answer our questions about this task.

WCO News: The Secretariat will officially launch the new version of the HSCDB (online and CD-ROM formats) at the June 2009 Council Sessions. Why did you decide to bring out a new version and what is the background to it?

Ray McDonagh: As you know, new information technologies have an impact on all branches of activity. This can be clearly seen when it comes to the circulation of legal and regulatory information, for which the number of texts in digital format now outstrips that in hard copy. Yet we noticed that this trend did not apply to the distribution of the HSCDB, the electronic version of which is still far less popular than the hard copy. Our investigations into the reasons for this gap underscored technological and functional obsolescence as well as the ergonomics of the previous electronic version of the Data Base, which was developed several years ago. We therefore had no option...
but to face facts; our CD-ROM and website no longer met the expectations of Members and the Public and an update of our publications distribution media was clearly needed.

In conjunction with the Nomenclature Sub-Directorate and GMD Publishing, our publications service provider, we consequently set up a steering committee tasked with upgrading all the production and distribution methods for WCO publications. In this connection, I wish to express my sincere gratitude to the Nomenclature Sub-Directorate teams who actively participated in this project and made it possible to launch this new version of the HSCDB in record time.

We firmly believe that this new version, which is more extensive and easier to use, will be warmly welcomed by all those who try it out.

**W. N.:** What extra's does this new version offer compared with the old version?

**R. M.:** There are three fundamental differences in the new version. Firstly, the search options throughout the body of the text have been considerably enhanced thanks to the installation of a so-called “linguistic” search engine which takes the particularities of each language, such as plurals or synonyms, into account for enhanced user-friendliness. By way of example, if the user initiates a search on the word “car”, the search engine will also cross-reference texts containing the word “automobile”.

Secondly, the functionalities for processing the results obtained have also been substantially expanded. For example, the user will be able to attach personal “post-it” notes to search results (at chapter, section, heading, Classification Opinion or Explanatory Note level), which can be kept so as to capitalize on the search results. Finally, whilst taking care not to radically alter the navigation interface to which some users have grown accustomed, it has nevertheless been completely re-thought to enhance its comfort and ease of use.

**W. N.:** Do you have plans to distribute the HSCDB on media other than CD-ROM and the internet?

**R. M.:** We most certainly do. Both Members and the public regularly ask the WCO to make data bases available in a wide variety of formats. As a result, the HSCDB will now be accessible via a range of new media including USB keys (memory sticks). However, in addition to these “conventional” media, we are going to embark on an experimental phase by supplying the HSCDB on “mobile” media such as e-books or personal digital assistants (PDAs) in order to meet the demand for “roaming” access. The HSCDB will also be available through “web service” consultation, accessible via various Customs information portals.

**W. N.:** Will this new application and these new media only be available in the WCO’s two official languages, namely English and French?

**R. M.:** No, and this is a major step forward. We have broadened the scope of our deliberations on updating the HSCDB to take in the entire publications production line. We wanted to give Members the option of using our IT infrastructure so that they can manage translations of the Explanatory Notes and their Amending Supplements into different languages. Using the WCO’s IT platform (Editorial System) will save Members a great deal of time and will enable them to access the Explanatory Notes in their own language, and via all the distribution media to be employed by the Secretariat.

The Secretariat is pleased to inform you that the HSCDB will shortly be available in Italian, Russian and Spanish too. I would therefore invite Members to make other language versions available to us.

At a time when the WCO is working on giving effect to its “Customs in the 21st Century” strategic policy, and especially on the use of new technologies and effective tools, it is duty bound to lead by example. We have accomplished our mission!

A presentation on this new Data Base can be viewed on the WCO website: [www.wcoomd.publications.org](http://www.wcoomd.publications.org)
Headquartered at the Vienna International Centre in Vienna, Austria, the International Atomic Energy Agency (IAEA) is the world’s centre of cooperation in the nuclear field. Established in 1957 as an independent, inter-governmental organization under United Nations auspices, IAEA membership currently stands at 146 States.

The Agency’s mandate covers work in three major areas:

- It assists countries to mobilize peaceful applications of nuclear science and technology, which contribute to goals of sustainable development in fields including energy, human health and agriculture.

- It serves as the world’s nuclear inspectorate, conducting activities to verify that countries do not use safeguarded nuclear material and activities for military purposes.

- It helps countries to ensure that their peaceful nuclear activities are conducted in a safe and secure manner and that response measures are in place for dealing with a nuclear incident or other emergency.

Nuclear security assistance provided by the IAEA helps States to meet obligations derived from international legal instruments to which they adhere, including UN Security Council Resolutions 1373 and 1540. The priorities of the IAEA nuclear security programme include: assessing States’ nuclear security needs and managing and coordinating nuclear security information; preventing malicious and unauthorized acts involving nuclear and radioactive material and their associated facilities and transport; and detecting and responding to such acts.

Concretely, such assistance can take different forms. In this respect nuclear security advisory missions, evaluations and technical visits constitute the Agency’s main tool for helping States to assess their nuclear security needs, and provide a basis for formulating plans of action for improving nuclear security. The needs identified by such missions can subsequently be addressed by the State alone, with the Agency’s support, or with the assistance of a bilateral partner.

In a parallel track, the IAEA has developed concepts and procedures for dealing effectively with nuclear and radiological threats. These are disseminated through international conferences, training courses, seminars and workshops and security guidance publications.

In performing these missions, the Agency has developed partnerships with other international organizations that share responsibilities in the field of nuclear security. This ensures efficient use of resources. Such a partnership exists with the World Customs Organization since the signature of a Memorandum of Understanding in 1998 that established a platform for close cooperation between the two organizations in combating the illicit trafficking of nuclear and other radioactive material, as well as the facilitation of information exchange – a joint IAEA/WCO “Customs Radiation Safety Course” was organized in October 2004 for example. The WCO also contributed actively to the development and publication of a series of nuclear security technical guides, and IAEA technical documentation such as the “Prevention of the inadvertent movement and illicit trafficking of radioactive materials” (September 2002), the “Detection of radioactive materials at borders” (September 2002), and the “Response to events involving the inadvertent movement or illicit trafficking of radioactive materials” (September 2002).

Effective nuclear security arrangements also require technical equipment at nuclear installations and at borders for the detection of radiation in goods and persons. Providing urgently needed technical upgrades and equipment has been the foundation for IAEA assistance to States in enhancing the security of nuclear and other radioactive material since the establishment of the Nuclear Security Programme in 2002.

In this respect, as of the end of 2008, the Agency has procured over 2600 items of equipment for 45 States in Africa, Asia, Europe and Latin America. This equipment enhances detection capabilities at borders, and some was dedicated to strengthening State systems of nuclear material accountancy and control. The equipment included: radiation portal monitors, radionuclide identification devices, personal radiation detectors, neutron search detectors, movable radiation monitors and mini multi-channel analysers. It is worth noting that the deployment of radiation detection equipment in a country never comes alone. Without proper training and integration in the daily routine work of frontline officers and a proper plan for their sustainability, the most expensive devices
will be useless! For this reason the IAEA usually arranges the training needed to operate and maintain the equipment in concomitant events.

From a basic piece of equipment such a personal radiation detector to a sophisticated portal monitor associated with a central alarm station, the price range can go from a few hundred Euro to several hundred thousand Euro. As IAEA resources for the procurement of such equipment is limited in comparison to the growing requests for such technical assistance – even higher in anticipation of the possible implementation of the new US requirement that by July 2012, 100% of cargo containers be scanned for radiation prior to their departure for the US – there is an urgent need to coordinate with other international or bilateral support programmes and optimize the use of resources. In this particular area of assistance, the IAEA has strengthened its interaction with the European Commission and the US “Second Line of Defence” programme to ensure complementarities of deployment approaches. The main challenge is to work towards harmonization of the different systems deployed in order to ensure efficient data communication within a particular country.

More information
www.NuclearSecurity@iaea.org
www.iaea.org/Publications/

A National Trade Rulebook … so the rules can work and trade can flow

Customs administrations have worked diligently for more than two decades to increase voluntary compliance with Customs regulations, mainly by making it easier to obtain information about regulations. Is this diligence paying off? Can more be done to enable voluntary compliance and, perhaps even more important, to facilitate trade?

Knowledge yes, but of what?
Traders need ready access to regulations in order to comply with them, and Customs officers need access to enforce them. But which regulations? The simple answer: all regulations. Many agencies in addition to Customs have a legitimate mandate regarding regulation of goods crossing borders. If trade in goods is to flow efficiently, access to Customs regulations alone will not be effective.
Traders and Customs officials alike need to know the regulations applicable by all agencies as well as tariff and non-tariff measures. Facilitating trade and increasing voluntary compliance with trade rules requires the Customs community to move beyond isolated and piecemeal solutions and to take a holistic, coordinated approach that involves all agencies with a legitimate Customs-related mandate.

What the trade community tells us
At the WCO IT Conference in Marrakesh in April 2009, Nathan Associates Inc. surveyed 66 international trade experts – comprising representatives of Customs administrations, other government agencies, and the private sector – from 44 countries to learn more about their experience in obtaining regulatory information. What did they tell us? On average, countries have 17 agencies with a legitimate border mandate, and it takes 16 hours to find tariff and non-tariff measures and regulations applied at import for a single tariff line item. Respondents reported a confidence level of only 50% that their research would identify all the requirements, and nearly all – 97% – would like to see a “national trade rulebook” in their country. The survey results are just the tip of the iceberg on the impact customs administrations can have on trade facilitation through better organization and management of multi-agency regulations.

Holistic solution eases trade and builds confidence
Compare the experience of our survey respondents to that of importers in Jordan. There, 59 agencies have a legitimate border mandate but it takes only one minute to find tariff and non-tariff measures applied at import for a single tariff line item and 5 minutes to retrieve the actual regulations – confidence is high that all measures and regulations have been identified. The difference is that Jordan has a national trade rulebook, the Comprehensive Integrated Tariff System (CITS).

Jordan’s border regulations can be located and retrieved quickly and with confidence because of CITS. Built and installed through a USAID-funded project, the system provides ready internet-based access to border regulatory information. The software was created by a Jordanian company which has refined and upgraded the software for commercial deployment. This software will set new standards for compliance with Article X of the General Agreement on Tariffs and Trade (GATT).

“A national trade rulebook can make trade processes vastly more efficient.”
Change rationale, process, and benefits
The contrast between Jordan’s experience and that of our survey respondents shows that a national trade rulebook can make trade processes vastly more efficient – saving time, reducing errors, and building confidence – by providing fast, reliable access to all regulations, tariffs, and non-tariff measures applicable to goods crossing borders. Reliability and confidence are further assured when a rulebook is internet-based, definitive and legally binding. This means the rulebook is “owned and operated” by the government, and the government assumes liability for the accuracy of information.

How can a country institute a national trade rulebook? First, as was learned in Jordan, a project of this magnitude must have a high-level champion who can secure funding and marshal other resources, especially political will. Second, Customs should lead the installation, management, and maintenance of the rulebook as Customs, by mandate and international convention, already classifies goods and interprets other agencies’ regulations for tariff classification purposes. Third, to ensure cost control, a country would do well to draw on the lessons of the CITS project in Jordan and consider using commercial software to leapfrog the buy-versus-build dilemma common to information technology projects. And, finally, institutional change management and IT installation should be integrated to ensure effective institution of a new system that offers much more than an IT solution.

Who are the ultimate beneficiaries of fast, reliable access to legally binding information? Customs, other government agencies, the trading community – importers, exporters, freight forwarders, etc. – and end consumers. And what is the ultimate benefit? Rules that work and trade that flows.

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Sixth Worldwide Security Conference

The EastWest Institute partnered with Italy, 2009 Chair of the G-8, and the World Customs Organization to host the Sixth Worldwide Security Conference (WSC6) at WCO headquarters in Brussels from 18 to 19 February 2009 with the theme ‘From the Global War on Terror, to Common Security and Joint Action’.

Communities at risk
Around the world, the threat of terrorism and increasing globalization are re-shaping the fundamental nature of risk and how to respond to it. Governments who are responsible for border integrity and security now face rising complexity in accomplishing their mission.

"More coordinated intelligence is the basis for meeting the security challenge", said WCO Secretary General Kunio Mikuriya in his opening speech. The Secretary General emphasized the need for a global network based on global standards and on real-time collaboration between Customs authorities and between Customs and business. He also stressed the need for better coordination among all agencies involved in border management.

During the Conference, two workshops focused directly on Customs-related matters, namely, the US 100% scanning law and counterfeiting as a means to funding terrorism. Highlights from these deliberations are presented below.

Finding the needle in the haystack
The workshop on the US 100% scanning law which requires all US-bound containers to be scanned prior to departure, saw representatives from the European Commission, US Customs and Border Protection (CBP), the technology industry and the WCO discussing the effectiveness of this measure to improve security as well as its economic efficiency. “September 11 changed our world in Customs”, said US Customs Attaché David Dolan. He added that the priority mission of CBP now was to protect the country from terrorists; this was their guiding principle together with the twin goals of security and facilitation.

The EC representative recognized that container security had become an imperative but added that, “this conference confirms that to combat terrorism we need international cooperation and coordinated policies but what we do not need is unilateral decisions such as 100% scanning that are disruptive to cooperation and to the interest of all partners”. He also commented that the European Commission was “highly interested in new ideas being developed in the US and elsewhere as alternatives to 100% scanning”. He added that the European Commission would be prepared, on the basis of a multi-layered risk management approach, to discuss a US request to strengthen bilateral cooperation on security in order to identify risks more effectively including capacity building in some ports.

The WCO expressed the concerns of the Customs community about the law, and said that, “Now that a new US administration is in place, we plan to continue our constructive engagement policies in the hope of convincing US authorities that the risk management approach can provide the US with the security they require without burdening international trade”.

The workshop then explored the reasoning behind the creation of the law but Stephen Flynn, a researcher at the Council of Foreign Relations who served as the lead policy advisor on homeland security for the presidential transition team, stated that, “President Obama has a lot on his plate and is unlikely to fight an initiative backed by a Democrat-controlled Congress”. According to Flynn, “there is little hope to make senators repeal a law they had strongly supported”.

Intellectual property crime is not victimless
The second workshop dealt with the issue of counterfeiting as a means to funding terrorism. The reason that terrorist organizations would turn to counterfeiting in order to fund their activities was simple explained the panelists: the trade was fast and easy; and the profits generated by sales from counterfeit products significantly outweighed those of other illegal products. It was mentioned that while it was well-documented that organized crime, including the drug cartels in Central and Latin America, financed their activities by trading in counterfeit goods, there was a small amount of hard data to support the claim that counterfeit products support international terrorism. Members of the panel representing Customs authorities and right holders preferred to refer to organized criminals rather than terrorists as using counterfeiting to fund their activities.

Indeed most studies focus largely on anecdotal evidence in drawing connections between terrorism and counterfeiting, an example of which is Interpol’s 2004 seizure of 1.2 million US Dollars worth of counterfeit German brake pads in which later investigations revealed that the proceeds was earmarked for supporters of Hizbollah, the Lebanese terror organization. Some specific terrorist incidents also appear to have been funded by counterfeit operations. The FBI has compiled evidence that the terrorists who bombed the World Trade Center in 1993 financed their activities with coun-
Counterfeit textile sales from a store located on Broadway in New York City. Three years later, the FBI confiscated 100,000 counterfeit products manufactured for sale at the summer Olympics. This operation funded an organization run by Sheik Omar Abdel Rahman who was later sentenced to 240 years in prison for plotting to bomb historic landmarks in New York. Interpol has found that Chechen rebels fund their operations through the sale of pirated CDs and that paramilitary groups in Northern Ireland fund their operations by counterfeiting DVDs. Even Al Qaeda has been linked to the counterfeit industry through sales of fake perfumes and shampoos. According to New York City’s Police Department, the sale of pirated CDs was responsible for funding the 2004 bombing of a Madrid train – an incident that resulted in the deaths of 191 people.

A panel speaker remarked that, “in the current economic crisis, the risk of an increase in smuggling activities is high” while a representative from the private sector said, “My company is being hit by the recession and we are laying-off some contractors but we are concerned that they may be tempted to produce counterfeit goods in order to survive.”

All speakers called for governments to enhance their cooperation and share intelligence, and to combat intellectual property theft as a crime in its own right. "We can then hope for a secondary benefit; a reduction in terrorism potentially financed by the counterfeit trade”, they concluded.

More information www.ewi.info

Everything you ever wanted to know about illicit cash couriers

Money laundering is not a stand-alone crime: it is heavily intertwined with other types of offences and criminal activities, such as the trafficking in drugs, weapons, stolen vehicles, works of art and counterfeit goods, as well as tax fraud and the misuse of corporate property.

Confiscation of assets remains the most effective weapon in combating this transnational crime. However, this is far from easy. In the wake of globalization and trade liberalization, organized crime syndicates and enterprising individuals are profiting from open borders, privatization, free trade areas, the weakness of certain countries, off-shore banks, electronic fund transfers and other internet-age banking techniques to launder the profits generated by this trafficking every single day.

Money laundering impacts on the economy in a number of different ways: it results in flawed policies as a result of faulty statistics; volatile exchange and interest rates; fraudulent income tax returns which distort tax receipts and the allocation of public expenditure; unfair competition from front companies which are not subject to the same funding problems as those that are financed legally, etc.

The international community agrees that a coordinated multilateral effort based on information exchange, standard rules, etc. is needed to combat money laundering, including the risks posed by alternative remittance systems. Among these illicit money transfer systems, the practice known as “cash couriers”, in other words
individuals transporting ready cash, remains problematic and topical.

Participants at the Second International Conference on Illicit Cash Couriers gathered in Brussels from 27 to 30 April 2009 to continue their discussions on the issue. Jointly organized by INTERPOL and the WCO, the event brought together representatives of Customs, Financial Intelligence Units, police authorities and other enforcement services.

Identifying shortcomings
Attempts to combat money laundering are incorporated into various international instruments, including resolutions, conventions, and treaties. The Financial Action Task Force (FATF) produced its 40+9 Recommendations in this field, and adopted Special Recommendation IX on Cash Couriers in October 2004. These recommendations were followed in February 2005 by a FATF International Best Practices document which specifically asks countries to take measures to detect the physical cross-border transportation of cash and bearer negotiable instruments, and to introduce a declaration system or other declaration obligations.

The Conference gave the WCO Secretariat an opportunity to present its analysis of the progress that had been made in implementing Special Recommendation IX on Cash Couriers which took 59 mutual evaluation reports drawn up by WCO Members into account.

The common themes and shortcomings identified include: too few officials responsible for the prevention and repression of this crime; poor use of police resources and techniques; the fact that forensic science, a highly specialized discipline, still remains embryonic in many countries; national laws which are not always compatible; and penalties – financial and/or criminal (seizures, confiscations, prison terms, fines, etc) – which remain too tentative in many countries.

What measures can be taken in the face of a legal vacuum? How can a cash declaration system be implemented? What interrogation techniques can be used to prove the origin of the money? How can the integrity of seizures be maintained? How can a risk strategy and risk analysis be developed? How should informants be handled? The answers to these specific questions were provided by experts using various case studies and good practices with a view to helping participants to develop a practical knowledge that could be used in improving controls and investigations.

Sharing information
Among the challenges identified, the Conference emphasized the need for cooperation between competent services at national level and at the international level. Cooperation is, in fact, crucial in interception operations and in the ensuing enquiries as it facilitates efforts to determine the origin and nature of the money, and to unravel an often complex thread.

INTERPOL reminded participants that cooperation between police services at global level was facilitated by National Central Bureaus (NCB) that are in direct contact with INTERPOL headquarters and those in other countries. The WCO in turn provided its Members with a number of mutual assistance instruments for the exchange of information and intelligence, in particular the Model Bilateral Agreement on Mutual Administrative Assistance. Speakers also called on enforcement services to supply data to and make use of the databases developed by the WCO and INTERPOL to facilitate access to and the sharing of intelligence.

INTERPOL’s global secure police communications system, I-24/7, to which each NCB is linked, allows the exchange of essential information on perpetrators and illegal activities 24 hours a day, seven days a week. Thanks to I-24/7, an NCB can carry out searches and cross-checks by directly accessing databases which contain information on suspected terrorists, wanted persons, fingerprints, and lost and stolen travel documents. These different tools give law enforcement officers instant access to potentially important data, thus facilitating criminal enquiries. While I-24/7 is installed in the NCB to begin with, each INTERPOL member country can extend access to this network to other national law enforcement bodies such as the border police, Customs, immigration services, etc.

The WCO Customs Enforcement Network (CEN) which is a global data and information gathering system for Customs intelligence purposes provides WCO Members with the possibility to exchange and disseminate information on Customs offences in a reliable and secure manner, with direct access round the clock. Customs administrations can issue alerts and share analyses, photos and documentation on trafficking or seizures. Analysis of currency seizure characteristics reported in the CEN assisted in the development of risk profiles. With the aid of the data reported, over the past few years the WCO’s Regional Intelligence Liaison Office for Western Europe has compiled a report (“Sezam”) analysing the phenomenon in the region, with the aim of identifying the routes used by cash couriers and establishing risk criteria.

The WCO also provides its Members with a secure messaging system specially designed for cross-border operations, known as CENCOMM. The organizing country is free to open the system to services other than Customs. Encouraging participants to use this tool, a speaker presented the results of and the lessons learned from Operation Athena, which involved heightened anti-money laundering controls in 28 countries during September 2008.
End of “cash”
Criminal activities quickly adapt to the latest circumstances, and the rapidly expanding Internet financial services sector also provides new opportunities for money launderers. As one speaker explained, the use of prepaid payment cards in lieu of ready cash by cash couriers poses numerous problems. These cards are not linked to a bank account, can be purchased from non-financial sales outlets, are anonymous, easily transportable and exchangeable, and therefore represent a real opportunity for criminals. Faced with this phenomenon, it is essential to develop proper awareness, partnership with the commercial institutions involved, and suitable regulations.

Heed the experts
In conclusion, speakers called on all countries to participate actively in the fight against cash couriers by training staff in the different services involved, particularly Customs and the police.

Only by improving the expertise of their agents can enforcement services effectively combat this scourge and respond to the vulnerabilities exploited by criminals.

Participants also encouraged representatives of field services to become involved in the work of the FATF by ensuring that they are represented within their national delegation attending FATF meetings.

At the end of the Conference, recommendations were drawn up for WCO and INTERPOL Members. These recommendations, and speakers’ presentations, are available on the Members pages of the WCO website.

More information
www.wcoomd.org
A Single Window for international trade

At the 2009 WCO IT Conference and Exhibition which took place from 22 to 24 April 2009 in Marrakesh (Morocco), almost 600 delegates from Customs, other border regulatory agencies and the private sector met to analyze the international trade single window concept and to consider the benefits associated with such a system.

The single window idea has been around for many years, but there remain widely differing ideas about exactly what it is, how it should operate and whether Customs must have a central role. Despite this uncertainty, there are some core ideas that are agreed by all:

• The single window is all about trade facilitation, and as such, it is entirely consistent with WCO’s strategic thinking encapsulated in the ongoing development of the SAFE Framework and “Customs in the 21st Century.”

• It is a whole-of-government activity that requires strong political drive from the upper echelons of government

• There must be long-term commitment, including appropriate resources, from all stakeholders in all sectors

There are many terms and ideas in trade circles that relate to the single window such as one-stop shops, portals, port community systems and so on. All have very relevant connections to the single window concept; however a standard definition was agreed by all to be vital. In Marrakesh many speakers spoke of UN “Recommendation 33 that provides an internationally recognized definition of the single window at a very high level. The WCO accepts that definition and has developed its own instruments including the WCO Data Model and data harmonization guidelines within its boundaries.

There was also universal agreement that as is the case with trade facilitation more generally, the single window cannot work without due cooperation and collaboration amongst all parties, in particular between the public and private sectors. Whilst acknowledging the importance of collaboration, participants also discussed the benefits of implementing a single window. The trade will not be interested in changing procedures or systems purely on the basis of a good idea; tangible benefits must be described and ideally proven before industry take-up can be assured. Some Customs administrations have voiced similar concerns.

In Marrakesh delegates heard many speakers talk about benefits to both governments and to the trade in the following main areas: a reduced regulatory burden via streamlined reporting and data re-use; integrated government processing, leading to greater predictability; and better compliance through improved government transparency and coordination.

This was a great opportunity for all present in Morocco, whether in the formal plenary room, at the exhibition booths and, most importantly at informal networking opportunities, to discuss the single window. There was a general consensus that while this remains a complex issue, events such as this serve to lift much uncertainty and to assist all parties to see the issues more clearly.

More information
www.wcoomd.org

WCO News – No 59 – JUNE 2009
Defining Single Window benefits: a trade delegate’s perspective

Identifying and realizing Single Window benefits depends on a wide range of critical factors. Besides a sound programme management approach, a robust governance structure, and long-term financial resources, a number of additional aspects have been highlighted as mission critical for single window projects to realize benefits.

Governments would have to ensure top-level support and action in order to bring diverse government agencies together and to overcome resistance against likely changes. All participating government bodies would have to clearly define the whole-of-government functionality as well as the services to be provided by the single window, such as a one-stop-shop, a single response, a single release, etc. The relevant authorities would have to work out common and shared processes such as risk assessment, clearance and performance management based on common Key Performance Indicators (KPIs). And most importantly, governments would have to consult and coordinate with the user community; here in particular, with the full range of private sector players, in order to collect their perspectives on the scope and desired functionality of a single window.

Defining single window benefits exactly including who would receive them and how significant these benefits would be is imperative, as this would help the trade to justify their investment in updating existing systems or designing new systems.

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Partnership in Customs Academic Research and Development

Co-organized by the WCO and the International Network of Customs Universities (INCU), the 2009 WCO PICARD Conference will take place in San Jose (Costa Rica) from 28 to 30 September 2009.

This year’s conference which is being hosted by the Universidad de Costa Rica will focus on specific key areas: the current and planned academic research activities of particular relevance to Customs and international trade, including those areas of research interest identified during the 2008 PICARD Conference; the impact of the economic crisis on Customs and global trade; the impact of regional trade agreements on Customs and trade, with specific reference to the proliferation of such agreements; the impact of environmental protection on Customs and trade; and the ongoing research needs and opportunities to address these needs.

A key aim of the Conference is to provide a truly global representation of the issues. Consequently, participants can look forward to presentations representing diverse geographic views.

More information
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Fifth Global Congress on Combating Counterfeiting and Piracy

The Global Congress which was scheduled to be held in Cancun (Mexico) from 2-4 June 2009 was postponed due to the risks associated with the A (H1N1) virus in the region and will now take place from 1 to 3 December 2009.

Interested participants are invited to consult the official Congress website regularly for more information on the latest developments.

More information
www.ccapcongress.net
www.wcoomd.org
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