

# Receita Federal do Brasil

## IT System Integration – Customs x Post/Express



■ Initiative / Pilot Date of implementation 30/09/2017 (Post)	■ Existing Practice, since 14/10/2010 (Express)
<b>General Overview</b> <i>(Please tick one or more, as applicable)</i>	
Simplification of Procedures for E Commerce <input checked="" type="checkbox"/>	Safety & Security <input type="checkbox"/>
Revenue Collection <input checked="" type="checkbox"/>	Cooperation between Customs/Express <input checked="" type="checkbox"/>
Data Exchange <input type="checkbox"/>	Cooperation between Customs/Post <input checked="" type="checkbox"/>
<b>E-commerce at Glance</b> <b>(e.g., De Minimis threshold)</b>	<b>Stakeholders Involved</b>
<p><b>Customs Duty:</b> a flat 60% duty for all goods imported through the Simplified Customs Clearance process.</p> <p>No “De Minimis” for Post or Express Service.</p> <p><b>Taxes (VAT/GST):</b> 18% (it may vary considering the state of residence of the consignee). The VAT/GST is only charged if there is a previous Customs duty collection. Therefore, whenever there is no Customs Duties, shall not be any VAT/GST.</p> <p><b>Gift:</b> \$ 50.00 (only for post)</p> <p><b>Commercial Samples:</b> not applied</p>	<p>Customs Administration <input checked="" type="checkbox"/></p> <p>Postal Operator <input checked="" type="checkbox"/></p> <p>Express Service Providers <input checked="" type="checkbox"/></p> <p>E-Vendors/Platforms <input type="checkbox"/></p> <p>Consumer <input type="checkbox"/></p> <p>Others (Please specify): <input checked="" type="checkbox"/></p> <p>Agriculture Agency, Health agency, Army</p>
<b>Brief Description of the Initiative/Existing Practice</b>	
<p>Brazil IT system (Siscomex Remessa) is designed to receive and process each individual declaration that is automatically submitted by the express service providers. Usually for each parcel there is one declaration. The data provided by each declaration allows Customs to run risk assessment. Based on the risk assessment, the goods are automatically cleared or submitted to further inspection. The express service is held responsible for the tax collection based on the calculation done by Siscomex Remessa.</p>	

**Process and Activities associated with the Initiative/Existing Practice**

- The biggest challenge was on how to apply the same procedure to the postal operator. Brazil would be moving from a manual control to a full IT based control system for postal items, as applied on the express service.
- Some other challenges:
  - Lack of information held by the post (Brazilian Post aka Correios or ECT) for each parcel (over 200.000 a day, most coming from east Asia)
  - Necessity for ECT to build a front-end web based system (Portal Correios/ECT) to interact with the customers of parcels and receive the payment of duties.

**Integrating the Portal Correios with the Siscomex Remessa - solutions:**

ECT have entered into agreements with other Postal services in order to receive advance information on inbound parcels and to send data on the outbound parcels. The development of the Portal Correios and its integration with Customs systems took great investment in terms of time and financial resources. The cooperation between the technical teams as well as the support of decision makers of each institution were fundamental to this process.

The submission of the simplified Customs declaration for each parcel allowed the ECT charging the recipient a fee of R\$ 12.00 (12 Brazilian Reais or 4 US dollars) approximately. The fee would compensate the ECT for the burden of manually inputting any missing data from all parcels, the investment on the system, financial costs and the delivery cost through Brazilian territory (over 8 million square KM).

Brazil will be moving from a manual clearance process to an automatized one for postal items. Then, Customs will be able to electronically access almost all the parcels, thereby having capability of targeting the higher risky ones for further inspections. Currently, Brazilian Customs is able to manually impose duties and taxes on around 30% of Postal parcels only. In contrast, for Express Service, due to the automatized process Customs is able to impose leviable duties and tax on almost 100% of the parcels. With the implementation of the new system, both categories - Postal and Express Service - will be brought to the same level. Brazil also brought together 3 inspections agencies to do their work using the Siscomex Remessa, in a Single Windows style. Therefore, the Agricultural agency, the Health agency and the Army will be able to run their own risk analysis and select any parcel for inspection in a more efficient manner than the manual selection.

<b>Key Enablers</b> <i>(Please tick one or more, as applicable)</i>	<b>Relevant WCO Instruments and Tools</b>
<input type="checkbox"/> Review and update of <i>De Minimis</i> <input type="checkbox"/> Changes on legal framework <input checked="" type="checkbox"/> Creation of IT System <input checked="" type="checkbox"/> Private Sector (Political Will) <input checked="" type="checkbox"/> Exchange of information with stakeholders <input type="checkbox"/> Other (Please specify):	

<b>Value Proposition [Benefits] of the Initiative/Existing Practice</b>	
<ul style="list-style-type: none"> <li>• More reliable and effective Customs control over inbound and outbound flow of parcels (Post and express services)</li> <li>• Carrying out effective risk analysis with reliable and advance electronic information on all parcels. Most of the gains are based on this premise.</li> <li>• Improved Revenue collections</li> <li>• Enforcement – effective combatting of tax fraud and drug smuggling</li> <li>• A viable economic solution for increasing E-Commerce parcels through Post</li> <li>• The customers/buyers do not need to contact Customs, as all requirements including payments and submission of documents are done through ECT or through express service companies' own IT systems</li> </ul>	
<b>Relevant links or documents</b>	<b>Contact Person for Further Information</b>
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