Globally Networked Customs Concept

Frequently Asked Questions
WCO Globally Networked Customs

Frequently asked questions

GENERAL

What is the Globally Networked Customs (GNC) concept?
A standardized way for Customs authorities to exchange information.

What is the scope of GNC?
Customs-to-Customs (C2C) information sharing only, including data obtained from commercial sources.

What will GNC arrangements look like?
As happens now, most arrangements will be bilateral, i.e. Customs-to-Customs. Some will be multilateral, in particular where there are Customs Unions.

What are the principle elements of the GNC approach?
As with other WCO instruments, there will be a set of Protocols, Standards, and Guidelines for WCO Members to follow.

What will GNC do for a Customs administration?
It will speed up the time between agreeing on an exchange of information arrangement, and implementation. It will also lower implementation and operation costs.

How will that be achieved?
By complying with GNC, WCO Members can industrialize the set up of their exchange of information agreements, i.e. speed up the creation of agreements and replicate them at low cost.

Will GNC become the mandatory method for exchanging information?
Using GNC is voluntary. WCO Members can continue to negotiate, develop and agree one-off arrangements. This also applies even if partner countries are using GNC for other exchange of information arrangements.

Are there prerequisites for GNC?
Yes, though they are basic. An administration must have national laws which allow for the exchange of information, and which protect the information shared with others. Customs must also be prepared to share information electronically using GNC standards.

Why are there two tracks, namely a Commercial Track and an Enforcement Track?
This mirrors what already happens. The Commercial Track handles systematic transaction type exchanges. The Enforcement Track handles messages exchanged as a result of specific requests for information made by Customs authorities.

What is in the Commercial Track?
Systematic exchange of information such as export data which is input through a national Customs application. This Track will contain most of the exchanges taking place under GNC.

What is in the Enforcement Track?
Information exchanges initiated by a Customs authority, either under Mutual Assistance agreements/arrangements, or where a risk assessment on data in the Commercial Track triggers the need for further information.

Is GNC future proof?
The model has been constructed so that it can accommodate further stakeholders such as commercial partners or other government agencies, take on a wider range of functions, and capitalize on advances in Information Technology (IT).

Will there be conformity with other WCO instruments?
Where relevant, the standardized approaches for GNC will be constructed in conformance with existing WCO instruments such as the Data Model, the Revised Kyoto Convention and the SAFE Framework of Standards.

What is the implementation process?
Pilot ‘proof of concept’ projects are envisaged. The results from those which successfully prove that standardized approaches can be easily replicated by any WCO Member will be made available through the WCO Secretariat.

UTILITY BLOCKS

What is a Utility Block?
A specific part of the Customs business process, explained in simple yet comprehensive terms that everyone can understand. It describes strategic aims for policy makers, business processes for managers, legal issues for lawyers, functional approaches for operational officers, and technical specifications for IT staff.

How is a Utility Block put together?
It is constructed and reviewed by experts using a standard development template. It focuses on the needs of a specific part of the Customs business process, including relevant data elements. For example, Authorized Economic Operator (AEO), commercial fraud, transit, etc.

Why break down Customs business processes into individual Utility Blocks?
This allows Customs authorities to be selective about what business process and associated information they choose to share with their partner(s), and to more quickly facilitate those networking arrangements.
Do the same Utility Blocks have to be used in the same way with all partners?
The choice of Blocks falls within the purview of the parties to the agreements. To benefit from GNC, each block has to be implemented in the same way by all partners. However, there is flexibility within each block, such as the list of data elements to be exchanged.

What is the principle attraction of a standard Utility Block?
Once tested and lodged with the WCO Secretariat, it can be accessed and re-used by any WCO Member with little further work required.

Can all the Utility Blocks be implemented in one go?
Yes, but do not assume your partner(s) can also cope with making a quantum leap to full data exchange across all parts of the Customs business at one go. Also, it will take time to build up the WCO library of blocks.

COSTS AND BENEFITS

Would it be cheaper and simpler to build one system that everyone can use?
Cheaper at a global level, but not necessarily simpler. Cost is only one factor. Obstacles to that solution at this stage include legal issues, data security and protection concerns, general lack of trust, the need to have an organization responsible for the system, the complexity of setting up and financing such a system, and the absence of initial investment funds.

Are there winners and losers?
No losers, but those in the top and bottom tiers of the World Trade Matrix stand to make the biggest gains. The gains for the middle tier are less dramatic.

What is the World Trade Matrix?
A map of trade flows between 150 countries and Customs Unions. For GNC purposes they have been split into three tiers: high, middle, and low.

Can the middle tier of the World Trade Matrix improve their benefit potential?
Yes. If their business model justifies it, they can have more exchange of information agreements than is the norm for their tier, or they can get together with like-minded countries to form hubs and reap benefits through economies of scale.

Why use it for GNC purposes?
To build a simulation model for cost benefit analysis, on the basis that there would be a correlation between the amount of trade between countries and their business case for justifying exchange of information arrangements.

LEGAL ISSUES

What about security and data confidentiality?
These are covered in the texts of the agreements. Broadly, both parties must have in place, and must observe, laws which guarantee equivalent levels of data security and protection.

Do existing agreements need to be amended?
Yes, if one wants to be GNC compliant. Even then, the need for amendment will be small as GNC texts broadly mirror existing model WCO texts.