



Brussels, 15 September 2014

CUSTOMS-BUSINESS PARTNERSHIP

Customs-Business Partnership Guidance

(Item III (a) on the Agenda)

1. Recognizing the need for, and significance of a sustained Customs-Business partnership and following the Council's endorsement at its 121st/122nd Sessions in June 2013, the WCO initiated work on the development of a 'Customs-Business Partnership Guidance' to assist Members to put in place appropriate mechanisms for regular consultation and to build a robust partnership with business.
2. The 201st/202nd Sessions of the Permanent Technical Committee (PTC), held on 4 to 8 November 2013 also discussed the outline of the Guidance, which was subsequently endorsed by the Policy Commission at its 70th Session held in Dublin from 9 to 11 December 2013.
3. At its 203rd/204th Sessions in March 2014, after a detailed discussion on the draft Guidance prepared by the drafting group, the PTC provided various suggestions and comments. The PTC highlighted the need for engagement with multiple stakeholders (including with SMEs), the informal trade, and where needed, different industry sectors should also be involved. It was underscored that Customs should engage at different levels (strategic/policy, tactical and operational). Partnership with trade should eventually result in increased sharing of experiences, lessons learnt and best practices. The idea is to have a simple and flexible approach with a wide outreach to businesses. The chosen engagement model should be reviewed periodically, and it should remain responsive and relevant.

Intersessional Developments

4. Based on the PTC's inputs and additional contributions from Members, the Secretariat prepared a consolidated text. During its 71st Session held from 23 to 25 June, 2014, the Policy Commission discussed the revised text and provided further suggestions. These included the need for engagement with multiple stakeholders including SMEs, identifying and broadening areas of collaboration with business and inclusion of further

examples from national experiences/best practices and challenges. The Policy Commission decided that the finalized text of the Guidance would be presented to the Policy Commission in December 2014. It was also agreed to further develop the Guidance through a tiered approach to include a more advanced pillar for Members having existing well-developed partnerships by June 2015.

5. The Council at its 123rd /124th Sessions welcomed the draft Customs-Business Partnership Guidance and requested the Secretariat to further enrich the draft based on the approach suggested by the Policy Commission. The Drafting Guidance has since reviewed and further developed, in view of the various suggestions/comments provided by the Policy Commission/Council (Annex I to this document).

Basic Features of the Guidance

6. The Guidance has three parts and is envisaged to be a living document, which will be updated when Members share new experiences.

- **Part I** - describes the overarching philosophy of the Customs-Business partnership including the guiding principles, various concepts of consultation/engagement/partnership and potential benefits. It also delineates the challenges in establishing a sustained and productive Customs-Business partnership and ways to overcome such challenges. Besides, it provides references to the relevant international instruments and tools to support the establishment of such a mutually beneficial relationship between Customs and Business.

- **Part II** - provides a model practical guide with a phased approach to assist Members to commence and develop a robust Customs-Business partnership. It encapsulates a set of guiding principles on how to establish the Customs to Business engagement leading to partnership, with specific guidance on engagement with SMEs.

- **Part III** - collates various best practices, case studies and practical examples based on Members' inputs. In all, 24 such experiences/practices have been included in the text so far.

7. Considering the vital role of the SMEs in the economy and their relatively challenged position in terms of time, outreach and financial resources, specific guidance material has been provided in the document for engaging them, to ensure their effective representation and involvement in the regular consultative process.
8. The document in its present form is intended to provide guidance to Members that are yet to begin the process of engagement or are in different stages of developing an engagement/ partnership with Business. As directed by the Policy Commission/Council, an advanced pillar will be developed for the Members who already have well-developed and mature partnership arrangements but wish to advance even further.
9. The Guidance is expected to serve as a reference to Customs administrations on the establishment of their own Customs-to-Business engagement model and how they could commence the process. The document does not support a "one-size-fits-all" approach. Each Member administration is expected to develop its model of engagement with its stakeholders from business, by broadly following the Guidance.

Action requested

10. Members are invited to present their views on the draft Guidance at the PTC, and come prepared for an in-depth discussion on the document. Members are further encouraged to share their national experiences and examples.
11. The PTC is invited to :
 - endorse the draft Guidance; and
 - provide further guidance in terms of possible improvements, before its presentation to the Policy Commission in December 2014.

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Customs-Business Partnership Guidance

World Customs Organization

Annex I to
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Contents

Executive Summary

Recognizing the need for, and significance of a sustained Customs-Business partnership, the WCO has developed a Customs-Business Partnership Guidance to assist Members with the development of a process for regular consultation and a robust partnership with business. The rationale of the document is purely to provide guidelines to Customs administrations on how to address the establishment of their Customs-Business partnership model and how they could commence the process and take it forward with continuous improvement. It is a living document, providing simple, flexible and diverse models that would fit into various scenarios and circumstances of Customs administrations and business.

The Guidance, therefore, is seeking to be as general as to support all Customs administrations and be as non-selective as it possibly can be – those that already have a well-developed collaborative approach with business; those that are agnostic and/or indifferent about their relationship with business; and those that have a difficult and sometimes confrontational relationship with business.

The Guidance is divided into three parts-

- **Part I** describes the overarching philosophy of the Customs-Business partnership including guiding principles, various concepts of partnership/engagement and potential benefits. It also delineates the challenges in establishing a sustained and productive Customs-Business partnership and the means to overcome such challenges. Besides, it provides the international references, instruments and tools to support the establishment of such a mutually beneficial relationship between Customs and Business.
- **Part II** provides a detailed practical guide with a phased approach to assist Members to commence engagement and develop into a robust Customs-business partnership, clearly acknowledging that no 'one size fits all'. It encapsulates a set of guiding principles on how to establish the Customs to Business consultation mechanism leading to partnership.
- **Part III** collates various best practices, case studies and practical examples implemented and provided by some Members, which could be a useful starting point for others.

Being "all things to all people" is not an easy position to achieve, but it is hoped that this Guidance can be of use in some form to all Member administrations and business entities, in helping to build enhanced relationships between Customs and Business.

PART I - Guiding Principles

1. Introduction

The exponential increase in global trade and the changing dynamics of the international supply chain have created new demands and perspectives on the role of Customs administrations. While businesses seek to move goods faster in the supply chain at reduced costs, Customs administrations are required to process increasing volumes of cargo with lesser reliance on physical intervention and with greater efficiency and speed, without compromising on its security, revenue collection and enforcement responsibilities. In order to accomplish this, there is an increasing need for Customs administrations and businesses to collaborate with each other and with other stakeholders. It is essential when ensuring efficient supply chains and navigating the more complex global supply chain networks that a dynamic partnership between Customs and Business exists.

Customs administrations are taking a number of steps to modernize and simplify trade procedures, and discharge their mandate in an efficient manner. This process is a continuous one and requires ongoing involvement and feedback on identifying the changes and reforms required in the law, procedures and plans to implement that change. To ensure the success of the reform programmes requires constructive and sustained two-way communication and interaction between Customs and Business.

Regular consultation and discussion between both parties will help reduce anxieties and apprehensions on both sides, and will afford traders and border officials an opportunity to discuss the most efficient and effective approaches to achieving regulatory objectives. The establishment of a regular engagement and consultation process is usually the first step, and a prerequisite to setting up a tangible partnership between Customs administrations and business.

There is a correlation between the level of stakeholder engagement in policy creation/development and the level of effectiveness of the policy. Implementation of new Customs policy/law may run into rough weather causing problems not anticipated without the involvement of the business, which are likely to be affected. If Customs administrations and business collaborate on the development of policies and procedures to resolve their challenges together, they can be implemented with greater ease leading to greater voluntary compliance. A broader understanding and acceptance of each other's point of view will lead to an enhanced level of trust and make them proactive partners in the longer term.

The development of Customs-Business partnerships through a formal mechanism of regular consultation and engagement will support consistency, harmonization, transparency, predictability, fairness, automation and efficiency in customs and business processes. It also provides accountability and an opportunity for both parties to hold an open exchange, collaboratively discuss ideas, provide feedback and work through challenges and pinpoint possible shortcomings. An institutionalised collaborative mechanism will lead to active facilitation and appropriate border controls, helping to achieve shared goals of safe and compliant shipments that are processed in a consistent, predictable, fast, efficient and cost-effective manner. Such an outcome will have significant positive impact on global economic prosperity.

The overarching philosophy for developing and sustaining a Customs-business engagement/partnership for mutual cooperation hinges on the perceptible change in the

business culture and mind set of Customs and business. A successful Customs-business relationship must have the following essential ingredients: trust, respect, open mind, co-operation, mutual understanding, appreciation of each other's requirements, two-way communication, sharing of information, transparency, consistency and most importantly a commitment at all levels of both parties – from top management to the operational level. The idea is to move from any element of possible mistrust and potential understanding, to a relationship of mutual trust and respect through a constructive, sustained and mutually beneficial mechanism. The relationship may start with an informal engagement and gradually move to a full-fledged partnership and beyond. The exact nature of this relationship needs to reflect and be tailored to the individual needs and circumstances of each country.

The cross-sectoral nature of trade facilitation calls for close coordination between business stakeholders, Customs administrations and various government regulatory agencies. Therefore, engagement and relationships should be developed with groups from across the entire supply chain – “makers; movers; intermediaries and regulators”. The active involvement of other government agencies is also extremely crucial for moving towards a Single Window environment and for Coordinated Border Management. Inclusion of broadly representative trade bodies (e.g. chambers of commerce and business associations), small and medium enterprises (SME), academia and non-governmental organizations (NGOs) is also important to provide the wide spectrum of viewpoints.

2. Benefits

Customs-Business regular consultation and partnership will lead to a mutually beneficial situation. It encourages a climate of shared responsibility and ownership and helps developing consensus on reform priorities, by untangling complexities of the needs of business, including the need to comply with regulations.

As the relationship deepens, newer horizons for cooperation emerge, leading to more mutual benefits for all. This eventually helps international trade to flourish and move faster in the global arena. The establishment of a mature and mutually beneficial Customs to business partnerships will support the initiatives that Customs administrations are mandated to contribute to socio-economic development by facilitating compliant legitimate trade. Some of the benefits include:

Benefits to Customs	Benefits to Business
<ul style="list-style-type: none"> • Framing and pilot testing of new policies and regulations – facilitates implementation and execution of such policies and regulations; 	<ul style="list-style-type: none"> • Enhanced transparency, predictability and integrity in Customs;
<ul style="list-style-type: none"> • Proactive policy-making, thereby making regulations more effective and acceptable; 	<ul style="list-style-type: none"> • Enhanced facilitation and speedy clearances;
<ul style="list-style-type: none"> • Enhanced voluntary compliance from business; 	<ul style="list-style-type: none"> • Better and easier access to information;
<ul style="list-style-type: none"> • Lesser disputes and efficient dispute resolution; 	<ul style="list-style-type: none"> • Lesser disputes and efficient dispute resolution;
<ul style="list-style-type: none"> • Enhanced supply chain security; 	<ul style="list-style-type: none"> • Reduced transaction costs;
<ul style="list-style-type: none"> • Enhanced fundamental understanding of the operations and requirements of 	<ul style="list-style-type: none"> • Increased role in policy consultation and formulation process and Customs

business, and Customs leading to business centred policy development	reform and modernization programmes;
<ul style="list-style-type: none"> Regular feedback from business about changes in the supply chain, industry practices and trends, etc., for simplification, harmonization and modernization of Customs business processes and methods; 	<ul style="list-style-type: none"> Better understanding and appreciation of Customs requirements, laws and procedures;
<ul style="list-style-type: none"> Optimal utilization of limited resources; 	<ul style="list-style-type: none"> Open communication channels with Customs;
<ul style="list-style-type: none"> Reduced transactional costs; 	<ul style="list-style-type: none"> Enhanced reputation and visibility;
<ul style="list-style-type: none"> Enhanced quality and efficiency; 	<ul style="list-style-type: none"> Improved environment for legitimate trade;
<ul style="list-style-type: none"> Improved revenue collections for the State; and 	<ul style="list-style-type: none"> Creation of positive environment for investment; and
<ul style="list-style-type: none"> Improved competitiveness of the economy. 	<ul style="list-style-type: none"> Improved competitiveness.

3. Desirable Factors for successful Customs to Business engagement/partnership:

- Political will demonstrated by integrating consultation with Business as part of the policy making routine;
- Involvement of executive management from Customs administrations and businesses;
- It should be voluntary and based on shared interests and goals and mutual trust and respect
- Both parties should have transparent, open and receptive communications.
- There should be clarity on the role and expectations of each side in the mechanism;
- Both parties should work towards developing a shared vision and common agenda;
- Initial dialogue with private sector may start at the headquarters, however, creation of a single body for trade facilitation may not be adequate, particularly for countries that are geographically large or have large diverse economies. Creation of multi-level consultation mechanisms is needed to address both policy and operational issues (central, field levels) according to the situation;
- Multi-layered approach with diverse inputs – a single overarching body may not be representative or have the necessary expertise to articulate the needs and concerns of all sectors. Sector-specific consultation/partnership mechanism such as Customs-Brokers, Customs-SME, etc., may be set up;
- Clearly defined goals and objectives, supported by time and resource commitments;
- Greater usage of Information Communication technology (ICT) for private sector engagement;
- Involvement of private sector from an early stage of policy initiation and making would result in realistic policies which would be easy to implement;
- Training, sensitization and increasing awareness;
- Regular dissemination of information, including on follow-up action taken on the issues raised in the consultation meetings; and
- In the long run, the objective should be to have an institutionalized structure with a team of professionals (human resources).

4. Challenges:

- To create an atmosphere of constructive engagement;
- To change the cultural outlook of the Customs administration towards business;
- To foster a sense of ownership and believing in the advantages to be gained from being proactive – the mechanism should not be confined to just meetings;
- To demonstrate on an ongoing basis the positive impact of the consultation outcomes.
- To ensure sustained positive response -lack of meaningful response by either party could lead, over a period of time, to apathy and cynicism, which could lead to reduced participation;
- To develop a problem solving approach rather than solely problem or barrier identification - lack of dynamic feedback from either side – it is not good enough to give a suggestion or merely “flag” a problem. The feedback should be continuous and offer possible solutions;
- To ensure diverse and effective representation, especially of f SMEs;
- To ensure sufficient representative structures within the business, to obviate any skewed representation;
- To support the Customs-Business Partnership with adequate capacity, skills and resources.
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5. Regional Partnership

A strong relationship between Customs administrations and business may provide an excellent foundation to work with counterparts regionally to address regional challenges, set regional goals, promote partnerships and facilitate regional trade through combined efforts and resources. Even if the relationship is an evolving one, there can be benefits to establishing a regional mechanism for Customs-business partnership in which all parties strengthen their commitments to consultation through shared regional goals.

6. The Role of Trade/Business Associations in Customs-Business Partnership

Associations are the cornerstone of many successful Customs-business consultative processes. They can play a key role in the development and implementation of Customs policies and processes in both developed and developing economies.

Associations can deliver the following benefits to the consultative process:

- They can minimize the appearance or reality of undue influence on the part of a single economic interest. Even though associations can represent a single industry, trade or economic sector, the membership is often diverse. Most associations receive a broad range of input from members and are accountable to all, not just a few.
- They can enhance the transparency of the consultative process. Associations have a mandate that requires broad dissemination of information unless of course, there are non-disclosure agreements in place.
- They can provide either consensus or diversity of opinion as required.
- Associations provide a voice for those who cannot afford direct interaction with their Customs administrations, particularly SMEs.
- They allow for input of those without a direct financial interest in outcomes/decisions; if consultation is restricted to companies, this is less likely to be the case.

- They can leverage their established, effective mechanisms for communication with industry sectors, to raise awareness and constructively support the consultative process.
- National associations may have valuable linkages with or membership in international associations which may be helpful when there is discussion of issues and impacts relating to global policy, economic competitiveness or international movement of goods.
- Associations have the potential to mobilize private sector support and political will that may be needed by Customs administrations.

In developing a strategy for Customs-business partnership, WCO members should consider how their goals can most effectively be met by the resources available in both companies and associations in their countries.

7. International References, Instruments and Tools

Various international references, instruments and tools for consultation and partnership/engagement between Customs and business are at Annex I.

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PART II - Phased approach on how to develop a Customs- Business Partnership mechanism

This part provides a detailed framework to assist Customs administrations in developing, augmenting and enhancing a robust Customs-business partnership.

This Guidance does not endeavor to provide a singular model. The objective is purely to provide a reference or guideline to Customs administrations on how to address the establishment of their Customs-business model and how they could commence the process and develop their implementation plan, keeping in view their specific circumstances and peculiarities. This is also intended to provide concrete guidance to Customs administrations on how to continue improving their partnership programmes.

The Model template includes four phases:

1. Strategic Overview,
2. Building of the Foundation,
3. Implementation, and
4. Institutionalization and Monitoring.

Phase 1 is largely Customs' responsibility. While commitment on the part of individual DGs is essential to the successful development of a Customs-business partnership mechanism, it is not all, that is required. There also needs to be broad-based support throughout the organization. The elements in this phase are critical in building that internal support.

The elements of Phase 2 will determine the nature of the partnership, establish its structural foundation and set the tone for the ongoing consultative process. This is the beginning of true dialogue and engagement with business. It addresses key issues like - identification of the business partners; how will consultation be conducted; and what are the expected results; etc?

Phase 3 encompasses the steps for actual engagement and consultation with a view to evolve the relationship. It is here the ideas and concrete steps are put into practice to make the beginning with pilots and take it forward to build a structured and sustainable engagement process.

Phase 4 provides ideas to ensure that the Customs-business partnership does not become inefficient, stagnant or adversarial, but that it continues to be a priority for both Customs and business and delivers mutual benefits with an inbuilt mechanism for Continuous Improvement.

Model Template for Members who are yet to initiate or at different stages of developing a structured and regular consultative mechanism with business
Phase 1 - Strategic overview:
Decision by Director General to develop a business relationship with private sector <ul style="list-style-type: none">• Set up a working group to provide the DG with a strategic vision supporting the administration's trade facilitation and compliance priorities.• Develop an engagement strategy including as many as possible specific initiatives,

issues to be addressed and concrete measures through effective engagement.

- The strategy should be a vision document for some years to come and provide guidance to all areas of the Customs administration on the issues that can be improved through more effective business engagement, such as short-term (e.g. business forum), medium-term (e.g. policy engagement and compliance programme) and long-term (e.g. AEO) goals that allow for continued growth in accordance with the situation.
- The engagement strategy should be a living document, developed by customs administration for internal customs use only.
- Develop an action plan to mirror the priorities, allocate potential resources and timelines for issues set out in the engagement strategy.
- Appoint a coordinator that is proactive – the identified coordinator should be open to ideas and have access to the DG. He should be a good influencer and a coalition builder.

The Working Group should do the following to come up with the strategy and action plan :

- Carry out environmental scan and analyze the current situation
 - What is the state of the current relationship with business, if there is one (i.e. contentious/hostile; simply not listening; not interested; working relationship; informal; formal, etc.)?
 - Are there any existing forums, mechanisms for Customs-to-business engagement? How do they work? Have they been effective or not? And reasons for this?
 - If there is current engagement with business, what are results, conclusions, action items? Are Customs administrations responsible for their action items? Is the private sector responsible for action items?
 - Is there a follow up mechanism?
- Develop a needs analysis : Why there is need for regular consultative/partnership mechanism – examples are
 - To work together to achieve shared goals and support each other in achieving individual goals.
 - To share responsibilities and learn from one another.
 - To strengthen and improve existing relationships, if any.
 - To optimize mutual benefits through synergy.
- How does an existing Customs-business relationship currently support Customs' objectives and goals?
- How does a lack of a business relationship impact Customs, national revenue, compliance and facilitation?

- What can be learned from existing programmes from countries that were recently in similar situations:
 - See Part III for detailed information.
 - Compare with your current situation.
- Review of how a country's private sector works:
 - Develop understanding of the diversity/complexity of trade in the country and internationally.
 - Undertake study tours of multi-sector business operations to gain greater insight and knowledge.
 - Identify industry associations
- Review of current risk management programme:
 - Review most common complaints to see how they could be remedied.
 - Are you truly identifying high risk or 100% inspection?
 - What is current level of participation of business in trusted trader/AEO programmes.
- Review of current integrity/ethics programme:
 - Conduct assessment.
 - Review from both points of view, not just Customs.
 - Identifying openly your own faults will make it easier for others to identify theirs.
- After studying the various parameters and different Customs-business relationships, select the one that you believe will start you on the right track. For example, one can choose to implement a specific programme with an identified stakeholder or specific sector.
- Considering the vital role of the SMEs in the economy and their relatively challenged position in terms of time, outreach and financial resources, special emphasis may be placed on SME sector for institutionalizing the proper involvement of SMEs in the regular consultative process.
- Endeavour should be to promote clear and easily accessible consultation mechanisms to facilitate SMEs participation in the Customs policy framing and implementation process.
- SMEs would look to immediate and tangible gains/benefits of such engagements, commensurate with time and money they would commit.
- Recognizing that it may not be feasible for SMEs to be directly engaged or that they do not see engagement as beneficial to their core business, identify associations and industry sectors which understand and can articulate the needs of the SME sector.

Initiate informal consultation with private sector including SMEs

- While having in-house preparatory discussions, the DG should simultaneously promote the initiation of informal and indirect consultations.

- Such consultation may include informal coffee meetings, social gatherings, visits to trade shows, enquiring about well beings and business in general and leading to a focused and regular, and thus more formal, consultation process.
- Customs to reach out to business by using web tools, help desk, call centre, emails, social media, contact points/liaison officers.
- Approach should focus on open communication channels, generate willingness to collaborate and building trust.

Phase 2 - Building of the foundation:

Formal determination of private sector's level of interest

- Identify sectors and/or companies/associations including SMEs that you believe will be interested in conversing.
- Understand the commonalities and dissimilarities among them to avoid any potential conflict at the very beginning.
- While planning, Customs administrations should be open to constructive ideas or suggestions that the private sector makes for the engagement programme (except, obviously, those that deliberately go against laws or regulations)
- It is important that instead of having a single body for engagement/consultation, a better proposition would be to have a range of bodies dealing with specific sectors/issues. As an example there could be a single body that meets every six months or so to oversee business involvement and then have a range of groups/sub-groups whose purpose, membership, meeting frequency can be determined by the specific focus areas.
- To begin with, Customs (through associations) can jointly identify other business entities that they have dealt with in a positive manner.
- Ensure proper representation of the SMEs.
- Identify and engage respected and influential business leaders who could potentially be champions of the engagement process.
- Draft a Terms of Reference (ToR) document for the first few meetings, which should be shared with business to get their inputs.
- The first approach should be made through engagement by the head of the Customs administration, with a positive note asking if the company and/or association (important to get right level) would like to come for a meeting.
 - Identify the scope of the meeting.
 - Set the tone by making the letter sound positive and, while official, it is still an

invitation, not an order.

- Identify what Customs' expectations will be of the business, again in positive language. Express a desire that at the end of the meeting, both sides will have follow-up actions that will help take positive first steps. This first step will require active listening and not being offended or defensive.
- Call a meeting of identified associations and business leaders and explain the desire to work jointly with the private sector
 - DG's participation, for first meeting, is a must, and if possible Minister should "open" meeting.
 - DG must present the coordinator as his/her representative and the person that will keep them informed of all progress (always talk in a positive manner, don't leave room for negatives).
 - Apart from organizations skills, the coordinator must be courteous and sensitive with good communication, negotiation and collaborative abilities.
 - Avoid being paternalistic.
 - Encourage all participants to voice their concerns freely and be assured of being addressed.
- Before handing out the draft ToR, as a first joint exercise identify the value proposition of the engagement that both sides will have:
 - Enumerate the benefits of such engagement of sitting and talking in a positive, solution-oriented manner.
 - Define the negatives of not developing such "partnership".
 - Determine some joint sessions that both sides can attend together, in order to improve (e.g. conflict resolution, effective communication, etc.).
 - If both sides agree that they need "help" or a neutral party to facilitate the first meetings, ask for such assistance.
- Review the draft ToR jointly, so that business understands Customs' thoughts. Then provide them with two to three weeks to make comments or provide ideas on how to improve. (Remember that they have their "day job", so comments or ideas may be slow in coming).

- Meet with business to hear their concerns and give the opportunity to submit ideas, suggestions and solutions.
- Ideas or solutions that improve the programme should be taken seriously and incorporated, wherever possible.
- Modify ToR based on suggestions or new ideas.
- Customs and business should agree on, and adopt, the most appropriate educational media to support the mutual understanding and development of the ToR of the Customs to business relationship and to provide insight into implementation and mutual expectations.
- Once Customs and business agree on the ToR (with input and changes from both), they should develop an action plan with clear timelines to proceed further and implement it.
- Develop a pilot to test the process. Include milestones and performance indicators.

It is possible to initiate the process of engagement and consultation even without a formal ToR.

Phase 3 – Implementation

- Prior to implementing the pilot, Customs must host seminars to educate their personnel that will come into contact with the pilot. Eventually all personnel must be educated in the process.
 - Reminder: Fiscal and human resource considerations will dictate how much can be done at a time.
- Begin pilot with selected business partners.
 - Meet those that are taking part in the pilot, listen in order to find out if there are problems, and address the problems.
 - Once the engagement/partnership gains momentum, it could be broadened to include more entities.
 - By identifying a restricted number of participants from business at the beginning may arouse a certain apprehensions on the part of others. However, as part of the dialogue process it is important to ensure a balance among all business sectors while at the same time recognizing that not all of them have the same resources, interest or expertise in individual issues.
 - Ensure engagement with all sectors of the trade community, including SMEs, and ensure that the level of engagement includes the strategic, tactical and operational functions, starting at strategic (HQ) level leading to operational (field) level.
 - Strategic level – Political level/Seniors officials and business leaders to discuss broad policy issues to develop strategic direction and plan
 - Tactical level – Middle management level to work on specific [objectives](#) in the

<p>context of an overall plan.</p> <ul style="list-style-type: none">○ Operational level – Cutting edge level to discuss specific operational issues and provide collaborative solutions. <ul style="list-style-type: none">● Build trust among wider business sectors especially SMEs so that they agree to work together through the regular holding of dialogue meetings, in a rotating way (1 time at the private sector level, 1 time at the public sector level).● Develop an outreach programme for SMEs. Remember they are more engaged in running their business.● Participation from SMEs may also be encouraged through ‘virtual’ mode, if they are unable to attend physically due to various constraints.● Engage the trade bodies/associations representing the interest of SMEs, as initially individual companies may not have appetite to join due to various factors including resource constraints.● Develop of a sense of collective ownership and responsibility amongst SMEs while initiating the engagement process.● The focus should be on low hanging fruits, addressing the immediate challenges of SMEs, in order to make the process attractive and rewarding enough for them to join it on a sustained basis.● Make the process transparent, inclusive, interactive, cooperative, flexible, transparent, accountable, participatory and mutually beneficial with identified benefits.
<ul style="list-style-type: none">● Customs and business sector to learn about their respective roles and responsibilities and mutual expectations from each other<ul style="list-style-type: none">○ Customs to provide seminars about their expectations.○ Private sector to provide information about their working methods, expectations, suggestions and constructive criticism.○ Private sector may be given an opportunity to participate in a structured, formal way in the training of Customs officers, in partnership with Customs.○ Consider possibility of carrying out joint business process mapping and sectoral analysis and site visits, if needed, including of SME sector to understand their concerns, priorities and expectations from Customs.
<ul style="list-style-type: none">● Discuss the appropriate tools and agree to a consultative/partnership mechanism● There could be various models of consultative/partnership mechanism from an informal one to more formal one (starting with simple communication leading to comprehensive collaboration) depending upon the stage and level of engagement-

- periodic meetings,
 - advisory bodies
 - workshops, roundtable, seminars, conferences
 - working groups,
 - focus groups
 - consultative council/groups,
 - joint consultative committees,
 - dispute resolution committee, and
 - advisory council, etc.
- When selecting a consultation mechanism, consider what resources will be required to support it, and whether the right people are available, especially on the Customs side. The process will only be as good as the participants.
 - Test the engagement and consultation mechanism that has been agreed.
 - Allow for evolution and/or improvement.
 - Agree and outline requirements (if need be) for the business.
 - Concept of co-chairs one each from Customs and trade for the formal meetings may be explored and introduced, as the relationship progresses. Right leadership is critical for the partnership.
 - Engagement and meetings should neither be used for discussing specific individual grievances by the business nor should it be used by Customs to impose their pre-decided decisions/conclusions or give any instructions. This may vitiate the whole atmosphere and may turn out to be counterproductive.
 - The issues identified for initial discussions should not be contentious ones, to avoid any potential conflict.
 - Agenda for each subsequent meeting should be jointly developed involving the coordinators of all participating business entities.
 - Discussions should be interactive and result oriented in truly constructive and collaborative spirit, while respecting diverse views, if any.
 - Both parties should indulge in active participation and bring forward creative solutions to the issue under discussion.
 - Do not prejudge or react without properly understanding the position and the context of the participant's point of view.
 - Any kind of criticism or value judgement during the discussions should be avoided. There is always time to ponder over it later on and come with positive solutions.
 - There could also conflicting positions and priorities among private sector actors. Customs should be sensitive to them and should not be seen favoring one over the

<p>other.</p> <ul style="list-style-type: none">• As far as possible, endeavor should be to have a decision through consensus rather than majority.• Outstanding issues that require further reflections may kept aside as 'parking lot' .• Decisions taken or guidance provided to reflect further should be unambiguously made clear to the all participants in order to avoid any potential confusion at later date.• Minutes of all such meeting should be prepared in consultation with the participants/coordinators by circulation, at the earliest, clearly highlighting the actionable points and responsible party.• There is should clear timelines for follow up action on the points emerging out of the meetings.• Ensure that the information about the activities, in particular the decisions implemented, must be disseminated by the participants from business within their respective organizations and all their members.• Positive outcomes should be published and widely disseminated to through all forums. This will not only reinforce the interest of the participants but will also generate interest among others and may catalyse their participation.• Consider a phased approach rather trying to it 'all at once'.
<ul style="list-style-type: none">• Encourage constructive criticism from all those who participated.• Carry out detailed critical evaluation of the pilot.• List out lessons learned and critical aspects.• Identify gaps and issues which require focussed attention with a view to improvise.
Phase 4 - Institutionalization and Monitoring
<ul style="list-style-type: none">• Institutionalize the consultation and partnership mechanism that has been tested and developed.• DG should periodically monitor with progress and to ensure that no complacency creeps in after initial euphoria.• To assess the impact and effectiveness of the partnership on a regular basis, Customs should analyze and take into account performance measurements like the client satisfaction surveys and Time Release Study (TRS)• Demonstrate mutual benefits and lessons learned on regular basis.• Ensure regular review and continuous improvement of the partnership mechanism-<ul style="list-style-type: none">○ Identify shortcomings for process re-engineering and future betterment.

- Identify challenges and possible ways to deal with.
 - Gauge participants' perception and come up with solutions to keep their interest alive.
 - Has there been enough continuity in membership on both the Customs and business side to build trust and achieve results, while keeping the door open to new participants?
 - Develop an evaluation framework with performance indicators, specific criteria and goals to be achieved with timelines, wherever possible.
 - Continuous evaluation and improvisation may go hand in hand with the partnership/engagement process, to make it sustainable.
 - Survey by a third party about the effectiveness and the value proposition of the partnership/engagement process, may provide valuable inputs for future improvisation.
- If possible, set up a mini-secretariat to support and provide continuity to the partnership. If that is not possible, make sure to clearly identify the key contact persons within Customs and business for effective and efficient coordination.
 - Publish information about the Customs-business engagement process, including examples where business input has made a positive contribution.

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PART III - Members' Customs-Business consultation/partnership/engagement initiatives/best practices

This part provides case studies and practical examples to demonstrate how the principles and procedures have successfully been put into practice by Members. It includes best practices, experiences of working together and various levels of Customs and business engagements from informal to institutionalised e.g. telephone calls, social gatherings, periodic meetings, workshops, seminars, conferences to working groups, consultative groups, joint consultative committees, dispute resolution committee and advisory council, etc.

The list of 24 working experiences/best practices as provided by the members is at Annex II.

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International References, Instruments and Tools

1. World Customs Organization (WCO)

1.1 Customs in the 21st Century

The WCO “Customs in the 21st Century” (C21) strategic policy has identified Customs-Business Partnerships as one of the ten building blocks to define a new strategic direction for Customs and the WCO. In realizing the other C21 building blocks, including Globally Networked Customs, Coordinated Border Management and Risk Management, it is indispensable to work with our business partners to achieve a more fruitful relationship. Acknowledging the importance and spirit of this partnership, the WCO dedicated the year 2010 to the ‘Customs-Business Partnership’.

1.2 The WCO Revised Kyoto Convention (RKC)

The RKC General Annex (Standard 1.3) states - *“Customs shall institute and maintain formal consultative relationships with the trade to increase co-operation and facilitate participation in establishing the most effective methods of working commensurate with national provisions and international agreements.”*

The RKC, in its General Annex - Transitional Standard 3.32 (**Special procedures for authorized persons**), defines an ‘Authorized Person’ as a person (natural and legal) who meets criteria specified by the Customs administration, including having an appropriate record of compliance with Customs requirements and a satisfactory system for managing their commercial records. The ‘Authorized Person’ is entitled to several benefits, including simplified procedures for the release of the goods where Customs reduces the level of controls and relies more on internal controls applied by the trader to ensure compliance with all relevant laws and regulations, and clearance of the goods at the declarant's premises or another place authorized by the Customs administration.

Additionally, the RKC further provides for following provisions for co-operation and consultation with trade:

- Standard 6.8 (GA) – “The Customs shall seek to co-operate with the trade and seek to conclude Memoranda of Understanding to enhance Customs control.”
- Standard 7.3 (GA) – “The introduction of information technology shall be carried out in consultation with all relevant parties directly affected, to the greatest extent possible.”
- Standard 8.5 (GA) – “The Customs shall provide for third parties to participate in their formal consultations with the trade.”
- Standard 9.1 (GA) – “The Customs shall ensure that all relevant information of general application pertaining to Customs law is readily available to any interested person.”
- Standard 9.2 (GA) – “When information that has been made available must be amended due to changes in Customs law, administrative arrangements or requirements, the Customs shall make the revised information readily available sufficiently in advance of the entry into force of the changes to enable interested persons to take account of them, unless advance notice is precluded.”

1.3 The WCO SAFE Framework of Standards

The SAFE Framework of Standards (Para 1.2) sets out one of the core objectives and principles – to strengthen Customs/Business co-operation. Pillar 2 of the SAFE Framework of Standards specifically delves into the Customs-business partnership. It provides that *“Each Customs administration will establish a partnership with the private sector in order to involve it in ensuring the safety and security of the international trade supply chain. The main focus of this pillar is the creation of an international system for identifying private businesses that offer a high degree of security guarantees in respect of their role in the supply chain. These business partners should receive tangible benefits in such partnerships in the form of expedited processing and other measures.”*

Pillar II of the WCO SAFE Framework of Standards provides global standards for launching an Authorized Economic Operator (AEO) programme. Standard 5 (Communication) in particular provides that the Customs administration will regularly update Customs-Business partnership programmes to promote minimum security standards and supply chain security best practices. Technical specification to Standard 5 elaborates that Customs should engage in regular consultation, at both the national and local level, with all parties involved in the international supply chain to discuss matters of mutual interest including Customs regulations, and procedures and requirements for premises and consignment security. Technical specifications to Standard 6 (Facilitation) further go on to stipulates that the Customs administration should establish mechanism to allow for business partners to comment on proposed amendments and modifications that significantly affect their role in securing the supply chain.

Eligibility criteria for an AEO include a demonstrated compliance record; satisfactory system for management of commercial records; financial viability and security (cargo, transport conveyance, premises, personnel and trade partner security). The AEO programme offers facilitation benefits to trade, which include quicker movement of low-risk cargo through Customs processes, improved security levels, optimized supply chain costs through security efficiencies, enhanced reputation for the organization, increased business opportunities, improved understanding of Customs requirements, and better communication between the AEO and the Customs administration. The SAFE Framework is supplemented by the SAFE Package, which, among other things, contains detailed guidelines for the development of an AEO programme as well as a detailed (and not exhaustive) list of benefits that should be granted to AEOs.

1.4 The WCO Arusha Declaration

The Arusha Declaration of the Customs Co-operation Council concerning Good Governance and Integrity in Customs states - **“Customs administrations should foster an open, transparent and productive relationship with the private sector. Client groups should be encouraged to accept an appropriate level of responsibility and accountability for the problem and the identification and implementation of practical solutions. The establishment of Memoranda of Understanding between Customs and industry bodies can be useful in this regard.** Likewise, the development of codes of conduct for the private sector, which clearly set out standards of professional behaviour, can be useful. Penalties associated with engaging in corrupt behaviour must be sufficient to deter client groups from paying bribes or facilitation fees to obtain preferential treatment...”

1.5 The WCO Data Model

The WCO Data Model contains a collection of carefully selected items of information – referred to as data elements – that are standardized, based on globally accepted norms, and organized in order to minimize the effort and cost to trade. It facilitates the exchange of

information between businesses and Customs, and also supports 'Single Window Initiatives'. The WCO Data Model has been developed in consultation with the trade and transport community and other government agencies.

Quality of data is a key element from both the facilitation and enforcement perspectives. The use of coded data as opposed to non-coded data represents a big step towards improving data quality. The WCO Data Model provides information about the possible use of codes for every data element that can be codified. Constructive engagements with the private sector, coupled with greater adoption of international data standards, will certainly lead to improved data quality.

High-quality trade data in turn can benefit the whole society in general, as trade statistics are needed by various users for various uses, such as development of international trade policy, establishing general economic policy, market analysis to find supply sources or foreign markets, establishing supply balances to monitor commodity markets, infrastructure planning, input into system of national accounts and balance of payments statistics, etc.

1.6 The Private Sector Consultative Group (PSCG)

The PSCG is established for the purpose of advising the Policy Commission, the Secretary General, the SAFE Working Group and any other standing bodies within the WCO, as appropriate, on progress and issues relating to the implementation of the Framework of Standards to Secure and Facilitate Global Trade. It may also raise other issues related to global trade, and advise on other matters as suggested by the Secretary General.

Since 2006, the PSCG has set an example of valuable and fruitful collaboration and partnership between Customs Members (through the WCO) and the private sector, on a global perspective. When established, it was considered useful that the PSCG include all elements of the supply chain, as far as possible and it was also felt that the best resources at the time came from a mix of association and company representatives.

2. The WTO Agreement on Trade Facilitation (TFA)

2.1 Article 2 of the TFA provides that Member States shall, to the extent possible, provide opportunities and an appropriate time to traders and other interested parties to comment on the proposed introduction or amendment of laws and regulations related to the movement, release and clearance of goods. Stakeholders shall also be informed in advance before such changes come into effect. It also provides for regular consultations between border agencies, traders and other stakeholders within its territory.

2.2 Article 7.7 (Trade Facilitation Measures for Authorized Operators) provides for a concept of 'Authorized Operators' who meet specific criteria, which may include - appropriate record of compliance with customs and other related laws and regulations, system of managing records for necessary internal control, financial solvency and supply chain security. These 'Authorized Operators' will be provided at least three of the following trade facilitation measures: low documentary and data requirements as appropriate; low rate of physical inspections and examinations as appropriate; rapid release time, as appropriate; deferred payment of duties, taxes, fees and charges; use of comprehensive guarantees or reduced guarantees; a single customs declaration for all imports or exports in a given period; and clearance of goods at the premises of the authorized operator or another place authorized by Customs.

2.3 Article 23.2 (National Committee on Trade Facilitation) provides for establishing and/or maintaining a national committee on trade facilitation or designating an existing mechanism to facilitate both domestic coordination and implementation of the provisions of the TFA. This Committee could be a very useful forum for engaging trade in driving the overall trade facilitation agenda.

3. UN Centre for Trade Facilitation and E-business (UN/CEFACT)

At its fifth session, in March 1999, UN/CEFACT adopted the following revised Recommendation, in order to encourage the establishment of national organizations, or other suitable means, for the implementation of recommendations on the facilitation of international trade procedures:

"The UN Centre for the Facilitation of Procedures and Practices for Administration, Commerce and Transport (UN/CEFACT) recommends that Governments establish and support national facilitation bodies with balanced private and public sector participation in order to:

- identify issues affecting the cost and efficiency of their country's international trade;
- develop measures to reduce the cost and improve the efficiency of international trade;
- assist in the implementation of those measures;
- provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation; and,
- participate in international efforts to improve trade facilitation and efficiency."

Annex II

Customs- Business engagement/consultation/partnership initiatives/best practices

Country	Name(s) of the initiative (s)	Objective (s) of the initiative(s)	Participants (Public entities, trade associations and/or industry sectors involved)	Format(s) of consultation /co-operation, e.g. joint events (Seminars Workshops), regular meetings, formal consultation paper (s) (in the Customs rule making), others (letters, questionnaires on specific projects)	Brief description of the consultation/co-operation process
Argentina	Corporate Social responsibility programme (RSE)	This initiative aims at promoting corporate self-regulation integrated into a business model. RSC policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law including Customs and fiscal law, ethical standards, and international norms.	Importers/exporters In order to participate to this initiative, enterprises <i>should have in place a process to integrate social and fiscal concerns into their business operations and core strategy in close collaboration with their stakeholders</i>	- Meetings	.
Brazil	PROCOMEX	-acceleration of competitiveness of Brazil and their participation in international trade -to promote the creation of a modern customs system to improve the efficiency of the supply chain of companies involved in international trade	Currently 72 representatives of private and public entities which work towards the modernization of Brazilian foreign trade.	-Building up modelling processes e.g. to overcome problems with exportation or temporary admission. -Creating working groups on a local level such as the Customs Performance Review Group (GAP-Aduaneira)to improve customs processes.	

Country	Name(s) of the initiative (s)	Objective (s) of the initiative(s)	Participants (Public entities, trade associations and/or industry sectors involved)	Format(s) of consultation /co-operation, e.g. joint events (Seminars Workshops), regular meetings, formal consultation paper (s) (in the Customs rule making), others (letters, questionnaires on specific projects)	Brief description of the consultation/co-operation process
Canada	Stakeholder Engagement Programme	<ul style="list-style-type: none"> - to increase stakeholder awareness of the role and priorities of the CBSA and how the CBSA delivers integrated border services - to improve stakeholder compliance with the programs and policies the CBSA is mandated to enforce - to improve the CBSA's understanding of external stakeholders' business practices and realities in order to enhance program and policy decision-making - to encourage thoughtful discussions regarding the Agency's vision of trade and traveller facilitation and to identify common interests between external stakeholders and CBSA officials 	<ul style="list-style-type: none"> - national associations representing Canada's commercial interests involved in trans border trade (importer, exporters, customs brokers, manufacturers, retailers, couriers, freight forwarders, rail, highway and marine mode associations, chambers of commerce, automotive industry, produce industry, transport lawyers, port operators, sufferance warehouses, international bridge and tunnel operators, border agencies, as well as private sector businesses) 	<ul style="list-style-type: none"> - formal committees, sub-committees and working groups - conferences, workshops, speaking engagements - technological solutions such as webinars, teleconferences and videoconferences - pilot projects 	<p>The CBSA, both through its headquarters and regional offices, engages with external stakeholders in many different ways, via different forums and at various management levels.</p> <p>Formal committee structures are used to share information, raise awareness of issues and discuss high-level, strategic and policy-oriented questions. For example, the CBSA's Border Commercial Consultative Committee (BCCC), which meets three times a year, was created in 2005 to provide CBSA officials and commercial stakeholders with a forum for dialogue on Canada's border operations, and projects like eManifest which is a transformational initiative that will require stakeholders (carriers, freight forwarders and importers) to transmit advance commercial information electronically to the CBSA in all modes of transportation within prescribed mode-specific timeframes.</p> <p>Working groups and sub-committees are typically used to seek feedback from stakeholders and to find solutions to technical or process-related problems.</p> <p>CBSA officials also engage stakeholders informally by participating in stakeholder events, such as conferences and workshops, as well as other types of outreach activities.</p>

Annex II

Country	Name(s) of the initiative (s)	Objective (s) of the initiative(s)	Participants (Public entities, trade associations and/or industry sectors involved)	Format(s) of consultation /co-operation, e.g. joint events (Seminars Workshops), regular meetings, formal consultation paper (s) (in the Customs rule making), others (letters, questionnaires on specific projects)	Brief description of the consultation/co-operation process
China	Client Coordinator System	<ul style="list-style-type: none"> - To collect more opinions and demands from business; - To better promote the compliance of business; - To reduce more operational costs of business; - To upgrade the quality of customs service. 	AEO enterprises and potential AEO candidates	<p>Seminars and meetings</p> <p>On-site visits</p> <p>Online communication platform</p> <p>Hotline of Customs Service "12360"</p>	<p>.-Customs designates Client Coordinators who are responsible for coordinating with AEOs and potential AEO candidates. Customs Client Coordinators are in charge of:</p> <ol style="list-style-type: none"> 1. Providing tailor-made service to AEO companies; 2. Monitoring AEOs to ensure they meet the criteria consistently; 3. Providing guidance and assistance to potential companies to become AEO.

<p>Cameroon</p>	<p>Customs Business forum (Forum Douane Entreprises)</p> <p>FAL Committee (facilitation on international Maritime Traffic)</p> <p>Single Window (Guichet unique)</p> <p>Appeal Committee (Comité d'appel)</p>	<p>Make Customs more responsive to business needs and difficulties</p> <p>Building trust with Customs</p> <p>Identifying ways of optimizing relationships and Customs procedures</p> <p>Preparing the implementation of the AEO programme</p> <p>Strengthening the rule of law</p>	<p>Representatives from importers/exporters and Customs (head of operational units).</p>	<ul style="list-style-type: none"> - Meetings (working groups and plenary sessions) and special events (soirée des partenaires) - meetings and setting up of a "Hot Line". - Right to appeal against Customs decisions in connection with referral to the Ethics Committee (prior to recourse to judicial proceedings). 	<p>Deliverables raising from this meetings are subject to :</p> <ol style="list-style-type: none"> 1) publicity on the Website 2) follow up, assessment and monitoring indicators set up in Customs automated information systems <p>Contradictory procedures</p>
<p>Dubai, UAE</p>	<p>Client ambassador</p>	<p>-to retain existing clients and exceeding their service level expectation</p> <p>-return of the lost clients</p> <p>-acquisition of new clients</p> <p>=> increased business generation</p>		<ul style="list-style-type: none"> -data monitoring and analysis -suggestions of new offering/ service aligned with clients requirements and needs -introducing "tailor made" customized" services according to top clients need -generating specified MIS monthly reports -exploration of client relationship management best practices. 	<p>-A single point of contact is dedicated to serve clients with priority in regards to their queries and requirements by visits on the clients' premises.</p> <p>-proactively seek to identify customers need</p> <p>-insight into our client expectations and trade trend</p> <p>-competitor analysis</p> <p>Clients business behaviour with DC</p> <p>-identify potential new clients and the lost ones</p> <p>-get to know the client</p> <p>-identity and initiate cross selling services bases on clients' needs.</p>

Annex II

<p>France</p>	<p>Forum douane entreprises (Customs business Forum)</p> <p>Douane enterprises meetings "Gagnez à l'international"</p>	<p>Encourage dialogue between French Customs and private sector. Improve partnership, communication and information exchange. Improve trade facilitation and security Better answer to business needs and difficulties Communication to improve enterprises competitiveness</p>	<p>32 permanent members : Business federation (general and sectorial, customs representatives, customs lawiers, leading exporters and importers...)</p> <p>Enterprises, business federations, administration</p>	<p>A plenary session meets, at least, once a year under the chairmanship of the French Customs Director general. Working groups meet all along the year on specific topics.</p> <p>National and regional meetings</p>	<p>This permanent forum for consultation is intended to be a place for discussion, reflection and information on all matters related to the customs component of international trade. The administration may include informing its partners on regulatory developments or technological choices and involve them in ongoing discussions. A person is partly dedicated to this program. His role is to be in permanent contact with business federation, collect questions and propositions from private sector, and organise formal workshops and meetings. Usually, there is a general meeting on one main topic, followed , in the afternoon by one-to-one meetings between an SME and customs. It allows to customize the information given to the company.</p>
<p>Haiti</p>	<p>Private Sector Consultative Group (Formal sector)</p> <p>Consultation process of informal sector (Association des commercants informels- Informal Trader Association)</p>	<p>This initiative aims at combating fraud by associating business. It take the form of MoUs with main Trade associations :</p> <p>This initiative aims at assisting informal sector operators to become regular companies.</p>	<p>Duly registered Importers/exporters (trade associations) from Haiti: 1. ADIH (Association des Industries d'Haïti) 2. CCIH (Chambre de Commerce et d'Industrie d'Haïti) 3. FESP (Forum Economique du Secteur Prive) 4. AAMAR (Association des Agences Maritimes) 5. ACDA (Association des Commissionnaires en Douane Agréés)</p> <p>Importers/exporters (informal sector)</p>	<p>Regular Meetings (every 90 days) of any kind of topics including consultation in the rule making</p> <p>Assistance programmes, dedicated officers, training sessions</p>	<p>.</p>
<p>Hong Kong, P R China</p>	<p>Customer liaison Group</p>	<p>-to improve the customer service -to foster communication and information exchange</p>	<p>-key players and major trade associations of the air freight, sea freight, cross-boundary transport and dutiable commodities trades.</p>	<p>- meetings, distribution of consultation papers, questionnaires and letters.</p>	<p>-through regular meetings, HKC will collect views from industries on the following areas: (i) existing Customs services (e.g. passenger and cargo clearance) and Customs</p>

	<p>Road Cargo System (ROCARS) User's Liaison's Group</p> <p>Intellectual Property Rights Protection Alliance (IPRPAA)</p>	<p>-to strengthen cooperation and partnership between Hong Kong Customs (HKC) and the trade</p> <p>-provide a seamless system for the movement and customs clearance of road cargoes with risk profiling in advance -facilitate trade</p> <p>-provide a platform for parties from IPR industry and Hong Kong Customs to enhance strategic partnership and strengthen intelligence exchange.</p>	<p>-Shippers/agents representatives, trade associations, logistics associations, and express companies.</p>	<p>- meetings</p> <p>- Seminars - Meetings - publicity and educational campaigns to raise social awareness of IPR protection</p>	<p>measures (e.g. excise control); (ii) new Customs initiatives; and (iii) their ideas and expectations conducive to business improvement and trade facilitation.</p> <p>- To maintain a close and effective liaison with the stakeholders for the on-going development of the system, a consultation forum, namely ROCARS.RULG aims to provide an effective communication platform for ROCARS users and Customs to exchange views and further improve the system. The member of RULG is appointed by Commissioner of Customs and Excise with tenure of 2 years. Biannual consultation meeting will be arranged.</p> <p>- IPRPA organized annual meeting to report Customs enforcement activities and recapitulate its IPR protection-related activities. A working committee was also established to handle the ongoing activities of IPRPA, which would endeavour to upkeep the momentum of IPRPA and explore to come up with new initiatives for further protecting intellectual property in Hong Kong.</p>
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Annex II

<p>Ireland</p>	<p>Customs Consultative Committee</p>	<p>-to provide a forum for Revenue and representative Organizations to exchange views on issues affecting the Customs treatment of imports and exports</p> <p>-to review developments and proposals in the Customs area, especially at EU level</p> <p>-to support Ireland's competitiveness by advising on the design of Customs regimes</p>	<p>-Membership of the Committee shall consist of Revenue staff who have a direct involvement in customs work and Organisations whose members have regular and direct dealings with Customs.</p>	<p>-revenue (Customs Division) will provide secretarial services to the Committee</p> <p>-meetings (usually four times a year)</p> <p>-establishment of working groups possible for specific issues (e.g. technical issues concerning software developments).</p>	<p>-methods of communication routinely used by Irish Customs are as follows;</p> <ol style="list-style-type: none"> 1) Customs Consultative Committee 2) Bi-lateral or sectorial meetings 3) Communications Programmes on specific projects <p>-participation in the work of the Committee shall be strictly in a representative capacity, with members of the Committee acting as a conduit between Revenue and the members of their representative Organisations involved in importation and exportation.</p>
<p>Israel</p>	<p>Consultation process through the implementation of the AEO programme</p>	<p>-to tighten relations between Israel Customs and the business sector to achieve the goals of the AEO program</p>	<p>-the pilot project included 8 of the leading companies of Israel. Up to now 10 more companies obtained AEO certificates and 40 additional requests are in the process of approval.</p>	<p>- Professional AEO seminar once a year with AEO related lectures held by experts</p>	<p>- the company seeking AEO certificate maintains close connection with the customs officials handling the request through work meetings, telephone conversations and emails. AEO aims to improve the required processes inside the company so that it properly meets the criteria for its approval. More than once a company was asked to improve a certain aspect of its conduct before it could be certified. After a while, the required aspect was re-examined and found to have met the criteria.</p> <p>- improvement of the company's conduct + strengthening of the company's supply chain.</p> <p>- professional tours of various customs units (non- AEO) are held in the AEO certified company sites, so as to familiarize the customs units with the modus operandi and processes in the companies as well as their specific issues with customs.</p>

<p>Japan</p>	<p>Consultation processes</p>	<p>To Strengthen partnership between Customs and Business</p>	<ul style="list-style-type: none"> -Export-oriented companies including SMEs - AEOs and other private enterprise -Other relevant government agencies -Academics 	<p>Seminar, Workshop, Study Group, etc.</p>	<p>Examples:</p> <ul style="list-style-type: none"> - Seminar for promoting the use of Economic Partnership Agreement (EPA), with the participation of export-oriented companies including but not limited to SMEs, providing the knowledge of Customs procedure regarding EPA - Seminar for promoting better understanding of AEO program, sharing experiences and benefits of acquiring the AEO certification, with the participation of AEOs and other private enterprises concerned - Consultation for promoting Single Window and further facilitating electronic filing of trade-related procedures, with the participation of other relevant government agencies, private enterprises and academics
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Annex II

<p>Jordan</p>	<p>Customs Partnership Council</p> <p>Golden list program</p> <p>Intellectual Property Rights E-connectivity with Public and private sector</p>	<p>-enhance the Customs Business relationship -facilitate and secure international trade -increase national economic growth -create an attractive investment environment -joint business customs partnership -supply chain security</p> <p>-to combat counterfeiting and piracy to protect the local community and economy -increase electronic connectivity with various constitutions, to facilitate data exchange and processing of transactions connected with multiple entities</p>	<p>-45 companies are already enrolled in this programme</p> <p>-local regional and international bodies are involved. -several Memoranda of understand have been signed eg. with the Arab Federation, Beiersdorf AG.</p>	<ul style="list-style-type: none"> - Regular council meetings with the private sector to enable the private sector to participate in the decision making process - periodic meetings held by Jordan customs with business representatives - trainings and workshops for customs officers and representatives from the private sector - draw policies and design mechanisms for implementation. 	<p>-all supply chain companies are encouraged to voluntarily implement state of the art customs due diligence and supply chain standards. By doing so the companies can qualify for the Golden List Programme status and benefit from the facilities offered by Jordan Customs</p>
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Malawi	National Business forum	<p>-to ensure a partnership and dialogue structure of key players in the trading chain that contributes to trade facilitation</p> <p>-improvements in customs operations</p> <p>-greater compliance with the trading community</p>		<p>-conducting a preliminary meeting with heads of several departments e.g. tariffs, origin etc. from customs side, from the business side representatives from various associations and major importers, industry and trade as well as representatives from the Reserve Bank of Malawi and Ministry of Finance</p> <p>-establishment of a core team committed to building the NCBF</p> <p>-a draft action plan will be set up that clearly shows implementation of agreed priority areas, which include:</p> <ul style="list-style-type: none"> • Development of Terms of reference (ToR) and/or Memorandum of Understanding (MoU). Terms of reference that clearly define Customs expectations, issues on which other government departments will act on, and who participants are accountable to and how that accountability is maintained, are beneficial for all participatory processes. This clarity would indicate Customs and/or public sector expectations and help prospective private sector participants to decide whether it is in their best interests to participate. • Development of strategic framework, consisting of vision, mission, goals and objectives. 	
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Annex II

Moldova	Customs Consultative Council	<p>-to increase transparency of decision-making processes of the Customs Service</p> <p>-to encourage better communication between the Customs Service and the private sector, i.e. simplification of clearance procedures, trade facilitation and IT solution development</p>	<p>-business associations (chambers of commerce, transport operators customs brokers, importers and exporters),</p> <p>-representatives of technical assistance programs in the field of external trade and the Customs Service</p>	<p>-meetings are (at least once every three months)</p> <p>-working groups or issue-specific meetings (between council meetings)</p>	<p>-the initiative enables the private sector members to take some ownership of the process and raise the issues of most importance to them and which have broad impact on the trade community</p> <p>-the secretariat assists the Council's representatives to formulate specific, result-oriented proposals, the Customs Service and the Council's private sector members to draft the agenda, develop informative notes, and write and circulate the meeting minutes and it helps to monitor the implementation of the decision taken</p>
Peru	Board of Overseers of the Private Sector and government	<p>-to establish guidelines to follow for the registration and participation of private sector providers and government in the physical examination of goods for the import regime for consumption</p>	<p>-it applies for:</p> <ul style="list-style-type: none"> • Administration of Inspection and Customs Revenue Management (IFGRA), • the municipalities of the Republic of customs, • customs warehouses, • the private sector providers • government agencies registered with the National Customs • Tax Administration (SUNAT) 		<p>-the supplier upon request can be registered as observer at SUNAT</p> <p>-the requirements are: Knowledge and experience in trade or production and no criminal record</p> <p>-the observations carried out by the supplier contribute to the work of customs control, but are not binding upon evaluations conducted by SUNAT officials</p>
Poland	Advisory Council of the Polish Customs Service	<p>-Facilitation of legitimate business activity</p> <p>-removal of bureaucratic barriers and</p> <p>-improvement of cooperation with economic operators</p>	<p>- Ministry of Finance, Customs Service of Poland</p> <p>- the Advisory Council of Polish Customs Service</p>	- conferences	<p>-the members of the Advisory Council are people proposed by the chambers of commerce and the business community, educational institutions and experts on customs matters</p> <p>-the tasks of the Council include, among others analysis of customs legislation, the preparation of opinions and proposals of solutions</p>

Annex II

<p>Spain</p>	<p>Large Business Forum</p>	<p>The Large Business Forum was launched in 2008, in order to establish a cooperative relation with a reduced number of Large Businesses, within two phases:</p> <ol style="list-style-type: none"> 1. To create a discussion forum to discuss, through joint or economic sector meetings, the main problems of the relations between the large businesses and the tax administration. 2. In a second phase, to study the feasibility of a special framework in order to provide, by the tax administration, a criteria on the tax consequences companies operations might have, which would require a total transparency of such operations. 	<p>A group of companies belonging to the Central Delegation of Large Taxpayers, with a certain turnover level, volume of paid taxes, volume of information provided to the tax administration, number of employees, activity sector and geographical distribution, which are considered representative of the whole group.</p> <p>The initial participation of a reduced number of companies is not to be considered as a privilege for them, as the agreements which are reached in the Forum, are applicable to all tax payers concerned.</p>	<p>The rules of procedure of the Forum are the following:</p> <ul style="list-style-type: none"> - The Forum has an informal character, flexible, cooperative and with no bureaucracy. - The Forum works at Plenary and at Working Groups. The Plenary identify the problems and adopt the agreements, while the Working Groups analyze the problems and propose solutions. - High level participation in the Plenary: the State Secretariat of Finance and Budget and Board of Directors of the Tax Agency together with members of the Boards of Directors of the companies. - Technical level participation in the Working Groups. <p>Working Groups:</p> <p>Four Working Groups have been created, with the participation of different companies and different Departments of the Tax Agency, depending on the subjects to discuss:</p> <ul style="list-style-type: none"> - Cooperative relations Working Group. - Analysis and rationalization of indirect taxes Working Group. - Transfer prices Working Group. - Excise Working Group. <p>The Customs and Excise Department has participated in the four Working Groups.</p>	<p>One of the outcomes of the Forum is the Best Tax Practices Code. 75 companies have adhered to the Code so far. 15 of them are Authorized Economic Operators. A Note on the Code is attached, for your information.</p> <div data-bbox="1668 395 1736 459" style="text-align: center;">  </div> <p style="text-align: center;">Code of Best Tax Practices.pdf</p> <p>Additional information can be found in our web site: www.agenciatributaria.es (businesses and professionals).</p>
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Sri Lanka	Consultation process through the Compliant Traders Facilitation programme (CTFP)	-to enforce the capacity building side -to create training programmes for Customs brokers acting as declarants who lack the required knowledge in HS classifications, valuation rules, rules of origin etc to prepare goods declarations	-the first 100 importers of goods into Sri Lanka were selected after an audit which was conducted by the National Chamber of Commerce	-regular meetings and seminars	-the meetings and seminars served for feedback on the implementation of this programme from stakeholders from the business community and to enable the CTFP to review and modify it according to the needs
Thailand	Consultation process through the implementation AEO programme Joint Committee between Customs and Private sector	-to enhance the international commercial capacity -to facilitate the customs clearance process for the private sector by applying the standard of Authorized Economic Operator (AEO) -To avoid any conflicts between Thai Customs and the private sector, Thai Customs has maintained a formal consultative mechanism with stakeholders	-there are 74 entrepreneurs (importer, exporter and Customs Broker) in compliance with the standard of AEO in Thailand		-discussion and approval of projected changes in Customs services, monitoring and evaluating Customs performance, and providing advice on the streamlining of Customs services

Annex II

<p>Turkey</p>	<p>Consultation process before and through the implementation of the AEO programme</p> <p>Customs Debt Settlement Commission (27 August, 2011)</p> <p>Customs and Trade Council (22 June, 2012)</p> <p>Business Consulting Unit</p>	<p>-easier and safer commercial activities</p> <p>-aims to resolve disputes stemming from customs duty and related penalties between traders and Customs without taking the matter to court.</p> <p>- delivers opinions for the development of Customs and trade policies and practices.</p> <p>-to resolve problems faced by traders and other stakeholders through an institutionalized consultative mechanism.</p>	<p>Traders</p> <p>Non-governmental organizations, public and private sector members</p> <p>Big enterprises, AEOs and leading non-governmental organizations</p>	<p>-after the launch of the AEO Concept, Authorised Consignor and Local Clearance Procedures for Export, Turkish Customs Administration published: A booklet covering 111 Questions and Answers, a booklet for the AEO certificate application procedure, a booklet for the pre-evaluation stage by the Regional Directorates regarding the concept of "Authorized Economic Operators" which are also available on the web site of Ministry of Customs and Trade that is updated regularly</p> <p>-a training programme by the Turkish Ministry of Customs and Trade throughout the country is planned, as it has already been conducted in the past Dispute resolution through consultation.</p> <p>-an advisory body</p> <p>Consultations through contact points both in the headquarters and in the local Customs administrations</p>	<p>-the personnel of Department of Trade Facilitation is always ready to receive any inquiries regarding Trade Facilitation/ Supply Chain Security through phone, e-mail or appointment</p> <p>- the advisory body meets to work together, cooperate and strengthen the dialogue between parties.</p> <p>It receives the demands and complaints of the traders and other stakeholders relating to Customs and trade legislations and takes initiatives for the resolution of the problems and provides information on completeness of the Customs procedures and about trade's rights according to Customs code.</p>
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<p>Uruguay</p>	<p>Consultation process before and through the implementation of the AEO programme</p>	<p>-modernization process -increase the level of integrity</p>	<p>-Signed Memoranda (9):</p> <ul style="list-style-type: none"> • the Association of Customs Brokers of Uruguay (ADAU), -the Association of Cargo Agents (AUDACA), • the Uruguayan Association of Express Service Businesses (AUDESE), • the Uruguayan Chamber of Logistics (CALOG), • the Chamber of International Automotive Land Transport of Uruguay (CATIDU), • the Free Trade Zone Chamber of Uruguay (CZFU), • the Union of Exporters, the Navigation Centre (CENNAVE) • the Chamber of Commerce 		<p>- Once signed, the Memoranda are given effect by setting up a Joint Commission comprising two representatives of the Customs Administration, who are always the same, and two representatives of the association concerned. A one-year or six-month Action Plan, as appropriate, is drawn up, and meetings are scheduled to monitor and exchange views as to how the implementation process is progressing. Each plan of action includes a short, medium and long-term commitment.</p> <p>- At the end of 2012, the results of each Memorandum will be assessed.</p> <p>-The Customs Administration is also preparing a new survey to measure the various impacts of these and other policies it has carried out.</p>
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