The implementation of the WCO Framework of Standards on Cross-Border E-Commerce

Nov.2019
1. Background
Customs Workload and its Personnel

Note1: Figures for Year 2000 taken as a baseline (100)
Note2: No. of inbound airplane passengers are based on Ministry of Justice statistics.
Import declarations for express cargo are increasing.
Seizure of Drugs in 2018

Post is the biggest means of transport for drugs (Total 886 Cases)

- Post: 564 cases (64%)
- Air passenger: 248 cases (28%)

(Total 886 Cases)
Methamphetamine Seizures thru post

<table>
<thead>
<tr>
<th>Year</th>
<th>Weight (Kg)</th>
<th>CASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>2015</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>2016</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>2017</td>
<td>80</td>
<td>50</td>
</tr>
<tr>
<td>2018</td>
<td>30</td>
<td>40</td>
</tr>
</tbody>
</table>
IPR infringing items in 2018

Post is the biggest means of transport for IPR items (Total 26,005 Cases)

Post
22,563 cases (87%)
2. Measures and efforts to implement the E-Commerce FoS

2-1 Advance Electronic data

2-2 Utilization of technology
Summary of the Enhancement of Advance Filing Rules on Air Cargo (Implementation in March 2019)

The obligation measure of electronic filing to Customs, for strengthen counter terrorism, by 3 hours before arrival, in principle, on the information of cargoes carried by the international aircraft intending to entry an airport in Japan.

### Cargos to be filed, and Party obliged to make the report

<table>
<thead>
<tr>
<th>Cargos to be filed</th>
<th>Party obliged to make the report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargoes carried by international aircraft, and the Captain in principle (An agent, such as airline, may report on behalf of the captain)</td>
<td></td>
</tr>
</tbody>
</table>

### Deadline of filing

- 3 hours before arrival in principle
- *Exception based on the flight time (flight time)*
  - 1 hour before arrival in case the flight time is longer than 3 hours and shorter than 5 hours
  - before arrival in case the flight time is shorter than 3 hours

### Filing methods

- In principle, mandatory online filing in electronic form through NACCS

### Data elements of filing of NACCS

<table>
<thead>
<tr>
<th>Data elements of filing of NACCS</th>
<th>Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAWB number, Flight number, Estimate arrival date and time, Cargo description, Number, Gross weight, Total number, Total weight, Place of departure, Destination, Name and address of consignor and consignee, Code of consignor and consignee, Telephone number of consignor and consignee, etc.</td>
<td>ADM01</td>
</tr>
<tr>
<td>MAWB number, HAWB number, arrival airport. Estimate arrival date and time, Cargo description, Total number, Total weight, Place of departure, Destination, Name and address of consignor and consignee, Code of consignor and consignee, Telephone number of consignor and consignee, etc.</td>
<td>HDM01</td>
</tr>
</tbody>
</table>

Note: Any person who submits no (or false) cargo information until the deadline and enter a airport in Japan will be liable to imprisonment with labor for up to a maximum period of one year or a fine not exceeding five hundred thousand yen.
(2-1)

Utilizing EAD of postal items for Customs Control

JP POST

Receives EAD
Sends EAD to Japan Customs

Japan Customs

Screening with EAD

Notice for inspection

Foreign postal operator

Under UPU channel
Utilization of Technologies device

Information

- Pre-arrival Filling
- Basic X-ray
- Automated X-ray

Better risk management

Inspection tools

Current

- Pre-arrival Filling

Future

- Pre-arrival Filling
- Automated X-ray
- Collaboration with E-platform

Facilitation of E-commerce

Utilization of Technologies device

Cooperation

(2-2)
Targeted Outcome:
Utilizing AI (Artificial Intelligence) for effective and efficient inspection on small parcels

Steps for research and development
1. Collecting the X-ray images
2. Learning process for recognizing characteristics of X-ray images and automatic identification
3. Obtaining function for recognizing X-ray image with suspicious characteristics as inspection targets
Expectation, current challenge and future plan

**Our expectation**: More customs officer will be able to focus on the inspection of cargo by more efficient risk assessment with AI

**Current challenge**:
I. Improvement of accuracy of image identification
II. Study of risk assessment function
III. Study from the point of view of operational convenience

**Future plan**:

2019 ~ Continuing to study such matters as mentioned in “Current challenges”

After 2020 Deploying the X-ray equipment with AI to the frontline Customs offices
3. Performance Measurement
— Time Release study —
通関所要時間　海上貨物 2.1時間に短縮、航空貨物 0.3時間を維持
～第12回　輸入通関手続の所要時間調査～

通関所要時間（税関への輸入申告から輸入許可までの所要時間）の平均は、海上貨物で2.1時間と前回調査（平成27年）比べて0.3時間短縮しました。航空貨物で、0.3時間と前回調査（平成27年）並みの所要時間となっています。

AEO輸入者の特例申告貨物（AEO貨物）に係る通関所要時間については、海上貨物で0.1時間、航空貨物で0.0時間と前回調査並みの所要時間となっています。

（注）AEO（ Authorized Economic Operator：認定事業者）輸入者は、貨物のセキュリティ管理を含む法令遵守体制が整備された輸入者として税関が承認を行った者であり、AEO輸入者については、貨物の引き渡し後に納税申告

平成29年10月より実施した、輸出入申告書の自由化を利用して輸入申告は、海上貨物で1.5時間、航空貨物で0.2時間となっています。

別添1：集計結果（海上貨物）(PDF 172KB)
別添2：集計結果（航空貨物）(PDF 100KB)
別添3：調査の概要(PDF 17KB)
## Policy Evaluation through TRS (1)

**CHANGES IN THE MEANTIME REQUIRED FOR A TIME PERIOD FROM ARRIVAL TO RELEASE ON SEA CARGO**

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrival ~ Warehousing</th>
<th>Warehousing ~ Declaration</th>
<th>Declaration ~ Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>47.6</td>
<td>94.5</td>
<td>26.1</td>
</tr>
<tr>
<td>1992</td>
<td>45.2</td>
<td>84.9</td>
<td>19.8</td>
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<td>1993</td>
<td>39.4</td>
<td>63.7</td>
<td>13.1</td>
</tr>
<tr>
<td>1996</td>
<td>35.4</td>
<td>49.5</td>
<td>10.6</td>
</tr>
<tr>
<td>1998</td>
<td>35.1</td>
<td>46</td>
<td>5.6</td>
</tr>
<tr>
<td>2001</td>
<td>31.1</td>
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</tr>
<tr>
<td>2004</td>
<td>26</td>
<td>36.8</td>
<td>4.3</td>
</tr>
<tr>
<td>2006</td>
<td>26.8</td>
<td>33.7</td>
<td>3.3</td>
</tr>
<tr>
<td>2009</td>
<td>26.3</td>
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<td>3.1</td>
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<tr>
<td>2012</td>
<td>27</td>
<td>31.2</td>
<td>2.6</td>
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<td>2015</td>
<td>26.7</td>
<td>30.4</td>
<td>2.4</td>
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<tr>
<td>2018</td>
<td>29.6</td>
<td>30.2</td>
<td>2.1</td>
</tr>
</tbody>
</table>

- **a. -18.3hrs**
- **b. -33.7hrs**
- **c. -21.1hrs**

- **Introduction of “Pre-arrival examination” and Customs clearance system on sea cargo, and “Sea-NACCS”, in 1991.**

- **Introduction of “Simplified duty rates on the cargo of small value which is under 200,000JPY of the dutiable value” in 1993.**
### Policy Evaluation through TRS (2)

#### CHANGES IN THE MEAN TIME REQUIRED FOR A TIME PERIOD FROM ARRIVAL TO RELEASE ON AIR CARGO

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrival ～ Warehousing</th>
<th>Warehousing ～ Declaration</th>
<th>Declaration ～ Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>8.7</td>
<td>41.6</td>
<td>2.3</td>
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<tr>
<td>1992</td>
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<td>1996</td>
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<td>2009</td>
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<td>2012</td>
<td>7</td>
<td>6 0.3</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>7.4</td>
<td>5.1 0.3</td>
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<tr>
<td>2018</td>
<td>8.2</td>
<td>3.7 0.3</td>
<td></td>
</tr>
</tbody>
</table>

- **a. -9.2hrs**  
  - Introduction of “Pre-arrival examination” in 1991

- **b. -14.9hrs**  
  - Introduction of “Simplified duty rates on cargo of small value” in 1993

- **c. -8.7hrs**  
  - Introduction of “Release upon arrival” in 1996

- **24 hours operation started in 2003**
Comparison between AEO and non-AEO

MEANTIOME REQUIRED FOR A TIME PERIOD OF THE PROCEDURES FROM ARRIVAL TO RELEASE OF AEOs

<table>
<thead>
<tr>
<th></th>
<th>Arrival ~ Warehousing</th>
<th>Warehousing ~ Declaration</th>
<th>Declaration ~ Permission</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEO</td>
<td>3.9</td>
<td>23.5</td>
<td>0</td>
</tr>
<tr>
<td>non-AEO</td>
<td>8.2</td>
<td>3.7</td>
<td>0.3</td>
</tr>
</tbody>
</table>

* Approximately 80% of the non-AEO consists of SP cargo, while that of AEO is only 1%, which is considered to cause the longer mean time for AEOs compared to non-AEO.
What is TRS for?

- **TRS** to monitor and evaluate Customs policies
  —As an indicator in “MOF Policy Evaluation”

- **TRS** to create political/administrative incentive

- **TRS** to be more transparent, accountability

- **TRS** to raise awareness of new policies