# Model Business Lens Checklist for Small and Medium Sized Enterprises

December 2014

World Customs Organization

## I. Introduction

1.  Small and Medium Sized Enterprises (SMEs) make up a relatively large proportion of the economy of many WCO Members, accounting for the majority of domestic business transactions and constituting a major source of job creation. However, SMEs only play a limited role in international trade. For instance, within the Asia-Pacific Economic Cooperation (APEC) region, SMEs account for approximately 90% of all business and employ as much as 60% of the workforce. In contrast, SMEs within APEC only account for 30% of the region's exports. Participation by SMEs in international trade may greatly contribute to enhancing Members' economic growth.

2.  SMEs often face obstacles as they attempt to internationalize, including differences in rules and business cultures, poor protection of intellectual property rights and restricted technical standards. Regulatory and procedural burdens are also serious problems for SMEs. Because of their limited resources and experience, SMEs are very vulnerable to regulatory burdens. When a new complicated regulation is introduced, they may struggle to understand it. Furthermore, SMEs have limited capabilities to influence the development of new regulations and procedures.

3.  The development of a Business Lens Checklist is one effective way of reducing such regulatory burdens on SMEs and encouraging them to internationalize. The Checklist assists governments in designing, modifying and reviewing policies and procedures from the perspective of SMEs. It provides a standardized approach to designing or refining programmes and policies and allows for more input from an SME perspective. The purpose of the Business Lens Checklist is twofold. The first is to focus on the concerns and issues of commercial clients, in particular SMEs, when assessing the impact of new information requirements and border obligations. The second is to institutionalize business simplification principles within the culture of government departments and agencies.

## II. The Model Business Lens Checklist

4.  The Model Business Lens Checklist for SMEs was adopted to encourage and support WCO Members to develop their own business lens checklists and institutionalize the proper involvement of SMEs in policy-making and review at national level.

5.  It is worth mentioning that the Model Business Lens Checklist does not have any legally binding effect. WCO Members are encouraged to introduce their own business lens checklists on a voluntary basis. Furthermore, the Model Business Lens Checklist does not impinge on other initiatives introduced by Members to support SME activities.

6.  The Model Business Lens Checklist for SMEs does not define the scope of SMEs. The definition of SMEs largely depends on economic level and Members are likely to derive their own SME definitions. Although Members are encouraged not to narrow down the scope of SMEs unnecessarily, they may adopt their own definitions of SMEs.

2.

(Model)

## BUSINESS LENS CHECKLIST

The purpose of the Business Lens Checklist is to assist staff with the task of designing, modifying and reviewing Customs policies and programmes. The checklist will enable employees to look at policies and programmes from the perspective of the business community, that is, through a "Business Lens."

The aim is to keep commercial clients, and in particular the small and medium sized enterprise (SME), front and centre when considering the impact of new information requirements and border obligations. The desired outcome will be that of improving client service, streamlining and simplifying Custom policies and procedures, and reducing the administrative burden placed on business.

The Business Lens Checklist is to be consulted when a new or amended policy or programme imposing an obligation or demand on the Customs Administration's business clients, their activities or operations, is under consideration. This includes any new or amended procedures, forms or licences that add or reduce compliance obligations. The results will inform the Customs administration and allow any update to be made before the policy or programme is implemented.

**Policy Review Information**

To be completed by the Office of Primary Interest responsible for the new or amended policy or programme.

| | |
|---|---|
| **Directorate/Division Name:** | **Reference Number**: |
| **Policy/Programme Name:** | |
| ☐ **New**    ☐ **Amended** | ☐ **Not Applicable** |
| **Date Business Lens Checklist Opened:** | **Programme/Policy Implementation Date:** |
| **Comments:** | |

## POLICY AND PROGRAMME REVIEW

A review of existing policies and programmes is always necessary to evaluate if they still continue to meet legislative obligations, to challenge our assumptions on their efficiency and effectiveness, and to examine their ongoing impact and suitability in the ever-changing trade and business context in which they operate.

| | |
|---|---|
| **1** ☐ | A systematic review of the programme or policy has been (or will be) conducted to evaluate the necessity and effectiveness of obligations and information requirements imposed upon clients. Steps will be taken to eliminate or correct any unnecessary requirements, so as to reduce the administrative burden upon clients. |
| **2** ☐ | An existing policy, form, regulation or programme has been (or will be) reviewed to determine if it is still meeting the original stated objectives. If not, the necessity of the policy, form, regulation or programme should be evaluated. |
| **3** ☐ | Clients are notified of updates or changes to policies and programmes using a method that reaches all types and size of clients; and updates or changes to policies and programmes are clearly highlighted and recognizable in any revised communication products to clients. |
| **4** ☐ | Alternatives, options or opportunities for achieving policy or programme objectives that may be more effective and/or less costly to apply have been considered and adopted where appropriate. |
| **5** ☐ | The Customs Administration has taken into consideration the cost in time and money to business of gathering, retaining and reporting information when designing and reviewing a policy or programme. |
| **6** ☐ | Existing obligations have been reviewed for potential removal. |
| **7** ☐ | Before imposing any new information requirements on clients, it has been determined whether the information can be obtained through alternative means or in a different manner or point in time in the commercial process, and still meet the policy or programme objectives. |
| **8** ☐ | Central agencies and other policy-making agencies which work with the Customs Administration will be engaged whenever possible to encourage the streamlining of outdated or overly burdensome legislation or regulations. |
| **Comments:** | |
| | |

4.

## CONSULTATION

Consultation is an interactive process whereby the Customs Administration seeks the early engagement of its stakeholders as partners in the goal of a secure and efficient border. Through consultation, the Customs Administration benefits from stakeholder expertise and experience, gains a better understanding of the impact of policies and programmes on business, and mitigates future oversights or roadblocks in the design of policies and programmes.

| | |
|---|---|
| **1** ☐ | A consultation plan has been developed that identifies and engages stakeholders as early as possible in the process.<br>Or ☐ N/A (If N/A is selected, explain why in the comments section below) |
| **2** ☐ | The consultation plan includes a range of representation, from the supply chain affected by the programme or policy. |
| **3** ☐ | A representative group of stakeholders has been invited to comment on drafts of proposed policies or programmes, before final decisions are taken. |
| **4** ☐ | Stakeholders have had the opportunity to provide input, and have been provided with a clear explanation of how and why final decisions have been reached. |
| **5** ☐ | Stakeholders have been provided with adequate time and sufficient information to respond. |
| **6** | Stakeholders have been able to use convenient platforms (i.e. e-mail, mail, phone, and hearing) to provide input. |
| **7** | In cases where Customs administrations received comments from stakeholders publicly, the comments have been available for the public to access. |
| **8** ☐ | Stakeholders have been consulted regarding the cost involved in meeting the obligations and information requirements of the policy or programme. |
| **9** | Stakeholders will have opportunities to provide feedback about the impact of new or amended policy or programme. |
| **Comments:** |

## COMMUNICATION

The main objectives of the communication process are to share knowledge of Customs policies, programmes and procedures with stakeholders in an open and timely manner; to maintain transparency and clarity; to educate Customs clients as well as receive valuable insight from them; and to foster voluntary compliance. Early contact with the client is an important component of a successful communication strategy.

| | |
|---|---|
| **1** ☐ | A communication plan has been developed that includes all stakeholders. |
| **2** ☐ | Communication products, seminars and workshops to explain policies and programmes are designed to be accessible to all types and sizes of business. |
| **3** ☐ | Brochures, guides or publications have been developed and are accessible to all stakeholders . |
| **4** | An officer has been designated to respond to inquiries from all stakeholders. |
| **5** ☐ | Advance information products, news releases or fact sheets have been developed that could be accessible to all stakeholders. <br> Or ☐ N/A (If N/A is selected, explain why in the comments section below) |
| **6** ☐ | Policy and programme objectives and requirements are drafted using clear and plain language. |
| **7** ☐ | The use of language that would give the appearance of a regulatory requirement or obligation where there is none has been avoided. |
| **Comments:** | |

6.

## COMPLIANCE

Compliance with Customs policies and programmes requires the establishment of border procedures and information requirements that meet our legislative requirements, that allow us to measure the effectiveness of our policies and programmes, and are also realistic in the framework of today's business world.

| | | |
|---|---|---|
| **1** ☐ | | Compliance standards are clearly defined and achievable. |
| **2** ☐ | | Sufficient time and support has been extended to clients to enable them to comply with a new policy or programme, or with changes to an existing programme. |
| **3** ☐ | | The consequence of non-compliance, both in terms of penalties and of the risk to national security and trade, has been made clear to clients.<br>Or ☐ N/A   (If N/A is selected, explain why in the comments section below) |
| **4** ☐ | | Consideration has been given to the different means by which various types and sizes of businesses can comply with policies and procedures. |
| **5** ☐ | | The compliance strategy includes an educational component designed to assist clients in complying, and examples of compliant and non-compliant behaviour have been explained to business. |
| **6** ☐ | | A risk-based examination and verification approach has been adopted to focus on activities or areas that pose the most serious risks, and enforcement measures and penalties are proportionate to the level and risk of non-compliance. |
| **7** ☐ | | A process for quality assurance has been developed with the aim of ensuring national consistency in dealing with clients. |
| **8** ☐ | | In cases of significant non-compliance, the Customs Administration programme areas will consider whether this was a result of unclear policy or programme directives. |
| **Comments:** | | |
| | | |

**SERVICE STANDARDS**

Service standards represent a central commitment to deliver policies and programs to clients in a manner that upholds Customs administration's values of integrity, respect and professionalism. It is in the interest of the Customs administration to be responsive to client feedback, both positive and negative, in order to obtain an accurate and objective evaluation of the effectiveness and impact of our policies and programs.

| 1 ☐ | Where appropriate, service standards have been developed that are measurable, and action plans are in place to perform a statistical review to report how the Customs administration is meeting its service standards. |
|---|---|
| 2 ☐ | In cases where service standards have been developed, the standards were designed with consideration to the Five Drivers of Service Satisfaction: Timeliness, Knowledge, Courtesy, Fairness, and Outcome. |
| 3 ☐ | Service standards are (or will be) ready to be posted on the external Web site. |
| 4 ☐ | Client service and assistance have been adapted to meet the needs of different types and sizes of business. |
| 5 ☐ | Plans have been established for the periodic review of service standards and thresholds in order to verify if they are still effective in enhancing the interaction between the Customs administration and its clients. |

**Comments:**

_____

8.