



WORLD CUSTOMS ORGANIZATION

# OVERVIEW AND INTRODUCTION TO NEW MATERIALS



## WCO Revenue Package Phase III

“  
*...the pathway towards fair and  
efficient revenue collection*  
”

# RP

Revenue Package

JUNE 2018

## OVERVIEW

The Revenue Package was initiated as a response to Members' concerns over declining revenue returns in the context of the global financial crisis of 2008 and falling duty rates in general.

Collection of revenue has historically been the cornerstone of a Customs administration's responsibilities. For a number of years, Customs has been actively involved in protection of society and trade facilitation initiatives. More recently, the role of Customs has expanded; issues such as the fight against counterfeiting, counter-terrorism activities and the protection of the environment have featured high on the agenda of international Customs work programmes. Alongside these important topics, revenue collection continues to be an area of concern for Customs administrations. The global financial crisis has led to a downturn in international trade which has inevitably hit government revenues. Additionally, the global trend in the reduction of Customs duty rates, through unilateral, regional, and multilateral trade liberalizations, will potentially have the same effect.

A WCO Communication was issued to the G20 for its London Summit in 2009 on the global financial crisis. It expressed the WCO's viewpoint on specific global issues that impact on Customs, and to assure them that the WCO, within the framework of its mandate, is willing and ready to contribute positively to the resolution of global issues in co-operation with others. The WCO contribution was well-received and echoed in the G20 London Communiqué on 2 April 2009.

In response, the WCO Council passed the following Resolution in June 2009:

*"The WCO Secretariat and Members should enhance even further the delivery of effective capacity building, especially as a response to declining revenue collection and obstacles to trade facilitation caused by the global economic downturn".*

In June 2012, work on the Phase I Revenue Package Action Plan was finalised. Following endorsement by the WCO Policy Commission and Council, the first set of new tools and materials were launched.

In June 2015, the Phase II Action Plan was finalised including the development of a further series of tools and materials.

The Phase III Action Plan was endorsed by the Policy Commission at its 75<sup>th</sup> Session in June 2016; details can be found in document SP0566E1b. Policy Commission document SP0638E1a, prepared for the 79<sup>th</sup> Session in June 2018, reports on the completion of Phase III when the third series of new and updated tools and materials is due to be launched. .

The Revenue Package consists of all available tools and instruments relevant to revenue collection. This includes, inter alia, formal instruments and conventions, guidance notes and training material.

A Revenue Package Schedule has been developed which acts as a single point of reference for all new and existing Revenue Package material. The Schedule provides direct access, via hyperlinks, to the material in question and is available on the WCO Members' website.

Members are encouraged to consult the Schedule to ensure that necessary requirements have been met and that all relevant material has been obtained by the administration and is being utilized as appropriate.

## Summary of Phase III

Part 1 of Phase III was designed to assist Members in implementation of the materials developed under Phases I and II in order to strengthen their capacity to identify and collect the revenue legally due on imported goods. This includes using all opportunities to promote the Revenue Package tools, and make them available to Members, including :

- (a) Distribution of materials such as CDs and brochures;
- (b) Use of the WCO's regional structures, such as ROCBs and RTCs, for the dissemination of information and materials;
- (c) Subject to resources, arranging translations of the tools into other languages

Part 2 includes a number of new initiatives :

### Origin

- ✓ **Practical Guide to the 2015 Nairobi Ministerial Decision on Rules of Origin for LDCs.** This Guide will contribute to facilitating preferential market access for LDCs.
- ✓ **Guide for Technical Update of Preferential Rules of Origin.** This Guide will assist with the updating of the rules of origin in relation to changes in the Harmonized System.
- ✓ **Good practices from New Zealand, Thailand, Switzerland and Chile.** These national practices supplement the guidelines on certification, verification and origin irregularities
- ✓ **Five new e-learning modules on Origin** have been developed on the topics of certification, cumulation, origin criteria, direct transportation and verification

### Valuation

*New:*

- ✓ **Practical Implementation of the WTO Valuation Agreement: A Guide for Least Developed Countries.** This Guide sets out a step-by-step approach for LDCs to effectively implement the WTO Agreement and highlights the key tools which assist in this process
- ✓ **Valuation control programme case studies** have been provided by China, Moldova, Uganda. A summary of the ASYCUDA World Valuation module has been provided by UNCTAD

*Updated:*

- ✓ **Practical Guidelines for Valuation Control**
  - Case studies from Brazil, India and Mauritius
- ✓ **WCO Guide to Customs Valuation and Transfer Pricing**

### Customs Laboratories

- ✓ The updated **Customs Laboratory Guide** includes best practices in sampling, test procedures and contact points as well as the Procedures and requirements for Establishing a Regional Customs Laboratory
- ✓ A new WCO Regional Customs Laboratory was established in Mexico

### Post – Clearance Audit

*New:*

- ✓ **Implementation Guidance on Post Clearance Audit.** This document provides step-by-step guidance for Customs administrations to assist in the development of PCA in line with WCO recommended practices



- ✓ **“How to Audit” Typology.** This document provides field auditors with information on common irregularities, together with practical techniques.

*Updated:*

- ✓ **PCA Guidelines Volumes 1 and 2.** These Guidelines will assist in the implementation of the WTO Trade Facilitation Agreement Article 7.5.

### **Additional tools and materials**

- ✓ **Customs – Tax cooperation :** Guidelines for Strengthening Cooperation and the Exchange of Information between Customs and Tax Authorities at the National Level
- ✓ **Mineral resources:** A WCO tool is being developed on control of mineral resources being exported and imported
- ✓ **Fragile borders:** Case studies have been developed on border management in post-conflict zones and the role of Customs in trade-hubs at border cities

## **BENEFITS**

By using the new and existing material (available via the WCO Members’ website), Members will be able to ensure they are identifying and collecting all revenue which is legally due and improve compliance levels. Effective risk management ensures that Customs deploys its resources in the most cost-effective way by targeting high-risk operators where revenue returns are likely to be high, whilst facilitating the compliant trade.

For any questions relating to the Revenue Package, please contact:  
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