UNI-PASS: Korea's Customs modernization tool

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THE ENVIRONMENT SURROUNDING Customs administrations is changing rapidly. The conclusion by the World Trade Organization (WTO) of its Trade Facilitation Agreement in December 2013 demands that governments make further efforts to simplify trade procedures and ensure more transparency in trade regulations. This is further strengthened by the WCO's decision to dedicate 2016 to the promotion of 'Digital Customs' which encourages Customs to go down the road of modernization.

The KCS has made great strides to share its experience and know-how on electronic clearance systems globally. So far, it has been involved in the establishment of electronic Customs systems in 10 countries, including Ecuador. Tanzania and Uzbekistan.

The Korean economy has developed at a rapid pace since the 1970s. For instance, its trade volume, which stood at a meager 2.8 billion US dollars (USD) at the time, has increased 316 times to reach 885.8 billion USD in 2015, and the number of Koreans travelling abroad has risen 117 times from 460 thousand to 53.97 million. Confronted with this reality, the Korea Customs Service (KCS) decided to develop an electronic Customs clearance system called UNI-PASS, which computerizes Customs procedures and provides for the automation of the clearance process, as a solution to overcome the increase in trade volume and travellers, given the limited resources available.

This was not done overnight, but gradually, through numerous trials and errors. Today's system is, therefore, the result of years of experience, and of the high level know-how that the Customs administration has accumulated over the years. It enables the KCS to electronically process 430 million declarations and 50 million travellers per year. UNI-PASS is composed of 77 modules and has five subordinate systems: a Single Window (SW) system; a clearance management system; a cargo management system; an information management system; and an administration system.

Main features of UNI-PASS

One-stop service through the Single Window

The system provides a one-stop service for all Customs clearance procedures. It integrates 39 government agencies, enabling the sharing of information between regulatory agencies, Customs and other stakeholders (such as private organization mandated by the government to handle requirement verification tasks); not just for regulatory permits, but also for statistics and information used for data analysis and decision-making purposes. In addition, it connects 430 thousand entities, such as trading companies, Customs brokers, shipping companies, airlines, delivery companies, and warehouses.

Reduction of the clearance time through the Clearance Management System

The system provides a paperless working environment for all Customs clearance procedures. Export clearances that used to take more than one day now take 1.5 minutes, and the time taken to process import clearances has been reduced from more than two days to 1.5 hours. It may be mentioned that the system collects one third of Korea's national tax revenue.

Real-time cargo tracking management through the Cargo Management System

The system collects Bills of Lading from shipping companies, airlines and forwarders, and assigns a cargo tracking number to each consignment. The Cargo Management System is connected to delivery companies, warehouses and other private entities moving goods. It allows Customs officers and traders to access information on the process, as well as the status of the cargo at each stage, stating the time, the Customs officer in charge and the location of the cargo, including access to the manifest, the Customs declaration, and other documents required during the clearance procedure. Moreover, the time it takes to deliver or clear goods is also measured in order to avoid logistics issues, such as bottlenecks.

Effective Customs clearance of travellers' items through APIS

The Advance Passenger Information System (APIS) uses various data, such as passenger lists, reservation data and the entry/exit history, to analyse risks prior to the arrival of travellers so that high-risk travellers may be selected and controlled, while ordinary travellers can swiftly clear their goods or personal items. Fifty million travellers are screened every year through APIS in order to prevent any harmful goods, such as narcotics, guns and explosives, from entering or exiting the country.

Risk management through the IRM-PASS

The Integrated Risk Management system (IRM-PASS) analyses not only Customs data, but also data provided by other entities for analytical/statistical purposes or to create risk profiles and targeting criteria not only for goods, but on companies and travellers. The system creates company profiles and travellers' profiles in order to control their behaviour and analyse their risk patterns. This information is made available to Customs officers during various stages of the audit and inspection procedures to aid them in their decision-making.

International cooperation to promote 'Digital Customs'

The KCS has made great strides to share its experience and know-how on electronic clearance systems globally. So far, it has been involved in the establishment of electronic Customs systems in 10 countries, including Ecuador, Tanzania and Uzbekistan. The KCS also assists foreign administrations in their modernization projects. So far, it has delivered assistance to 14 nations, including Cameroon, Tanzania and Uzbekistan.

To assist in the establishment of an electronic Customs system, a clear understanding of the procedures, systems and practices in place in the recipient country is key. Administrations requesting assistance must provide a specific and detailed description of their environment, and of the project they want to develop. They must also demonstrate a strong will, and high management capacities.

Experts from both countries must, of course, find common ground. Contacts will, at first, be made through conversations over the telephone, or through the exchange (sending) of letters and documentation. A delegation will later be dispatched.

The UNI-PASS system cannot be duplicated without the authorization of the office of the KCS Commissioner which holds the patent and trade mark rights of the system. It can be deployed partially, that is by implementing only selected modules and connecting them with the existing legacy systems of the Customs authority, or totally, by replacing the existing legacy system entirely.

When you purchase or receive operating system or application software, it is usually in the form of a compiled object code, without the inclusion of the source code. UNI-PASS is, in contrast, provided together with the source codes, for a bundled fee, to countries which have the capacity required to use the source codes to customize or upgrade the system when needed.

When it comes to connecting the electronic system to other agencies' systems, it all depends on whether those agencies have implemented a paperless working environment or not. As for a government agency with an existing operations system, it will have to be connected through the UNI-PASS SW module. When a user lodges an application for 'requirement verification' to the SW, it will be automatically sent to the agency for trade-related processing. The result will be returned to the applicant and the UNI-PASS system through the SW facility respectively.

The SW is also equipped with an Authorized Service Program functionality, a platform enabling government authorities without their own system to logon to the SW, and electronically process applications, i.e. receive, review and approve requests, and issue and send documents.

Keen to continue sharing the know-how and experience it has accumulated over the years, the KCS invites all Customs administrations wishing to forge cooperation with them to get in contact with the UNI-PASS team.

More Information
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