

## Post-Clearance Audits

***By application of a post-clearance, risk-based approach, Customs are able to target their resources more effectively and work in partnership with the business community to improve compliance levels and facilitate trade.***

### WCO Guidelines for Post-Clearance Audit

The traditional public image of the Customs official is often portrayed as the uniformed man or woman at a frontier post or airport. The physical presence of Customs at the gateway to a country means checks can be conducted in real time before a decision is made to release a consignment of goods. It can also act as a deterrent to would-be fraudsters.

Border controls still have a part to play in a modern Customs service; however, excessive and time-consuming checks at the point of clearance can be counterproductive. Modern international commerce works to tight deadlines and national economic benefits can be derived as the result of the smooth and timely clearance of goods. Furthermore, the majority of international trade involves large corporations with global networks and complex business systems and supply chains and in some cases documentation required to be produced at the time of importation does not provide the whole picture and context of a commercial transaction, which is necessary to properly determine, among other things, the correct Customs value, classification or entitlement to preferential origin.

It becomes undesirable for Customs to make conclusive decisions regarding duty liability in the narrow time frame available. Neither is it appropriate to delay clearance of goods whilst resolving such enquiries, unless fraud is suspected. Many administrations, therefore, now concentrate their controls on the post-importation environment, whilst retaining selective and targeted checks at the frontier.

### Stepping stones towards an effective PCA system

The transition from border-focused controls to PCA as the prime basis for Customs controls typically evolves over several years, as new processes and procedures are developed and new skills learnt. However, PCA implementation is not a standalone process; it needs to be embedded in a wider facilitation context, allowing simplified clearance procedures at the borders, warehousing procedures and other Customs regimes (e.g. regimes which build on a regularly functioning relationship between the Customs administration and the auditee).

To help Customs make that transition, the WCO developed guidelines. These Guidelines are available in two volumes. Volume 1 is primarily targeted at management level to assist with the development and administration of a PCA programme (this volume is freely available, see the WCO Website). Volume 2 focuses on the operational aspects of PCA, with practical guidance and checklists for auditing officials (restricted to Customs administrations).