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The Career Development Programme is a fairly new initiative, having been launched in 2009 by the WCO, in cooperation with Japan Customs. It provides an opportunity for selected candidates, known as Professional Associates (PA), to undertake work at the WCO Secretariat for 10 months.

Aims of the Programme:
- To enable participants to obtain knowledge, skills and international work experience;
- To enhance networks among WCO Members and the Secretariat;
- To strengthen the Secretariat in the delivery of its mission and tasks;
- To develop a pool of highly competent officials with Customs expertise.

Since its launch, 20 Customs officials from different developing countries across the WCO’s six regions have benefited from the Programme. It has served to promote the involvement of WCO Members, especially those in which neither of the WCO’s two official languages is widely spoken, in various WCO activities.

According to feedback, former Professional Associates have been contributing positively to their administrations and regions on their return home, including acting as a liaison point between their administration and the Secretariat.

As part of the 2012/13 Programme, eight officials from Angola, Azerbaijan, Cambodia, Côte d’Ivoire, India, Jordan, Mauritius and Uruguay are working at the Secretariat. They have been assigned to different Directorates in the Secretariat and are expected to work for the benefit of their country and region in carrying out their daily professional tasks.

At the end of the Programme, WCO management representatives gather to hear each Professional Associate present a report on an individually selected research topic, particularly one that will either

“My experience at the WCO from 2009 to 2011 as a Professional Associate within the WCO Career Development Programme was very positive. Among the range of valuable Customs matters learned, I paid special attention to the Secretariat’s organizational culture in which appreciation and positive energy are the norm rather than the exception; a culture in which staff feel valued for their work and help those around them to do the same. During the Programme, I was also able to contribute towards facilitating communication between the Secretariat and Portuguese-speaking WCO Members. When looking back at my achievements now, I would say that my experience at the WCO helped me greatly to be more successful as a person and in my career. I am currently the Deputy Coordinator General for the One Stop Border Post between Mozambique and South Africa.”

Benjamim M. Massocha
MOZAMBIQUE REVENUE AUTHORITY

“I joined the WCO Career Development Programme in September 2010. For 10 months I had the opportunity to assume responsibilities as part of the Secretariat’s enforcement team, working side by side with officials from all over the world. This Programme enabled me to improve my knowledge and skills, and gain work experience in a truly international environment. At the same time it allowed me to pursue a research project that enhanced risk management within my home administration. More importantly, participating in the Programme enabled my administration to reinforce existing ties with the WCO. Looking back, the Programme was, without a doubt, an impactful capacity building initiative that altered my perspective and opened a world of opportunity for personal and professional growth. I am currently the Dominican Republic’s Technical Attaché at the WCO Secretariat.”

Michelle M. Medina
DOMINICAN REPUBLIC CUSTOMS ADMINISTRATION
benefit the Associate's home administration or the region.

The standard nomination process is set out below:

- January/February - invitation letters sent to developing countries
- April - deadline for submission of nominations
- May - selection process undertaken
- June - results notified to candidates
- September - Programme year commences

Having received many favourable comments from WCO Members to date, the Secretariat encourages developing countries to submit their nominations for the 2013/14 Programme.

More information
careerdevpro@wcoomd.org

Conference on Informality, International Trade and Customs

The WCO and the World Bank are organizing a research conference, from 3 to 4 June 2013 at WCO Headquarters in Brussels, on the theme of informality related to international trade and border administration. The Conference aims to promote applied research on the relationships between States, Customs administrations and local importers and to deepen the analysis of informality as a reality in international trade from a multi/interdisciplinary perspective. Keith Hart, a renowned anthropologist, will deliver the keynote speech.

More information
research@wcoomd.org

Whether it's for application software or electronic message transmission, CONEX has solutions for companies dealing with import/export customs and security declarations.
IN THE AUTUMN of 2012, the WCO organized two operations against drug trafficking, one focusing on methamphetamine transported from Africa to Asia by air passengers, and the other targeting illicit drugs and drug precursors being transported via the postal and express courier channels.

Globally, amphetamine-type stimulants (ATS) are considered to be one of the two most widely used illicit drugs; the other being cannabis. According to the United Nations Office on Drugs and Crime (UNODC), there is growing evidence to suggest that criminal organizations involved in ATS trafficking are exploiting West Africa in a similar way to cocaine traffickers, by looking for ways to avoid law enforcers in order to smuggle ATS, mostly methamphetamine, to other parts of the world – primarily East Asia.

The postal channel is one of the main vehicles for letters and relatively small packages to reach various parts of the globe – smugglers use the same channel to repeatedly send small quantities of drugs. Although surveillance of this specific transport mode is acknowledged as being difficult, the results achieved by enforcement officials involved in the operations have been very rewarding.

From Africa to Asia
Since 2008, cases of methamphetamine trafficking from West African countries, including Benin, Côte D’Ivoire, Gambia, Ghana, Nigeria and Senegal, to the Asian region are increasing being reported. According to the UNODC’s Global Smart Update 2012, the most common destinations for methamphetamine from Africa are Japan, Malaysia, the Republic of Korea and Thailand.

Australia and New Zealand have also reported the increasing role of West African organized crime groups in the trafficking of ATS and their precursors. Amongst the destinations, Japan is the most favoured, owing to the high price of methamphetamine on its local market.

Operation WESTERLIES focused specifically on methamphetamine transported from Africa to Asia by air passengers. After six months of preparation and training, the Operation, initiated by Japan Customs, was officially carried out from 16 to 25 November 2012 with 82 participating Customs administrations.

Apart from seizures and arrests, WESTERLIES emphasized the investigation of criminal groups behind the trafficking and collaboration between Customs and police authorities, particularly the provision of information to Customs on the full extent of the investigation, as well as any background details on suspected and arrested traffickers that appear in INTERPOL’s databases.

Seizures and arrests
After ten days of joint effort, the result of Operation WESTERLIES can be quantified as follows: 37 persons arrested and 575 kg plus 39,434 tablets of a variety of narcotics seized, of which ATS numbered 39,049 tablets.

The Operation has proven a known fact, that in so far as methamphetamine trafficking is concerned, Africa is the primary source, some European or Middle East regions serve as transit zones and Asia is the final destination. All 17 ATS transactions intercepted were destined for the Asian region – China, India, Malaysia, Singapore and Thailand, for example.
With this knowledge in mind, Customs administrations in the region should continue to keep a close watch on smuggling trends involving these narcotics. This should be complemented by regular enforcement action at an inter-regional level at optimal intervals.

Although some investigations are continuing, the key objectives of WESTERLIES were met, namely the identification of individuals and enterprises implicated in trafficking and the gathering of information on the status of methamphetamine being trafficked by air. Information obtained during the Operation will be used to update existing risk profiles and targeting criteria used by Customs and other actors involved in combating the illicit drug trade.

**Mail items**

One of the administration’s participating in the Operation decided to step up controls of mail items at the airport, leading to a total of eight seizures, including six ATS cases and two involving cocaine. This successful initiative reveals the importance of implementing proper controls on goods being moved around the world in postal and express parcels.

Mail and parcel channels were the focus of the second operation targeting drug smuggling. Codenamed Operation Sky-Net, it was carried out some weeks before, from 10 September to 28 October, on the initiative of China Customs. Instead of dispatching bulk shipments to intermediaries that are expensive to send and more easily tracked, some smugglers turn to postal and express carrier channels to repeatedly dispatch relatively small quantities of narcotics.

Surveillance of this specific delivery method is acknowledged as being difficult. Customs officers have little time to carry out their controls, especially when dealing with express mail, and goods are declared in as brief a manner as possible, sometimes using highly technical jargon. All this in order to avoid interception.

Moreover, information relating to consignors and consignees given on items is often so succinct that it becomes almost meaningless and may even be blatantly false or non-existent. One example being a mail item addressed to a post office box number or a street address only, making it very difficult to identify the consignee.

**Conclusive results**

Almost 1000 seizures of drugs and their precursor chemicals were made by 38 Customs administrations. Among the 9,500 tonnes of seized goods were narcotics (such as khat, cannabis, opiates and cocaine), precursor chemicals (such as alpha-phenylacetooctonitrile, pseudoephedrine and ephedrine), psychotropic substances (such as methamphetamine, amphetamine, methaqualone, and MDMA) and anabolic steroids.

Five hundred individuals and businesses involved in illicit trafficking were identified. Some investigations are still ongoing and are being carried out by Customs investigation services and by INTERPOL in conjunction with its National Central Bureau intermediaries on the ground.

Some of the intercepted items were dispatched by actual businesses under cover of legal activities and declared to contain products used in lawful industrial or business activities, however, their consignments were found to contain illegal drugs. These businesses are now “listed” and their activities will be closely monitored.

**Information exchange**

Several thousand messages were exchanged between participants during Operation Sky-Net, including warning messages about items, which resulted in positive inspections, followed by controlled deliveries carried out by Customs administrations.

Belgian Customs, for example, produced a warning message for Irish Customs, relating to a suspicious parcel consigned in China which was in transit through Belgium and bound for the Republic of Ireland. Suspicions were focused on the consignor who was known to Belgian Customs officers for multiple offences.

The Irish Customs authorities intercepted the consignee after approximately 8 kg of mephedrone, pyrovalerone and flephedrone were found in his parcel at Cork Airport. A subsequent house search conducted as part of the Operation resulted in the discovery of some 13 kg of prohibited substances currently under analysis, as well as another parcel from the same consignor containing 4 kg of a powder resembling the one currently being analysed.

A later review of documents found at the suspect’s house also provided information on potential shipments to a number of countries, including Germany, Hungary, Poland, Romania, New Zealand and the United Kingdom.

**More information**

[www.wcoomd.org](http://www.wcoomd.org)
Measuring trade by added value

THE ORGANISATION FOR Economic Co-operation and Development (OECD) and the World Trade Organization (WTO) released the preliminary results on 16 January 2013 of their initiative aimed at measuring trade by added value and ultimately improving our statistical knowledge of trade in the 21st century.

"If I had to sum up the WTO’s interest in this matter, it would be to ensure that trade statistics do not lie, or maybe, being a bit more modest, to ensure they lie as little as possible!", said Pascal Lamy, the WTO Director-General, during the round table held on the occasion.

Traditional measures of trade record gross flows of goods and services each and every time they cross borders, counting the large share of intermediate imports used to produce exports twice.

The trade in added value initiative addresses this double counting issue by measuring flows related to the value that is added, such as labour compensation, taxes and profits, etc., by a country in the production of any good or service that is exported.

Three key findings arise from the analysis of the preliminary international trade data released by the OECD and the WTO:

- The first has to do with the role of services. While conventional trade data suggests that services represent less than one-quarter of total trade, on an added value basis trade in services reaches an average 50% of OECD countries’ exports, and well above that in the United States (US), the United Kingdom, France, Germany and Italy – in large part because services add significant value to manufacturing output.

- The second deals with the importance of imports of intermediate goods in improving the competitiveness of exports. Today, in order to be a successful exporter, you need to be an active importer. Put in a simple way: “Imports create exports”. To improve productivity and remain competitive in a world dominated by global value chains requires access to efficient imports of intermediate goods as well as services.

- The third concerns the re-definition of bilateral trade balances, when imports and exports are measured according to their true national content. China’s bilateral trade surplus with the US in 2009 shrinks by 25% on an added value basis. This partly reflects the higher share of US added value imports in Chinese final demand but also the fact that a significant share (one-third) of China’s exports reflect foreign content – the “Factory Asia” phenomenon. Germany is another good example with one-third of the total value of motor vehicles exported in 2009 actually coming from other countries.

More information
www.wto.org/miwi
Economic Competitiveness Package

The WCO has published a list of existing WCO instruments and tools relevant to economic competitiveness, bringing them together under a "Package". They are presented in a schedule which categorizes the instruments and tools into six topics:

1. Transparency and Predictability
2. Modernized Procedures and Formalities
3. Use of Information and Communication Technology
4. Partnership and Cooperation
5. Performance Measurement
6. Miscellaneous

WCO Members can use the Package to self-assess and benchmark themselves against implementation provisions, such as those contained in the Revised Kyoto Convention (RKC) and the SAFE Framework of Standards.

The WCO will finalize the Package in the coming months and plans to produce a compendium of best practices. Members are invited to inform the Secretariat about any innovative actions they intend taking to improve the external environment of their traders.


Latest accessions to WCO instruments

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Phone +31-(0)58-29 88 888, Fax: +31-(0)58-29 88 768, info@odsecurity.com, www.odsecurity.com
THIS YEAR’S INTERNATIONAL Customs Day heralded the launch of the WCO Year of Innovation, a year in which we, as a Customs community, take stock of the innovations we have implemented, those we are implementing and others that we intend to implement in the months ahead. This is also a time for all of us to pause and reflect on the importance of innovation, what it means for the way we conduct our business and the way we engage with one another as international trade stakeholders.

The Economist, in an article on innovation, talks about “the pace of technological change making heads spin”, so much so that “we tend to think of our age as the most innovative ever.” Indeed, the article reminds us that today “we have smartphones and supercomputers, big data and nanotechnologies, gene therapy and stem-cell transplants.” And according to the same article, “governments, universities and firms together spend around 1.4 trillion US dollars a year on research and development, more than ever before.”

Clearly, innovation is important, but Customs has not been resting on its laurels. It has sought to innovate over the years, making best use of technology and not only implementing new ideas but doing old things better. With innovation touching so many areas, from technology to human resource development, this issue’s dossier provides a snapshot of innovation in progress; how Customs and its partners have been gearing up to the challenge, how small things can mean big results, and more importantly, how we can do more through energetic investment.
AS SECRETARY GENERAL of the WCO, I am reminded every day of the innovations applied by WCO Members to improve Customs for the benefit of all international trade stakeholders and for the benefit of society. Accordingly, I selected Innovation as the theme for 2013 with the slogan “Innovation for Customs Progress”.

Innovation is a key driver for successful Customs administrations, not only ensuring that Customs remains dynamic but also ensuring that Customs is in a strong position to meet the challenges and take advantage of the opportunities presented by the 21st century border and trade environment.

Indeed, innovation is not just about designing or implementing something new, whether it is a new policy, technology, or way of doing business. It is also about continuing investment in all aspects of Customs’ work, including its human capital which is critical to ensure sustained progress and excellence.

Innovation itself can be spurred on by many things, including evidence-based research, thought-provoking dialogue, knowledge-sharing, solution-driven development, modern management practices, the use of new technologies, productive partnerships among stakeholders, quality customer relations, and the desire to do better by thinking creatively.
Of course, underpinning the laudable innovation efforts of Customs and its partners are key elements, such as a strong commitment to ensuring integrity at all times and sustainable capacity building and strategic development programmes aimed at supporting Customs reform and modernization.

WCO Members are developing or implementing innovative ideas and solutions in many ways. Examples include risk management, IT solutions including the Single Window concept, performance measurement, non-intrusive inspection equipment, new leadership and management methods and human resource life-work balance policies to name a few.

The WCO too has been active in the field of innovation for a long time, driven by the need to improve the efficiency and effectiveness of Customs administrations across the globe and the necessity to remain visionary, relevant and indispensable to its global membership which now numbers 179 Members.

In fact, over the last few years the WCO has developed and rolled-out multiple innovative tools for the benefit of Customs administrations, such as the Interface Public-Members (IPM), the Data Model, the Cargo Targeting System (CTS), an operations communication tool - CENcomm, a national Customs Enforcement Network (nCEN), and the Customs Alert Network (CAN).

Besides these tools, the WCO has also introduced other innovative initiatives like the 2012 version of the Harmonized System Nomenclature, a Diagnostic Tool on Tariff Classification Work and Related Infrastructure, and Programme Global Shield that addresses the illicit diversion of precursor chemicals used to manufacture improvised explosive devices (IEDs).

Other WCO innovations include the Knowledge Academy for Customs and Trade, the Technology and Innovation Forum, the annual IT Conference, the Customs Learning and Knowledge Community (CLiK!) platform, the Club de la Réforme international Customs think tank, a book on the use of measurement for purposes of reform and many others.

To further support Customs administrations, the WCO has introduced several innovative packages, such as the Revenue Package to safeguard revenue collections and the Economic Competitiveness Package to promote growth. Other packages will be introduced this year, dealing with strategic development and enforcement and compliance.

Our collective efforts to innovate even further during 2013 will lead to stronger economic competitiveness and generate more global growth which is supported by revenues that fund vital government services, enhanced trade facilitation, a balanced risk-based approach to supply chain security, and a deepening commitment to global compliance and good governance.

Innovation is a part of our landscape. So let us commit to taking the innovation theme forward throughout 2013; investing in it and highlighting its benefits. By doing so, we not only strengthen the hand of WCO Members but also the hand of our partners who engage with Customs and the WCO at a national, regional and international level.
Innovation in Customs, the conditions have never been better

by Prasanna Ellanti, Rob Coffey and James Canham
MEMBERS OF THE GLOBAL CUSTOMS INDUSTRY TEAM, ACCENTURE’S PUBLIC SERVICE PRACTICE

For Customs agencies the challenge is clear. To keep pace with the changes in the global environment and fulfil their role in ensuring the security and economic success of their nations, they must innovate. The good news is that the conditions for innovation have never been better and those that embrace innovation will be on their way to becoming the Customs agency of the future.

CUSTOMS AS AN industry is defined by change – from shifting trade and supply chain trends to dealing with more complex economic, social and political realities in an inter-connected world. Far from slowing down after the economic crisis these forces are driving an ever greater rate of change.

Patterns of trade are different, so the support traders need from Customs is different. The behaviour of criminals is more sophisticated, requiring Customs to be even smarter and more vigilant. The needs of the nation are greater, and Customs must be better at managing trade if it is to support the competitiveness and wealth of the nation.

Adding to this complexity is the evolving nature of “digitization”, where many nations’ citizens are spending more time online and “connected” using a plethora of devices. These “digital citizens” demand accessible, reliable services from their government 24 hours per day. This poses a real challenge for both private and public sector organizations, including Customs.

The consequence of all these changes is that innovation is no longer just desirable; it is necessary. Fortunately the conditions for innovation are pervasive and encouraging. Technology has developed rapidly and a series of technologies that can revolutionise Customs are reaching maturity. Mobile technologies can now be used not just for personal communication but to deliver entirely new business practices.

Analytics systems have moved from basic pattern spotting to predictive modelling with intelligent learning capabilities. Scanning and detection technologies now offer non-intrusive scanning that can identify a bewildering array of items. These technologies provide the tools agencies need in order to innovate, so that they can keep pace and stay ahead of the changes now in progress.

However, preparing for the future means being able not just to innovate, but to innovate successfully, using change to deliver improvements in efficiency, effectiveness, and quality. To keep pace innovation must be built into everything a Customs agency does, from implementing new products, processes, and policies, to transforming frontline services.

Successful innovation
Often innovation has meant applying new technologies to old processes, delivering improvements but not fundamental change. By contrast the Customs agencies of the future will be the ones that deliver ongoing innovation across all four core areas of their organization:

1. Developing people, using newer methods of working, training, capturing knowledge, and disseminating information to enhance their workforce and its capabilities
2. Redesigning policies in the light of new developments to ensure that they are always aligned to the most effective approaches to facilitating legitimate trade and preventing illegal activities.

3. Streamlining processes to ensure the agency works more effectively and predictably, and eliminates inefficiencies.

4. Embracing and adopting new technologies to empower the workforce and transform their operations.

Successful innovation cannot be achieved haphazardly; it must be strategically planned and managed, focusing scarce resources and already constrained capacity on delivering real change.

**Innovating strategically**

Experience with both private and public sector organizations has shown that there are myriad areas in which to innovate. The challenge for Customs agencies is to focus their efforts in order to deliver strategic improvement rather than change for the sake of change.

Through analysis, three areas have been identified which will define the agency of the future: intelligent operations; connectivity enabled by new technologies; and a competency-driven staffing approach. Agencies which focus their innovation efforts towards these goals will be well placed to deliver high performance for the nations they serve.

**Building intelligent operations**

Insight and intelligence will be at the core of the Customs agency of the future. This will represent a departure from traditional operating models that are driven by procedure. The new operating model will need to be powered by insight and evolving business intelligence.

The level of commitment to investing in the tools and capabilities to generate insight (largely in the form of knowledge about traders and the supply chain), together with innovative uses of that insight, will determine how well an agency can meet the demands of its stakeholders, as well as achieve better outcomes by rewarding compliance and targeting non-compliance.

Insight is the foundation of intelligent operations. More specifically, intelligent operations and operating models for a Customs agency of the future will include:

- **Ongoing, proactive analysis.** An agency must proactively analyse information and provide real time business intelligence. For example, using ‘big data’ analytics technologies that integrate various data sets, both governmental and non-governmental, to provide a complete trader based view and move away from traditional transactional views.

- **Deploying insight.** An agency must not only create insight, it must act upon the knowledge gained. Future structures, staffing approaches, interventions and compliance
methods will be determined by bringing insight to bear on the trading environment. One application of insight would be to link trader profiles to immigration systems in order to create a single view of the customer and its holistic risk profile.

• Becoming more adaptable. An agency must continuously review and respond to developments in the trading environment. Through more flexible operating models, agencies will enact changes more quickly, empowering the front lines to adapt and alter processes, structures and staffing as they identify new opportunities to improve.

Connectivity enabled by new technologies
The agency of the future will operate at the centre of an ecosystem that spans an array of governmental and non-governmental actors. Fortunately technologies coming to maturity can be transformational in this regard, offering a level of connectivity – with traders, with other government agencies, across borders and internally amongst the workforce – that has never previously been possible. Agencies need to utilise these technologies to provide networks and platforms to facilitate collaboration across this ecosystem. All actors must be equipped to share information electronically, automatically, securely, systematically and in real time. This may necessitate a "re-boot" or refresh of both infrastructure and application portfolios to facilitate such communication.

Utilising new technologies such as mobile, cloud, and social networking will allow Customs to stay connected and work across the Customs ecosystem more effectively. To take mobile as one example, agencies should consider how to provide new methods for the digital citizen to connect with and use government services over mobile platforms. Internally, Customs frontline staff could take advantage of mobile applications to perform necessary tasks better – for example, using barcodes and iPods to acquit vehicular movement via a declaration release form.

A competency-driven staffing approach
The Customs agency of the future must be able to deliver the right capabilities, in the right place at the right time. But to do this, the organizational approach must shift from a process-centric staffing model to a competency-driven workforce structure. Innovative staffing models are needed, as the workforce will also be increasingly mobile and their roles more fluid, requiring agencies and employees to change and evolve as necessary to deliver competencies on demand.

Agencies should begin to consider what their future staffing model will look like – where will they need people, what capabilities should be in-house and which could be 'borrowed' or outsourced to partners in order to maintain quality and improve workforce flexibility while reducing costs?

Specific workforce innovation areas to consider include:
• Relocation of Customs teams into trade warehouses to handle volume peaks more efficiently, and enabling some employees to work remotely or in mobile units. Each of these changes could increase productivity and employee satisfaction.
• Centralising key operations to create a core Customs unit that uses standardized processes and tools to produce outcomes that are more predictable and consistent.

Experience with both private and public sector organizations has shown that there are myriad areas in which to innovate. The challenge for Customs agencies is to focus their efforts in order to deliver strategic improvement rather than change for the sake of change.
In addition to implementing these workforce innovations, being seen as an innovative agency is just as crucial. In order to attract and retain talent in Customs agencies, Customs needs to be seen as an innovative industry that provides an exciting career path.

Becoming a Customs agency of the future
To achieve high performance in the future, Customs agencies must develop a roadmap that has innovation and transformation at its core. Leaders will need to determine which capabilities the organization needs in order to be an insight-driven agency, and how best to develop and deploy capabilities through new staffing approaches.

The challenge now for Customs agencies is to develop an innovation culture, guided by an innovation strategy, which can deliver meaningful change. Becoming a Customs agency of the future is no longer just a goal – it’s an imperative. The right mix of modernization and innovation, combined with agile business practices, will allow agencies to achieve sustainable high performance.


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Zambia | Zimbabwe
Singapore Customs is proactively partnering the business community in developing environmentally-friendly solutions for a sustainable future. This is achieved through a consultative approach and by seeing the big picture when evaluating the impact of research and development (R&D) projects and other green initiatives.

As dealing with climate change becomes a global imperative, the movement to develop environmentally-friendly solutions is gaining momentum. Around the world, industries, companies and governments are betting on innovative technologies to build a sustainable future.

Recognizing the importance of such initiatives, Singapore Customs is making it easier for the business community to get involved in green activities. This is done through a range of trade facilitation schemes, such as the Temporary Import Scheme and granting of Goods and Services Tax (GST) relief and duty exemptions on a case-by-case basis.

Singapore Customs recently facilitated two R&D projects in the green technology domain: the import of 11 micro-sized electric vehicles for a study trial on eco-friendly modes of transport; and the import of a prototype bench-scale plant for research into turning waste tyres into useful products.

Beyond providing monetary savings, these facilitation measures are helping to advance the development of new technologies, such as alternative urban transport systems and waste disposal solutions, to reduce pollution.

Test driving eco-cars
The study conducted jointly by Toyota Tsusho Asia Pacific (TTAP) and the National University of Singapore (NUS) is testing the feasibility of green mobility vehicles for short-distance travel. The two-year trial involves testing 11 micro-sized electric vehicles on the roads within the University Town and Kent Ridge Campus. Faculty staff and students will share and use the vehicles as personal transport to commute within the Campus.

These vehicles are single-seat cars that run on electricity from lead-acid batteries rather than fossil fuels. As the NUS campus is a self-contained township, the area will be transformed into a ‘living laboratory’. Researchers will be able to review the viability of introducing the vehicles in an urban environment.

“The results from the trial can be expanded in a measured manner to future and radical city or township planning,” said Associate Professor Tan Kok Kiong from the Department of Electrical and Computer Engineering at NUS.

As part of the study, TTAP had to import the 11 micro-sized electric vehicles from Japan. Under normal circumstances, each imported vehicle would be subject to an ad valorem excise duty of 20% of the vehicle’s transaction value.

Generally, vehicles used for R&D studies are eligible for facilitation under the Transport Technology Innovation and Development Scheme (TIDES-PLUS) administered by the Land Transport Authority (LTA) and the Economic Development Board (EDB). The Scheme grants exemption of excise duties along with a waiver of other taxes.

The challenge, however, was that the micro-sized electric vehicles are not eligible for TIDES-PLUS as they are not made for public road use in Singapore. As such, Singapore Customs worked with public agencies such as the LTA and the EDB to look into creative ways to facilitate the study.
Recognizing the project’s merits in contributing to eco-friendly urban transport systems and sustainable city planning research, Singapore Customs decided to waive the excise duties for the 11 vehicles in June 2012. The waiver helped TTAP to save nearly 50,000 Singapore dollars in duties altogether. The savings earned can thus go towards other developmental activities in the framework of the project.

## Turning waste tyres into energy

Rubber tyres that are damaged or have lost their traction are usually dumped in landfill sites. To combat such pollution, an environmental solutions company has come up with a way to convert waste tyres into useful products instead.

Using special induction heating technology, rubber powder from waste tyres is processed into energy and carbon black. The first of its kind, this innovative process is being pioneered by AEL Enviro (Asia) and carried out by its prototype bench-scale plant, which was built at its California facility by plasma science and engineering experts.

Looking to further improve the technology and achieve higher efficiency in their outputs, AEL Enviro (Asia) wanted to import the bench-scale plant into Singapore for continued testing and development. Through research undertaken in the
course of the project, the company aims to establish a commercial plant in Singapore in the next two years.

“With the large-scale plant, we plan to create a Singapore brand and market the technology to the world using Singapore as a base,” said Tan Hiang Mong, Chief Operations Officer at AEL Enviro (Asia).

Normally, goods imported for exhibition, repair, testing, experiment or demonstration can be brought into Singapore under the Temporary Import Scheme. Duty and GST on the goods do not need to be paid if they are to be re-exported within six months of import.

The problem, however, was that the bench-scale plant would need to be in Singapore for over 24 months. The extra time was needed to refine the technology and fine-tune the commercial plant’s design.

While the longer period of import means it would not normally qualify for the Temporary Import Scheme, Singapore Customs recognizes the importance of balancing regulatory controls with a pro-enterprise mindset. With its eye on the bigger picture, Customs understands that supporting innovative ideas today will bring about greater rewards tomorrow.

In assessing the situation, officers from different branches in Singapore Customs, in close collaboration with the EDB, took into account the project’s merits. Importing the bench-scale plant will lead to the development of waste disposal technologies while the commercial plant will contribute to Singapore’s economy. Thus, Customs decided to provide a special GST waiver for the bench-scale plant, which helped the company save over 44,000 in GST.

“We would like to thank Singapore Customs and the authorities for providing opportunities not seen elsewhere in the region. The bench-scale plant is a big capital investment for a small, newly-set up company like AEL Enviro (Asia) to demonstrate the feasibility of its technology concept,” said Tan Hiang Mong. “The GST waiver helps to free up much needed funds for us to take the next step in this R&D effort,” he added.

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More information
http://www.customs.gov.sg/insync
Defeating nuclear threats

by Peter Kant
EXECUTIVE VICE PRESIDENT, RAPISCAN SYSTEMS

In the years since the end of the Cold War, fear of terrorist attacks with radiological weapons spurred Radiation Portal Monitor deployment for cargo scanning all over the world. For years, radiation screening was frequently segregated from traditional cargo screening, which aims to detect contraband, drugs, weapons and conventional explosives. Nowadays, advances in both forms of screening technologies have made it possible to integrate checkpoints for nuclear bombs and other radioactive material – commonly called “rad-nuke” detection – and traditional x-ray screening technologies.

THE THREAT POSED by nuclear and other radioactive material has grown significantly since the early 1990s and revolves around criminals, terrorists or other unauthorized persons acquiring and/or using nuclear explosive devices, nuclear material to build an improvised explosive device and radioactive material to construct a radiological dispersal device (RDD), also known as a dirty bomb.

Thirteen years into the 21st century, the world is continuing to experience accelerating technological change. Technologies using nuclear and other radioactive material are no exception to this trend, with such material being used in a growing variety of settings to advance development. Besides the terrorist threat, there is also the concern that, if not controlled and handled appropriately, such material can pose serious risks to public health and the environment.

Deploying equipment
To support the implementation of efficient controls at the border, radiation detection equipment used to detect illicit trafficking in nuclear and dangerous radioactive material, both in cargo and by passengers, has been deployed across the globe. This equipment includes Radiation Portal Monitors (RPMs), which are passive radiation detection devices designed to be used at road, rail, airport and seaport check points to detect the presence of gamma and neutron radiation, and alert officials to the presence of radioactive and nuclear materials, such as uranium and plutonium.

This equipment is the preferred option where goods, vehicles or people can be funnelled through nodal or choke points, because it is inherently more sensitive than hand-held instruments. RPMs can provide high sensitivity monitoring of a continuous flow of persons, vehicles, luggage, packages, mail and cargo, while minimizing interference with the flow of traffic. Technical specifications distinguish between pedestrian and vehicle monitors.
But RPM technology alone cannot protect against the perceived threat. Shielded nuclear material within cargo would not be identified by RPM screening. Moreover, sensitive RPMs routinely generate a significant number of false alerts (lots of harmless things are slightly radioactive, such as kitty litter, ceramic tiles and even bananas) which have no significance to illicit trafficking but nevertheless require an immediate response, just in case.

Developing detection systems that integrate radiation detection with other detection tools has long been a challenge. Rad-nuke detection is frequently segregated from traditional cargo screening, which aims to detect contraband, drugs, weapons and conventional explosives. The reasoning is simple – traditional screening methods typically use radiation, usually high energy x-rays, to detect threats and anomalies within cargo. These emissions can easily skew the results of rad-nuke detection technology, hence the separation of the two.

Advances in both forms of screening technologies, however, have made it possible to integrate rad-nuke checkpoints and traditional x-ray screening technologies. This is a big step forward, as conventional and rad-nuke threats do not exist in their own separate vacuums. Being able to integrate the two detection technologies removes another step from the security checkpoint, smoothing the overall screening process and completely eliminating the need for two separate systems.

Combining technologies

As more and more governments request solutions that combine radiation and imaging technologies, a new device has been developed which eliminates the dependence on the increasingly scarce element used in previous detectors (helium He-3). It integrates gamma-neutron radiation detection in a high energy x-ray inspection scan, providing simultaneous, comprehensive surveillance. The compactness of the device facilitates covert surveillance and the detection of illicit radioactive materials without those carrying such materials knowing that they are being monitored.

This innovative technology distinguishes the materials used in nuclear weapons from medical radiation sources and naturally occurring radioactive materials. It senses such radiation and automatically generates alarms when materials of particular intensity or significance are detected.

As shielded high density nuclear material within cargo cannot be identified using integrated RPM screening alone, the necessity
for technology that could identify this material was recognized. A solution called the Auto-Z algorithm was developed. Using x-ray screening, the algorithm automatically detects high-atomic-number (Hi-Z) materials associated with nuclear weapons as well as shielding materials. By combining this technology with an integrated radiation detection system, one has a solution that can identify nuclear material in cargo containers whether or not it has been shielded.

Concrete benefits
Beyond the ease and convenience of having a single system instead of two, integrating rad-nuke with conventional screening significantly lessens the physical footprint of a security checkpoint. Consider the size of the average airport security checkpoint – it is massive. Now, imagine this scaled up to deal with cargo containers – the logistics picture becomes frightening. Integrating rad-nuke with x-ray detection dramatically reduces the actual size of the detection area, and reduces the traffic snarls and miscommunications often associated with cargo screening checkpoints.

Integration between rad-nuke and conventional screening also leads to greater intelligence – essentially, rad-nuke screening overlays with the view provided by a traditional security screening system. So not only can operators see exactly where potential threats or contraband are located within a cargo container, but they can pinpoint radioactive materials at the same time, eliminating the need for repeated analysis. The combination of these technologies also allows operators to identify telltale signs of potential threats.

Opting for a combined rad-nuke and conventional screening system can lead to another huge benefit for security personnel – greater mobility. Rather than having to contend with massive systems that take days to deploy and set up, security teams can now enjoy the benefits of rad-nuke and security screening in a single, mobile solution, much like the gantry or portal-style cargo screening systems currently deployed at ports, airports and other cargo points of entry across the globe.

But perhaps all these additional benefits are immaterial. Governments around the world should jump at the chance to integrate rad-nuke and conventional security detection. If recent events involving radioactive cargo containers are any indication – a prime example being the incident at the Port of Genoa in Italy – concern around radioactive cargo can only grow. As such, adding radiation detection into existing screening operations should be at the forefront of any cargo scanning operation, regardless of the nation, government or authority involved.

More information
www.rapiscan.com
Serbia puts technology to best use

SOME MONTHS AGO, the Customs Administration of Serbia established a Command Centre within its Anti-Smuggling Department. The main task of the new structure is to support Customs officers in the field during their daily control operations, as well as to coordinate their actions. To do so, the Centre benefits from a range of technological tools which enable a continuous flow of information between Headquarters, local offices and border crossings, as well as between Customs and other government agencies.

Supporting scan-based inspections
Mobile x-ray scanners are used by officers to inspect trucks and passenger vehicles. Several tools make it possible for the Command Centre to monitor the scanning units remotely. One of them is a web application, the Geneko Fleet Management System, for tracking the location of mobile scanning devices. As soon as a mobile scanner captures an image, it is immediately made available to the Command Centre due to an ingenious system called IPS.

The Command Centre can then assist field officers in analysing the image and check that the goods declaration matches the image received from the scanner, by accessing the Customs Service Information System (ISCS) and its database that contains detailed information on all goods transactions. Feedback on the inspection carried out in the field and the results thereof are recorded in the Database of Vehicles Inspected by Mobile Scanners (PSV). It contains details on the vehicle, the driver, the nature of the transported goods and the route taken, as well as on the nature of any smuggled goods found during the inspection, including concealment methods.

Controlling river traffic
The Rivers Information System (RIS) is used by the Command Centre to monitor river traffic. The system, which is also installed on vessels used by the Waterways Control Unit, provides information on the current position of vessels, on the vessels themselves as well as on the presence of stationary objects.

Monitoring patrol cars
Video cameras are deployed on the Anti-Smuggling Department’s patrol cars to record inspections and other public encounters. Each patrol car is equipped with two cameras, one at the front and one at the back, and with a tablet computer that has a GPS unit. A “Control Room” web application enables the Centre to track the location of vehicles and to monitor the activities of officers. Through the web interface, the Centre is able to locate patrol vehicles on a map, to check whether they are active or inactive, to see any images taken with tablet computers when offences are discovered, and to actually observe officers in real time.

Measuring performance
SPECT – Monitoring and Recording Software for Customs Targeting – is a specific tool used by Serbian Customs to evaluate the performance of each officer working in the Anti-Smuggling Department. The tool provides information on the officers themselves, on the actions they have taken and the outcomes, such as the number of offences registered. The tool contains an analytic module that statistically analyses data entered for monthly and annual reporting purposes.

Value of investment
The investment in information and communication technologies by the Customs Administration of Serbia is already producing positive results. Within six months of opening the Command Centre, the number of registered offences had increased as well as the number and value of seized goods. In addition, reporting by officers has also improved. These results justify the investment and efforts made by Serbia to enhance its anti-smuggling capabilities.

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Put your ideas into motion!

by Saïd Bellaji,
TECHNICAL EXPERT, BELGIAN FEDERAL PUBLIC SERVICE FOR THE ECONOMY

IT MUST SURELY already have happened to you. In mid-conversation or when faced with a specific challenge, you suddenly have an epiphany: an idea strikes you like a lightning bolt. If acted on, this daring and original idea could revolutionize life within your service or, on a more modest scale, your daily routine and that of your colleagues. Unfortunately you do not know what to do with or who to tell about your idea. And in the absence of someone to share your idea with, it could well fall by the wayside.

To address this situation and meet the need felt by many officials to be acknowledged and listened to, the Belgian Federal Public Service for the Economy is considering setting up an ideas management system called “IdeA”. The project offers participatory innovation, harnessing the creativity of those carrying out the work within the organization as well as those in the field who see what goes on there, in order to improve practices.

“Ideas facilitators” will be at the heart of the process, receiving “idea cards” from officials in hard copy or electronically. These facilitators, irrespective of grade or level, will be trained in communication and will spend some of their time facilitating the flow of ideas in a voluntary capacity. They will be able to help an official complete the form, but under no circumstances will they pass judgment on the substance of the proposal or discourage the official from taking it further.

No ideas will be ruled out, with the exception of demands of a personal nature or score-settling, for example. A filter will be put in place, but will not be used initially so as to let creativity run free. The first screening process will provide an opportunity to classify ideas or, if need be, to redirect the person behind them to a suitable partner. The aim is obviously not to replace an existing mechanism, such as an idea about work-related stress that might fall within the scope of the internal department responsible for health and safety in the work-place.

Each idea will be assessed by a Selection and Follow-up Committee, based on pre-established criteria. The official will be informed rapidly, by means of a letter setting out the reasons for the action taken in respect of the idea: its implementation, its deferral or its rejection. Decisions will be followed-up systematically and promptly, in a much more effective manner than a traditional “suggestion box”. Transparency will also be ensured by publishing proposed ideas on the Intranet, including those deemed “ineligible” – they may find use as a training tool, for example.

Many administrations are still adopting a “Taylorism” approach to management that is one-sided and “top down”. Under this model, the manager’s role consists of deciding what his/her subordinate should do and controlling the way he/she does it. The ideas management system however is aimed at all public and private sector leaders who acknowledge that people are an organization’s most valuable commodity, and could therefore be of interest to other administrations, regardless of their structure and mission.

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Moving mail more quickly across borders

by Morven McLean

MORVAN MCLEAN IS A FREELANCE JOURNALIST, WHO WRITES FOR THE UNIVERSAL POSTAL UNION

TO HELP MAIL reach its final destination more quickly, the Universal Postal Union (UPU) – the United Nations specialized agency for postal services – has been working closely with the WCO over the years, more recently to improve information-sharing between postal operators and Customs authorities by adopting a range of measures that touch on mail security, electronic messaging and advance exchange of information.

Billions of mail items that criss-cross the globe are processed and delivered by designated postal operators belonging to the UPU’s 192 member countries. According to the latest figures, this global postal network handled over 58 million parcels and 4.7 billion letter-post items in 2011. Added to this are the 52 million items moved via EMS, the express mail service offered by postal operators.

As a piece of mail classified as letter-post can weigh up to 2 kg, in terms of the UPU’s definition, this category contains more than 800 million small packets, according to some conservative estimates. While customers are sending fewer traditional letters and e-commerce becomes ever more important, postal operators have noticed a rise in volumes of parcels (each up to 30kg) and small packages (up to 2kg) being processed by the UPU network. At the same time, regulatory constraints and tighter security requirements in an increasingly globalized world are impacting on the postal supply chain, sometimes slowing down delivery.

Posts have found themselves pulled in different directions. The demands are manifold. They are required to maintain the ‘universal service’ mandate to ensure access to postal services for all, honour their customers’ need for speedy delivery and fulfil their obligations to work with all stakeholders to ensure information-sharing and security. And time is money – any delay in a mail item reaching its final destination on time results in less remuneration for the responsible postal operator.

Operators, however, are gearing up to meet these challenges. At the 2012 Universal Postal Congress, UPU member countries adopted mandatory minimum standards for mail security for the first time. In a separate decision, the Union also agreed to push ahead with efforts to provide electronic data on mail items in advance to Customs, other border agencies, and aviation authorities.

Work to improve information-sharing between postal operators and Customs authorities has been ongoing for many years. Indeed the UPU-WCO Contact Group was set up in 1965. And doing things in a co-ordinated way at global level is crucial, says Akio Miyaji, the UPU’s Director of Operations and Technology. “Coordination at the international level is a must and the UPU is committed to bringing all stakeholders to the table to find appropriate solutions to international issues.”

Pre-alerts

One challenge has been to ensure that a cross-border mail item is delivered to its final destination on time and that it passes through Customs processing as swiftly as possible. Achihe Mathur, the UPU’s Supply Chain Coordinator, explains, “if Customs take a long time to complete their formalities, the result is a delay to the mail. So, we want to help Customs to do their job as quickly as possible so that postal customers receive their mail as fast as possible.”

This is where advance information comes into play. The UPU Congress decision opens up the way for data on mail items to be provided upfront. This will be done through a standard electronic message that has been developed in consultation with the WCO. According to Mathur, the aim is to give Customs and aviation authorities the information they need even before the parcel has left the country of origin. “We want the destination Customs to know what is coming their way,” he says.

The electronic message will supplement the current hardcopy Customs declaration forms, CN22 and CN23. Such messaging of data will eventually become mandatory for all 192 UPU member countries. “There’s been a general trend to try and automate business processes, converting what’s essentially a paper-based process to an electronic process,” says Peter O’Neill of Canada Post, who chairs the UPU Customs Working Group and has been involved in the testing of an electronic standard message for the past six years.

At the same time, the UPU – with financial support from Canada and the UPU’s EMS Cooperative (an association of designated postal operators focused on improving their express mail services) – has developed an interoperable IT system, called the Customs Declaration System (CDS), that can be used by both Posts and Customs to share information. A first version is set to be rolled out in 2013.

Posts are tackling the challenge to send electronic data for border security and Customs purposes head-on. Even if changes will not happen overnight, work is well on its way.
Setting standards
To exchange this type of data electronically, a standard message – the ITMATT – first had to be developed and tested. These messages are already being exchanged on mail items from one postal operator to another in the testing group. As Canada Post’s O’Neill explains, there are various stages to the testing. Initially the operators involved were looking at replicating paper-based data on mail items in electronic form and sending and receiving these.

Since then, tests have been carried out with selected national Customs authorities. The next stage will involve sharing summary information on mail items with airlines, so that they know the status of the mail they are carrying and can, if need be, report it to security officials in the destination country. “Customs in Canada and the United States were anchors to many of the tests that we used to refine the message standards to how we thought they would be most optimal. Then, the UPU went to one of the technical bodies of the WCO – the Information Management Sub-Committee – and this standard was entrenched,” recalls O’Neill.

The Canada Border Services Agency (CBSA) and Canada Post were able to simulate the sending and receipt of electronic data in pilot projects. “The CBSA acknowledges the multiple benefits that could be derived from the adoption of such a system,” the agency says.

One of the Posts involved in the pilots from the onset six years ago is the United Kingdom’s Royal Mail. David Pilkington, its Head of International and Customs Policy, explains that pilot projects are taking place on a multilateral basis with different organizations and companies and on a bilateral basis with key partner countries, primarily the US and Canada. Early in the development of data exchange with Customs, the UK recognized the security demands and commercial need to be able to send and receive this data and has worked with its border agency to prepare for future changes.

Royal Mail’s EDI Project Manager, Nick Glynn, adds that it is about testing technical infrastructure. Data is exchanged daily on live mail items, but in very small volumes at present. “For small to medium-sized customers we have an online despatch management system whereby they go online and create all necessary documentation. Whilst they are doing this, if they are sending an international parcel outside the European Union, it takes them to additional screens where they compile the Customs declarations,” says Glynn.

“Royal Mail then captures that data and sends it to the US Postal Service and Canada Post,” he says. “It’s working well. We are successfully exchanging data on a daily basis with these two postal operators but we need to develop this approach to provide a global solution,” Glynn adds.

O’Neill agrees that the experience has been successful so far. “It has put a foundation in for the exchange of data to occur,” he says. “Now, it comes down to ensuring a standard message can be used for multiplicity of purpose.” There is huge potential for synergies in the information being exchanged in terms of facilitating border, aviation and postal security, he emphasizes.

The customer is key
Care must, of course, be taken not to lose sight of the key role customers could play in electronic data transmission. For the information on the mail item to be received in the destination country, it clearly has to be accurate and correctly entered in the first place at the point of origin. “The biggest part of the business process change for Posts will be that transaction with the customer, and ensuring it’s handled in an efficient way,” says O’Neill.

With corporate postal customers, this should not usually present a problem. So-called social users, however, are a different matter. “The reality is, we have 64 million customers in the UK, who can walk into a post office and drop off a package with a Customs declaration on it,” says Pilkington. “It’s a massive culture change for our customers and a huge challenge to collect all that data just in the UK, and then to be able to send it forward and, at the same time, ensure our universal service obligation.”

The plan is that ITMATT messaging will be phased in over the current cycle, beginning with countries that have already successfully completed tests. But Pilkington is clear that there will not be a “big bang approach”. Indeed the UPU Congress recognized in a resolution that “there remain disparate levels of resources, expertise, hardware and manpower amongst designated operators.”

“I would say infrastructure is the single most important issue. Countries have to find the resources to implement operational IT systems,” Mathur says.

Posts are tackling the challenge to send electronic data for border security and Customs purposes head-on. Even if changes will not happen overnight, work is well on its way.

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ACERTIFICATE OF origin is the most widely accepted proof required by Customs administrations to certify the origin of a product. With over 2000 Chambers of Commerce issuing more than 15 million certificates annually all over the world, the International Chamber of Commerce World Chambers Federation (ICC WCF) which unites a global network of 12,000 Chambers strives to guarantee the “nationality” of goods by authenticating the accuracy of issued certificates of origin.

As part of its commitment to further facilitate trade by strengthening origin compliance through innovative thinking, the ICC WCF recently created an international certificate of origin certification and accreditation chain which will, as a first step, concentrate on non-preferential certificates of origin (COs) – the most common certificates issued by Chambers, and the only ones Chambers are authorized to issue in most countries.

The role of Chambers of Commerce as issuing agencies for COs dates back to the end of the 19th century, with the first certificate issued by the Marseille-Provence Chamber of Commerce in April 1898. Formalization of this role can be traced back to Article 11 of the United Nations International Convention relating to the Simplification of Customs Formalities (Geneva, 1923), and subsequently reinforced by the WCO’s Kyoto Convention on the simplification and harmonization of Customs procedures.

Under these Conventions, signatory governments were able to allow organizations “which possess the necessary authority and offer the necessary guarantees” to the State to issue certificates. By issuing and attesting COs, a Chamber of Commerce plays a unique and vital role in certifying the origin of a product, a procedure that can be complicated and even contentious at times.

This is all the more true in a world of increasingly differentiated rules of origin due in large part to the fact that there is no international standard for non-preferential rules of origin and further complicated by the plethora of regional trade arrangements that have been concluded and will be in the future, all containing their own rules of origin.

In many countries, the stamp or seal of a Chamber on a CO lends credibility to what is stated in the document. Many would consistently look for a Chamber’s stamp before letting goods into their territory, however certification problems still exist. Some certificates may not be properly completed, may lack all the required information or even be false, with fraudulent stamps and signatures. The ICC WCF international CO certification and accreditation chain seeks to remedy this.

Reinforcing trust and credibility
In order to reinforce the credibility of Chambers of Commerce issuing COs, the ICC WCF has set up an international CO certification and accreditation chain with the backing of its members. This chain is designed to support the role of Chambers and is based on the ICC WCF International Certificate of Origin Guidelines, which establishes international best practices for CO issuance procedures. These guidelines have been well received and endorsed within the Chamber community and are now available in six languages.

“Our chambers are in need of globally accepted certification rules and procedures in order to increase their credibility and facilitate the movement of goods,” explained Hamad Buamim, the ICC WCF Deputy Chair and Director General of Dubai Chamber of Commerce. Indeed, despite the vast chain of Chambers present around the world, not all CO issuing practices are harmonized or even alike. In fact laws and requirements may vary within a country, depending on the government agency from which the Chamber derives its authority to issue COs.

By joining the ICC WCF international CO certification and accreditation chain, Chambers agree to follow universally applicable and widely accepted standards, whilst committing to issue certificates with the highest level of quality and implementing transparent and accountable verification procedures. This best practice will be bolstered by reports and inspections that will be regularly conducted to verify the standing and quality of the procedures.

Implementation details
In implementing the CO certification and accreditation chain, the ICC WCF will also establish a small group of CO leaders and experts composed of the first members of the chain to manage the expansion of the chain, prepare recommendations and monitor compliance, as well as process applications received for accreditation and recommend eligible Chambers. Its structure and position would be similar to those of theATA Carnet Administrative Committee (ATAC) and the World ATA Carnet Council (WATAC).

Online training, specially designed for Chambers which do not have local training on CO issuance and/or wish to receive international accreditation, is currently under preparation and is scheduled to be launched in 2013, in collaboration with the British Chambers of Commerce (BCC) – an organization which has strong and recognized expertise in this field.

Chambers joining the chain will be entitled to use an instantly recognizable international quality label on the COs they issue. This label will have a unique reference number assigned to participating and approved Chambers. The label will confirm to other Chambers, Customs administrations and businesses that the CO has been issued in accordance with the procedures set out in the ICC WCF International Certificate of Origin Guidelines.

Expected benefits
For Customs, the CO label will enhance trust and raise the level of acceptance, thereby facilitating prompt Customs clearance. It will also
provide a defence against any possible false declaration. Accredited Chambers will form part of a dedicated origin certification website, allowing Customs authorities to verify the authenticity of issued certificates online.

For exporters, having their Chamber affiliated to the origin certification and accreditation chain will facilitate Customs clearance of their goods, allowing them to save both time and money. This will also strengthen the relationship between exporters, their Chambers, and their trade partners.

Last but not least, the chain reinforces the unique position of Chambers as competent and trusted third parties in the delivery of COs. The instantly recognizable international quality label will give assurance to businesses, traders, banks and Customs services that the issuance of certificates is independent, transparent, responsible and accountable.

**More information**

www.iccwbo.org

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**About rules of origin**

There are two types of rules of origin (ROO): non-preferential and preferential.

- Non-preferential ROO are used to distinguish foreign from domestic products for the purpose of applying several trade policy instruments, such as anti-dumping and countervailing duties, safeguard measures, origin marking requirements, discriminatory quantitative restrictions or tariff quotas, and/or rules on government procurement.
- Preferential ROO are employed in preferential trade agreements and in the context of the Generalized Systems of Preferences to define the conditions under which the importing country will regard a product as originating in a specific exporting country that receives preferential treatment from the importing country.
NORWEGIAN CUSTOMS AND Excise has two main tasks: the first is to collect Customs and excise duties to finance its welfare state – economic control and the combating of financial crime is part of this task; and the second is to use its unique frontline position at the border to protect society against the illegal import and export of goods – the fight against cross-border organized crime is the most important aspect of this task. Both tasks form part of Customs’ business model.

Although a control agency, the Directorate strives to ensure that the business community and private individuals who comply with regulations regard the administration as a service-minded agency and partner, as reflected in its main activities. The positive challenge for Norway is to strike the right balance between controls on the one hand, and simplification and service on the other.

Main strategies
- Stop the illegal import and export of goods
- Assess the correct Customs and excise duties
- Ensure the timely payment of Customs and excise duties
- Provide a good service to users

Strategic objectives
- Efficient movement of goods and uncomplicated border crossing
- Correct and efficient assessment
- Simple payment and efficient collection
- Preventing the evasion of Customs and excise duties and combating economic crime
- Acting as a visible border authority and a protector of society
- Ensuring that Customs duties and regulations strike the correct balance between fiscal, environmental and user considerations
- Targeted intelligence gathering and systematic risk analysis
- Serving as an active partner, nationally and internationally
- Good service and communication
- Utilization of modern technology
- An attractive workplace with highly capable employees
- Good management and internal control

Organization
The Norwegian Customs and Excise Directorate is an autonomous body under the Ministry of Finance. The lines between duties, tax and excise on commodities on the one hand and the taxation of individuals and businesses on the other are strictly drawn. Customs and Excise handles goods, the tax authorities handle people. This is an important distinction for Norwegian Customs and Excise, which has approximately 1,950 officers deployed at the central Directorate and among its six geographical Customs regions.

Current tasks and challenges
In addition to the collection of Customs duties, Norwegian Customs and Excise also collects value-added tax (VAT) on imports, as well as excise duties on vehicles and a range of other national products. The Customs and excise duties regime has changed over the years, and now includes the imposition of “green taxes”. They are, to an increasing extent, being imposed to enhance and improve the environment and public health. The imposition of such taxes means, in practice, that Norway is increasingly moving towards taxation on goods that contain polluting or dangerous gases, vehicles with high emissions, waste, ship engines and food products containing excessive amounts of sugar.

An electronic declaration system was introduced as early as 1988, Norway being one of the first countries in the world to do so. It is accessible 24 hours a day and can handle all kinds of online tools to secure correct revenue collection. In 2011, as much as 99.9% of claims issued to businesses and the public were properly collected through the automated system. This system, as well as the one which contains data on persons and businesses, is currently being modernized and upgraded.

The Authorized Economic Operator (AEOs) concept has also been in place for the past few years. However, similar arrangements with businesses have existed for many years in the form of Memoranda of Understanding (MoUs) that have given operators the possibility of simplified procedures and direct transport to the end user based on individual authorization. AEO authorization is therefore just a formalization of arrangements already in existence.

Norway borders Finland, Russia and Sweden, and has a number of international airports and harbours. Control arrangements at these locations are based on risk management. Customs is permanently present at the busiest border crossings, but risks remain at border crossings where Customs is not stationed. As a result, a great deal of effort is put into risk profiling, intelligence gathering and analysis. In addition, at several border locations cameras have been installed to facilitate the detection of smuggling and to help ensure that enforcement efforts are directed at the right places and the right goods.
Norway’s first scanners were installed in 2003/2004, when the agency bought two mobile ones for inspecting vehicles. They were later supplemented by two extra scanners, of which one is stationary and positioned at the country’s largest border crossing. Sizeable investments have also been made to improve control facilities over the years and a new control station and a new scanner are in the pipeline for 2013. Smuggling inside the body is also a growing problem, and to meet this challenge a pilot project on body scanning is underway at Oslo airport.

Customs has prioritized its use of canine teams, recognizing that dogs are among its best instruments in uncovering smuggling attempts. More than 30 dogs are trained in drug detection, while four are certified to detect currency being smuggled – a serious crime which is often connected to cross-border criminal networks engaged in money laundering, tax evasion, and other offences. All dogs are trained for dual use – to detect goods being smuggled by persons and concealed in consignments. Additionally, three dogs have been trained for combined purposes – the interception of cigarettes and narcotics.

In recent years, the Norwegian Customs and Excise Directorate has escalated its efforts to combat intellectual property rights (IPR) infringements, acknowledging that the trade in counterfeit and pirated goods is often connected to large-scale economic crime and threatens society’s welfare through the import of dangerous goods, including fake or substandard medicines, toys, electrical equipment and vehicle spare parts.

**International engagement and cooperation**

One of Norwegian Customs and Excise’s strategic objectives is cooperation at the national and international level. Nationally the agency maintains close relations with the business community through formal forums, with a particular focus on the exchange of competence. Equally significant is the fact that on the basis of MoUs, Customs uses its unique position as a border agency to perform important tasks at the border on behalf of more than 20 public institutions. This is coordinated border management and the Single Window concept working in practice, with Customs having gained significant experience in these areas over several decades.

Norwegian Customs’ cooperation with neighbouring countries, such as Finland and Sweden, is also worth mentioning. For over 50 years, Norway has performed Customs tasks on behalf of Finland and Sweden, and vice versa. In this regard, Finnish, Norwegian and Swedish Customs officers apply each other’s regulations and use each other’s IT tools to execute procedural and control tasks.

As one of the four Member States of the European Free Trade Association (EFTA), Norway is very active in EFTA’s work, especially in areas relating to trade agreements, the Generalized System of Preferences (GSP) and origin. Although not a Member State of the European Union (EU), Norway is connected through the European Economic Area (EEA) to the EU’s activities, and EU developments influence Norway either directly or indirectly. While there is no direct agreement with the EU on Customs matters, Norway is invited, as an observer, to some EU forums relevant to Customs. Bilaterally, Norway has signed MoUs with a range of countries, especially in the form of agreements on information exchange.

Norway’s main forum for Customs matters is the WCO, where it plays an active part in many of the Organization’s working bodies. It is the Chair’s of the WCO Europe region and was Chair of the WCO Integrity Sub-Committee for three years up until June 2012 – a clear demonstration of Norway’s focus and interest in promoting integrity. Norwegian Customs also contributes to WCO capacity building activities both through the provision of expertise and by acting as a catalyst for sponsorship agreements.

The country’s international engagement follows a long tradition. Norway was one of the 13 countries that started the process in 1947 leading to the establishment of the WCO. It was also one of the 17 nations that attended the First Session of the WCO Council, in addition to being the first country to ratify the then Convention on the Nomenclature for the Classification of Goods in Customs Tariffs.

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Netherlands Customs acquires the fastest rail scanner in the world

SINCE FEBRUARY 2012, a scanner has been checking cargo transported by rail into the Port of Rotterdam as trains travel at speeds of up to 60 kilometres per hour. The train scan is the latest innovation in non-intrusive detection implemented by Netherlands Customs and is currently the most modern train scanning system in the world. Not only is it the fastest in comparison with conventional installations that only allow for train speeds of up to 30 kilometres, it is also the best in term of image quality.

Images are obtained when the train’s cargo moves through the system between the x-ray generator on one side of the track and the x-ray detector array on the opposite side; generating a high quality x-ray of a 40ft shipping container in 0.8 of a second. Sophisticated operational systems guarantee the safety of rail crew and drivers, ensuring that only cargo containers are scanned.

Being a fully automated scanning operation, no inspectors need to be positioned on site. After the train passes through the scanner, an x-ray image analysis is performed at an Inspection Office in the heart of the Port, several kilometres away from the scanner’s location. In order to facilitate the analysis, the cargo manifest and container number are automatically linked to the relevant x-ray image.

Growing freight volumes
Netherlands Customs anticipates a growing flow of goods by rail and is counting on new technologies to manage larger volumes of cargo. The Port of Rotterdam container capacity is expected to double between 2013 and 2033, reaching an annual capacity of 34 million twenty-foot equivalent units (TEUs), meaning that goods will increasingly be supplied to and transported from the Port by river or rail.

Growing rail freight volumes is not just a Dutch phenomenon. Forecasts show a strong increase in rail transport in the years to come around the world:

• Malaysian rail freight volume is projected to average 4.6% annual growth in the five-year period to 2017, according to Business Monitor International.
• The Centre for Monitoring Indian Economy predicts that in 2012/13 there will be a significant jump in Indian railways’ freight traffic and freight transportation is expected to grow by approximately 5.2%.
• In Chile, rail freight tonnage is set to grow 4.6% over the next five years.
• United Kingdom forecasts also show the potential to double the tonnage carried by 2030, including a five-fold increase in container rail freight, according to the Rail Freight Group and the Freight Transport Association – a pattern reflected across many countries in Europe.
If the pattern for increasing volumes of container rail freight continues, high throughput screening solutions will become an increasing priority for Customs administrations across the globe, as a means of balancing trade facilitation measures and trade security requirements.

Customized solutions
Rail scanning systems are not ‘off the shelf’ products. The key challenges for technology providers when developing a rail inspection system is the variation in operation modes, necessitating a study of the entire environment and the development of a suitable customized solution.

The solution should, for example, take into account whether there is a single track or multiple tracks, whether trains are going in one direction or another, the various types of cargo – some needing to be scanned, some not – and the best place to locate the installation, which is linked to the speed of trains at the point of scanning.

Another key requirement for rail scanning systems is for them to be fully automated operationally, with no associated personnel required to physically operate the system on site, reducing both the manning and associated infrastructure costs, and meeting health and safety requirements.

Communications technology means that x-ray image analysis can be performed by image inspectors, either at a nearby Inspection Office, or at a securely networked remote inspection location anywhere in a country.

Building the train scanner at the Port of Rotterdam was a unique project in terms of Dutch standards. For the first time, a scanner was set up alongside existing tracks. This is usually not permitted for safety reasons however in this case, the Dutch government and ProRail – the authority in charge of national railway network infrastructure – reached agreement quite easily.

Future developments
"By using modern technology we not only improve our enforcement mission, we also contribute to the reliability of the supply chain," explained the Director General of Customs Willy Rovers. With the future in mind, he sees opportunities to exchange scanned images globally and is also exploring possibilities to develop automatic detection of anomalies.

Customs expects that approximately 200,000 outgoing containers will pass through the train scan this year. With the collection of so many scanned images it should be possible to devise a solution that would automatically recognize anything unusual about a container’s content.

More information
www.douane.nl
EU proposes new approach to strengthen supply chain security

THE OCTOBER 2010 ‘Yemen incident’ demonstrated weaknesses in the security standards and procedures applying to air cargo in the European Union (EU) and worldwide. The ensuing debate underlined the need to review security procedures and requirements more broadly for all transport modes. The review undertaken at EU level led to the publication in early January of a communication on “Customs risk management and the security of the supply chain”.

In the communication the European Commission (EC) proposes a new approach involving more rational use of resources, better quality and availability of trade data, and deeper partnerships with the trade and international partners. According to the EC there are critical challenges to be tackled that cannot be fully resolved at Member State level, necessitating therefore action at EU level to complement and reinforce efforts made nationally.

Gaps in the current approach
The Commission states that “the current risk management framework is not sufficient to address security and safety risks uniformly at the external border.” For example, while it is “critically important” that data on goods being shipped, the real parties behind transactions and the movement of goods through the supply chain “be available as early as possible, be relevant and of high quality,” it appears that in many cases the information currently appearing on entry summary declarations is not precise enough to conduct effective risk analysis. There is notably “a systemic gap in the provision of information on the parties behind the transaction and some other data elements provided are of low quality”.

Another problem is that while the EU now has a robust Authorized Economic Operator (AEO) programme in which operators take significant measures to secure their supply chains, these measures are not always recognized by non-Customs authorities and regulators in the EU concerned with supply chain risk evaluation and mitigation. In addition, “the exchange of information between Customs at first point of entry and other relevant Member States is not working properly,” meaning that information relevant to risk assessment at the EU level is being overlooked.

The way forward
The new approach proposes the following strategic actions:

Data quality
A new filing arrangement must be put in place as a matter of urgency in order to obtain a range of quality data from carriers and other parties – for example, details of the real parties behind transactions and goods movements and adequate description of the goods. Also, some degree of differentiation is called for to take account of different trade business models, such as maritime container shipping, air express cargo or postal articles.

Data availability
Trade data must be recorded as soon as possible in a way that facilitates effective risk analysis and management. Data needs to be accessible at the same time to multiple Member States. The change in filing arrangements can allow data from different parties obtained in more than one Member State to be fused.

Engagement with economic operators
The recognition of AEO status within the EU by non-Customs authorities and regulators concerned with supply chain risk evaluation and mitigation could be an important source of economies and benefits for operators. Likewise, Customs recognition (full or partial) of similar EU status in other spheres, such as the regulated agent in air transport legislation, could improve the effectiveness of risk targeting. Broadening the benefits accruing to EU AEOs internationally and the mutual recognition of similar programmes established by third countries should be a priority.

Cooperation with legitimate business to target illicit traffic should also be strengthened. Full engagement with economic operators offers the prospect of further significant benefits to risk management through raising trade awareness of the importance of the quality of data to be supplied and increasing knowledge of the supply chain in order to better identify vulnerabilities.

Risk management capacity
It is necessary to build capacity to address the gaps in risk management capabilities that exist in each EU Member State. This involves adjusting national electronic risk engines to common technical specifications in order to ensure implementation of the required standards.

While recognising and respecting specific local, regional and national risk management characteristics, additional EU level capacity would provide a dynamic cost-effective complement to national action. This could comprise deployment in real-time of an electronic risk engine to supplement national technical capacity and the development of a resource capability to address threats and risks that are common to Member States.

More specifically, EU level capability would enable common risk criteria or EU level risk profiles to be applied directly to EU level data, rather than via 27 national systems, in crisis and other situations, as well as ensure that common risks are treated in the same way across the external border.

Capability at the EU level would also increase the visibility of international supply chains, ensure that important risk information is not overlooked at the external border, improve capacity to address the risks of diversion and “port shopping” more systematically, and
create a platform for information-sharing with other authorities and third countries.

Coordination with other authorities and agencies
There is a need to streamline risk information and intelligence from specific agencies on serious threats related to cargo movements.

International cooperation
The EU should pursue initiatives to develop information exchange with major trading partners and neighbouring countries, promote mutual recognition of trade partnership programmes and support joint training of staff through exchanges of officials and by developing common standards.

It should continue to support international work on standards – for example, the WCO SAFE Framework of Standards to Secure and facilitate Global Trade – by multilateral organizations, such as the WCO, the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO) and the Universal Postal Union (UPU) with regard to risk management and supply chain security, including pre-departure information for all cargo, exchanges of information, trade partnership programmes and detection technologies.

Before taking any concrete initiatives, the Commission has invited specific EU institutions – the Council, the Parliament and the Economic and Social Committee – to consider its new approach to strengthen supply chain security set out in the communication.

More information
http://ec.europa.eu/taxation_customs

Jordan Customs launches a trade facilitation campaign

JORDAN CUSTOMS, in partnership with the United States Agency for International Development (USAID), has launched an awareness campaign in the framework of the Agency’s Worldwide Support for Trade Capacity Building project in order to promote key measures aimed at facilitating trade, such as pre-arrival processing, advance rulings, the Jordanian “Golden List” AEO Programme and the Single Window.

Sound external communication is a key factor in the sustainable development and modernization of a Customs administration. It is essential not only that trade facilitation measures be put in place, but that they be communicated to all relevant trade stakeholders in order to improve the trade environment by reducing the time and cost of transactions, and consequently contributing to Jordan’s economic competitiveness and prosperity.

As part of Customs’ communication plan, posters have been developed to enable Jordan Customs to reach out visually to the business community and to Jordan’s citizens in order to publicize the trade facilitation measures being implemented in the country.
“THIS IS AN eye-opener” agreed participants in the WCO Top Management Dialogue as they stepped out of the second and latest of these meetings held in Gaborone, the capital of Botswana. “Ground-breaking”, “inspirational” and “very informative” were other adjectives they used to describe the initiative launched in 2012 by the WCO in the East and Southern Africa region with the support of Finland.

Each Dialogue brings together Directors General and Deputy Directors General of four to five Customs administrations in the region. Unlike the Heads of Customs regional meetings which focus mainly on “business as usual”, these gatherings make a quantum leap to strategic thinking. Groups are purposely small in order to be more focused and motivated, with everyone an essential participant. Larger groups, on the other hand, tend to get sidetracked or lose focus.

Before each meeting, the WCO Secretariat approaches each invited country to ascertain its specific interests in order to tailor the programme to key strategic issues that impact on its operating environment and ways to respond to them. Speakers from the public, private and academic sector bring the necessary expertise to the table. A regional trade policy specialist was, for example, invited to discuss how countries in Africa can prepare for emerging pan-African trade liberalization. To tackle the issue of women in leadership, the WCO invited the former Kenya Revenue Authority Commissioner to share her experience.

Previous discussions have touched on identifying key institutional and economic factors impacting trade flows, Customs’ role in the current trade negotiation round at the World Trade Organization, strategic visioning and compliance management. High level speakers have included representatives from Deloitte, the South African Institute of International Affairs, the South African National Treasury and Regent University.

The programme also provides for individual country presentations on modernization priorities, strategies and issues related to their implementation, as well as success stories. Angolan Customs explained how it had increased revenue from 200 million to 3.2 billion US dollars in 10 years, and the Zimbabwe Revenue Authority shared lessons learned while migrating to a newer version of ASYCUDA World. Regional initiatives are given prominence too, such as the Revenue Authorities Digital Data Exchange (RADDEx) system through which Customs administrations in the East African Community share Customs declaration data electronically.

Experience has shown that leadership and management skills are a key ingredient for successful Customs reform and modernization and its continuous progress. The Dialogues also give participants opportunities to strengthen their leadership and management skills through a series of brainstorming exercises and case studies. Senior Customs managers must not only be able to set a vision for the future, but also guide their administrations through its implementation.

Top Management Dialogues are just one component of a comprehensive capacity building programme designed by the WCO and the Finnish Ministry for Foreign Affairs. Called “Trade Capacity through Customs Modernization in the East and Southern Africa Region”, the programme will run for three years. Two Dialogues have been held so far, the first in Pretoria with top executives from four countries – Kenya, Mauritius, Namibia and South Africa – and the second in Gaborone with five countries – Angola, Botswana, Swaziland, Zimbabwe and Uganda.

More information: capacity.building@wcoomd.org
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“Economic competitiveness is critical to any nation’s security”

On 1 March 2013, US Customs and Border Protection (CBP) will celebrate its 10th anniversary. When the agency was formed a decade ago, the aftermath of the attacks on 11 September 2001 was still very fresh. The country’s focus was on keeping the United States safe and secure, and protecting the supply chain from further terrorist threats and weapons of mass destruction.

Over time, the agency’s thinking evolved to understand that CBP has a direct role in helping to promote America’s economic interests in terms of imports and exports. In light of CBP’s upcoming anniversary, WCO News asked Deputy Commissioner David V. Aguilar to share his views on the evolution of trade at CBP and where the agency is headed with its new trade transformation initiatives.

These initiatives, which were created in cooperation with the private sector and partner government agencies, have provided innovative solutions to streamline the importing process and, as a result, have reduced the cost of doing business for industry and the US government.

What are CBP’s best practices to ensure economic competitiveness?

Transparency, efficiency and predictability are at the core of our best practices. We realize that it is critical for a nation to be economically competitive. This is the reason CBP is changing the way it works with the trade community. We know that transparency of our processes and predictability of shipments are key to the success of businesses. We have been able to achieve predictability through a new simplified entry process. Simplified Entry, which is part of CBP’s suite of trade transformation initiatives, streamlines the entry data required on shipments allowing us to make earlier release decisions on goods. Industry can put logistical arrangements in place earlier, saving time and money. CBP also benefits because when importers submit information in advance, the agency has more time to assess any potential security risks earlier in the supply chain.

Why is CBP moving towards an account-based approach to trade versus processing individual transactions?

Businesses move quickly. They adapt and we, at CBP, made the commitment to keep up with private sector innovations. Our connections with the private sector prompted us to organize the way we process trade in a way that complements the way the trade industry operates; by account, rather than by transaction. By organizing our trade processing by industry and managing importers by account, we create an environment in which we can better manage volume by segmenting risk. To this end, a year ago, we created new industry-specific centers that will help us modernize our trade processing procedures.
These centers, known as Centers of Excellence and Expertise, keep legitimate imports moving and allow us to focus our trade fraud efforts on the smaller set of imports likely to involve fraud. The centers accomplish this by processing participating importers. This means that an industry-focused center manages all of the entries of the participating importers, whereas previously the processing would have taken place at each port of entry the cargo entered. By concentrating CBP’s expertise, the centers provide consistency and predictability to legitimate importers, while honing in on problematic ones or what we call bad actors. We currently have four active centers and are on schedule to open six more in 2013.

What does CBP mean when it talks about “bi-directional” education?
In order for Customs and the trade community to effectively and efficiently manage the discrete risk factors we face in the international supply chain, we must be sufficiently knowledgeable about each other’s processes and priorities. Increasing and continuously deepening this knowledge is what “bi-directional” education is all about.

Business processes will change as products adapt to new market conditions and the compliance risks and associated enforcement threats will change as opportunities for illicit activity and profit arise. The mutual trust built and sustained through this kind of knowledge will enable both the trade and Customs communities to sustain an expedited and compliant flow of cargo throughout the international supply chain.

Does a 21st century emphasis on trade facilitation come at the expense of trade enforcement?
Absolutely not; trade facilitation and trade enforcement are, in fact, mutually supportive and interdependent. An overwhelming majority of trade is compliant; it is that small percentage of the non-compliant that we need to hone in on. If our first assumption is that all trade is equally likely to be non-compliant, we impose undue burdens on compliant importers, wasting our time and their money. The centers provide us with enhanced capabilities to uncover fraud, so that we can target trade violators more precisely.

How can CBP have visibility into the vast number of transactions and traders to ensure that the US is safe and secure?
We realize it takes an international effort to protect our nation. Therefore we need to work collaboratively with foreign governments and our international trading partners to ensure the safety of the supply chain. By leveraging the harmonized approaches of other Customs administrations, we achieve this goal.

As the agency’s thinking has evolved, we now recognize that CBP has a direct responsibility for making US interests efficient and profitable. This is the reason CBP is changing the way we work with importers.
As part of the WCO’s SAFE Framework of Standards to Secure and Facilitate Global Trade, WCO Members are encouraged to harmonize and mutually recognize each other’s Authorized Economic Operator (AEO) programmes. We validate each other’s processes and how we manage traders, and have a high degree of confidence that what they are doing is low risk.

CBP played an integral role in the development of the WCO’s AEO concept which is identified in the SAFE Framework. It shares the same core principles as the Customs Trade Partnership Against Terrorism (C-TPAT). The partnership started with seven participants. Today, more than 10,000 companies, spanning the US trade community, participate in the programme, voluntarily signing an agreement to work with CBP to protect the supply chain.

We do not try to validate and review every transaction or every shipment by ourselves. Instead, we review the companies’ supply chain records, protocols, and practices. They take the necessary steps to ensure that they meet our standards. We trust them. Because of the voluntary help that CBP receives from these trusted partner companies, we are able to focus our resources on high-risk shipments. The companies, in turn, enjoy expedited services at our nation’s border crossings and ports.

Is it more important to understand the supply chain outside the US as opposed to when goods arrive at the border? Most important is our need to develop a holistic understanding of trade from beginning to end, from point of origin to point of distribution and every point in between. Armed with a holistic view of the supply chain, we can find opportunities to concentrate our efforts on things that pose a higher risk. It is critical for Customs to have the opportunity to review, target, and clear goods at all stages of the supply chain. Today, we initiate our supply chain evaluation long before goods arrive at our borders.

Our latest initiative, the Air Cargo Advance Screening pilot (ACAS) was launched with express carrier companies within days after concealed explosives were discovered in two US-bound packages from Yemen. In a record time of six weeks, the pilot programme was up and running. Our goal was to determine problems before goods were loaded onto aircraft. We’ve accomplished this. Currently, we are developing a regulatory framework with not only international carriers, but also other Customs administrations, to design an international standard.

How did CBP realize that protecting the US from economic threats is the same as protecting the country from physical threats? For years, we regarded security and facilitation as two separate missions – a balancing act, so-to-speak. Economic competitiveness is critical to any nation’s security. The two are inherently linked and cannot be separated. As the agency’s thinking has evolved, we now recognize that CBP has a direct responsibility for making US interests efficient and profitable. This is the reason CBP is changing the way we work with importers. One example is how we are simplifying our processing of entries. CBP is working toward reducing regulatory requirements, which will, in turn, reduce transaction costs.

The agency is also working on innovative ways to reinvigorate exports. Even though we are a regulatory agency, CBP makes a direct contribution to economic efficiencies that keep the country safe. We are currently working with other US federal agencies and private industry to determine how to make the export process more efficient without imposing extra costs or unnecessary requirements on the trade community.
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C-TPAT event draws record numbers

by Marcy Mason

A TESTAMENT TO success, more than 1,200 members of the trade community gathered in the United States in January at the Customs-Trade Partnership Against Terrorism (C-TPAT) Conference. Hosted by US Customs and Border Protection (CBP), the event, “Unified Global Security: The Challenge Ahead,” drew participants representing all aspects of the supply chain including manufacturers, importers, transportation carriers, retailers, brokers and freight forwarders.

After 11 years, C-TPAT is still a key Customs-Trade partnership. “If a programme lasts more than a year or two, it’s pretty successful. But to have a programme that started in November 2001 that still has the energy to attract 1,200 people to a conference shows you have a winner,” said Thomas Winkowski, CBP’s acting Chief Operating Officer, who welcomed a packed audience in National Harbor, Maryland. “But with winners,” said Winkowski, “you have challenges – What are the next steps? How do we make it better? How do we become more creative? How do we take C-TPAT principles and continue to apply them globally?”

The Conference included speakers from CBP’s senior leadership. Acting Assistant Commissioner for Field Operations Kevin McAleenan discussed the future of the C-TPAT programme from an operational perspective. “Our shared and continuing challenge is brought about by some good news and some difficult news,” he said. “The good news is that international trade volumes continue to grow. We’re seeing a very robust recovery in terms of imports and exports for the 2012 fiscal year.”

According to McAleenan, estimates indicate record cargo traffic – more than 12 million maritime containers, rail at the 3 million mark, close to 11 million in truck containers crossing the border, and nearly 100 million air cargo shipments. McAleenan also noted that further growth was predicted for 2013. “We know that we have a critical role at ports of entry to make sure that nothing dangerous comes in, but at the same time we don’t want to slow anything down because we cannot be a choke point to prevent further growth in our recovery,” he said.

However, McAleenan cautioned, “we still have some milestones to reach. We know pretty clearly that our resources are going to be constrained into the future, which highlights the importance of a programme like C-TPAT. It’s critical to our security, critical to the flow of trade, and critical to meeting the challenges of increased traffic and constrained resources.”

One of the underlying goals of the Conference was to update the trade community on the programme’s newest developments. “We haven’t had a conference in about a year,” said Dan Baldwin, CBP’s Executive Director of Cargo and Conveyance Security. “We need to get the private sector up to speed as to where we are and introduce the agency’s new concepts.” He explained that the Conference title highlights the central theme of these concepts. “We’re trying to be much more holistic in our approach to supply chain security. It’s about unifying and mutually recognizing various programmes and initiatives that all have a nexus to C-TPAT.”

“We know pretty clearly that our resources are going to be constrained into the future, which highlights the importance of a programme like C-TPAT. It’s critical to our security, critical to the flow of trade, and critical to meeting the challenges of increased traffic and constrained resources.”

These include programmes with other government agencies such as the US Food and Drug Administration (FDA), the Transportation Security Administration (TSA), and the US Coast Guard as well as international mutual recognition agreements with foreign governments. To date, CBP has signed seven mutual recognition agreements – with Canada, Japan, Jordan, Korea, New Zealand, the European Union, and, most recently, with Chinese Taipei.

The signing of joint work plans with Israel and Mexico was also announced at the Conference. The work plans are initial steps toward mutual recognition agreements between the US and these nations. “We’re trying to unify all of these approaches to partnership so that we are much more transparent,” said Baldwin. “Reduced transaction costs for the trade community will be another result.”

This year’s Conference was the first to allow non-C-TPAT members to attend. “The conference has traditionally been for C-TPAT members only,” said CBP’s Baldwin. “But we also wanted to recognize that this is an opportunity to educate potential partners who need more detail on what C-TPAT has to offer. It allows them to speak with members about the value of participating in the programme.”

One of the new benefits for qualifying C-TPAT partners is participation in CBP’s new Centers of Excellence and Expertise. The new industry-specific Centers will manage entries of participating importers and help facilitate the importation of legitimate goods. “Our initial partners that we’ve been working with are C-TPAT members exclusively,” McAleenan told audience members. “And those companies are helping drive and shape what these new Centers of Excellence and Expertise will become.”

The three-day Conference included a number of workshops. For many attendees, the breakout sessions provided the most practical information. “It reinforces what I know,”
said Mary Ann Comstock, the Northern Border Compliance Manager at UPS Supply Chain Solutions. “The workshops also give me new ideas of how to do things differently and better.”

Others who attended this year’s event came for different reasons. “I actually haven’t been to one of these conferences for about three years,” said Lori Goldberg, the Senior Director of Global Trade Management for the Americas at Avery Dennison, a manufacturer of industrial products. “But since there have been so many changes in the C-TPAT programme and a lot of mutual recognition treaties have been signed, I decided to come this year for an update.”

For Tim Perry, the Director of Trade and Regulatory Affairs for APL Limited – one of the world’s largest ocean carrier firms – the C-TPAT conferences are a must. “I have been coming to these conferences ever since they’ve been having them,” said Perry. “The first was in 2002.” Perry sees the exchange of ideas between government and the private sector as critical. “We think we know government and the government thinks they know the private sector, but there’s always this divide,” he said. “So it’s very interesting to see Customs’ point of view and it’s important for Customs to know how we do our business.”

The conferences also give new C-TPAT partners a chance to learn about the programme. “It gives the trade a lot of opportunities to ask questions,” said Tracey Fusco, the Regional Compliance Manager at Transocean – a worldwide drilling company for oil and gas that just joined C-TPAT. “We want to protect our supply chain the best that we can.”

**Still going strong after 11 years**

C-TPAT, a voluntary trusted trader programme that has been emulated worldwide, was launched in 2001, shortly after the September 11 attacks. In the days following the tragedy, security at US borders was so tight, the economic repercussions were devastating. As a result, CBP’s legacy agency, the US Customs Service, began meeting with some of the major US importers to find a way to maintain a high level of security while facilitating the flow of goods across America’s borders.

It became apparent that the only way to do this was by engaging US businesses to look at security within their individual supply chains and ensure that appropriate security measures to guard against terrorists were being used. A joint effort by CBP and seven original charter member companies led to the formation of C-TPAT. The programme now has nearly 10,500 members and today, more than 55% of goods entering the US are C-TPAT certified and validated imports. CBP, however, is working toward a goal of 100%.

More information

[www.cbp.gov](http://www.cbp.gov)
PICARD 2012

RECOGNIZING THE IMPORTANCE of knowledge and education in the field of Customs, and that little was known about such developments internationally, the WCO initiated a series of meetings with universities and academic Institutions which led to the creation of the Partnership In Customs Academic Research and Development (PICARD) Programme in 2006.

To facilitate the partnership and provide a venue for Customs officials and academics to network and exchange ideas and research findings, the WCO has been organizing annual PICARD conferences since 2006, aimed at promoting research-based knowledge to support Customs decision-making.

Jointly supported by the University of Cadi Ayyad and Morocco Customs, the seventh WCO PICARD Conference took place from 25 to 27 September 2012 in Marrakesh. The event focused on three main topics: the impact of regional economic integration and preferential trade arrangements on Customs services, emerging and evolving risks and Customs strategic human resource management.

Main themes of the conference

Regional Economic Integration and Preferential Trade Agreements

Bilateral and regional preferential or free trade agreements (PTAs/FTAs) have been proliferating since the 1980s. Through presentations on various research works, the conference attempted to clarify the role of Customs in the context of economic integration, as well as identify concerns relating to such agreements.

Discussions touched on enforcing complex rules of origin, harmonizing tariff classification, managing membership of multiple trade agreements, finding the balance between facilitation and control, enhancing trade operators’ compliance with complex and diverse regulations, and securing Customs and tax revenue collection.

Participants acknowledged that much effort is still needed to further harmonize Customs procedures, to build trust and enhance collaboration between Customs administrations and to train the private sector.

Emerging and Evolving Risks

Facilitating discussions were presentations on risk management (RM) in Brazil, which included an analysis of import flows into Brazil as part of fraud detection, and in the Customs Union between Belarus, Kazakhstan and Russia, which included an illustration of simulation tools for RM training purposes. The presentations led to lively interactions between panellists and the audience, with questions from the floor covering a number of direct and indirect risk-related issues, including their link to research.

Besides some observations, the session’s “key witness” also provided his perspective on future collaboration between Customs and academia; the aim being better understanding and anticipation of emerging and evolving risks. Collaborative research provides an opportunity for all actors in the supply chain, as well as policy makers and consumers, to be made more aware of the negative implications of illicit activities. Challenges do exist, such as the ability to collect, analyse and share data on illicit activities and actors, while respecting regulations on data privacy and security sensitive data.

Several recommendations were made at the end of the session, including the necessity to develop a comprehensive research framework between Customs and academia, as well as to exploit multi-stakeholder, multi-disciplinary and multi-methodology approaches in future research on emerging and evolving risks.

Customs Strategic Human Resource Management

Participants were invited to join one of the three workshops respectively on Customs competence development and professional education recognition, IT developments and human resource management (HRM) challenges and women in leadership.

With the conference voicing its appreciation in particular for the WCO’s initiative on women in leadership, some valuable recommendations were presented as an outcome of this specific workshop:

• The WCO should further explore the role of female managers in Customs administrations, as well as at the WCO Secretariat and in WCO working bodies
• Factors critical to successful leadership in general, including female leadership, should be identified
• The Secretariat should continue raising awareness and sharing information on gender issues within the Customs context
• The WCO Leadership and Management Development Programme should be expanded to include topics related to female leadership and gender/equal opportunity issues

Leadership and Management Development Representatives from the Kenya Revenue

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What next for PICARD
Following a suggestion at the 2011 conference that a strategic roadmap for the PICARD Programme would be useful, the WCO Secretariat took the opportunity to present such a document. The presentation generated lively discussions and inputs from the audience. These comments will be incorporated into the “PICARD 2020 strategic document” which will be presented to the WCO Capacity Building Committee for consideration at its meeting in February 2013.

The 2013 WCO PICARD Conference will be held in Russia and will be hosted by the St Petersburg State University of Information Technologies, Mechanics and Optics (ITMO).

More information
capacity.building@wcoomd.org
China holds its first International Trade Facilitation Forum

Being one of the main engines of economic development, China’s foreign trade has realized unprecedented achievements. In recent years, however, under the influence of the global financial crisis, challenges have come to the fore, such as slower growth in the world economy, sluggish demand, trade protectionism, more frequent international trade friction, unstable exchange rates and fluctuating commodity prices. On the domestic front, operating costs for national businesses are increasing, industrial restructuring is encountering difficulties, and competition is intensifying.

Responding to the challenges
This has led to the question – what comprehensive trade facilitation measures should China be taking to promote the sustainable development of its foreign trade? To respond to the crisis, the rapidly changing environment and related challenges, the China Council for the Promotion of International Trade (CCPIT) and the China Association of Ports—of—Entry (CAOP) held an International Trade Facilitation Forum in Beijing in November 2012 with the theme “Trade Facilitation, New Engine for International Trade & Economy Recovery”.

The Forum brought together approximately 300 speakers and officials representing six Chinese central government agencies responsible for regulating and encouraging trade, as well as participants from embassies, chambers of commerce, Fortune 500 companies, banks, international express companies, import and export firms, research institutes and universities. Officials from the WCO and the World Trade Organization (WTO) also attended the event.

Concrete actions from government
Several government agencies presented the trade facilitation measures that they had taken during 2012. Huang Rengang, the Director General of the WTO Affairs Department at the Ministry of Commerce, briefed delegates on China’s active involvement in the WTO multilateral trade facilitation negotiations and introduced the trade facilitation measures that had been taken, such as the loosening of import and export restrictions.

Speakers from the General Administration of China Customs (GACC) introduced their latest reform policies aimed at enhancing the steady growth of foreign trade, including the cancellation of various administrative charges relating to, for example, the printing of Customs declaration forms, the bar code fee, the Customs supervision fee, the ATA carnet regulation fee and the goods and luggage storage fee. These policies have deepened goods classification reform and accelerated the paperless Customs pilot.

GACC officials also explained the expansion of the scope of their Customs clearance model, called “Local Declaration & Port Clearance”. Reforms include a new enterprise management system based on categories, optimizing consulting services, simplifying procedures for processing goods intended for export which are later sold on the domestic market and for goods being transported in and out of Special Customs Supervision Zones, as well as building a standard, impartial and well-organized Customs clearance environment.

The way forward
As part of the way forward to improve international trade processes, Forum participants also identified the following key points: the further promotion of reform and innovation; supporting the development of new kinds of trade measures, strengthening cooperation with foreign Customs agencies in the area of trade facilitation; tightening the cooperative partnership with business; and improving the efficiency of Customs clearance procedures at ports.

Owing to the success of the first Forum, it will now be held annually and is expected to become a constructive platform for strengthening understanding, communication and cooperation between and among government, industry, trade, research and the academic sectors. A Trade Policy Seminar and other events will be organized in 2013 to complement the work undertaken during the Forum with the aim of building an international trade process that will be a model for the world.

More information
www.citff.org
Calendar of Events

March

4 - 15  Harmonized System Committee, Working Party
6 -15 Harmonized System Committee, 51st Session
11 - 15 Data Model Project Team
18 - 22 Enforcement Committee, 32nd Session
18 - 22 Permanent Technical Committee, 199th/200th Sessions
25 - 26 ATA/Istanbul Administrative Committee
25-27 Global Shield Seminar, 3rd Session

April

8 - 11  Finance Committee, 94th Session
8 - 9 Administrative Committee for the Customs Convention on Containers, 1972, 14th Meeting
8 - 9 Private Sector Consultative Group
  9 SAFE Members Only Meeting
10 - 11 SAFE Working Group, 11th Meeting
15 - 19 Technical Committee on Customs Valuation, 36th Session
24 - 26 Seventh Global Congress on Combating Counterfeiting and Piracy, Istanbul (Turkey)

May

6-7 WCO Counterfeiting and Piracy Group, 8th Meeting
14-16 WCO IT Conference and Exhibition, Dubai (United Arab Emirates)
27-31 Harmonized System Review Sub-Committee, 45th Session
TBC Global Dog Forum, Moscow (Russia)

June

3-4  WCO Research Conference on Informal Trade Practices
5-6  Global Information and Intelligence Strategy Project Group, 11th Meeting
10-12 Data Model Project Team
13-14 Information Management Sub-Committee, 65th Session
23-24 Private Sector Consultative Group
24-26 Policy Commission, 69th Session
27-29 121st/122nd Sessions of the Council

It should be noted that WCO meetings are mentioned for information purposes and are not all open to the public. Unless otherwise indicated, all meetings are held in Brussels. Please note that these dates are indicative only and may be subject to change. The WCO meetings schedule is regularly updated on the WCO website.
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