



ROYAL MALAYSIAN CUSTOMS  
DEPARTMENT



WORLD CUSTOMS AND TRADE FORUM

2011年11月24日-25日。广州 中国  
2011 November 24 - 25. Guangzhou, China

知识 Knowledge, a Catalyst for Customs Excellence

## ***INTELLIGENCE-DRIVEN RISK MANAGEMENT: CRUCIAL TO INDUSTRY AND CUSTOMS***

*by:*

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# WHY MANAGE RISK?

Risks is everywhere.



“Risks comes from not knowing what you are doing”  
- Warren Buffet.

## RISK: Many things are actually waiting to happen:

1 “The likelihood of an event occurring that will lead to a breach of the law / regulation and as consequence exposes to the possibility of a loss in revenue or threatens national security [*public health and well being of society*]”.

*Source: Harry Wiskovic.*

2 “Effect of uncertainty on objectives”.

*Source: WCO Customs Risk Management Compendium.*

3 “Life is inherently risky. There is only one big risk you should avoid at all costs, and that is the risk of doing nothing” – *Denis Waitley.*



# WHAT MAY HAPPEN ?



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Any Choice?



Courting Danger



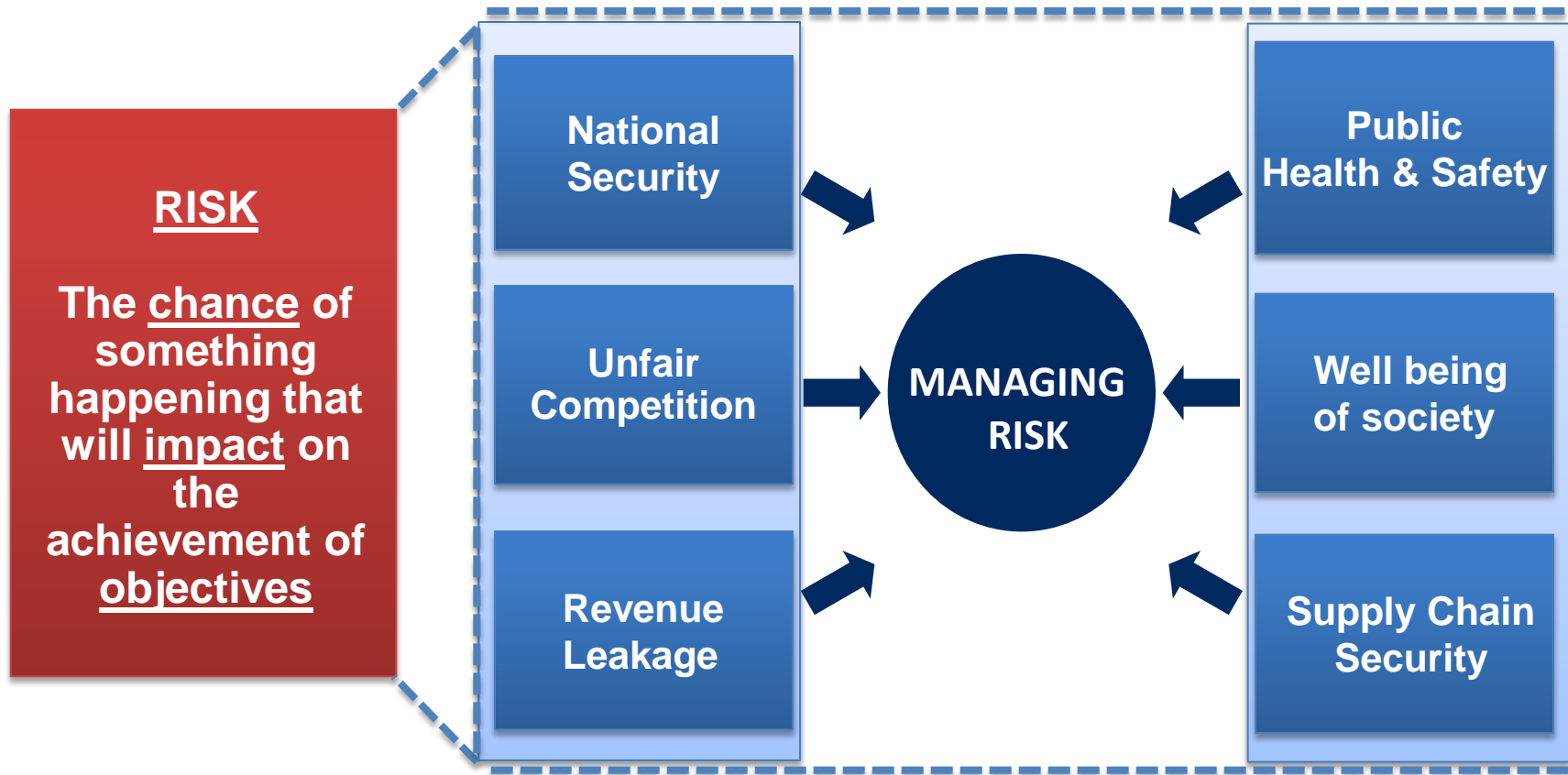
Avoid?

## ***Risk Management:***

**A logical and systematic method of identifying, analyzing, treating and monitoring the risks involved in any activity or process.**

*Source: WCO Customs Risk Management Compendium.*





- Effective customs control & trade facilitation
- Optimal use of resources

## *Risk Management Process:*

1. Establish context.
2. Identify risk.
3. Analyze risk.
4. Evaluate risk.
5. Treat risk.
6. Monitor and review.

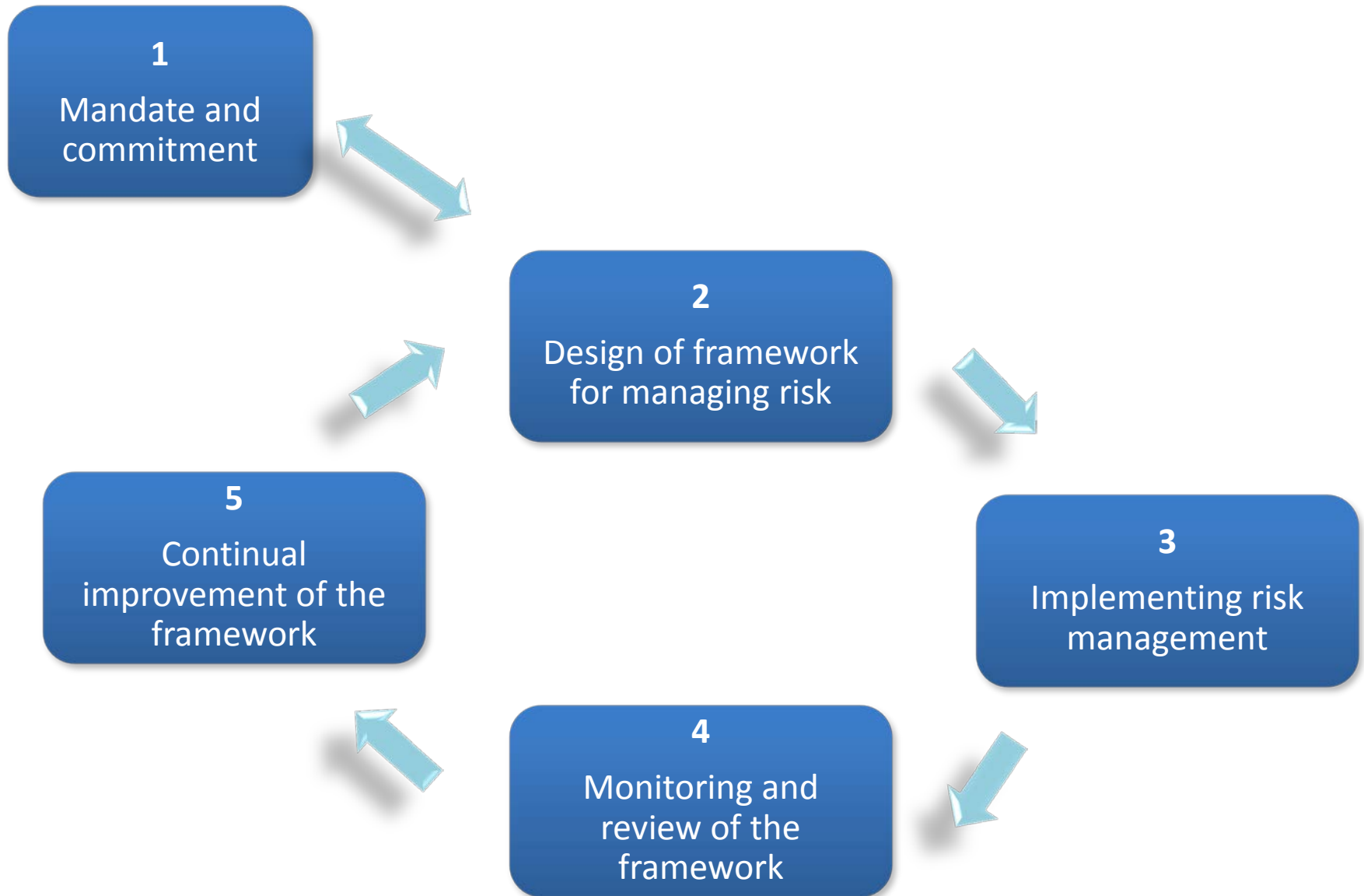


## *Risk Management Response:*

1. Avoid.
2. Control.
3. Accept.
4. Transfer.



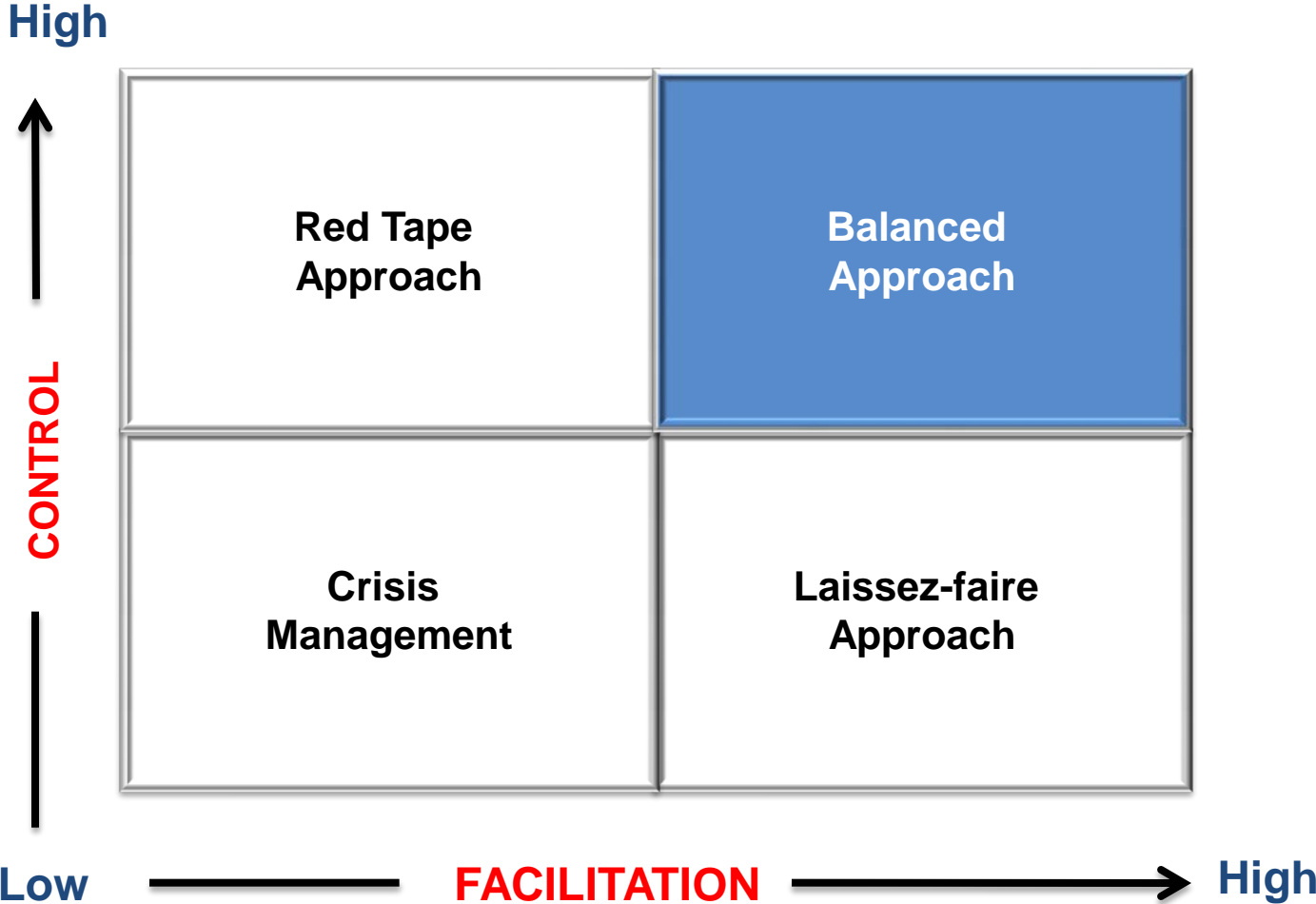
# DEVELOPING RISK MANAGEMENT PROGRAM



*Source : ISO 31000 : 2009 Risk Management – Principles and Guidelines*

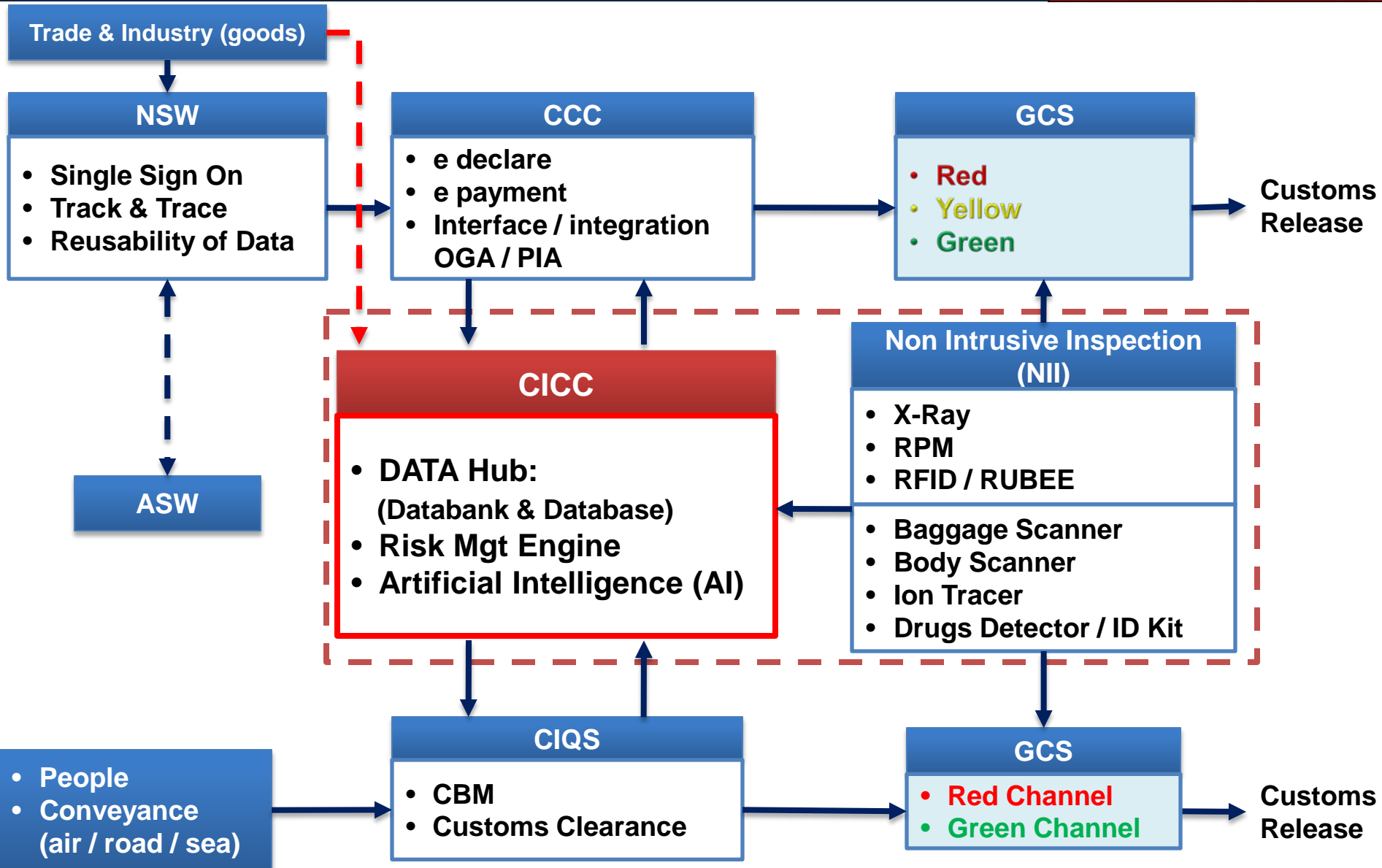


*Facilitation Control Matrix*



Source : Widdowson (2003)

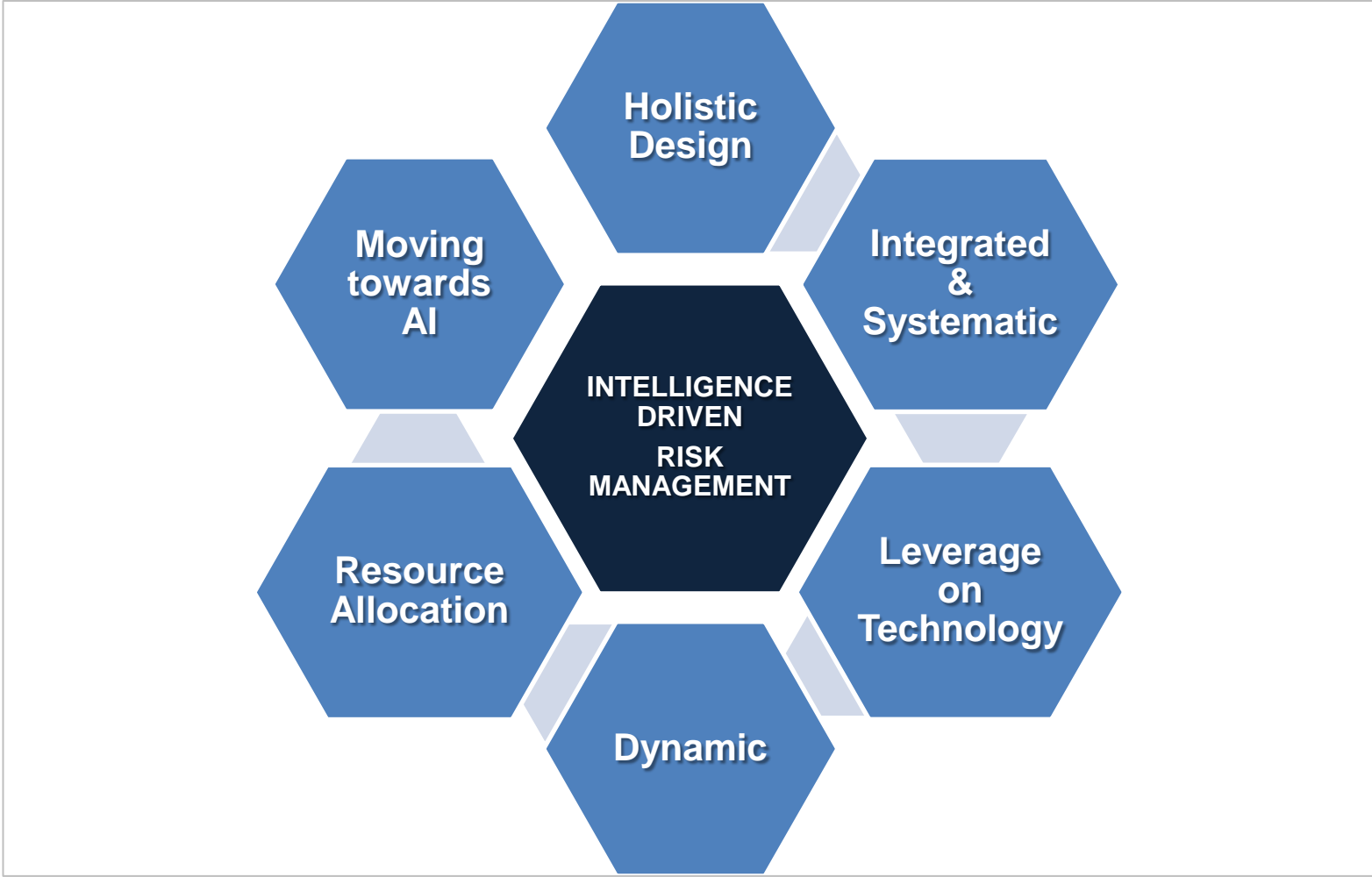
# INTEGRATED INTELLIGENCE-DRIVEN RMgt MODEL



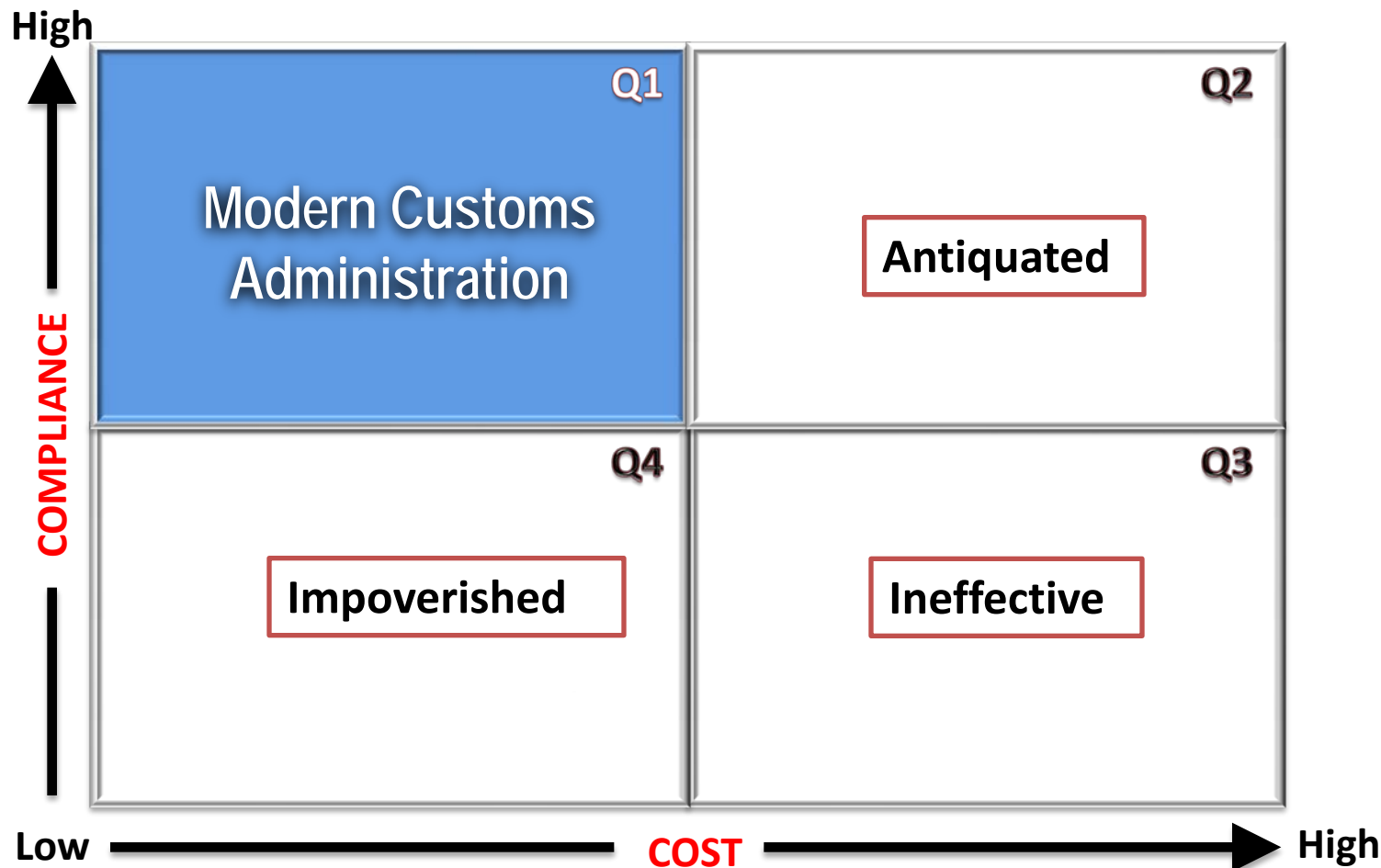
CCC – Customs Control Centre

CICC – Customs Intelligence Command Centre

GCS – Gate Control System



*Effective Risk Mgt program is a prerequisite to move to Q1.*



**Q1** - Professional, knowledge-based service culture, leveraging on technology, employing intelligence-driven risk management and audit based control

## 1 Acknowledge risk.

*Risk is like an iceberg and if not identified and correctly assessed will result in disaster.*

Known

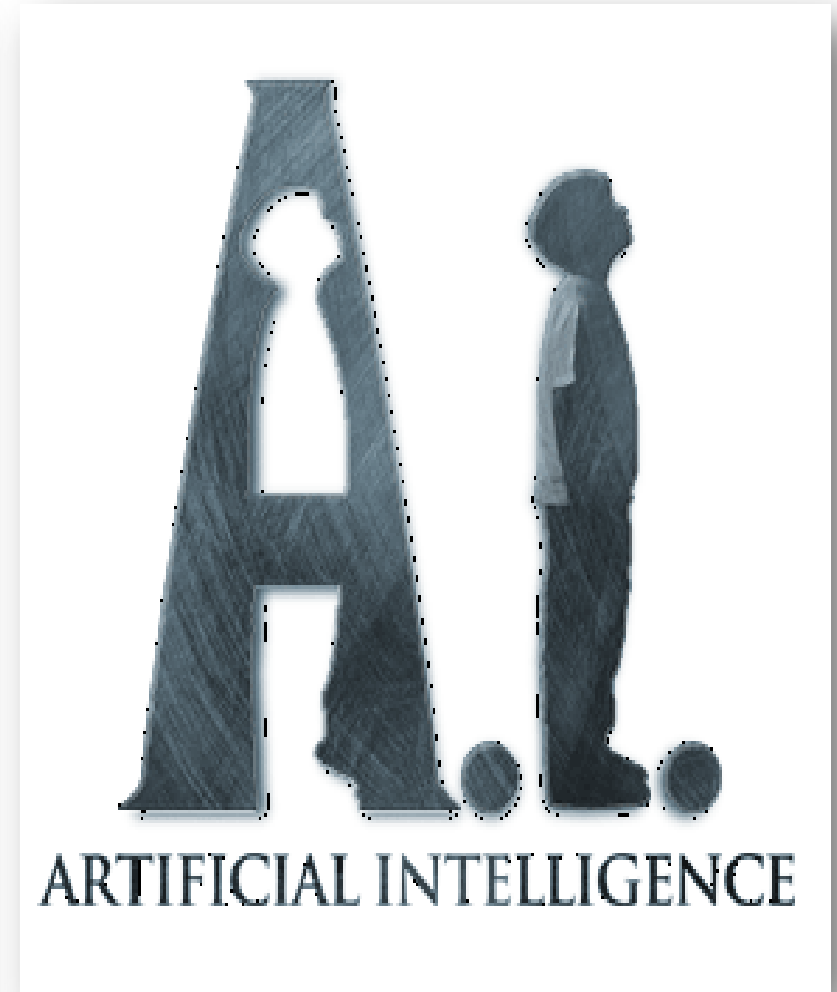


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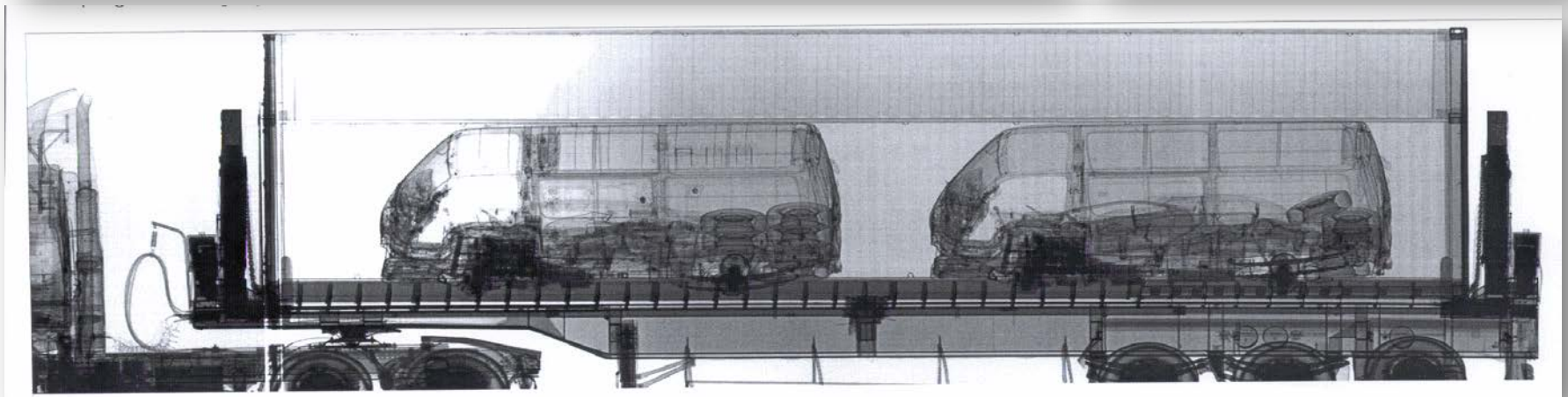
# CONCLUSION

## 2 Intelligence Driven RMgt – Way Forward.



# CONCLUSION

## 3 Adoption of technology as enabler.



# CONCLUSION

## 4 Risk Mgt is not an option, it's a necessity.





# AVOID THIS!!!



THANK YOU