



Expeditors[®]

2011 WCO IT Conference and Exhibition
May 12, 2011

Development of Customs Systems...

Perspectives from the IS Department

Today's Discussion:

- Challenges Facing IS Departments
- Challenges Facing Organizations
- What Can We Do to Increase Our Chances of Success

Challenges Facing IS Departments:

Controlled Externally



Security
Compliance Requirements
Technology Lifecycle
Unknowns



Controlled Internally



Customer Requirements
Company Strategic Plans
Innovation
Speed and Efficiency

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Speed and Efficiency

Customer Requirements:

- Consistent Global Service
- Consistent Global Use of Data (HTS/Part Information)
- Compliance with all Laws and Regulations
- Global Visibility (shipments and line item data)
- Advanced Analytics



Company Strategic Plans:

- Future System Capabilities
- Integration with Other Systems
- Build or Buy
- More Sophisticated Use of Data
- Advanced Analytics



Innovation:

- How do we Continue to Add Value to the Customs Process
- How do we Simplify and Drive Complexity Out of the Process
- How do we Drive Efficiency in the Process

Speed and Efficiency:

- Need to Develop Systems at a Faster Pace
- Respond Immediately to Changes
- Pricing Pressures Require Constant Innovation

Challenges Facing IS Departments:

Controlled Externally



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Controlled Internally



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Speed and Efficiency

Security:

- Global Networking Requirements
- User Access Rights
- Compliance with Audit Requirements
- Protection of Systems from Intrusion
- Protection of Data

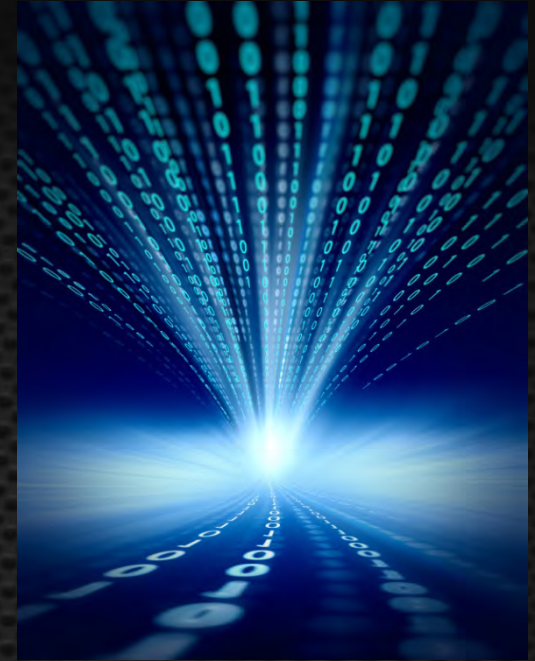
Compliance Requirements:

- Advanced Manifest Information
- Additional Security Requirements
- Accuracy of Filing Information
- Proper Usage of Customs Programs
- Document and Data Retention
- FCPA / UK Bribery Laws



Technology Lifecycle:

- Availability and Performance
- Disaster Recovery/High Availability
- Networks
- Software Version Updates
- Software Patches
- Hardware Updates
- Hardware Refresh



Unknowns:

- Performance Requirements
- Pace of Growth/Change



Why is This a Problem for IS Departments?

We are adding a tremendous amount of complexity
with never ending changes in requirements

What is Complexity?

- Number of Different Systems
- Integration Points
- Differences in Process
- Differences in Country Requirements



What Can We do to Increase our Chances of Success?

Take out Complexity by Standardizing Whenever Possible...

1. Consistent use of Processes
2. Consistent use of Data (WCO Data Model)
3. Global System Opportunities (Single Window Environment)

Complexity...

Why do we have a different process, data model, and system for every Country?

Customs and Border Protection

The screenshot shows the CBP.gov website. At the top left is the U.S. Department of Homeland Security logo and the text 'CBP.gov Securing America's Borders'. To the right is a search bar with the text 'SEARCH' and a 'GO' button. Below this is a navigation menu with links for 'About CBP', 'Newsroom', 'Border Security', 'Trade', 'Travel', and 'Careers'. The 'About CBP' section is active, with a sub-menu containing 'Overview', 'Organization', 'History', 'Stats and Summaries', 'In Memoriam', and 'Social Responsibility'. The main content area features the title 'CBP Mission Statement and Core Values' with a date of '(02/17/2009)'. Below this is a 'Mission' section with a background image of a globe and several statements: 'We are the guardians of our Nation's borders. We are America's frontline.', 'We safeguard the American homeland at and beyond our borders.', 'We protect the American public against terrorists and the instruments of terror.', 'We steadfastly enforce the laws of the United States while fostering our Nation's economic security through lawful international trade and travel.', and 'We serve the American public with vigilance, integrity and professionalism.' On the right side, there is a 'see also:' section with three items: 'in Overview: Protecting Our Borders - This is CBP', 'CBP Strategic Plan 2009 - 2014 (pdf - 1,457 KB.)', and 'CBP Strategic Plans and Reports'. Below this is a section for 'on cbp.gov:' with two items: 'Inspectors save baby's life, receive award' and 'Blackhawk swoops in for rescue'. At the bottom of this section is 'publications: Welcome to the United States (pdf - 1,813 KB.)'. A 'print' icon is located in the top right corner of the main content area.

CBP.gov
Securing America's Borders

SEARCH **GO**

About CBP Newsroom Border Security Trade Travel Careers

About CBP

Overview
Organization
History
Stats and Summaries
In Memoriam
Social Responsibility

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CBP Mission Statement and Core Values

(02/17/2009)

Mission

We are the guardians of our Nation's borders.
We are America's frontline.

We safeguard the American homeland
at and beyond our borders.

We protect the American public against terrorists
and the instruments of terror.

We steadfastly enforce the laws of the United States
while fostering our Nation's economic security
through lawful international trade and travel.

We serve the American public with
vigilance, integrity and professionalism.

print

see also:

in Overview:

- Protecting Our Borders - This is CBP
- CBP Strategic Plan 2009 - 2014 (pdf - 1,457 KB.)
- CBP Strategic Plans and Reports

on cbp.gov:

- Inspectors save baby's life, receive award
- Blackhawk swoops in for rescue
- Commissioner's Award Winner saves stock from flood, co-workers from exasperation

publications:


- Welcome to the United States (pdf - 1,813 KB.)

Report Suspicious Activity to **1-800-BE-ALERT**

E-ALLEGATIONS
Online Trade Violation Reporting System

What's New
in About CBP

HM Revenue and Customs

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individuals & employees employers businesses & corporations

In this section

- Your Charter
- The HMRC Vision
- ECSM Customer Service Standards (PDF 88K)
- Transparency
- Capability Review
- Corporate Governance
- Corporate Responsibility
- Education Zone
- Freedom of Information
- Further Information
- Online filing figures
- Getting ready for online filing and payment
- HMRC's Change Programme
- Jobs
- New Compliance Checks
- News and Media
- Supplying Services to us

You are here: [About Us](#)

About us:

HM Revenue & Customs (HMRC) was formed on the 18 April 2005, following the merger of Inland Revenue and HM Customs and Excise Departments. Work is still continuing on our office restructuring programme. We are here to ensure the correct tax is paid at the right time, whether this relates to payment of taxes received by the department or entitlement to benefits paid.

We **collect** and administer:

Direct taxes - paid by you or your business on money you earn or capital you gain.

- Capital Gains Tax.
- Corporation Tax.
- Income Tax.
- Inheritance Tax.
- National Insurance Contributions.

Indirect taxes - paid by you or your business on money spent on goods or services.

- Excise duties.
- Insurance Premium Tax.
- Petroleum Revenue Tax.
- Stamp Duty.
- Stamp Duty Land Tax.
- Stamp Duty Reserve Tax.
- VAT.

We **pay** and administer:

- Child Benefit
- Child Trust Fund
- Tax Credits.

We protect you by enforcing and administering:

- Border and frontier protection
- Environmental taxes

Canada Border Services Agency



Canada Border Services Agency
Agence des services frontaliers du Canada

Canada



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About Us

What we do

The CBSA carries out its responsibilities with a workforce of approximately 13,000 employees, including over 7,200 uniformed CBSA officers who provide services at approximately 1,200 points across Canada and at 39 international locations.

- The CBSA manages 119 land-border crossings and operates at 13 international airports.
- Of these land-border crossings, 61 operate on a 24/7 basis, as well as 10 of the international airports.
- Officers carry out marine operations at major ports, the largest being Halifax, Montréal and Vancouver, and at numerous marinas and reporting stations.
- Officers also perform operations at 27 rail sites.
- The CBSA processes and examines international mail at three mail processing centres.
- The CBSA administers more than 90 acts, regulations and international agreements, many on behalf of other federal departments and agencies, the provinces and the territories.

Responsibilities

The Agency's legislative, regulatory and partnership responsibilities include the following:

- **administering** legislation that governs the admissibility of people and goods, plants and animals into and out of Canada;
- **detaining** those people who may pose a threat to Canada;
- **removing** people who are inadmissible to Canada, including those involved in terrorism, organized crime, war crimes or crimes against humanity;
- **interdicting** illegal goods entering or leaving the country;
- **protecting** food safety, plant and animal health, and Canada's resource base;
- **promoting** Canadian business and economic benefits by administering trade legislation and trade agreements to meet Canada's international obligations;
- **enforcing** trade remedies that help protect Canadian industry from the injurious effects of dumped and subsidized imported goods;
- **administering** a fair and impartial redress mechanism;
- **promoting** Canadian interests in various international forums and with international organizations; and
- **collecting** applicable duties and taxes on imported goods.

Complexity...

Why do we have a different process, data model, and system for every Country?

The Role and Responsibility for Most Global Customs Authorities Remains the Same...

- Proper Collection of Duties and Taxes
- Enforcement of Laws and Regulations
- Protection of Borders/Anti-Terrorism



Consistent Use of Processes

- Manual Release and Filing Process
- Standard “One Step” Customs Declarations
- Simplified Procedures “Two Step” Declarations
- Advanced Entries
- Port Systems and Other Government Agencies

System complexity is largely based on the business process complexity.

If we can remove business process complexity, systems will naturally benefit.

Consistent Use of Data (WCO Data Model)

- Lack of Data Standards
- EDI Integration is Challenging
- Inability to Leverage Change
- Global Analytics is Very Difficult

Adoption of the WCO Data Model provides improved development and integration of systems between Business and Customs.

Global System Challenges

- Lack of Global Standards
- Unique System per Country
- Re-use Opportunities

Complexity > Cost > Time to Market

Take-Aways

- Embrace Standard Business Processes
- Utilize Standard WCO Data Model
- Single Window Environment?



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