WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

WCO–UPU guidelines on the exchange of electronic advance data (EAD) between designated operators and customs administrations

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exchange of electronic advance data

I.   Introduction

These WCO–UPU guidelines on the exchange of electronic advance data (EAD) between designated operators (DOs)[1] and customs administrations are a joint WCO–UPU tool that can easily be updated as experience is gained and the exchange of EAD grows. These guidelines provide an entry-level information source for DOs and customs administrations working collaboratively to establish the exchange of EAD, offering advice on how to gain support within the respective organizations for the adoption of this development project. The guidelines are envisaged as a "living document" that can be easily updated as experience is gained or conditions change.

As e-commerce merchandise volumes continue to grow, it is important that customs administrations and DOs work collaboratively on a global scale to improve overall safety and security and risk management, while maintaining efficient service and high quality end-to-end service standards within the postal stream. The capture and transmission of EAD facilitates the exchange of critical customs and security information between DOs, customs administrations, and carriers and their agents within the supply chain. It also provides customs administrations with the information they need to undertake risk assessment prior to the arrival of a parcel or prior to its loading on the conveyance. EAD also facilitates customs procedures associated with revenue collection, as items are fiscally assessed electronically for the collection of appropriate duties and taxes. It helps DOs improve quality of service, while strengthening the integrity of the postal supply chain.

Rapid and ongoing IT developments now enable DOs and customs administrations to connect the physical flows of postal items with corresponding electronic data flows. The intended purpose of these guidelines is to offer "clear language" guidance to help all DOs and customs administrations jointly develop new arrangements or enhance or upgrade existing ones so that they can meet or exceed their emerging processing, fiscal, and safety and security requirements, on time. To that end, the guidelines provide:

1   information to assist in the development of a business case for DOs and customs administrations to begin exchanging EAD;[2]

2   information on tools, standards and regulations;[3]

3   a step-by-step approach to assist in process and system development;

4   key considerations for this kind of project as well as lessons learned.

Customs data will need to be collected for most items and exchanged using specific, detailed UPU standards and joint WCO–UPU Customs–Post messages. Once collected, the data can be used to process the items through Customs for risk assessment and for fiscal charging. From a safety and security perspective, the data can be used to strengthen aviation security. In addition, the data can be used for domestic sorting, delivery planning and customer service purposes, adding further value for the DO. There are also limitations to data usage, which is dependent on the terms of the data sharing agreements (DSAs) signed between DOs, in compliance with data privacy and protection laws.[4]

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[1] Designated operator (DO) is the UPU term often used when referring to the postal operator. See definitions.
[2] Business case information can include details such as benefits, opportunities, and challenges of the opportunity being sought.
[3] UPU and WCO tools, standards and regulations that are the fundamental instruments behind the requirement for EAD.
[4] It is anticipated that some Customs administrations will, and others may, expand the scope of EAD to include all modes including rail, ground carriers, and sea depending on the relevant parties' capability of exchanging and processing the necessary electronic data. EAD provisions should be contemplated, planned and encouraged to be exchanged between designated postal operators to support risk assessment and customs facilitation for these modes of transportation.

4.

Comprehensive, step-by-step guidance forms the key part of this document, explaining how to move forward using a phased approach to implementation.

Lastly, the sharing of key considerations and best practices will enable DOs and customs administrations to take the lessons learned and apply them when developing and implementing their own programmes and processes.

These guidelines have been created with the support and input of various DOs and customs administrations and will serve as the key resource to help the WCO and UPU memberships advance EAD collection, exchange and use moving forward.

II.   Definitions

a   Institutions and instruments

Universal Postal Union (UPU): specialized agency of the United Nations, formed in 1874, whose aim is to secure the organization and improvement of postal services and to promote the development of international collaboration in this sphere. With 192 member countries, the UPU sets the rules for international postal service. It also fills an advisory, mediating and liaison role, and provides technical assistance where needed.

World Customs Organization (WCO): intergovernmental organization whose mission is to enhance the effectiveness and efficiency of customs administrations by setting out standards and instruments. With 182 members, the WCO provides leadership, guidance and support to customs administrations and partner stakeholders to secure and facilitate legitimate trade, realize revenues, protect society and build capacity.

Authorized Economic Operator (AEO): an AEO is a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national customs administration as complying with WCO or equivalent supply chain security standards. AEOs may include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders.

Customs, customs administration, customs authority or customs authorities: the government service that is responsible for the administration of customs laws and the collection of duties and taxes, and that also has responsibility for the application of other laws and regulations relating to the importation, exportation, transit, movement or storage of goods.

Customs law: the statutory and regulatory provisions relating to the importation, exportation, transit, movement or storage of goods, the administration and enforcement of which are specifically charged to Customs, and any regulations made by Customs under its statutory powers.

Designated operator (DO): a term often used when referring to the postal operator. A DO is any governmental or non-governmental entity officially designated by the member country to operate postal services and to fulfil the related obligations arising from the Acts of the UPU on its territory.

Memorandum of understanding (MoU): a formal agreement that outlines the framework for cooperation between a DO and a customs administration. This would be a key requirement for the exchange of electronic advance data.

Mutual recognition arrangement/agreement (MRA): mutual recognition is a broad concept whereby an action or decision that has been taken or an authorization that has been properly granted by one customs administration is recognized and accepted by another customs administration.

Parties: a country's DO and customs administration that have entered into an MoU or other arrangement.

Regulations to the UPU Convention: the detailed provisions of the Universal Postal Convention, as revised by the Universal Postal Congress and the UPU Postal Operations Council, applicable to letter post and parcel post.

Revised Kyoto Convention (RKC): the international convention on the simplification and harmonization of customs procedures, adopted by the Customs Cooperation Council in 1999. The definitions below have been taken from chapter 1 of the RKC:

– "Standard": a provision the implementation of which is recognized as necessary for the achievement of harmonization and simplification of customs procedures and practices.

– "Recommended practice": a provision in a Specific Annex which is recognized as constituting progress towards the harmonization and simplification of customs procedures and practices, the widest possible application of which is considered to be desirable.

– "General Annex": the set of provisions applicable to all the customs procedures and practices referred to in the convention.

– "Specific Annex": the set of provisions applicable to one or more customs procedures and practices referred to in the convention.

– "Guidelines": a set of explanations of the provisions of the general annex, specific annexes and chapters therein which indicate some of the possible courses of action to be followed in applying the standards, transitional standards and recommended practices, and in particular describing best practice and recommending examples of greater facilities.

Universal Postal Convention (UPU Convention): the international instrument containing the rules applicable throughout the international postal service, agreed by the member countries of the UPU.

b Postal products

EMS: optional supplementary postal express service for documents and merchandise, whenever possible the quickest postal service by physical means. This service is provided for in the Universal Postal Convention and Regulations and may be provided on the basis of the EMS Standard Multilateral Agreement or by bilateral agreement in relations between DOs which have agreed to provide this service.

Letter-post item: item described in and conveyed under the conditions of the Universal Postal Convention and Regulations.

Parcel-post item: item described in and conveyed under the conditions of the Universal Postal Convention and Regulations.

Postal item: generic term referring to anything dispatched by the Post's services (letter post, parcel post, etc.).

Small packet: item conveyed under the conditions of the Universal Postal Convention and Regulations.

c Customs processes

Customs clearance: the accomplishment of the customs formalities necessary to allow goods to enter home use, to be exported, or to be placed under another customs procedure.

Customs control: measure applied by Customs to ensure compliance with customs law.

Customs duty: the duties laid down in the customs tariff to which goods are liable on entering or leaving the customs territory.

Customs formalities in respect of postal items: all the operations to be carried out by the interested party and Customs in respect of postal traffic.

Risk management: the systematic application of management procedures and practices which provide Customs with the necessary information to address movements or consignments that present a risk.

Primary inspection: presentation of items to Customs by DOs, or the making of postal items available for customs inspection.

Secondary inspection: the inspection carried out by Customs with regard to the postal items presented by the DO for examination.

d   Customs forms and electronic data interchange

Advance cargo information (ACI): a generic term covering the provision of pre-loading or pre-arrival electronic information as set down in the WCO SAFE Framework.

CARDIT: a message sent by a designated operator to an airline to pre-advise of mail and indicate on which flight the air carrier should put the mail. CARDIT includes security status information and pre-consignment information.

CN 22/23: the special UPU–WCO customs declaration forms for postal items as described in the Acts of the Universal Postal Union currently in force.

– CN 22: customs declaration affixed to letter-post items whose contents are less than 300 SDR in value as described in the UPU Regulations.

– CN 23: customs declaration affixed to parcel-post items and those letter-post items whose contents exceed 300 SDR in value as described in the UPU Regulations.

CP 72: a manifold set which contains several plies of the CN 23 customs declaration.

CUSITM: the CUStoms ITeM pre-advice message to Customs. CUSITM messages are sent from a DO receiving an item to the local customs administration, providing it with pre-advice regarding the item, including item sender, addressee, contents, postage paid and declared value. It is the electronic equivalent of the CN 22/23 forms. The CUSITM information allows the customs administration to decide whether the item must be held for security or other risk inspection and/or for assessment of duties and taxes.

CUSRSP: the CUStoms ReSPonse message. CUSRSP messages are sent from a customs administration to a DO in response to a CUSITM pre-advice message, advising the DO on whether an item can be released for onward processing or whether it must be retained at the office of exchange for security or other risk inspection and/or for assessment of duties and taxes. The message may also indicate the duties/taxes to be paid.

Customs Declaration System (CDS): a system developed by the UPU Postal Technology Centre that links postal and customs operations. It is available for use by both DOs and customs administrations. The system provides for:

– capture of declaration data and checking of completeness, prohibitions and restrictions, or alerts;

– electronic exchange of declaration data from DOs to Customs and response from Customs to DOs;

– (automated) pre-arrival selectivity for postal items under rules defined by Customs;

– automated calculation of taxes and duties and tax invoice production;

– electronic feedback on alerts from import Customs to the import and origin DOs.

Electronic advance data (EAD): see electronic customs data.

Electronic customs data: the pre-arrival (or pre-loading) customs declaration information typically contained in the customs form, as well as the name and address of the sender and addressee if not already included on the customs form. It is also the base information contained in the ITMATT and CUSITM electronic data interchange (EDI) messages. This term is used interchangeably with the term electronic advance data (EAD) in this document.

Electronic data interchange (EDI): a generic term that covers the electronic exchange of data, usually between different parties.

ITMATT: the ITeM ATTribute is a UPU messaging standard used for provision of electronic customs information (i.e. an electronic CN 22/23) captured and transmitted by the origin DO to the destination DO at the time of mailing or dispatch.

Personal data: any information relating to an identified natural person or a person who may be identified by means reasonably likely to be used, including the name of the sender and addressee.

Pre-loading advance cargo information (PLACI): an additional layer of a multi-layered approach to aviation security, PLACI is the term used to describe a specific 7+1 data set, as defined in the WCO SAFE Framework of Standards (SAFE), drawn from consignment data and provided to regulators by freight forwarders, air carriers, postal operators, integrators, regulated agents, or other entities as soon as possible prior to loading of cargo on an aircraft at the last point of departure, as specified by SAFE or national regulations as the case may be. Regulators (analysts and/or targeters) can use this data to perform an assessment of the potential risk represented by the consignment. This assessment may indicate a need for additional information or actions, such as cargo screening.

System: the telematics system used to create, send, receive, or handle data messages.

8.

III.   Business case

The main purpose of the business case is to outline the project rationale in order to facilitate decisions about the project. It summarizes the costs, benefits and risks, and provides the project manager with a tool to guide the design, management and evaluation of the project. The business case enables both DO and Customs decision makers to come to a final conclusion on whether or not to allocate the necessary resources, including funding, to the project. The business case is important because it enables these decision makers to evaluate the validity and benefits of the project based on realistic facts.

a   Benefits and opportunities

Time spent in Customs is a critical element in end-to-end postal performance. Moreover, DOs and customs administrations are increasingly aware of the need and opportunity for enhancement of border security, aviation safety, and transportation security and facilitation throughout the postal network. Currently, most items moving through the postal network are subject to some form of manual risk assessment by customs administrations for release or referral decisions within DO facilities, for examination, or for other purposes such as revenue collection. Owing to increasing e-commerce volumes, a manual processing environment is no longer feasible to accommodate the resulting changes in the mix of mail. On the other hand, e-commerce growth presents an excellent opportunity for DOs and customs administrations – it represents a potential growth in the destination country's risk assessment and revenue collection activities, and a source of data for items with EAD already generated through order entry systems. It is in the best interest of DOs and customs administrations to embrace this growth and ensure their capabilities match the ever-increasing demand. In cases in which DOs are responsible for the collection of duties and taxes, consideration should be given to compensation for these activities when developing an MoU, which could take the form of a service or handling fee.

By exchanging EAD, customs administrations have the opportunity to leverage the data supplied by the exporting DO to facilitate advance customs decisions and more efficient customs processes. This allows the inbound customs administration to target items of interest in advance, while ensuring continuous flow of legitimate postal traffic. It could eliminate or at least reduce the need for a physical review of items with an advance "customs release" decision (i.e. pre-clearance).

There are several other benefits associated with the use of EAD, including:

– Improved visibility, timelines and quality of service for items in the postal network;

– Improved safety and security of the mail, employees and citizens of the inbound DO by using historical electronic customs data to predict patterns and detect trends relating to common senders suspected of shipping illicit items;

– Improved safety and security of the aviation supply chain;

– Effective and accurate collection of leviable duties and taxes, and efficient implementation of *de minimis* thresholds;

– Leveraging of electronic systems to effectively adapt to the changing postal environment, including customer needs;

– Support for aviation transport partners with respect to their requirements;

– Opening up of avenues that might lead to pre-payment of duties and taxes or the establishment of account-based deferred payment of duties/taxes;

– Facilitation of the use of data analytics using "big data" for better risk assessment and targeting;

– Provision of better financial records on revenue assessment, as well as drawbacks/refunds for items returned by customers to the supplier.

b   Challenges

i   IT systems

In order to facilitate the effective exchange and use of EAD, it is critical that DOs and customs administrations develop/acquire/maintain IT systems that effectively communicate with each other. This will enable customs administration to achieve greater efficiencies in data analysis, successfully target suspected items, and enforce national customs regulations while applying accurate duty and tax calculations related to item content. To achieve this, DOs and customs administrations must jointly build an electronic interface to ensure an appropriate IT infrastructure capable of managing and processing high volumes of EAD. The acquisition and/or development of such systems is cost and labour intensive, as well as time consuming, as the needs and requirements of each DO and customs administration must be taken into account.

The parties will need to identify the resources required to adopt an appropriate EAD infrastructure that can facilitate the exchange of data. Key considerations include looking at existing solutions, budget, operational processes, business process re-engineering, and human resources needs (i.e. engineering, IT specialists, operations specialists, business process experts, learning and development and communications staff).

ii   Operational process (including safety and security and fiscal charging impacts)

The adoption of EAD systems will have a significant impact on operational and logistical processes within postal facilities. Currently, most DOs process items through Customs in a manual environment, where each item, upon request, is made available by DOs for presentation to customs administrations for targeting and revenue collection purposes.

With the implementation of EAD, DOs and customs administrations will want to adopt a revised processing model to suit the requirements of EAD while using the customs advance decision. This is because, in most cases, EAD alleviates the need for customs administrations to physically review each item. Rather, EAD helps in evaluating risks and allows customs administrations to target items that are deemed to be high risk or that have been selected for revenue collection.[5]

DOs and customs administrations must also understand that data quality[6] is critical to risk management, customer compliance and service delivery. Training to ensure the capture of high-quality EAD is extremely important to ensure customs administrations are capable of using EAD. The complexity of accurately classifying items for revenue collection based on the EAD description has become increasingly relevant. It is essential that DO agents, senders and mailers providing EAD are instructed on how to provide accurate and complete descriptions to ensure that EAD can easily be interpreted by IT systems without manual intervention.

Furthermore, when designing data collection systems for the purpose of EAD generation, DOs should thoroughly understand the schema and limitation of the UPU customs EDI standards (ITMATT). IT systems are limited to the type of data they are capable of interpreting, obliging participants to adhere to standard language requirements.[7]

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[5] For example, Canada has chosen to adopt a semi-automated environment. EAD is examined, and the Canada Border Services Agency (CBSA) systems make the decision as to whether or not the items will be selected for physical examination or fiscal charging. This allows for a streamlined customs clearance process where, under most circumstances, the CBSA physically examines only those items that have been targeted, easing customs clearance for legitimate postal traffic.

[6] www.wcoomd.org/-/media/wco/public/global/pdf/about-us/legal-instruments/recommendations/facilitation/transport/recommendation-data-quality-en.pdf/t_blank?la=en

[7] This becomes increasingly challenging in markets where the Roman alphabet and Arabic numerals are not standard. In such cases, special characters may be rejected in EAD IT systems.

The success of EAD implementation relies heavily on comprehensive training programmes for all those involved in the EAD transaction. DO agents, product specialists, IT specialists and customs agents require specific training on EAD formats to ensure a seamless transition from a fully manual environment. Given that IT platforms are regularly updated and improved, it is essential that DOs and customs administrations invest in continuing education to ensure that all parties involved are kept up to date on EAD systems and formats. Furthermore, it is essential that customers are given sufficient resources to provide good quality, comprehensive EAD.

Quality EAD data capture is one of the main challenges to be addressed in implementing EAD. According to the principles and processes of the use of pre-loading advance cargo information (PLACI), EAD adoption requires the submission of the following data elements, known as the 7+1 dataset, to initiate a risk assessment for aviation security purposes:

1   Consignor name

2   Consignor address

3   Consignee name

4   Consignee address

5   Number of packages

6   Total gross weight (including measure unit qualifier)

7   Brief merchandise/cargo description

8   Identifier[8]

iii   Data sharing agreement

Data sharing agreements (DSAs) need to consider the issues of data sharing between DOs and between DOs and customs administrations. The importance and diversity of data privacy, data protection and security legislation have become increasingly relevant, as reflected in multilateral and bilateral privacy agreements.

Agreements between DOs: Many DOs have an existing standard multilateral DSA that can be used to protect the privacy interests of all parties involved in the transmission of personal data. However, the agreement is limited and may not cover the extensive legal requirements of all DOs. In such cases, a suitable bilateral agreement may be needed to ensure both local and international privacy laws are adhered to when exchanging EAD.

Agreement between DOs and Customs: The data protection aspects of data sharing need to be addressed in formal arrangements with customs administrations, such as with an MoU. When developing an MoU, customs administrations must give consideration to privacy commitments made in a DSA between DOs.

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[8] Postal shipments are not accompanied by a house air waybill (HAWB) or master air waybill (MAWB), but do have a unique identifier (S10 identifier), which can be used in the same way as an HAWB or MAWB to identify a mail item.

IV.   WCO–UPU instruments and tools

a   Introduction

DOs and customs administrations looking to design and implement processes involving the exchange of data should become familiar with the relevant WCO and UPU tools and instruments below. These publications provide information about various standards, regulations and systems that could significantly ease the design phases of the project. The referenced tools are all available through the UPU or WCO websites should more details be required.

b   Instruments and tools

i   WCO SAFE Framework of Standards[9]

In June 2005, the WCO Council adopted the SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) to serve as a deterrent to international terrorism, secure revenue collections and promote trade facilitation worldwide.

Since this historic occasion, much has been done to encourage implementation of the SAFE Framework by WCO members, including the addition in 2007 of a major section on the conditions and requirements for Customs and AEOs. In 2015, on the tenth anniversary of the adoption of the SAFE Framework of Standards by the WCO Council, key improvements were made, including a new pillar 3 on cooperation between Customs and other government and inter-government agencies, along with standards on PLACI requirements for air cargo and mail.

To further support implementation, the WCO SAFE Working Group and other WCO bodies, along with the Private Sector Consultative Group, developed a number of instruments and guidelines.

In order to bring together this important body of material in one convenient place, the WCO compiled a SAFE Package, which incorporates all these instruments and guidelines.

As the SAFE Framework continues to be more fully implemented by WCO members, a substantial amount of additional support material has been developed and incorporated into the SAFE Package. The 2018 edition of the SAFE Framework provides for EAD for postal items. In addition, a number of new and updated tools have been added to the SAFE Package: advance cargo information implementation guidance, a comprehensive list of AEO benefits, a mutual recognition arrangement/agreement (MRA) strategy guide, MRA implementation guidance, trader identification number guidelines, and a data analysis handbook.

ii   UPU Convention article 20 on customs control, customs duty and other fees

Convention article 20 reads as follows:

> "1   The designated operators of the countries of origin and destination shall be authorized to submit items to customs control, according to the legislation of those countries.
>
> "2   Items submitted to customs control may be subjected to a presentation-to-Customs charge, the guideline amount of which is set in the Regulations. This charge shall only be collected for the submission to Customs and customs clearance of items which have attracted customs charges or any other similar charge.
>
> "3   Designated operators which are authorized to clear items through the Customs on behalf of customers, whether in the name of the customer or of the designated operator of the destination country, may charge customers a customs clearance fee based on the actual costs. This fee may be charged for all items declared at Customs according to national legislation, including those exempt from customs duty. Customers shall be clearly informed in advance about the required fee.

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[9] www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/safe_package.aspx

"4   Designated operators shall be authorized to collect from the senders or addressees of items, as the case may be, the customs duty and all other fees which may be due."

iii   UPU Convention article 8 on postal security, and implementing provisions

The 2012 Doha Congress adopted article 8 of the UPU Convention on postal security (the text of the article is reproduced below).

In summary, the text of the article urges DOs to make efforts to develop a mechanism for sending EAD on international postal shipments, to be used for both customs and aviation security purposes. The provision of EAD is complementary to the use of scanning equipment to perform non-intrusive inspections.

Efforts are to be made to ensure people's safety and the sustainability of the postal sector through the integrity of the global supply chain. The goal is to prevent sudden changes in procedures that could disrupt postal traffic and cause problems around the world. Increased security measures in 2010 temporarily forced DOs to partially or totally suspend mail services, causing backlogs of mail, shutdowns of transit hubs and increased transportation costs.

The perceived threat level is high, with the result that individual countries, groups of countries and other intergovernmental organizations are enforcing new security requirements and regulations. Some of these requirements and regulations are already in force, while others will come into force in the near future. Member countries and their DOs have to urgently anticipate these requirements and regulations or risk having them unilaterally imposed upon them. If quality of service – and consequently the competitiveness of DOs – is to be maintained, member countries and their DOs have to work proactively and urgently to improve their security measures and update them to meet accepted global minimum standards, if they do not already do so.
Given the need for heightened security, and with a view to maintaining the ability of DOs to meet their customers' needs, it is imperative that international security measures be taken collectively and collaboratively, involving all stakeholders in the preparation and decision-making process.

UPU members will also benefit, as expeditious customs clearance and secure transportation of postal items are essential components of the overall quality of international postal services. Advance submission to customs administrations and other border or security authorities of information about postal shipments in an electronic format can accelerate the processing of postal items and enhance transportation security across the board. UPU Convention article 8 reads as follows:

"1   Member countries and their designated operators shall observe the security requirements defined in the UPU security standards[10] and shall adopt and implement a proactive security strategy at all levels of postal operations to maintain and enhance the confidence of the general public in the postal services provided by designated operators, in the interests of all officials involved. This strategy shall include the objectives defined in the Regulations, as well as the principle of complying with requirements for providing electronic advance data on postal items identified in implementing provisions (including the type of, and criteria for, postal items) adopted by the Council of Administration and Postal Operations Council, in accordance with UPU technical messaging standards. The strategy shall also include the exchange of information on maintaining the safe and secure transport and transit of mails between member countries and their designated operators.

"2   Any security measures applied in the international postal transport chain must be commensurate with the risks or threats that they seek to address, and must be implemented without hampering worldwide mail flows or trade by taking into consideration the specificities of the mail network. Security measures that have a potential global impact on postal operations must be implemented in an internationally coordinated and balanced manner, with the involvement of the relevant stakeholders."

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[10] Security standards S58 and S59.

WCO members should endeavour to adopt national legislation to support the postal electronic submission of data. In the development of practices and regulations pertaining to the exchange of electronic postal data, it will be important to support appropriate security of the data to prevent misuse or compromise by unauthorized entities, which could violate individual privacy or divulge proprietary business information.

Article 08-002 of the Regulations to the Convention (Implementing provisions for providing electronic advance data) includes the following provisions:

"2   Each item for which electronic advance data is provided shall be accompanied by the appropriate UPU customs declaration form.

"3   The electronic advance data required to meet such requirements shall, in all cases, replicate data documented on the appropriate UPU customs declaration form."

UPU postal security standards S58 (General security measures) and S59 (Office of exchange and international airmail security) were compared with those of the WCO SAFE Framework of Standards

In the comparison of the security standards, reference to the UPU Acts has been made when necessary. Mapping of the WCO and UPU security standards shows a great deal of consistency and alignment. An understanding of the WCO and UPU security standards is useful in enhancing opportunities to further align and harmonize the respective security requirements and implement them in a coordinated and effective manner.

The mapping of standards provided potential opportunities for future work on harmonizing and aligning these programmes, such as cross-referencing standards with their respective instruments/tools, and conducting a joint audit/accreditation of security requirements to prevent duplication of validation processes and leverage synergies where possible (e.g. having DOs join AEO programmes). It may be noted that UPU security standards S58 and S59 are mandatory for all UPU member countries. For the full description of S58 and S59, please visit the Standards section of the UPU website at www.upu.int. These have been referenced in pillar 3 of the 2018 SAFE Framework of Standards.

iv   Standard M33, ITMATT version 1 status 2

The M33 standard specifies how item information is encoded for electronic communication purposes and defines ITMATT as a message that supports such communications. Version 1 of the standard was granted UPU status 2 (approved UPU standard) in 2017. Status 2 means that the standard is considered very stable and has been used effectively by several parties for a significant length of time.

v   Joint messaging standards

The messaging standards below are independent of the software or IT systems used to send and receive them. Any DO–Customs electronic interface (including those that already exist) is suitable as long as it is functional and based on the joint messaging standards in order to prevent a fragmented approach.

vi   Standard M43, CUSITM

CUSITM is a message used by a DO to transmit mail item information to its customs administration. It covers the electronic representation of existing UPU CN 22/23 and CP 72 paper forms, agreed standards between the UPU and the WCO, plus additional attributes. The message structure clearly separates information in UPU forms from other information. The other information is considered optional and for future consideration.

14.

N.B. – The CUSITM specification is not mandatory, as it does not impose an obligation to provide Customs with any of the attributes it supports in electronic format. CUSITM is an interface tool; its exact usage should be agreed bilaterally between each DO and customs administration.

For a full description of M43, please visit the Standards section of the UPU website at www.upu.int.

vii   Standard M44, CUSRSP

CUSRSP is a message used by a customs administration to transmit mail item information to its DO, usually in response to a CUSITM message. Both parties must agree on the exact use of the message. The intended business benefit for both parties is to automate and therefore speed up the customs clearance process.

For a full description of M44, please visit the Standards section of the UPU website at www.upu.int.

viii   EAD global postal model – Conceptual overview

The schematic below provides a more detailed look at the components of what has been developed to allow the postal sector to comply with emerging requirements for the provision of EAD for both fiscal and security purposes. Each component data flow of the EAD global postal model is discussed, culminating in a diagram showing the model in its entirety. The key goals are to standardize understanding of the operational protocols supporting this model and the data flows, ensure uniformity of messaging, and pave the way for a practical integration of the electronic systems of the different postal partners in each part of the postal supply chain.
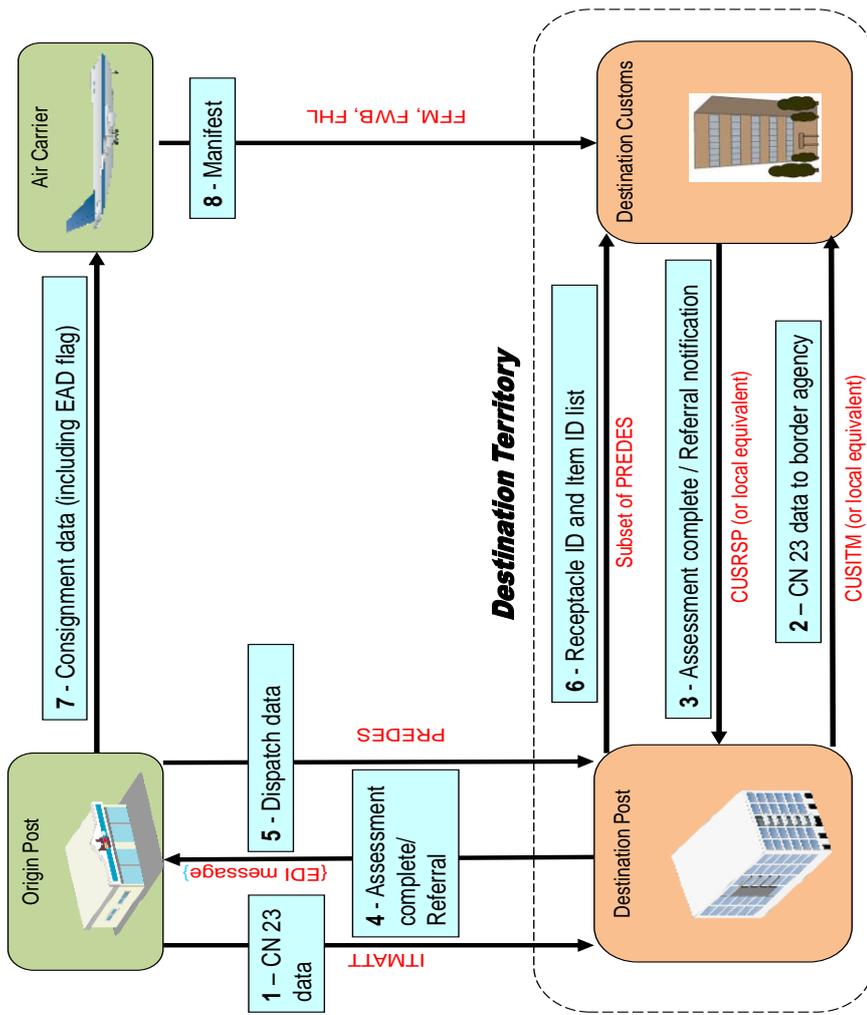
DOs, airlines, and customs administrations are the parties involved in EAD. The UPU EAD global postal model has eight data flows, with the flows taking place between these parties. The model was developed in collaboration with the WCO, the International Civil Aviation Organization (ICAO), the International Air Transport Association (IATA), and other bodies such as the European Commission.

For the purpose of these guidelines, the focus needs to be on the following three flows of the EAD global postal model:

−   Flow 1: Where the origin DO is responsible for:

   •   the electronic capture of the content of the customs declaration (CN 22/23) made by the sender;

   •   the transmission of the CN 22/23 content to the destination DO via ITMATT (UPU standard message) as early as possible – at the point of lodging or induction into the global postal supply chain and at the very least prior to international outbound dispatch.

−   Flow 2: Where the destination DO is responsible for providing the CN 22/23 data as received from the origin DO to the destination customs administration via CUSITM (or a mutually agreed method).

−   Flow 3: Where the destination customs administration conducts its initial assessment (risky items, items attracting duty, etc.) and communicates the results to the destination DO via CUSRSP (or a mutually agreed method).

The focus needs to be on these three flows because the remainder of the flows in the global postal model depend on the establishment of an electronic connection between DOs (flow 1) and between the DO and its customs administration (flows 2 and 3).

Electronic advance data flowchart (Global Postal Model)

Destination Territory

Air Carrier

Origin Post

Destination Customs

Destination Post

8 - Manifest

FFM, FWB, FHL

7 - Consignment data (including EAD flag)

5 - Dispatch data

PREDES

4 - Assessment complete/ Referral

{EDI message}

1 – CN 23 data

ITMATT

6 - Receptacle ID and Item ID list

Subset of PREDES

3 - Assessment complete / Referral notification

CUSRSP (or local equivalent)

2 – CN 23 data to border agency

CUSITM (or local equivalent)

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[1] Joint operations, communication and response action protocols at origin/destination need to be established for those items receiving customs referrals/alerts from the destination customs or equivalent border security agencies.

16.

ix   UPU Customs Declaration System

The UPU Customs Declaration System (CDS) is a software application provided by the UPU's Postal Technology Centre and developed on the basis of the WCO–UPU Customs–Post EDI messages. It performs the following functions:

– Implements and supports customs-related UPU–WCO standard EDI messaging (CUSITM/CUSRSP) and inter-postal standard messaging (ITMATT);

– Links DOs with customs administrations and other border/security agency systems;

– Conveys pre-advised electronic customs declarations and responses;

– Assists in manual data entry and the sharing of declarations and responses using a web interface;

– Enables interconnectivity with other systems to import/export mail item declaration and customs response data through a platform-independent standard interface (SOAP[12] protocol);

– Supports automated risk assessment through a rules engine and plug-in application programming interface (API) (access for other IT systems);

– Facilitates the automated calculation of duties and taxes through a rules engine and a plug-in API (access for other IT systems);

– Provides a watchdog list functionality that can be integrated into operational processes handled by mail management systems (e.g. International Postal System);

– Allows for the provision of security or other feedback from import country to origin DO via CUSRSP message;

– Offers two implementation modes:

  • Infrastructure-free: a central system hosted at the UPU;

  • Self-hosted CDS: a locally installed version of the system operated by DOs or customs administrations (or both), allowing for tighter system integration, better performance, fine-tuning for high volumes, and local control of the data held by the system.

x   Updated Guidelines to Specific Annex J2 of the WCO Revised Kyoto Convention

The Revised Kyoto Convention (RKC) sets out principles for simplified and harmonized customs procedures. In particular, Specific Annex J, chapter 2 (Specific Annex J2) of the RKC provides for simplified customs provisions applicable to postal traffic.

The guidelines were updated in 2016. In addition to explaining and providing practical examples for the implementation of various standards and recommended practices contained in Specific Annex J2, the guidelines contain the following appendices:

– Appendix I, on the use of information technology, contains information on advance data exchange (including an advance data flow chart), information on a standard adopted by the WCO and UPU for the messaging of electronic customs information, and commentary on future directions for the exchange of electronic customs information between DOs and customs administrations.

– Appendix II presents the MoU between the WCO and the UPU and its accompanying guidelines on cooperation between customs administrations and DOs.

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[12] Joint operations, communication and response action protocols at origin/destination need to be established for those items receiving customs referrals/alerts from the destination customs or equivalent border security agencies.

–   Appendix III contains the guidelines for establishing an MoU between a customs administration and a DO at the national level, jointly developed by the WCO and the UPU.

xi   Customs declaration forms CN 22 and CN 23

The CN 22 and CN 23 are the customs declaration forms for postal items as described in the Acts of the UPU currently in force. This enables customs officials to use those forms for customs purposes.

The CN 22/23 contains the following information:

1   Sender and recipient information (CN 23)

2   Postage paid and insurance costs (CN 23)

3   S10 item identifier

4   Designated operator

5   Nature of transaction (i.e. gift, sale of goods, commercial sample, documents, other)

6   Quantity and detailed description of contents

7   Weight (individual item weight and total weight)

8   Value (individual item value and total value)

9   HS tariff number per item (for commercial items only)

In a manual postal environment, CN 22/23 forms are presented to customs administrations as a hard copy form or image that is physically reviewed for fiscal charging and risk targeting. Therefore, to facilitate the effective use of EAD by customs administrations, the CN 22/23 data should be used to generate the minimum information required in EAD messages. Without the CN 22/23 information, customs administrations would not be able to use the EAD as required to assess risk and to implement advance customs decisions (pre-arrival/pre-loading), and manual intervention would be required for fiscal charging and risk targeting purposes.

18.

CUSTOMS DECLARATION — CN 23

(Designated operator)

From	Name	Sender's customs reference (if any)	No. of item (barcode, if any)	May be opened officially	Important! See instructions on the back
	Business				
	Street Tel. No.				
	Postcode City				
	Country				
To	Name				
	Business				
	Street Tel. No.		Importer/addressee reference (if any) (tax code/VAT No./importer code) (optional)		
	Postcode City		Importer/addressee fax/e-mail (if known)		
	Country				

Detailed description of contents (1)	Quantity (2)	Net weight (in kg) (3)	Value (5)	For commercial items only	
				HS tariff number (7)	Country of origin of goods (8)
		Total gross weight (4)	Total value (6)	Postal charges/Fees (9)	

Category of item (10): Commercial sample   Other (please specify): _____
Gift   Returned goods   Explanation:
Documents   Sale of goods

Comments (11): (e.g.: goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions)

Office of origin/Date of posting

I certify that the particulars given in this customs declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations

Licence (12)   Certificate (13)   Invoice (14)
No(s). of licence(s)   No(s). of certificate(s)   No. of invoice

Date and sender's signature (15)

Size 210 x 148 mm

CP 72 manifold set, first part – "Receipt"

(Designated operator)   The item/parcel may be opened officially

RECEIPT   **CP 007 075 992 NO**

BEFORE COMPLETING THIS FORM, READ INSTRUCTIONS ON BACK CAREFULLY!
Your goods may be subject to restrictions

From	Name	Sender's customs reference (if any)	No(s). of parcel(s) (barcode, if any)
	Business		
	Street Tel. No.	Insured value – Words	figures
	Postcode City		
	Country	Cash-on-delivery amount – Words	figures
To	Name	Giro account No. and Giro centre	
	Business		
	Street Tel. No.	Importer/addressee reference (if any) (tax code/VAT No./importer code) (optional)	
	Postcode City	Importer/addressee fax/e-mail (if known)	
	Country		

Detailed description of contents (1)	Quantity (2)	Net weight (in kg) (3)	Value (5)	For commercial items only	
				HS tariff number (7)	Country of origin of goods (8)

Please indicate service required (tick one box)
 International Priority   International Economy

| Total gross weight (4) | Total value (6) | Postal charges/Fees (9) |

Category of item (10): Commercial sample   Other (please specify): _____
Gift   Returned goods   Explanation:
Documents   Sale of goods

Comments (11): (e.g.: goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions)

Office of origin/Date of posting   Number of parcels   certificates and invoices

Insured value SDR

Total gross weight of the parcel(s)   Charges

Licence (12)   Certificate (13)   Invoice (14)
Licence number(s)   Certificate number(s)   Invoice number

I certify that the particulars given in this customs declaration are correct and that this item does not contain any dangerous article prohibited by legislation or by postal or customs regulations

Date and sender's signature (15)

Sender's instructions in case of non-delivery
 Return to sender after ___ Days   Return immediately to sender   Treat as abandoned
 Redirect to address below   Return/Redirect   by surface/S.A.L.   by air
Address

Size 210 x 148 mm (basic format A5) with a tolerance of 5 mm

Note:
– To take account of the needs of their service and/or the methods of production of this manifold set, designated operators may alter slightly the sizes of the boxes, the font for the titles and indication, provide the appropriate number of copies for each part, without however deviating too much from the directives contained in the model.
– It is strongly recommended that instructions helping the customer to complete this manifold set should be given on the back of the cover page or on the back (of the last page) of the manifold set itself.

xii   ASYCUDA system

The United Nations Conference on Trade and Development (UNCTAD) is currently developing an interface between the ASYCUDA system and CDS in order to be able to process incoming CUSITM message files and send customs decisions in the form of CUSRSP web service calls to the CDS.API component.

Once the ASYCUDA–CDS pilot project is complete, it should be possible to interface both systems and introduce the use of EAD across the DOs and customs administrations of over 100 countries, territories and regions currently using the ASYCUDA system.

xiii   Trainpost

The UPU International Bureau will add these guidelines to the Trainpost customs module to facilitate training and capacity building once they have been approved by the UPU Postal Operations Council. The Trainpost site can be accessed at www.upu-trainpost.com.

xiv   WCO–UPU Postal Customs Guide

The WCO–UPU Postal Customs Guide is a joint WCO–UPU tool and information source for postal and Customs staff dealing with postal customs clearance.

For DOs, the guide is intended to help familiarize staff with the customs components of the postal supply chain and with WCO standards, instruments and tools.

For customs administrations, the guide will help staff responsible for postal customs clearance become more familiar with the postal processes involved in the international exchange of mail.

The guide also seeks to form a common basis for dialogue and discussion at a national level between the DOs of UPU member countries and the customs administrations of the WCO.

The WCO–UPU Postal Customs Guide is available on the WCO website and in the Customs section of the UPU website.

xv   Electronic advance data readiness questionnaire

The WCO and the UPU launched a joint survey in May 2017 to assess the level of preparedness of DOs and customs administrations for capturing, sending, receiving and using data in electronic format. 110 responses were received, representing 56% of the 196 requests sent to countries and territories. The findings can be summarized as follows:

–   26% of respondents (13% of the total) were exchanging EAD with Customs;

–   81% of respondents (45% of the total) were planning for EAD in the next three years;

–   36% of respondents (40 DOs) were already capturing customs declaration data.

A number of additional DOs reported plans to move forward with the exchange of electronic messages in order to prepare for emerging customs requirements. Since the questionnaire was conducted, EAD plans and readiness have been rapidly increasing.

xvi   WCO and UPU secretariat contacts

Universal Postal Union
Customs and Transport Programme Manager

20.

International Bureau
Weltpoststrasse 4
P.O. Box
3000 BERNE 15
SWITZERLAND

E-mail: customs@upu.int
T +41 31 350 32 03
F +41 31 350 33 10

World Customs Organization
Procedures and Facilitation Sub-Directorate
World Customs Organization
Rue du Marché, 30
B-1210 BRUSSELS
BELGIUM

E-mail: facilitation@wcoomd.org
T +32 2 209 93 55
F +32 (0)2 209 92 62

V. Step-by-step approach to developing an electronic interface for the exchange of electronic advance data

a   Introduction

It is important to take a collaborative project planning approach when developing an electronic interface for the exchange of EAD. This will ensure that the business case used to seek executive-level support is complete and concise, and the details therein are sufficient to meet the needs of both organizations.

b   Development phases

i   Phase 1 – Strategic overview and planning

It is imperative that the objectives are agreed upon between both parties to ensure alignment among all stakeholders. Both parties should decide on the **vision**, **mission**, **core principles** and **overall objectives** the organizations seek to achieve.

–   *Vision* – A joint vision statement must be created that contains an agreed upon view of what the partnership wishes to achieve. A vision statement should be clear, concise and descriptive enough to ensure that current and future readers are able to understand, at a high level, the main driver(s) of the project.

–   *Mission* – The mission statement sets out the issues that need to be overcome in order to achieve the target expressed in the vision. The difference between a mission and a vision is that a mission changes as it is achieved, while a vision guides the organization throughout the duration of the project.

–   *Core principles* – Core principles specify the minimum standards that will influence the project. When identifying core principles, areas such as quality, innovation, customers, partners and technology need to be considered. These principles must be clearly defined so that each organization and its respective staff understand the concept and do not deviate from it. For example, a core value could be: "Implement an effective end-to-end customs process and leverage electronic customs data, while maintaining or improving current throughput."

–   *Overall objectives* – When the elements above (vision, mission and core principals) are combined, they create the basis for each organization's goals and responsibilities in the

project. When the goals and responsibilities of each organization are clearly defined, the expectations, accountability and culture are easily determined. These elements contribute significantly to how the project is managed, and are therefore important to consider when developing objectives. In addition, management plays the most important role, as it takes the lead in executing the established vision, mission and core principals. As a result, management's role must be clearly defined.

The ultimate goal of phase 1 is to determine the overall project objective. For the purpose of this document, phase 1 will involve a conducting a critical review of the current situation, identifying the governance structure and business capabilities, and designing the IT Infrastructure and physical processes that enable DOs and customs administrations to share data and exchange decisions on an item, ultimately facilitating the customs clearance process. Governance can be defined in terms of mechanisms for decision making and resolution. A sample approach for UPU CDS piloting in the United Kingdom would be as follows:

– Daily postal–customs operations in the offices of exchange;

– Weekly monitoring of postal–customs project initiatives;

– Monthly postal–customs steering committees at the programme level to present results to the programme board, monitor performance, and provide input for strategy-level decisions;

– Quarterly reporting to postal–customs director-level strategy meetings.

Phase 1 is when the parties should discuss IT development and begin plans to build the solution and conduct tests. It is also a suitable time to begin joint discussions around timelines, expenses and funding, ensuring that all stakeholders are in agreement with who is financially responsible for the various parts of IT development and any other associated costs.

During the strategic planning process, the vision, mission and overall objectives defined should follow the core principles underlying the global postal model (see document POC 2016.1–Doc 10m.Annex 1.Add 3 in the UPU document database). The following core principles are provided as a reference:

1   In line with article 8.2 of the Universal Postal Convention, EAD must be implemented without hampering trade and mail flows.

2   Roles and responsibilities must be defined for origin and destination DOs and security authorities (e.g. customs administrations, border agencies, aviation security bodies) to ensure monitoring and reliability of end-to-end message flows.

3   It must be possible to exchange ITMATT messages and their corresponding responses 365 days a year, 24 hours a day.

4   "Assessment complete" denotes that the appropriate destination authorities have, subject to any further advice, cleared the item to be conveyed by air to the destination country.

5   Aviation security risk assessment and decisions in response to the receipt of item-level data will be carried out as soon as possible.

6   Only items that have obtained explicit or implicit "assessment complete" status or that have been processed in compliance with defined security referral procedures will be dispatched.

ii Phase 2 – Development/signing of a data sharing agreement between origin and destination designated operators

Phase 2 is strictly an agreement between DOs. However, it is an important step to remember in the planning process, as it is a precursor to enabling DOs to share data with customs administrations. Many or even most DOs may not agree to begin exchanging data without a signed DSA in place.

Multilateral DSAs currently exist and are open to additional signatories. Most DOs would likely prefer that a multilateral agreement be signed to avoid having to manage a large number of bilateral agreements.

iii Phase 3 – Engagement and cooperation between designated operators and customs administrations

The WCO–UPU MoU and guidelines (link below) indicate that WCO and UPU members will agree to seek each other's expertise "*to consider practical measures to increase and facilitate the use of electronic data interchange systems between Posts and Customs.*" This is the basis behind this document. With these guidelines in mind, it is recommended that DOs and their national customs administrations produce and sign an MoU prior to beginning the initiative to exchange EAD. If an MoU already exists, it is recommended, if applicable, to add an annex regarding data exchange. Likewise, it is recommended that DOs include data exchange in their contract agreement. Alternatively, a stand-alone agreement/arrangement on the use of EAD between DOs and Customs could also be established.

The WCO–UPU guidelines for developing an MoU between national customs administrations and DOs are available in the Customs section of the UPU website (www.upu.int), as well as on the WCO website (www.wcoomd.org).

The section of an MoU between DOs and customs administrations pertaining to EAD should contain agreement on matters such as:

– What to do in the event of data/manual form inconsistencies

- Generally, the hard copy form takes precedence until the whole process is made electronic.

– Process for onboarding new countries

- Consider whether all data is passed on to the customs administration, or whether the customs administration wishes to review the volume and quality of incoming data beforehand.

– Interface type

- The DO and customs administration must agree on IT solutions, systems and interfaces used.

- Declaration data from the DO to the customs administration can usually be exchanged in batch mode through EDI message files at an agreed upon frequency using CUSRSP.

- Response data (i.e. customs decisions) can be exchanged either via batch EDI message files (whether in EDIFACT or XML formats) or in real time via direct web service calls using CUSITM.

– Frequency of transmission

- This would depend partly on the volume of data. Higher volumes would demand more frequent file transmission, while lower volumes could mean less frequent transmission. This approach would control the size of the files being sent.

- Frequency should not be dependent on the operational hours of the parties involved in the exchange.

- Given the time-critical nature of most EAD data flows, frequency of transmission should be as high as possible (ideally on a 24/7 basis) to avoid hampering physical processes in the global postal supply chain.

– File size limitation

- To prevent system latency, file size should be agreed upon between the DO and the customs administration.

- File size should be based on IT Infrastructure limits and capacity.

- When determining infrastructure and capacity requirements, consideration should be given to peak values and volume growth.

– Outages

- An acceptable window for recovering system functionality before the issue is escalated should be decided on.

- A manual process that can be used in the event of a system outage needs to be established.

- Business continuity plans and the roles and responsibilities of the parties must be developed.

– Response times

- See the section on frequency of transmission.

- Response times should be discussed and agreed upon by both parties.

- Responses should be received prior to the arrival of the mail items (prior to dispatch or, for those following a PLACI regime, prior to loading).

- Automated responses should be taken into account, as response times are critical.

– Data protection

- DSAs should already be in place between DOs.

- See section III (b) (iii) for information on agreements between DOs and customs administrations.

iv   Phase 4 – Pilot

After development and the associated testing is complete, the next step could be a collaborative pilot phase. A pilot is intended to take a small-scale approach to implementation, which is reversible. The benefits of a pilot are reduced risk, ability to learn and validate based on outcomes, ability to improve upon the solution, and the ability to demonstrate successes to stakeholders. Pilots can also give insight as to whether or not the solution may have unintended or unknown consequences. It is important to remember that, although pilots are highly recommended, they do not always take into consideration the full scale/volume of the project. For example, what works for 10 items may not work for 10,000 items.

Much like a full-scale implementation, a successful pilot will need to be strategically planned by both parties and executed collaboratively. It is very important to have a successful pilot in order to convince stakeholders and executives to move forward with full-scale implementation. Below is one approach that can be adopted when planning the pilot phase of a project.

Proposed approach

1   Establish a business case – The first step is to build the business case to secure political will and executive commitment, and to ensure that funding and other resource requirements can be secured. The best way to gain support is to demonstrate the changes in the international market that necessitate the shift. In the postal world, e-commerce and emerging legislation are the reasons behind the need for change. The fundamental objective is to show how EAD exchange will address current and emerging concerns.

2   Involve key stakeholders – It is important to gain support for the pilot by getting all relevant stakeholders from both organizations involved. The rationale for doing this is to identify and/or share any risks/rewards that may result from the pilot programme. This process may even result in peers achieving their own benefits, which could lead to a sharing of costs.

3   Identify the test criteria – Ensure that what is being tested and measured is clear and concise so that test participants have a good understanding of the situation. Elements that could be measured include the number of items successfully rated or cleared automatically, the number of items released versus those sent for inspection, and so on. Overall throughput could also be a determining factor.

4   Identify the test participants – The organizational structure for the strategic overview will have been established at this point; however, a test team is still required. To ensure that all viewpoints are considered, the test team should consist of individuals representing multiple areas from both organizations (e.g. operational, business, technical and customer service units). The roles of each of the testers need to be clearly defined and communicated in advance of the tests to ensure a clear understanding and optimal results.

5   Offer training – Test participants must have training in the environment in which they will be working. Since the pilot most likely involves new systems and processes, a training programme should be developed. This will evolve into a user manual when the pilot is expanded to full-scale implementation. A plain-language user manual should be created that includes screen shots of the relevant systems and detailed user instructions.

6   Measure and share – During and after the pilot programme, it is important that a factual report be collaboratively developed to describe the results of the pilot from the perspective of both parties. It is imperative to include data demonstrating actual volumes and how they were managed through the pilot (e.g. volumes vs decisions given upon arrival at the destination vs total throughput). This will enable data sharing among colleagues, partners, and other who were not involved in the pilot.

7   Summarize the experience – Using the factual data, a collaborative summary of the pilot as a whole needs to be drafted. The following areas should be addressed:

     –   Were the outcomes consistent with what was expected?

     –   Based on the outcomes of the pilot, are there any recommended changes?

     –   What is the estimated time frame for rolling out the project in a production environment?

v   Phase 5 – Implementation

When writing the implementation plan, the pilot plan can be used to prevent duplication of work. It contains all of the same content.

When reviewing the pilot plan:

1   Keep in mind any problems and/or lessons learned during the pilot.

2   Consider the feedback that was received as a result of the pilot.

3   Take into account the difference in size between the pilot and full launch.

4   Decide on the stabilization strategy.

5   Review the training material previously drafted.

6   Identify the various forces that may work in favour of or against the new process, and identify any risks/barriers that may arise.

7   Adjust the plan accordingly.

Lastly, stabilization needs to occur.

vi   Phase 6 – Stabilization, monitoring and enhancement

After the project goes live, use the joint goals that were set at the beginning of the initiative and compare them to the new environment. Determine whether there are any defects that need to be resolved, and ascertain how successful the implementation has been and how much support the operation needs to fully achieve the set goals.

Following implementation, the demand for additional support will likely be higher in a number of areas to address:

–   user issues;

–   technical issues;

–   change management issues.

The support requirements should normally settle within a four-week period.

During the various phases of stabilization, in order to get a sense of how things are transitioning, determine the answers to the following questions (non-exhaustive):

1   How are the operational personnel of each organization adapting to the new environment and any changes in their roles? Are they adequately trained and informed?

2   How are the technical support teams adapting to the new environment and any changes in roles? Are they adequately trained and informed?

3   Is the support that is being demanded appropriate, considering the current phase of stabilization?

4   Have the parties involved in the project, from both organizations, had the opportunity to think about routine maintenance and improvement opportunities?

vii   Phase 7 – Lessons learned

Following implementation and stabilization, it is important to bring the stakeholders together to identify the lessons learned. This is key for two main reasons:

1   Lessons learned can be applied to the future phases of a phased implementation; and

2   Lessons learned can be shared with any business partners, as appropriate.

While the finalization of a formal lessons learned document is completed during the project close-out process, capturing lessons learned should occur throughout project development and roll out. This will ensure that all relevant information is documented and nothing pertinent is excluded. The lessons learned document should describe what went wrong and include suggestions on how to prevent similar occurrences in the future, as well as what went well and how similar projects may benefit from this information. This document should be drafted using input from all stakeholders, and the final copy should be widely communicated.

A lessons learned tracking table/document can consist of the following headings:

–   Category (i.e. procurement, human resources, data capture, data quality, risk management)

–   Subject matter (i.e. training)

26.

- Problems/successes

- Impact

- Recommendations

The following project planning links may be useful:

http://www.agmrc.org/business-development/starting-a-business/creating-a-business/articles/strategic-overview/

http://www.industryweek.com/product-development/how-run-innovation-pilot-program

http://sixsigmastudyguide.com/pilot-implementation-planning/

http://www.theshelbygroup.com/blog/post/what-happens-after-go-live-three-steps-for-ensuring-success/

http://www.upu.int/uploads/tx_sbdownloader/protocolCustomsMemorandumOfUnderstandingUpuWcoEn.pdf

viii   Key considerations and enablers

Many considerations and enablers have been mentioned throughout these guidelines. Below is a summary of various factors requiring close attention. Additional details on many of these considerations/enablers are provided in the body of this document.

Key considerations

- International conventions/standards and national and regional legislation:
    - UPU regulations and standards: www.upu.int/en/the-upu/acts/regulations-and-final-protocols.html.
    - World Customs Organization: www.wcoomd.org.
    - European Commission: https://ec.europa.eu/taxation_customs/home_en.
    - European   Commission   Union   Customs   Code: https://ec.europa.eu/taxation_customs/business/union-customs-code_en.
    - Country-specific legislation.
- DSAs between Dos:
    - Data protection/data security.
    - Privacy.
    - Use of data.

– MoU or stand-alone agreement between the DO and customs administration:

  • Future requirements.

  • E-commerce volumes.

– Overall volume growth and forecast: By the end of 2017, ITMATT exchanges had grown by over 500% since 2014. This growth is expected to continue over the next five years. More up-to-date ITMATT volume statistics can be obtained by contacting the UPU International Bureau.

Enablers

– Postal Technology Centre's Customs Declaration System:

  • https://www.cds.post/.

  • http://www.ptc.upu.int/.

– UPU Convention and Regulations:

  • Regulations article 17-210 (Formalities to be complied with by the sender).

  • Regulations article 20-001 (Items subject to customs control).

  • Convention article 8 (Postal security).

– WCO SAFE Framework: www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/safe_package.aspx.

– WCO–ICAO Joint Working Group on Advance Cargo Information reports/outcomes.

– UPU–WCO collaboration (see contact information above): www.upu.int/en/activities/customs/wco-upu.html.

– Trainpost: www.upu-trainpost.com

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28.