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213th/214th Sessions

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11 – 14 October 2016

Brussels, 9 September 2016

## **DIGITAL CUSTOMS – WHERE ARE WE NOW?**

### **Data Quality**

#### **Item IX-f on the agenda**

#### **Introduction**

1. At the 207<sup>th</sup>/208<sup>th</sup> Sessions of the PTC, delegates discussed the outcomes of the Data Quality Expert Group that was established by the SAFE Working Group. The outcomes were contained in document PC0386 and included the draft text for a Council Recommendation on data quality and a list of acceptable and not-acceptable terms for the description of goods. In addition, document PC0386 informed the PTC of areas and topics regarding data quality that still needed to be addressed. These included:
  - The relationship between observance of WCO standards and data quality and the possibility of enhancing the implementation of the current standards;
  - Advancing the standardization of data requirements for cargo along API/PNR lines, this standardization where appropriate should extend in the areas of data quality compliance and remedial action undertaken to address poor quality;
  - Complete the data mapping exercise by DMPT to include information about who is delivering the data elements to Customs;
  - Possible update of relevant instruments and ECP tools such as the WCO Data Model, SAFE, etc. (Updates for example to SAFE may be considered within the usual review cycle process or as appropriate);
  - Updates of the Kyoto ICT Guidelines.
2. Regarding this future work, the 13th Meeting of the SAFE Working Group (October 2014) proposed that the PTC should be the Committee with the responsibility for advancing this work, given that Data Quality is an issue that is much broader than the SAFE Working Group's mandate. The PTC agreed to this proposal and concluded that the future work should be carried out by the PTC in cooperation with interested private sector representatives.

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### **Terms of Reference for a Virtual Working Group on Data Quality**

3. For reasons of efficiency and effectiveness, the PTC decided to establish a Virtual Working Group on Data Quality and adopted the Terms of Reference for this group to structure and stream line the work of the PTC in this area. The Terms of Reference for this Virtual Working Group are attached as an Annex to this document.

### **Developments since the establishment of the Virtual Working Group on Data Quality**

4. At the end of November 2015 an attempt was made by the Secretariat to proceed with the Virtual Working Group. However, the response from the Membership was lukewarm.
5. In the meantime, there were growing interests in the Digital Customs agenda which lead to a number of different sub-topics that were explored under Digital Customs, the theme of the WCO in 2016. In this meeting, the PTC will discuss the outcomes of the 1<sup>st</sup> WCO Working Group on E-Commerce and explore how ICT developments affect how Customs conduct its business as well as examples of ICT solutions for Customs business.
6. Following the development of WCO Guidelines for strengthening cooperation and the exchange of information between Customs and Tax authorities at national level, the PTC will explore the business and IT side of Customs-Tax cooperation and Members' experiences. It will also continue the ongoing discussion on Integrated Supply Chain Management including enhanced partnerships between Customs and other supply chain actors and Big Data including the potential benefits of its use by Customs administrations.
7. Underpinning the increasing use of ICT in Customs decision making is Data Quality which should be an integral part of the Digital Customs agenda. The PTC will be invited to provide the way forward and decide on the actions required for implementation of the Digital Customs Work Plan, through active involvement of Members and other stakeholders, including for Data Quality.

### **Expected Outcome**

8. The delegates to the PTC are requested to:
  - Consider the role of Data Quality in the Digital Customs agenda, and;
  - Provide guidance on the priorities to be explored by the Virtual Working Group on Data Quality to support Digital Customs.

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## **TERMS OF REFERENCE FOR THE VIRTUAL WORKING GROUP ON DATA QUALITY**

Chairperson: Co-chaired by a representative of a WCO Member administration and a representative of the Private Sector

Established: March 2015

Duration: Until superseded or revoked

### **Mandate**

1. The Virtual Working Group on Data Quality (VWGDQ) is formed for the purpose of addressing data quality issues in relation to Customs processes and procedures. It will be guided by and report to the Permanent Technical Committee.

### **Membership**

2. The VWGDQ will be open to a maximum of 10 interested Members of the WCO and a maximum of 10 interested parties representing the private sector.

### **Purpose and Scope**

3. The purpose and scope of the VWGDQ is to advise the Permanent Technical Committee on the full range of issues concerning data quality. Such issues may include:
  - The relationship between observance of WCO standards and data quality and the possibility of enhancing the implementation of the current standards;
  - Advancing the standardization of data requirements for cargo along API/PNR lines, this standardization where appropriate should extend in the areas of data quality compliance and remedial action undertaken to address poor quality;
  - Complete the data mapping exercise by DMPT to include information about who is delivering the data elements to Customs;
  - Possible update of relevant instruments and ECP tools such as the WCO Data Model, SAFE, etc. (Updates for example to SAFE may be considered within the usual review cycle process or as appropriate);
  - Updates of the Kyoto ICT Guidelines.

The VWGDQ may also advise the PTC in matters relating to the principles contained in the Recommendation of the Customs Cooperation Council on the Guiding Principles for Data Quality as well as the Guidelines on acceptable and unacceptable terms for the description of goods.

### **Key Deliverables**

4. The key deliverables of the VWGDQ are to:
  - Analyse, prepare and evaluate relevant actions and measures in relation to the improvement of data quality for Customs processes and procedures;

Annex to  
doc. PC0454E1

- Submit yearly reports to the Permanent Technical Committee that shall provide concrete recommendations of the VWGDQ to improve data quality.

### **Means of Operation**

5. The VWGDQ will operate virtually under the leadership of its Co-Chairpersons, with membership being determined as specified above.
6. The Customs members and the private sector representatives of the VWGDQ will elect their respective Chairpersons for a one-year term from among their representatives.
7. The VWGDQ will conduct its work in English.
8. If necessary, the VWGDQ may decide to meet in person.
9. The WCO Secretariat will provide the necessary support.

