

Result:

ICC-WCO Joint Survey on FZs

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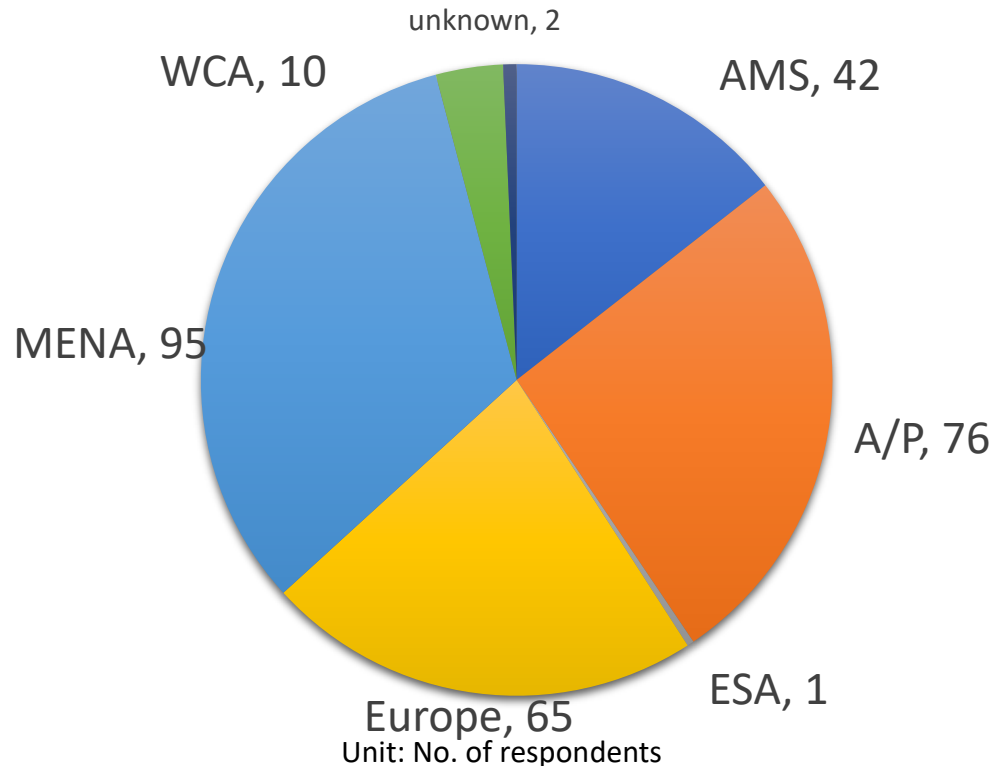
SUMMARY

- Conducted in the form of online survey
- During May - September 2019
- Questionnaire addressed to private companies
- 291 responses obtained
- Comprised of 4 parts: Economic benefits, Customs procedure/controls, Illicit trade, Cooperation

ATTRIBUTES OF RESPONDENTS

- 291 responses from 6 WCO regions

Respondents by WCO regions



Countries where respondents are residing

Region	Countries
AMS	Guatemala (14), Colombia (9), USA (8), Jamaica (2), Mexico (2)
A/P	Cambodia(37), India(15), Singapore(11), Malaysia(5), China(2), Japan(2)
ESA	
Europe	Belarus(19), Romania(9), Spain(7), Croatia(6), Switzerland(5), Lithuania(3), Turkey(3), Luxembourg(2), Russia(2)
MENA	UAE(80), Morocco(4), Lebanon(3), Saudi Arabia(3)
WCA	Nigeria(6), Togo(3)

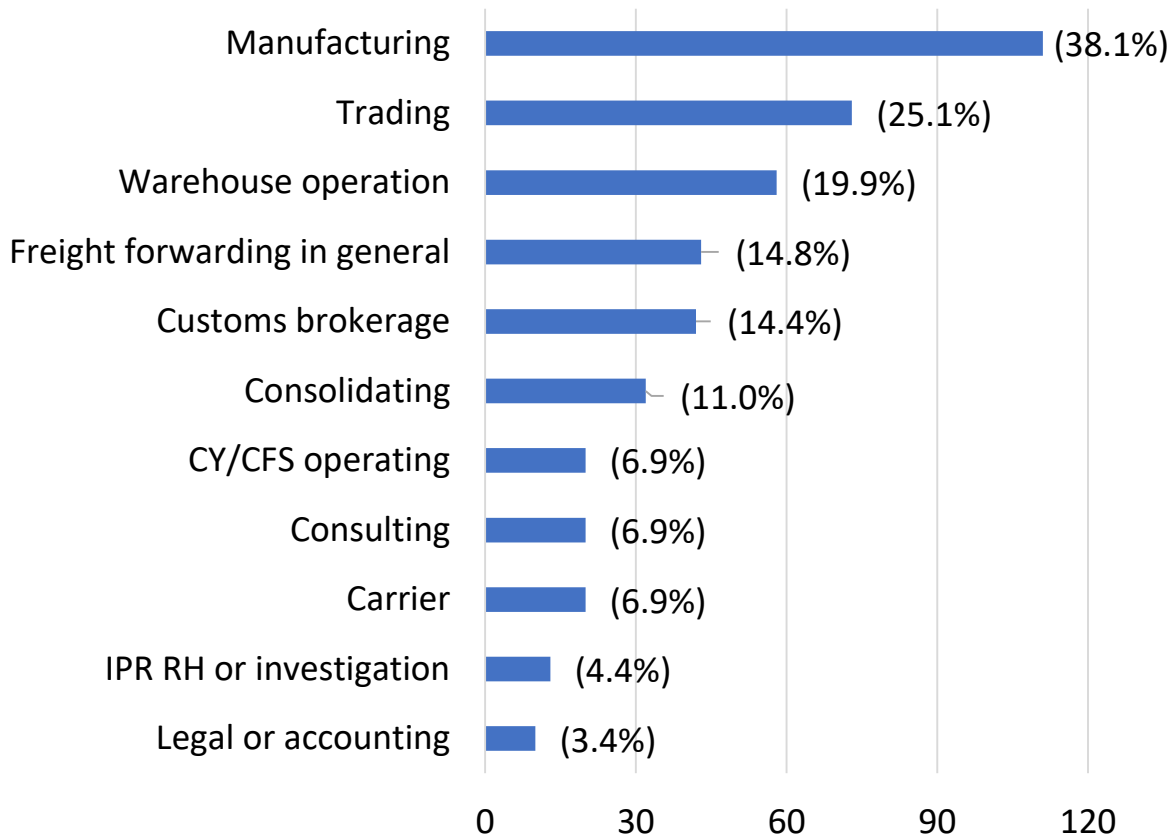
Note: This list shows countries in which two or more respondents submitted responses during this survey

ATTRIBUTES OF RESPONDENTS

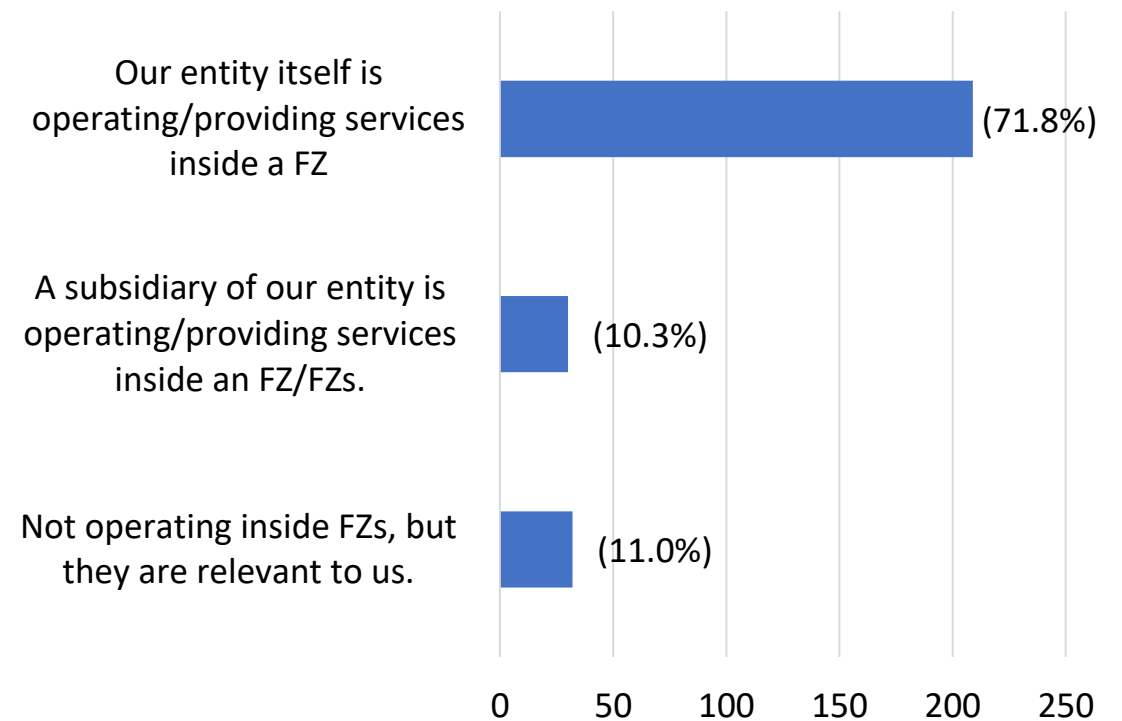
- Most respondents are operating inside FZs with various relevance

Respondents by specific relevance to

FZs



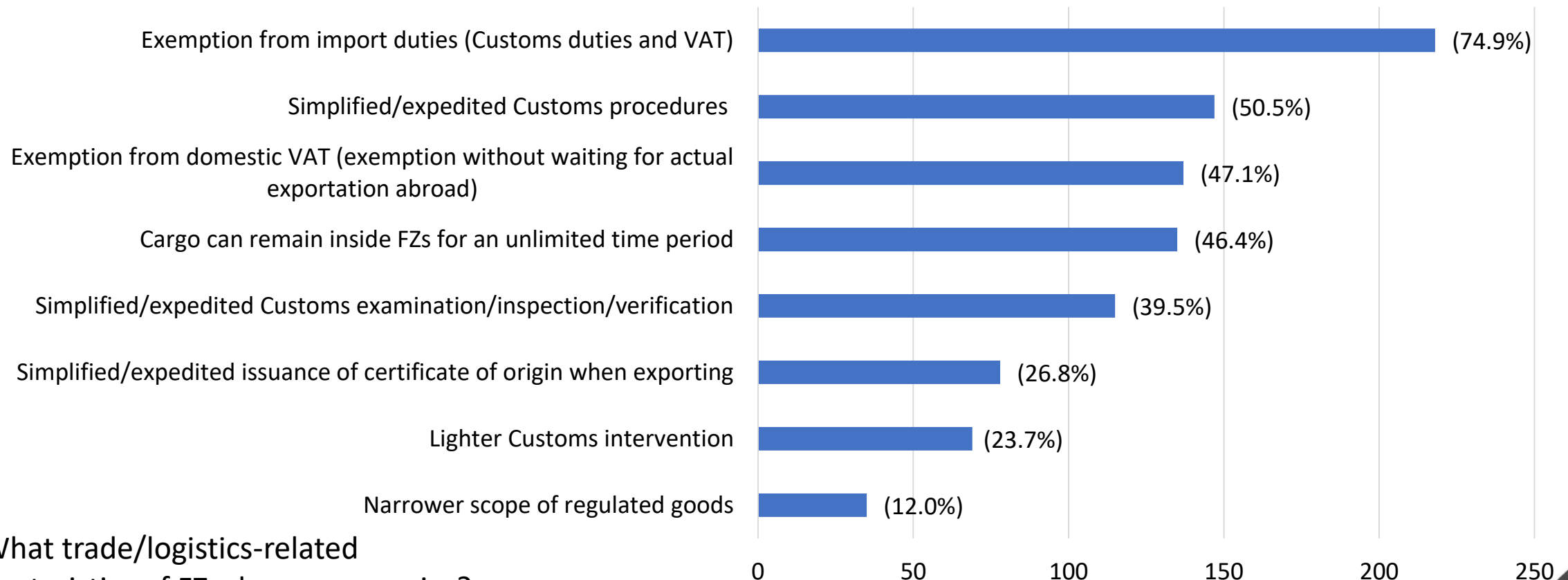
Respondents by relevance to FZs



PART 1: ECONOMIC BENEFITS OF FZs

- Not only the duty-exemption aspect but also simplified procedure or practice-level matters are also recognized

Trade/logistics-related characteristics of FZs

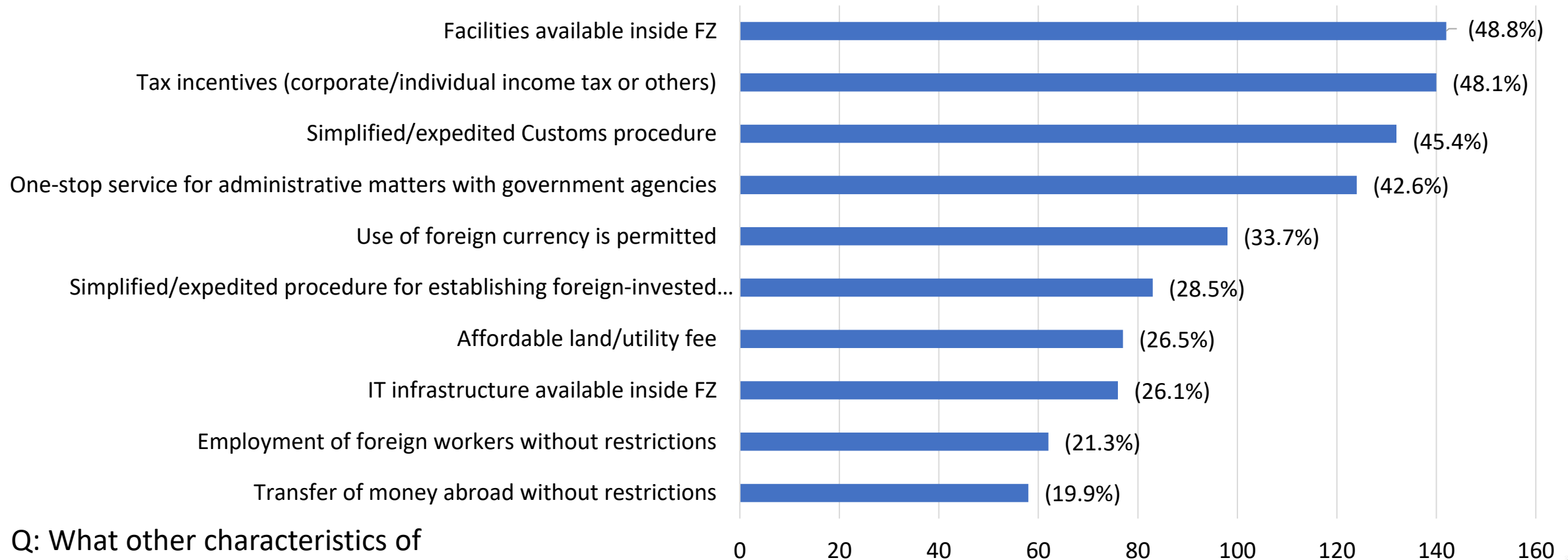


Q: What trade/logistics-related characteristics of FZs do you recognize?

PART 1: ECONOMIC BENEFITS OF FZs

- Various characteristics of FZs are recognized

Characteristics of FZs (overall)

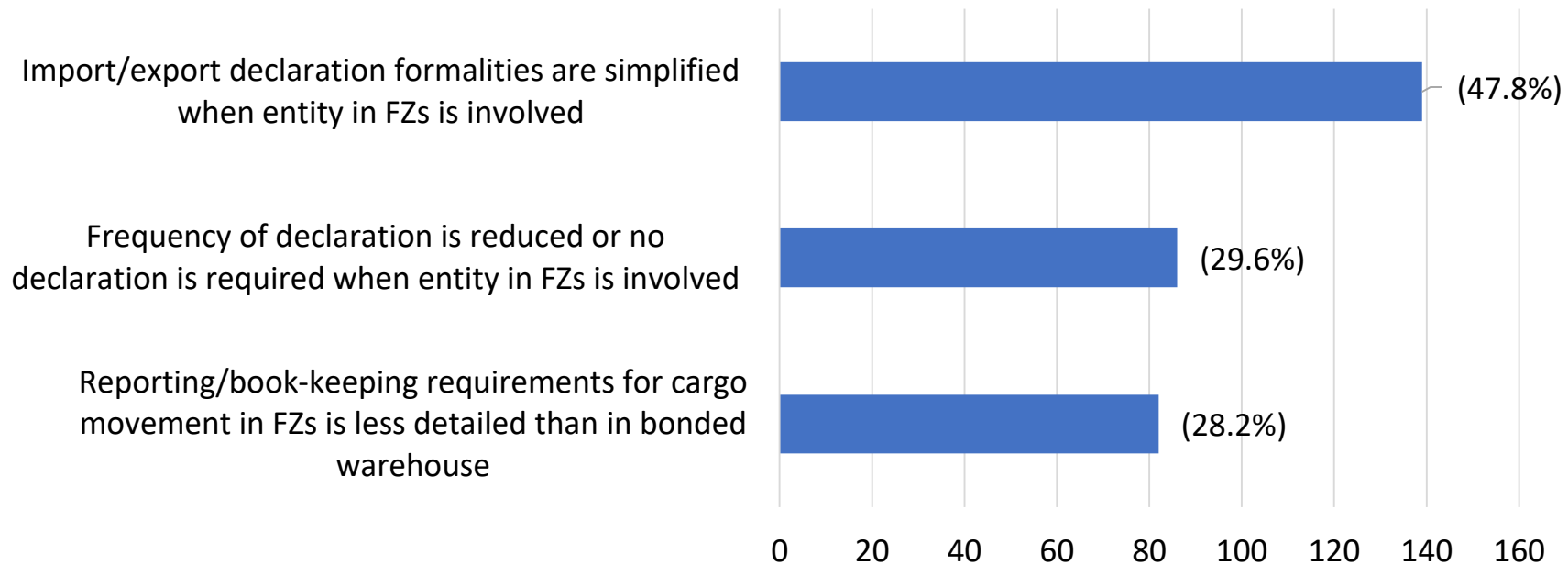


Q: What other characteristics of FZs do you recognize?

PART 1: ECONOMIC BENEFITS OF FZs

- Simplified/expedited nature of Customs procedure is recognized (e.g., formalities, frequency of declaration, bookkeeping)

Simplified/expedited Customs procedure

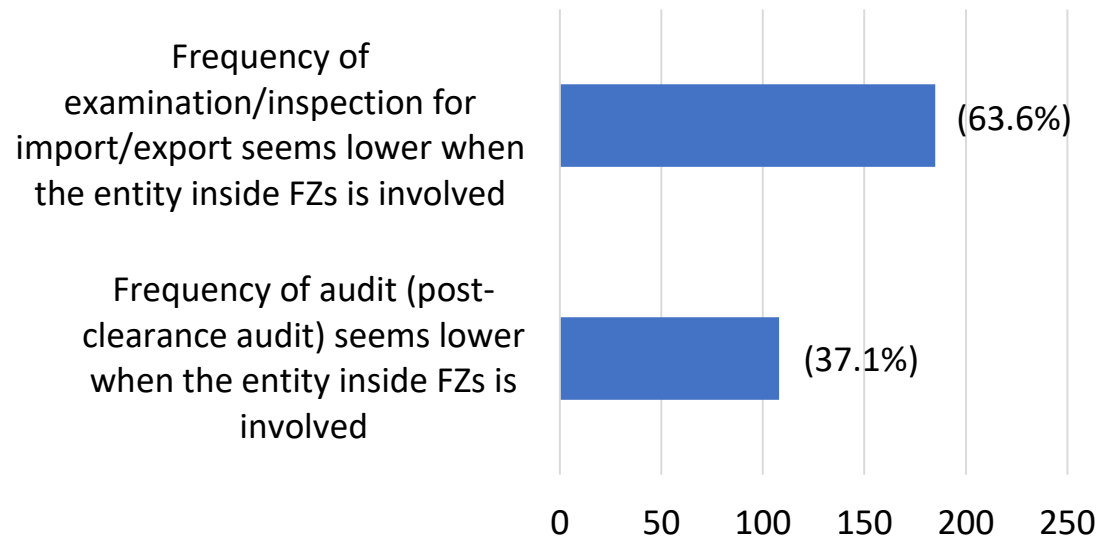


Q: If you checked “Simplified/expedited Customs procedure”, what does that mean?

PART 1: ECONOMIC BENEFITS OF FZs

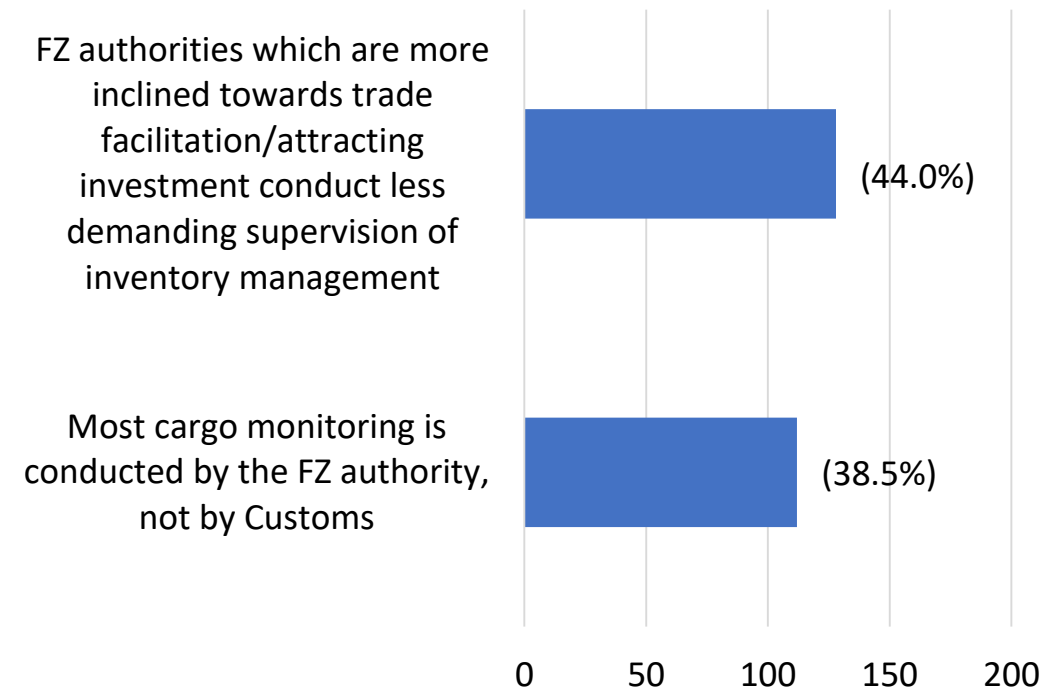
- Simplified/expedited nature at practice-level is also recognized (e.g., frequency of inspection/audit, supervision of inventory management)

Simplified/expedited Customs examination/inspection/audit



Q: If you checked “Simplified/expedited Customs examination/inspection/verification”, what does that mean?

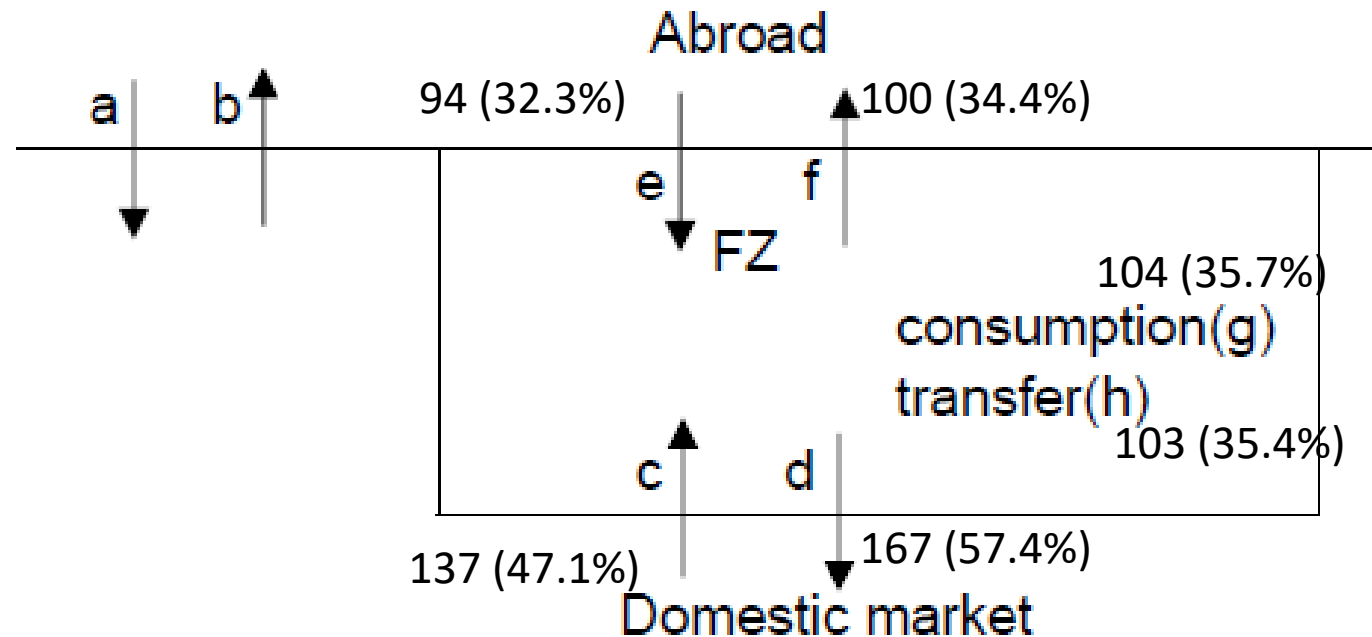
“Lighter Customs intervention”



Q: If you checked “lighter Customs intervention”, which describes that best for you?

PART 2: CUSTOMS PROCEDURES/CONTROLS IN FZs

- Reporting to governmental authority is made at various stages
- Reportings for entry/exit between FZs and domestic market is relatively more recognized than other reportings

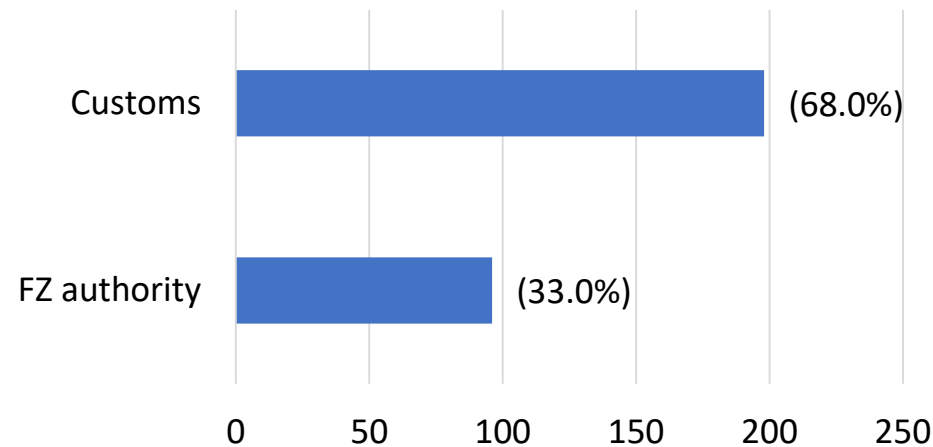


Q: For which of the following cargo movement (c~h) is reporting to a government authority required?

PART 2: CUSTOMS PROCEDURES/CONTROLS IN FZs

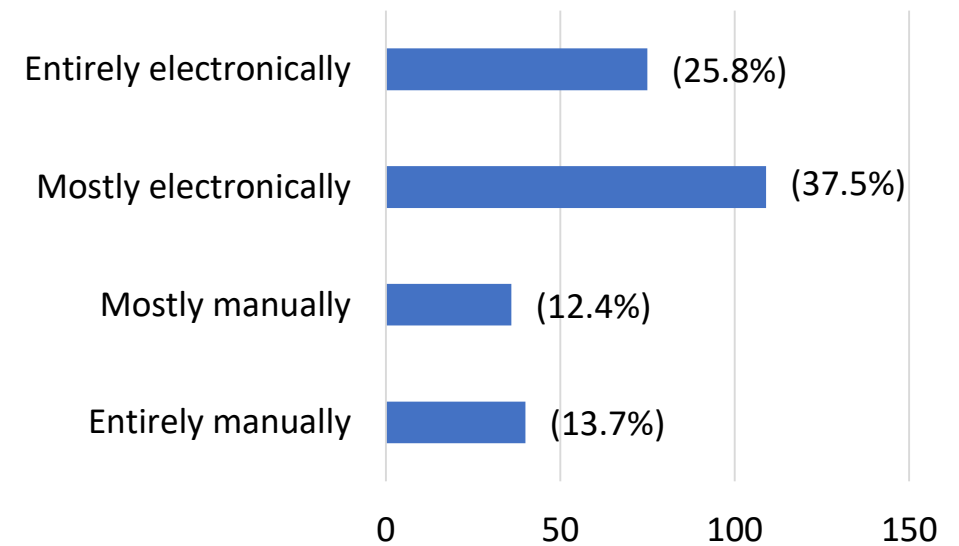
- Reporting to Customs as well as reporting to FZ authority is common
- Recognition that electronic reporting is being made and that manual reporting also exists

To whom cargo movement is reported



Q: To whom must the cargo movement be reported?

How reporting is made

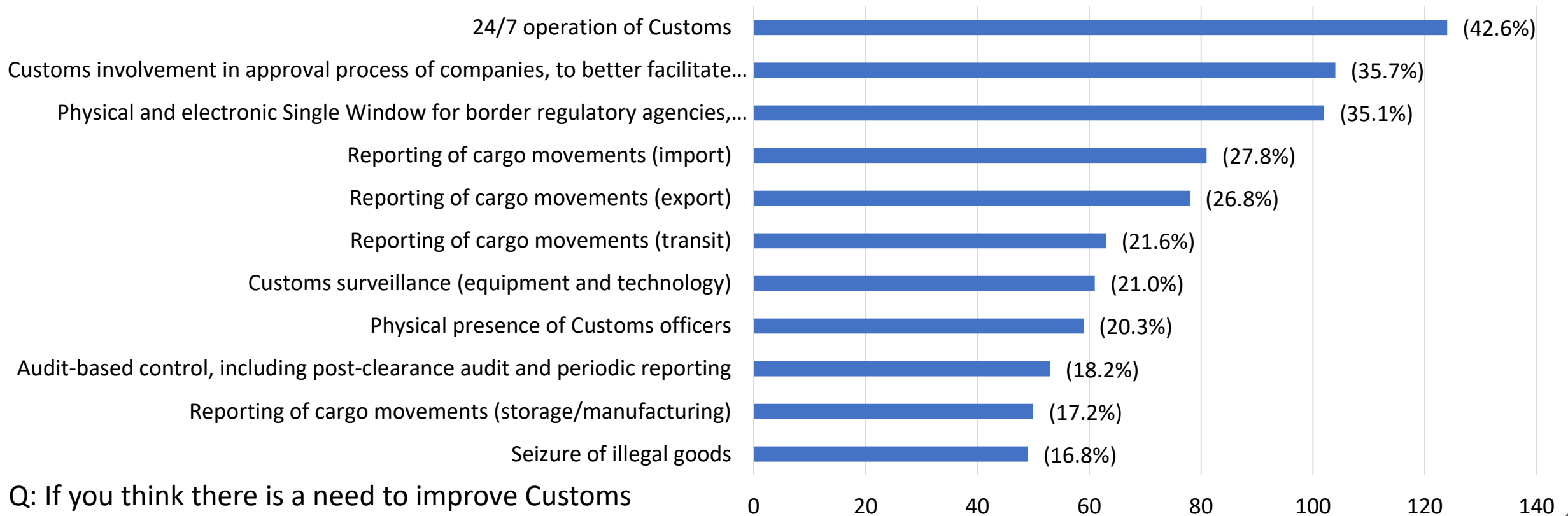


Q: How does the reporting take place?

PART 2: CUSTOMS PROCEDURES/CONTROLS IN FZs

- Recognized improvements include 24/7 operation, Customs' involvement in approving companies, integration of IT system etc.

Perceived necessary improvements in Customs procedures and controls

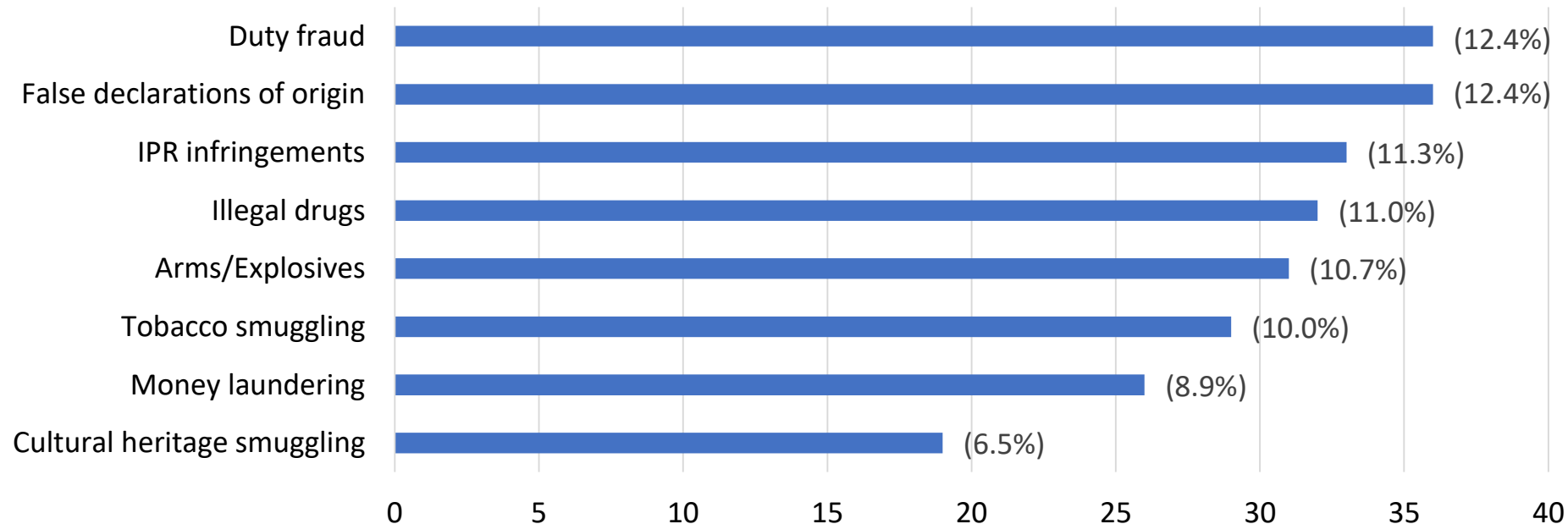


Q: If you think there is a need to improve Customs procedure and controls regarding FZs, please select necessary improvements.

PART 3: ILLICIT TRADE RELATED TO FZs

- Recognition of Illicit trade is not common among private companies; but various types are recognized (e.g., duty fraud, IPR, arms, drugs, cultural heritage, money laundering)

Recognized detection/seizure of illicit trade related to FZs

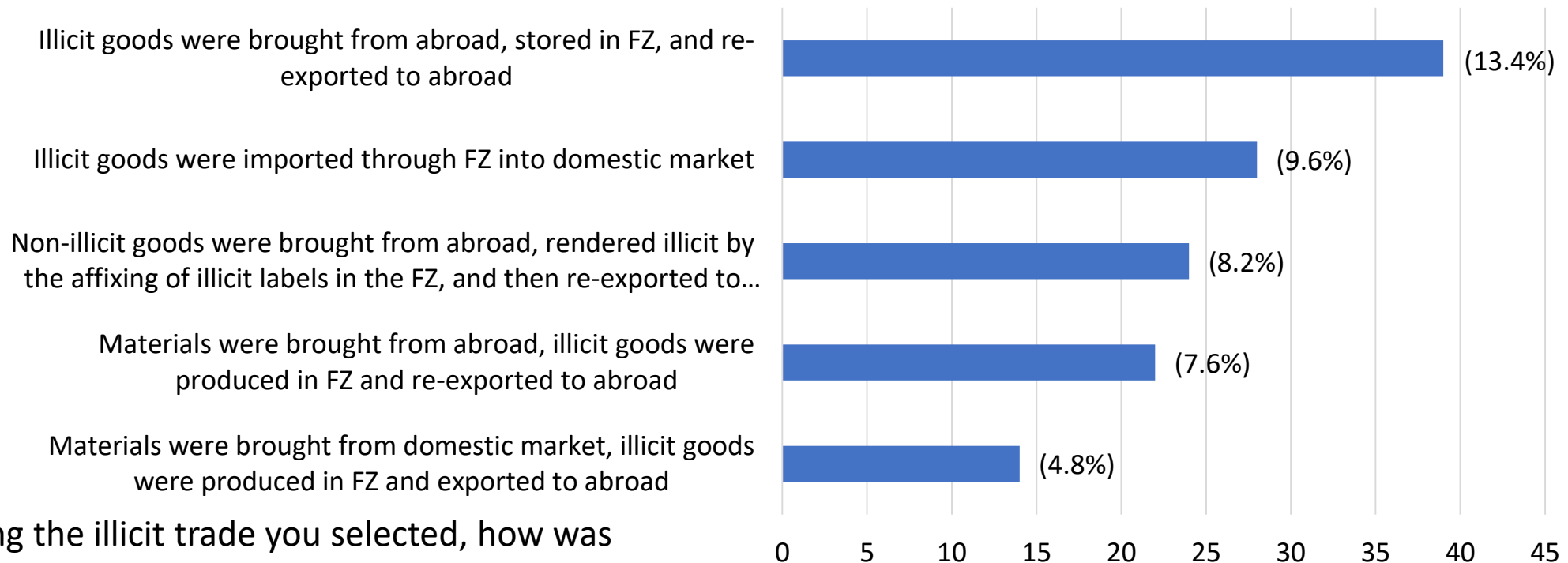


Q: What kinds of detection or seizures of illicit goods related to FZs do you recognize?

PART 3: ILLICIT TRADE RELATED TO FZs

- Misuse of FZs at transit/transshipment phase is relatively common, followed by importation into domestic market phase
- Affixing illicit labels or manufacturing illicit goods in FZs is also recognized

How FZ was utilized for illicit trade

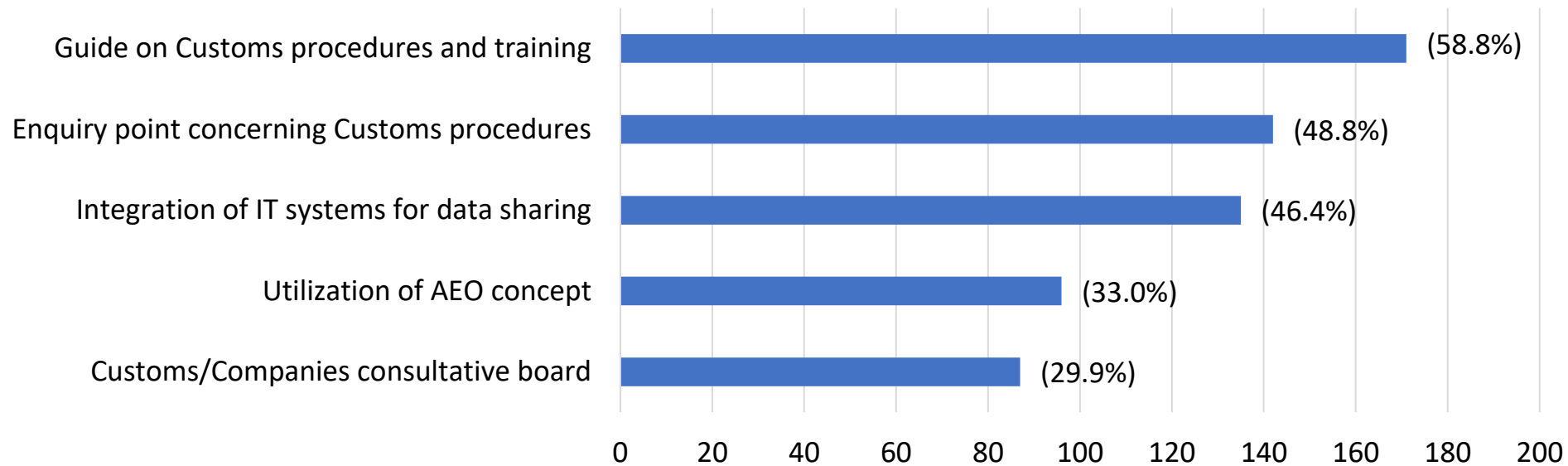


Q: Regarding the illicit trade you selected, how was the FZ utilized?

PART 4: COOPERATION BETWEEN PRIVATE SECTOR AND CUSTOMS

- Recognized possible forms of cooperation include not only enlightenment of companies but also IT integration or utilization of AEO concept

Possible forms of cooperation between private sectors and Customs



Q: Please select possible forms of cooperation with Customs