

# Malaysia launches new information system

**By the Royal Malaysian Customs Department**

The Royal Malaysian Customs Department is working on a new information system, known as *uCustoms*, which will enable effective information-sharing, streamlined procedures, and genuine collaboration among all agencies involved in the clearance process.

CUSTOMS ADMINISTRATIONS ARE under increasing pressure to keep up with the dual challenge of generating revenue and facilitating trade, while protecting society and securing public safety. To do so, many Customs administrations have embarked on implementing complex, high-speed and networked computing systems in response to this dual challenge.

Each of these systems and procedures now need to be integrated into the global logistics network used by commercial operators. They also need to allow traders to submit, using a single electronic gateway, all import, export, and transit information required by regulatory agencies.

In many countries, it is not uncommon for more than 30 different government agencies to play a role in the processing and clearance of goods. It matters little if Customs declarations can be processed electronically while numerous paper-based documents are still required to be submitted.

With this in mind, the Royal Malaysian Customs Department (RMCD) is paving the way for more efficient services by introducing *uCustoms*, an upgraded version of its national Single Window (SW) based on effective information-sharing, streamlining of procedures, and genuine collaboration among all agencies.

The system is to be deployed in phases at all Customs offices nationwide. A simulation to test operations in a technical environment which resembles the production environment is scheduled to take place throughout 2016, and the full-fledged operating system is expected to be launched in 2017.

#### Anywhere, anytime

The *uCustoms* is in essence a set of sub-systems that facilitate trade by allowing traders to submit declarations for import, export and transit transactions, as well as manifests, and to process duty payments online via a secured and customer-friendly portal. The 'u' in *uCustoms* stands for 'ubiquitous,' which conveys the idea that the new system is accessible through all sorts of connected devices at all times.

The system will also be used by cross-border regulatory agencies, other government agencies, permit issuance agencies, and private sector entities involved in supply chain activities, to issue licences electronically.

*uCustoms* covers the eight main clusters of operations managed by Customs, namely registration and licensing, clearance, audit and enforcement, control and prevention, revenue and accounting, knowledge management, system management, and technology.

In addition to the system itself, the following four entities have also been established:

1. The National Targeting Centre, which will collect and share information, analyse data received from scanning machines and CCTVs, undertake risk assessment, and determine the National

Clearance Centre's immediate actions, among other things;

2. The National Clearance Centre, a 24/7 service which will handle self-declaration assessment and clearance for low-risk consignments, and process medium and high-risk declarations;
3. The Customs Examination Area, a complex for cargo clearance inspections at all entrances and exits managed by the Special Inter Agency Taskforce (SIAT);
4. The Customs Consultation Centre, which will serve as the helpdesk for *uCustoms*, and provide further support to the business community.

#### Impact of *uCustoms*

The development of *uCustoms* started with the implementation of a business process re-engineering, or BPR, which involved a fundamental change of thinking, and a radical re-design of processes and procedures to improve the efficiency and effectiveness of service delivery. The development is in line with international standards set by the WCO, thus necessitating input from many parties, such as industry and trade associations, as well as agents and other government agencies, in the creation of a centralized system for processing Customs declarations. The cooperation of financial institutions was also required to facilitate electronic payment of Customs duties, and other future trading solutions.

One of the critical success factors of the project implementation stage was to ensure that a proper and structural communication channel was established to keep stakeholders well informed about the development and implementation of the system. To create awareness about *uCustoms* and to enhance cooperation among all stakeholders, a national awareness campaign was deployed throughout the nation. The campaign was officially launched by the Director General of the RMCD, Dato' Sri Khazali bin Haji Ahmad, on 28 May 2014 in Kuala Lumpur. It was subsequently rolled