



A FRAMEWORK OF STANDARDS TO SECURE AND FACILITATE GLOBAL TRADE

World Customs Organization
Capacity Building Directorate
Urumqi July 2006

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BACKGROUND



- Recognition of risks to the security and facilitation of the international trade supply chain led the WCO to take bold action.
- WCO Council Resolution, June 2002, forming a Joint Customs-Industry Task Force on Security and Facilitation.
- WCO High Level Strategic Group (HLSG) formed to take work forward. Led to the adoption of the WCO *Framework of Standards to Secure and Facilitate Global Trade* (SAFE in June 2005)


SAFE



- Twin Pillars
- Pillar 1, Customs-to-Customs network arrangements
- Pillar 2, Customs-to-Business partnerships
- Seal Integrity Programme for Secure Container Shipments (Appendix to Annex I)
- SAFE is a comprehensive instrument that covers all areas of Customs controls
- Gives equal importance to revenue collection, trade facilitation, and security
- Incorporates modern Customs principles (complements Revised Kyoto Convention)

SAFE - FOUR CORE ELEMENTS

The logo for SAFE (Supply-chain Anti-Fraud and Efficacy) is located in the top right corner. It features a stylized white 'Q' with a blue outline, set against a blue background with a white circular arrow.

1. Advance electronic manifest information
 2. Risk management
 3. Inspection of high-risk cargo
 4. Enhanced trade facilitation for legitimate trade
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- Decorative water ripples are visible in the bottom right corner of the slide.

Pillar 1, Standard 3

Modern Technology in Inspection Equipment



Non-intrusive inspection (NII) equipment and radiation detection equipment should be available and used for conducting inspections, where available and in accordance with risk assessment. This equipment is necessary to inspect high-risk containers or cargo quickly, without disrupting the flow of legitimate trade.



Pillar 1, Standard 4

Risk Management Systems



The Customs administration should establish a risk-management system to identify potentially high-risk shipments and automate that system. The system should include a mechanism for validating threat assessments and targeting decisions and identifying best practices.

Pillar 1, Standard 5

High-risk Cargo or Container



High-risk cargo and container shipments are those for which there is inadequate information to deem shipments as low-risk, that tactical intelligence indicates as high-risk, or that a risk-scoring assessment methodology based on security-related data elements identifies the shipment as high-risk.



Pillar 1, Standard 6

Advance Electronic Information



The Customs administration should require advance electronic information on cargo and container shipments in time for adequate risk assessment to take place.




Pillar 1, Standard 11

Outbound Security Inspections



The Customs administration should conduct outbound security inspection of high-risk containers and cargo at the reasonable request of the importing country.



Authorized Economic Operator, definition of



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. Authorized Economic Operators include inter alia manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors.

Pillar 2, Standard 1

Partnership



Authorized Economic Operators involved in the international trade supply chain will engage in a self-assessment process measured against pre-determined security standards and best practices to ensure that their internal policies and procedures provide adequate safeguards against the compromise of their shipments and containers until they are released from Customs control at destination.

Pillar 2, Standard 3

Authorization



The Customs administration, together with representatives from the trade community, will design validation processes or quality accreditation procedures that offer incentives to businesses through their status as Authorized Economic Operators.



Pillar 2, Standard 4

Technology



All parties will maintain cargo and container integrity by facilitating the use of modern technology.



Pillar 2, Standard 6

Facilitation



The Customs administration will work co-operatively with Authorized Economic Operators to maximize security and facilitation of the international trade supply chain originating in or moving through its Customs territory.



OBJECTIVES



- Certainty and predictability at a global level
- Integrated supply chain management for all transport modes
- Allow Customs to meet the challenges and opportunities of the 21st Century
- Closer cooperation among Customs administrations
- Stronger Customs-to-Business cooperation
- Tangible benefits for businesses
- Seamless movement of goods

BENEFITS



- Nation/governments
 - Security and Facilitation – economic growth and development
 - Improve revenue collection, proper application of national laws and regulations
 - Economic and social protection, support foreign investment
- Customs
 - Exchange of timely and accurate information
 - Improve control, better allocation of resources
 - Customs Reform
- Business
 - Secure, facilitate and promote international trade
 - Authorized Economic Operators

Tangible Benefits for Businesses



- Reduced examinations
- Faster processing of shipments
- Lower administrative costs
- Lower insurance rates in some cases
- Creation of an international system for identifying private businesses that offer a high degree of security



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