WCO Tools on Trade Facilitation
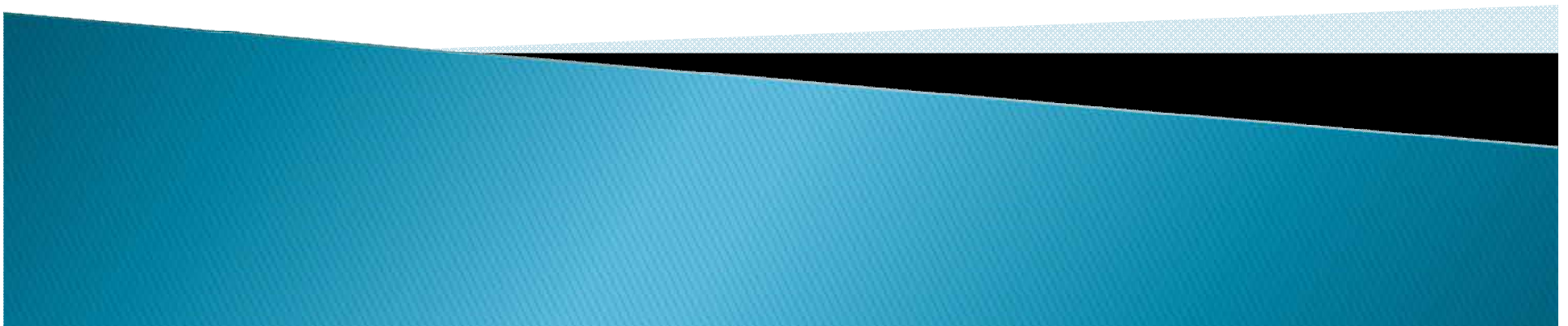
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19 September 2011
Baku, Azerbaijan

WCO in brief

- **Established in Brussels in 1952**
- **177 Members (as of Sept. 2011)**
- **WCO Mission** Statement

    The WCO is an independent intergovernmental body whose mission <u>is **to enhance the efficiency and effectiveness of Member Customs administrations**</u>, thereby assisting them to contribute successfully to national development goals, particularly in the areas of **<u>trade facilitation, revenue collection, community protection and national security</u>**.

WCO Main Activities

- **Develop standards for Customs procedures**
  - ❖ **Harmonized System (HS) – tariff classification**
  - ❖ **Revised Kyoto Convention (RKC) – trade facilitation**
  - ❖ **SAFE Framework of Standards – security**
  - ❖ **Revenue Package – Revenue Collection**

- **Promote international cooperation**
  - ❖ **Share information – donors, members**

- **Capacity Building**
  - ❖ **Columbus Programme – customs modernization**
  - ❖ **PICARD Programme – cooperation with universities**
  - ❖ **Integrity – anti-corruption**
  - ❖ **Regional approach – ROCB, RTC**

WCO Policy Documents (C21)

- **A New strategic direction for Customs**
  - **10 building blocks**
    - For better international cooperation
      - Globally Networked Customs ➡ nCEN, AEO MRA
    - For better coordination at borders
      - Coordinated Border Management ➡ SW
    - For better business compliance, etc
      - Customs and business partnership ➡ AEO, Trust Trader

- **WCO has effort how to implement the policy paper to real Customs world**

New WCO Tools for Trade Facilitation

WCO developed or updated several tools on trade facilitation in 2010-2011

- Compendium on risk Management
- Compendium on Single Window
- Update SAFE package: Compendium on AEO, Guideline on MRA
- Guideline on Time Release Study (TRS)
- Guideline on Revised Kyoto Convention
- Revenue Package
- National Customs Enforcement Network (nCEN)

Risk Management Compendium

- SAFE FOS, RKC and C21st have promoted a multli-layered <u>risk based approach</u>

- Develop Risk Management Compendium (2011)
    - Volume 1: organizational and institutional aspects of risk management in Customs
    - Volume 2 (Customs only): operational risk management (risk assessment, profiling, targeting, risk indicators, analysis, intelligence and information.

Single Window Compendium

- Single Window ⇒ Solution for the complex problems of border automation and information management among multiple agencies

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- WCO Data Model Version 3.0
- Compendium of Single Window (2011)
  - ❖ Governance
  - ❖ Legal
  - ❖ Technical and administrative aspects

Update SAFE Package

- SAFE Framework of Standards (2005)
- AEO Implementation Guidance (2007)

- Update AEO Compendium (2011)
  - ❖ 33 AEO and Compliance Programs
  - ❖ CAREC: China
- Mutual Recognition Arrangement Guideline on AEO (2011)
  - ❖ 17 MRAs (as of May 2011)

Time Release Study Guideline

- Tool to assist with the improvement of procedures by identifying problems and bottlenecks.
- Development of TRS Guide
    - 1994 WCO TRS Handbook
    - 2001 WCO TRS Guideline
    - 2005 WCO TRS Software
    - 2011 WCO update TRS Guideline
- Participation to TRS
    - Australia, Japan, Korea, Indonesia, Philippines, Malaysia, Jordan, Lesotho, Malawi, Nigeria, Kenya, Swaziland, Tanzania, Uzbekistan

Revised Kyoto Convention Guideline

- 1999: WCO adopted RKC
- 2006: RKC entered into force
- 2011(Sept.): 77 contracting parties
  - Azerbaijan, China, Kazakhstan, Mongolia, Pakistan
- Simplification and Harmonization of Customs procedures
  - Body, General Annex, Specific Annex
  - Guideline (not a legal text)
- Update of Guideline

Revenue Package

- To help Members improve the efficiency and effectiveness of revenue collection, in compliance with rules, standards, and guidelines laid down in relevant international agreements, conventions and supporting tools and instruments.

- Revenue Package Action Plan
  - TA to verify the declared Customs Value
  - TA to implement and verify preferential ROO
  - Improve availability, knowledge and use of exiting tools and instruments of the Revenue Package

National Customs Enforcement Network (nCEN)

- nCEN is a multi-layered system comprising databases and communication tools.
  - a centralized database on seizures
  - a database on suspicious persons, companies and means of transportation and/or concealments, a company database and a picture database
  - a secured communication environment, exchange information (include nominal information) between nCEN to nCEN.
- Started pilot project in Mauritius from November 2010.
- Expand introduction of nCEN from 2011

Cooperation between ADB & WCO

- ❑ **ADB and WCO signed MOU on 4 May 2010 in Tashkent (Uzbekistan)**
- ❑ **Main objectives of the MOU**
    - ❖ **Joint technical assistance and projects**
    - ❖ **Enhance information and knowledge sharing**
    - ❖ **Joint analytical work including publication Collaboration**

- ❑ **Activities**
    - ❖ **Preparing publishing a book on Trade Facilitation jointly**
    - ❖ **Workshop on Time release Study for CAREC (September 2010)**
    - ❖ **Trade Facilitation activities to ASEAN Customs**

WCO activities to CAREC Members

- Afghanistan: Professional Associate
- Azerbaijan: ROCB, RTC, Phase II
- China: RTC, World Customs Forum, Phase II
- Kazakhstan: RTC, Revenue Package, Phase II
- Kyrgyz: Phase II
- Mongolia: Phase III
- Pakistan: Planning Phase I
- Tajikistan: Phase II
- Turkmenistan: No letter of Intent
- Uzbekistan: Phase II

  - (note) Phase I, II, III: WCO Columbus Program

Possible future cooperation between ADB and WCO

❑ Organize joint projects
  ❖ Introduction on nCEN to CAREC countries
  ❖ Continue conducting TRS to all CAREC countries
  ❖ Implementation of SAFE FOS within Columbus Program
  ❖ Research on Trade Facilitation

❑ Provide capacity building and technical assistance
  ❖ Pool of regional experts
  ❖ Providing management and technical training for customs modernization

❑ Support ROCB and RTCs in CAREC region

Thank you for your attention

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