

WCO TRS: Overview, Purpose and Methodology

Central Asia Regional Economic Cooperation (CAREC)
Training Workshop on Time Release Study

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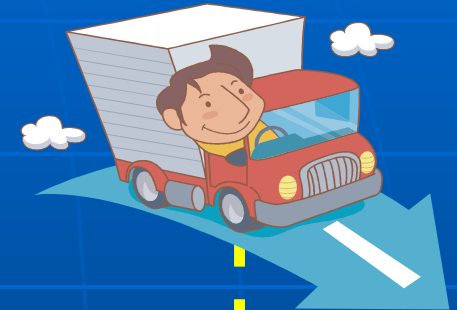
TRS: Overview

Basic Concept

TRS and Trade Facilitation

- ✓ Huge increase in cross border trading as a result of globalization, customs role in trade facilitation (TF) becomes more prominent.
- ✓ TF : expediting the movement, clearance & release of goods
- ✓ TRS is a unique tool and method for measuring the actual time required from arrival of goods to its release.

What is TRS?



Shipping company
Shipping agent
Port Authority, etc.

Importer,
Customs broker
Container Yard
OGAs, etc.

Customs,
Bank,
Customs
broker

Port Authority
Container Yard
Warehouse,
Forwarder, etc.

Shipping

Unloading

Declaration

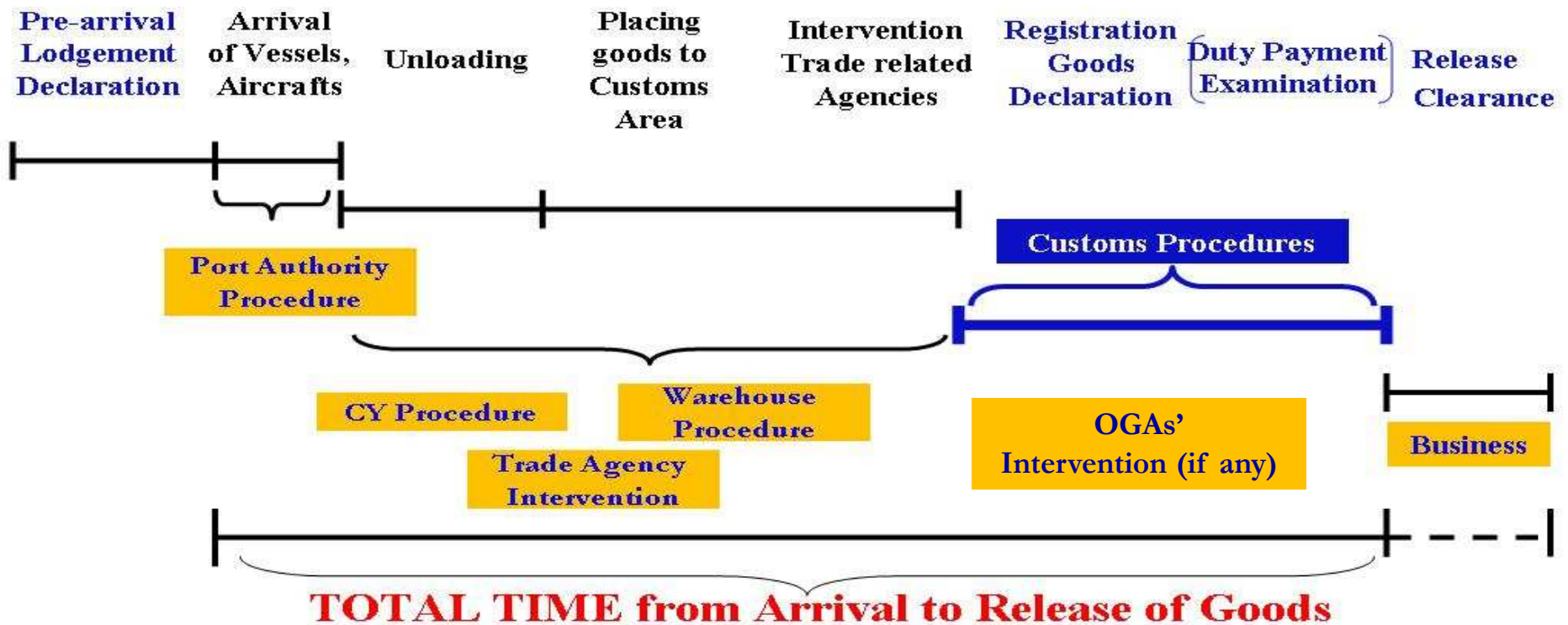
Customs
release

Clearance

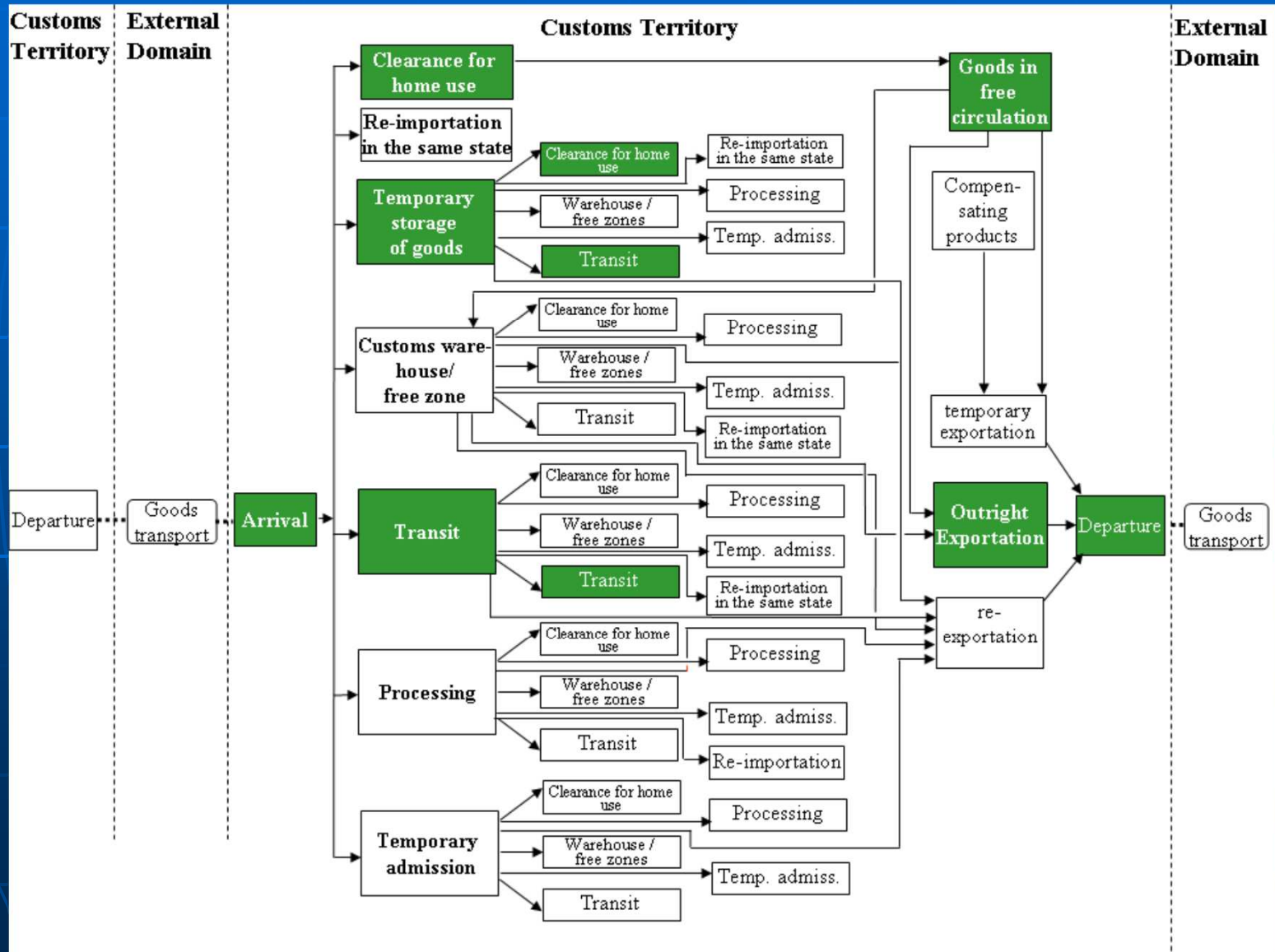
Image of TRS

Cargo Flow from Arrival to Release of Goods

Sea cargo & Air cargo



Possible Scope



Why do we focus on TRS?

For Yourself:

- ✓ Establish Baseline of the Current Border Performance
- ✓ Self-Assessment of Ourselves
- ✓ Improvement for Our Border Performance
- ✓ Further Transparency
- ✓ Further Trade Facilitation
- ✓ Further Foreign Direct Investment

For Meaningful Support by Donor :

Countries	Donor	Technical Assistance
Jordan, Lesotho, Malawi, Nigeria..	USAID	WCO
Indonesia & Philippines ...	JICA	
Kenya, Swaziland, Tanzania, ...	Stakeholder	
ASEAN Countries CAREC 8 Countries	ADB	
EAC Countries, SACU Countries , COMESA Countries	WB	

As a Preparation of Multilateral Rules:

- DRAFT CONSOLIDATED NEGOTIATING TEXT ON TRADE FACILITATION (TN/TF/W/165/Rev.14) Article 7.5.1
- *Members [shall] [are encouraged to] measure and publish their average release time of goods periodically and in a consistent manner [, using tools such as, inter alia, the WCO Time Release Study].*

WCO Tools on TRS

- 1) Guide To Measure The Time Required For the Release of Goods - Version 2 in 2011
- 2) Internet Software for the TRS
(<http://members.wcoomd.org/trs/index.asp>)
- 3) User Manual for TRS Software

WCO Tools on TRS

The screenshot displays the World Customs Organization (WCO) website. The page title is "Time Release Study". The left sidebar contains a navigation menu with categories such as "NOMENCLATURE AND CLASSIFICATION OF GOODS", "VALUATION", "ORIGIN", "ENFORCEMENT AND COMPLIANCE", "PROCEDURES AND FACILITATION", and "Resources". Under "PROCEDURES AND FACILITATION", the "Tools" option is selected. The main content area features a "Time Release Study" section with a "More Information" button and two paragraphs of text. Below this is a "DOWNLOADS" section with four links:

- [Guide to Measure the Time Required for the Release of Goods | pdf | 1.2 MB](#)
- [User Manual Internet Software for the Time Release Study | pdf | 2.1 MB](#)
- [User Manual - Internet Software for the Time Release Study \[pt\] | pdf | 3.3 MB](#)
- [TRS_Guide_esp | pdf | 1.4 MB](#)

A yellow arrow points to the "TRS_Guide_esp | pdf | 1.4 MB" link. The bottom of the page shows a Windows taskbar with various application icons and a system clock displaying "10:01 2013/7/18".

TRS: Purpose

Objectives

- ✓ Identifying bottleneck processes affecting customs release
- ✓ Assessing new procedures, operations, etc.
- ✓ Establishing baseline TF performance measurement
- ✓ Identifying opportunities for TF improvement
- ✓ Estimating the country's approximate position as a benchmarking tool

Possible Use of Study Results

Procedures, Processes & Legislation

- ✓ Diagnose the efficiency of specific customs procedures
- ✓ Take measures to improve compliance or enforcement
- ✓ Simplify and harmonize customs procedures
- ✓ Automate Customs processes
- ✓ Draft / modify relevant Customs legislation

Possible Use of Study Results

Organization

- ✓ Reallocate staff and resources for optimal utilization
- ✓ Initiate organizational reform
- ✓ Support requests for human, financial and technical resources
- ✓ Address anti-corruption measures
- ✓ Train staff

Possible Use of Study Results

Performance Measurement & PR

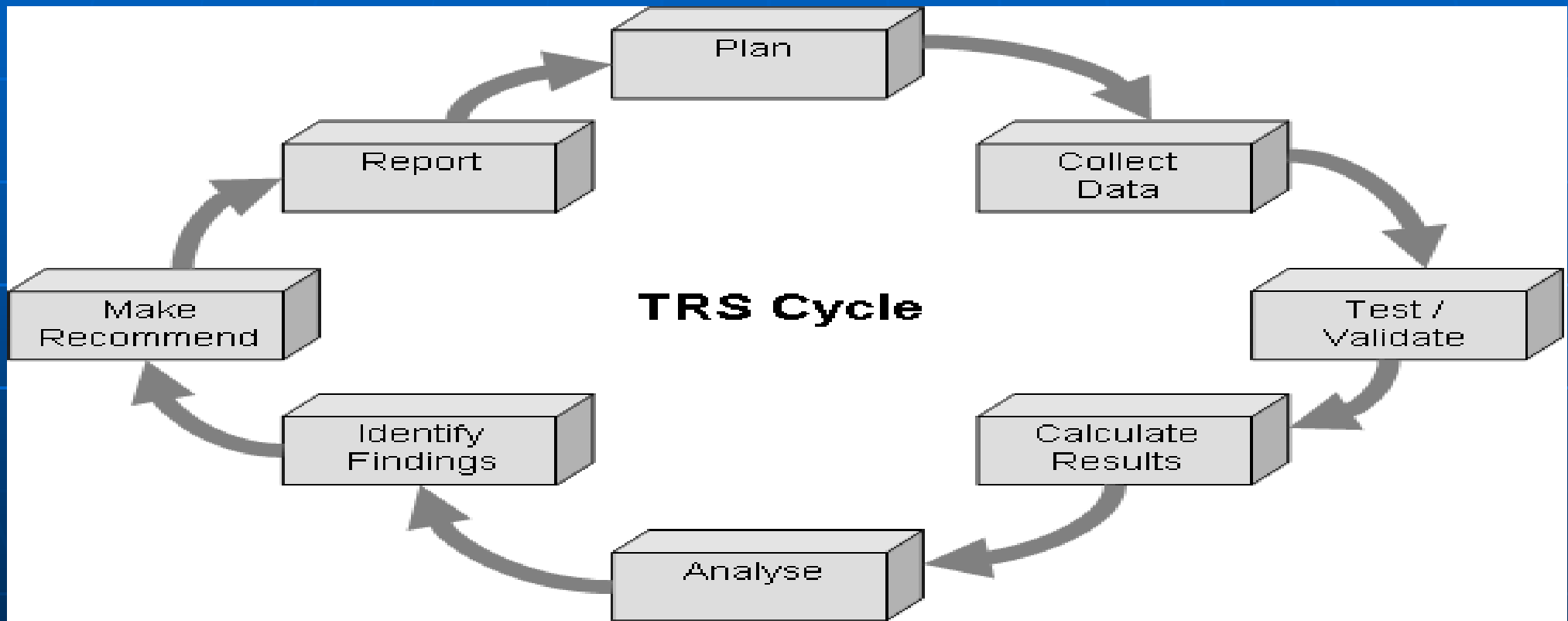
- ✓ Use as a quality assurance mechanism
- ✓ Benchmark trade facilitation performance levels
- ✓ Improve customs transparency and promote PR
- ✓ Use with OGAs & trading community for further enhancement of TF measures

Approaches

- ✓ Macro-Economic Approach
- ✓ Strategic Planning Approach
- ✓ Management Approach
- ✓ CBM Approach
- ✓ Modernization Approach
- ✓ Customs-to-Business Partnership Approach
- ✓ Customs-to-Customs Partnership Approach

TRS: Methodology

TRS Cycle



3-Phase TRS Framework

Phase 1

Preparation of the Study

Phase 2

Data Collection and Recording

Phase 3

Data Analysis and Conclusions

3-Phase TRS Framework

Phase 1: Preparation of the Study

- (1) Establishment of Working Group (WG)
- (2) Scope and Design for the Study
- (3) Planning and Methodology
- (4) Test-run

3-Phase TRS Framework

(1) Establishment of WG

- ✓ Headed by Customs officials at senior mgt
- ✓ 5-10 core members, whose expertise should cover customs procedures & legislation; organization matters & administrative procedures; computer & statistic processing;
- ✓ Liaison officers from Selected stations
- ✓ Representatives form Various Stakeholders;
- ✓ Technical Collaborator (ADB, WCO);

3-Phase TRS Framework

(1) Establishment of WG (Cont'd)

- ✓ Involve as many OGAs and stakeholders in the supply chain at the inception
- ✓ Prepare the Terms of Reference

3-Phase TRS Framework

(1) Establishment of WG (Cont'd)

- ✓ Given due authority for TRS implementation
- ✓ Lay down the functions and responsibilities of WG, which include, but not limited to:
 - Prepare, plan and implement the study
 - Ensure good cooperation among all OGAs and stakeholders as well as within Customs, deliver briefings and organize meetings as and when required
 - Arrange wide publicity for the TRS

3-Phase TRS Framework

(2) Scope & Design for the Study

- ✓ Customs only / all parties in supply chain?
- ✓ Locations?
- ✓ Procedures to be covered (import / export / transit)?
- ✓ Types of consignments?
- ✓ Duration?

3-Phase TRS Framework

(3) Planning and Methodology

✓ Geographical Scope

- Choose locations with a large volume of traffic and a wide variety of consignments

3-Phase TRS Framework

(3) Planning and Methodology (Cont'd)

✓ Choice of Traffic

- Cover air / sea / rail / road / all?
- Conduct simultaneously for all / consecutively for different traffic?
- Analyze postal traffic separately

3-Phase TRS Framework

(3) Planning and Methodology (Cont'd)

✓ Duration and Timing

- Cover at least 7 consecutive working days
- Choose the period of normal traffic (not seasonal peak)

✓ Types of Goods

- Recommend to include all types

3-Phase TRS Framework

(3) Planning and Methodology (Cont'd)

✓ Environmental Scan and Workflow Mapping

- Conduct environmental scan attain comprehensive information on the TRS-related operations (involving all parties in the supply chain) and physical environment of the locations chosen
- Map out various workflows for locations chosen

3-Phase TRS Framework

(3) Planning and Methodology (Cont'd)

- ✓ Preparation for Data Collection
 - Design a form for data collection [*Sample documents at Appendix 2 & 3, WCO TRS Guidelines (2011)*]
 - Formulate guidelines for data collection and input (what? how? by whom?)
 - Provide a list of definitions for certain activities [*Sample document at Appendix 3B, WCO TRS Guidelines (2011)*]

3-Phase TRS Framework

(3) Planning and Methodology (Cont'd)

✓ Sampling

- Recommend to capture all transactions
- For homogenous population, a sample of 30 selected randomly should suffice
- Consult statistician for sampling strategy & methodology whenever necessary

✓ Test Run

- Test feasibility of work plan & implementation

3-Phase TRS Framework

Phase 2: Data Collection & Recording

- ✓ Ascertain all the processes and records involved (automated / manual)
- ✓ Ascertain the processes and the parties responsible for collection & recoding the data
- ✓ Arrange to distribute the survey forms to customs brokers and freight forwarders in advance
- ✓ Arrange appropriate training / briefing to staff / parties involved where necessary

3-Phase TRS Framework

Phase 2: Data Collection & Recording (Cont'd)

- ✓ Use 24-hr clock for time recording
- ✓ Capture “zero” time for release of cargo prior to its arrival
- ✓ Designate staff other than those who involve in customs clearance to fill in the survey
- ✓ Collect retrospectively those data, which have been recorded in the manual records or computer system during the normal course of clearance process

3-Phase TRS Framework

Phase 3: Data Analysis & Conclusion

✓ Data Analysis

- Ensure that all data collection forms are returned
- Verify raw data in every form for accuracy & quality
- Set aside data collection forms with errors pending further verification (Data still usable if the errors are not significant)

3-Phase TRS Framework

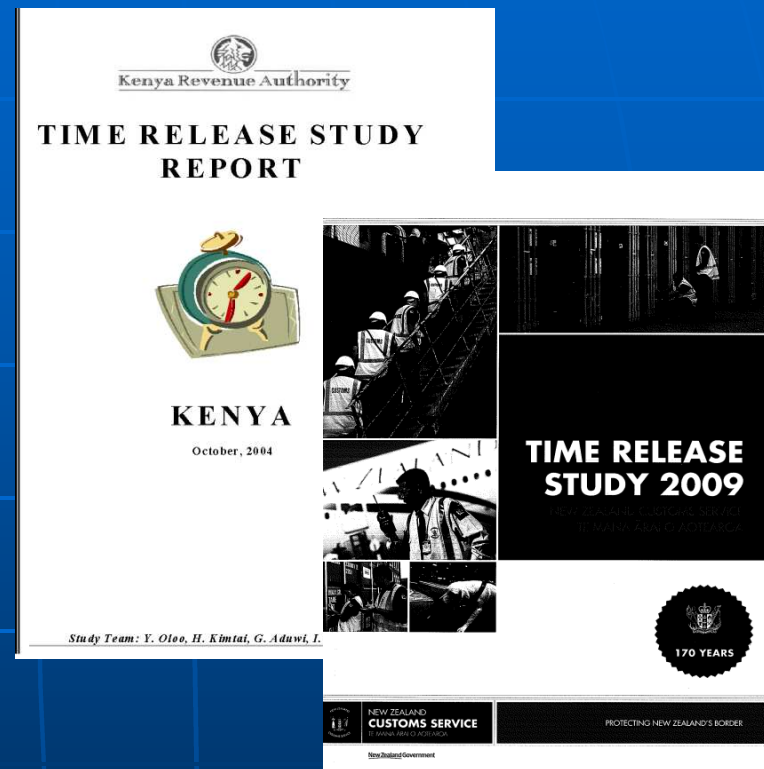
✓ Data Analysis (Cont'd)

- Set aside incomplete forms pending further examination (Missing data may be extracted from the automated clearance system.)
- Use WCO software or alternative means for data processing
- Analyze the verified data with due regard to the objectives and approach adopted

3-Phase TRS Framework

✓ Final Report

- Objectives
- Scope
- Methodology
- Analysis
- Conclusion
- Recommendation (Action Plan)



[Model Report Format at Appendix 5, WCO Guide TRS (2011)]

3-Phase TRS Framework

✓ Press Release

- To increase transparency of Customs procedures
- To demonstrate Customs commitment to TF to the trading community
- To communicate findings and recommendations for further improvement

Tips for Success

- ✓ Proper planning and monitoring
- ✓ Good communication with parties involved
- ✓ Objectivity in analysis and report
- ✓ Adequate publicity for the findings & way forward

Thank you