

MONGOLIAN CUSTOMS

Country report

SAFE Framework of Standards to

Secure and Facilitate Global Trade

Self assessment checklist

The views expressed in this paper are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB) or its Board of Directors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequences of their use. Terminology used may not necessarily be consistent with ADB official terms.

INTRODUCTION

- ▶ In 2005, WCO adopted SAFE FoS
- ▶ WCO members /including Mongolia/ signed to implement SAFE
- ▶ Members need substantial capacity building to start the implementation process

SELF-ASSESSMENT CHECKLIST

CONDITION

- ▶ Letter of Intent is signed and submitted to the WCO
- ▶ FoS self-assessment is done and the result is sent to the WCO
- ▶ CB request letter from Minister, endorsed by DG

SELF-ASSESSMENT CHECKLIST FOR THE FRAMEWORK OF STANDARDS TO SECURE AND FACILITATE GLOBAL TRADE

to identify their needs
for modernization and reform
through use of the

WCO Diagnostic

SELF-ASSESSMENT CHECKLIST

Mongolian Customs

- ▶ July 2005-Aug 2005
 - ▶ Totally 130 questions 8 parts
- analysis of current situation

Based on information obtained from operational staffs
to summarize the research outcomes of the Divisions

WCO SELF-ASSESSMENT CHECKLIST FOR THE FRAMEWORK OF STANDARDS TO SECURE AND FACILITATE GLOBAL TRADE

- ▼ Strategic Management
- ▼ Resources
- ▼ Legal Framework
- ▼ Systems and Procedures
- ▼ Information and Communication Technology
- ▼ External co-operation
- ▼ Communication and Partnership
- ▼ Integrity

MONGOLIA has a :

- ▶ Foreign trade with 72 countries,
- ▶ Duties set at 5%,
- ▶ VAT 15%,
- ▶ 1USD fee on postal importation and 6USD fee on cargo,
- ▶ Export duties on a limited goods /camel hair, cashmere, goat skins.../

Environment of Mongolian Customs

- ▶ Government implementing agency supervised by the Minister of Finance
- ▶ Responsible for administration of customs legislation, overall on imp/exp assessment, collection of duties, compilation of trade statistics and combating Customs offences
- ▶ Collects 36% of the State revenues
- ▶ Headquartered in ULAANBAATAR, 17 customs houses with 51 border points

MONGOLIAN CUSTOMS has a:

- ▶ 9 divisions,
- ▶ Customs laboratory,
- ▶ Customs and Economic Institute,
- ▶ Detector dog centre,
- ▶ 850 Customs officers who entitled by law to examine and release goods,
- ▶ 35% between the ages 25 and 35,
- ▶ 80% of the employees have higher education

Strategic Management of Mongolian Customs

► STRATEGIC PLAN

- updated every 3 years,
- monitored by the DIVISION of PUBLIC ADMINISTRATION and GOVERNANCE
- 2006-2008 are revised

2006- Year of Trade Facilitation

Year of Trade Facilitation

- ▶ Upgrading the Customs legislation
- ▶ Risk management application
- ▶ IT development
- ▶ Partnership with business community
- ▶ Joint customs control
- ▶ Introduction of single-window system
- ▶ Customs integrity and capacity building

Resources

supervised by the **Ministry of Finance**

Given a **yearly target** on revenue collection,
based on a 5 year average and other
economic factors,

Ministry of Finance

**Allocates the final budget to Mongolian
Customs**

Resources

FINANCE AND INVESTMENT DIVISION OF MONGOLIAN CUSTOMS

- Planning and controlling use of budgeted expenditures
- Collecting revenue and customs fees
- Administering customs financial activities
- Controlling accounting procedures
- Compiling and evaluating financial statements
- Collecting and using the development fund and solving social issues

Human resources

Customs & Economic Institute

established in 2002

- coordination of national training
- works in cooperation with the regional training centers

2/5 year course to a

Bachelor and/or Master degree on

'Foreign Trade & Customs Management'

Human resources

Customs & Economic Institute

research work in the areas:

- developing Customs policy
- completion of legislation in accordance with the International Standard
- Customs control directed to protect health and food safety

The Curriculum for Customs officers for 2006 including
SAFE FoS,
new skills into trade facilitation,
IT issues,
risk management and the Revised Kyoto Convention.

Legal Framework

CUSTOMS LAW & CUSTOMS TARIFF LAW

/Adopted in 1996

They are under revision and new version is to be introduced to the Parliament for approval this year/

allows

Customs to share information with other agencies and Customs administrations

Systems and Procedures

- ▶ Clearance takes place at inland Customs office
- ▶ Electronic/paper combination and manual procedures of export and import system
- ▶ Controls are carried out when the goods and documents presented
- ▶ Using a e-MANIFEST /prepared by the freight forwarder and submitted to Customs/
- ▶ International and internal transit, transshipment all occur under Customs control
- ▶ Implementing automated risk management and risk assessment

Systems and Procedures

- ▶ Transfer customs process into ONE STOP service
- ▶ Reduce the clearance time
- ▶ Using of modern equipments and technology
- ▶ Expand Post Clearance Audit, improve its efficiency
- ▶ Establish permanent and relocable laboratory
- ▶ Modernize national level of HS, additions in national level

Systems and Procedures

POST CLEARANCE & AUDIT DIVISION of MONGOLIAN CUSTOMS

since 1999

Risk indicators developed by own staff based
on information received from the Customs
houses.

Information and Communication Technology

Mongolian Customs has developed
own IT system **GAMAS**
which replaced ASICUDA SYSTEM

- Declaration handling
- Risk management
- Statistics
- Manifest controls
- Information system structure
- E manifest
- E customs
- Customs mailbox

Information and Communication Technology

- ▶ Mongolian Customs introduced own national system, GAMAS from 2002 replacing ASICUDA for newly-developed automated data interchange system for customs purpose
- ▶ GAMAS allows to clear goods electronically
- ▶ Network between customhouses and headquarters, compiles trade statistics
- ▶ Paperless declaration system, online payment

External co-operation

CUSTOMS POLICY & COOPERATION DIVISION of MONGOLIAN CUSTOMS

International contacts

Customs co-operation arrangements

Representation in international for a WCO,APEC

currently responsible for the co-ordination of
analysis and implementation of the SAFE FoS

Communication and Partnership Government agencies

- ▶ The Agency for Standardization and Metrology /for dangerous, veterinary and environmental related goods/
- ▶ The State Special Inspection Agency /for phyto-sanitary, food quality, medicine, drugs ecologic and veterinary matters/
- ▶ Police /combating drugs, criminal cases/

Communication and Partnership Commercial Stakeholders

- ▶ Mongolian National Chamber of Commerce MoU
- ▶ Relationship between customs and third parties, close ties and cooperation with business community to achieve greater compliance with customs legislation
- ▶ Customs provides timely information on newly adopted rulings and procedures

Integrity

- Customs integrity is included 2006 STRATEGIC PLAN
- A code of conduct for Customs Officers is enshrined in law
- WCO Arusha declaration
- A free telephone numbers to report Customs officers who abuse power

The Mongolian Customs met the criteria for assistance from the WCO

Mr Robert Struthers and Mr Henk Van Zandwijk

WCO team to conducted a study , overall capacity
SAFE FoS

from 3 April to 14 April 2006, Ulaanbaatar.

WCO TEAM IN MONGOLIA



The background is a dark blue-grey color. It features a faint, light-grey graphic on the left side that includes a compass rose with a needle pointing towards the top-left, and several concentric, irregular lines resembling a topographic map. The text is centered in the upper half of the image.

Thank you for listening

<http://www.ecustoms.mn>