



Intelligent Risk Management and Intervention Systems

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Risk Management and Scanning Cotecna's Unique Experience

- > Currently five (5) countries using Cotecna Risk Management and Scanners combined.**
- > Another three (3) countries using Cotecna Risk Management and another one using Scanners operated by Cotecna.**
- > Results obtained so far:**
 - > Reduction in inspections (100% to 30%) –**
 - > Revenue increase of 20%.**
 - > Optimization of human and material resources**
 - > Facilitation of container flow**
 - > Port decongestion**
- > Currently 5 other countries negotiating implementation of CRMS**
- > In April 2002, Cotecna demonstrated its CRMS to the IMF and the World Bank in Washington.**

Different Approaches

Different objectives lead to different approaches

- > **Random Selection:** 10% of import transactions for inspection
- > **Selectivity:** identifying risk criteria through customs officers' experience or gut feeling/subjective judgment
- > **Probability Computation:** identifying risk criteria through automated statistical methods using econometrical modeling.

Cotecna Risk Management System

The Concept

Risk assessed is probability of non-compliance with rules/standards:

- Loss of revenue
- Threats to public safety and health
- Security breaches
- Loss or injury to local industry or trade, etc.

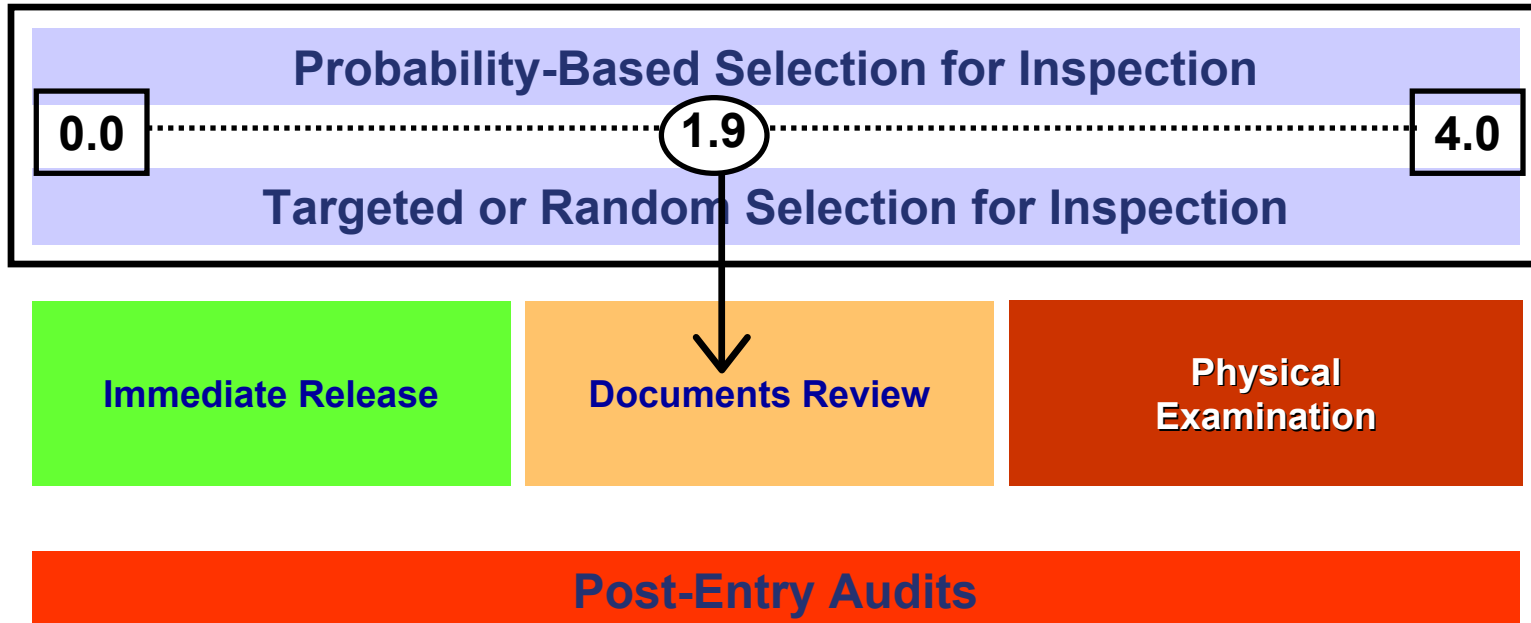
Cotecna CRMS based on «Scoring» Method widely used by Financial Institutions, Banks, Insurance Companies.

The «Scoring» is the sum of Weights by Notes for each criteria member connected to a new declaration (in the example, 1.9).

Criteria Family	Importer	Exporter	Good	Broker	Origin	Regime
Weight	0.4	0.2	0.9	0.2	0.9	0.3
Criteria Member	Tabily	HP	HS 84 . e-parts	Suvi Inc	China	Temp
Note	0.8	0.1	0.6	0.6	0.7	0.9

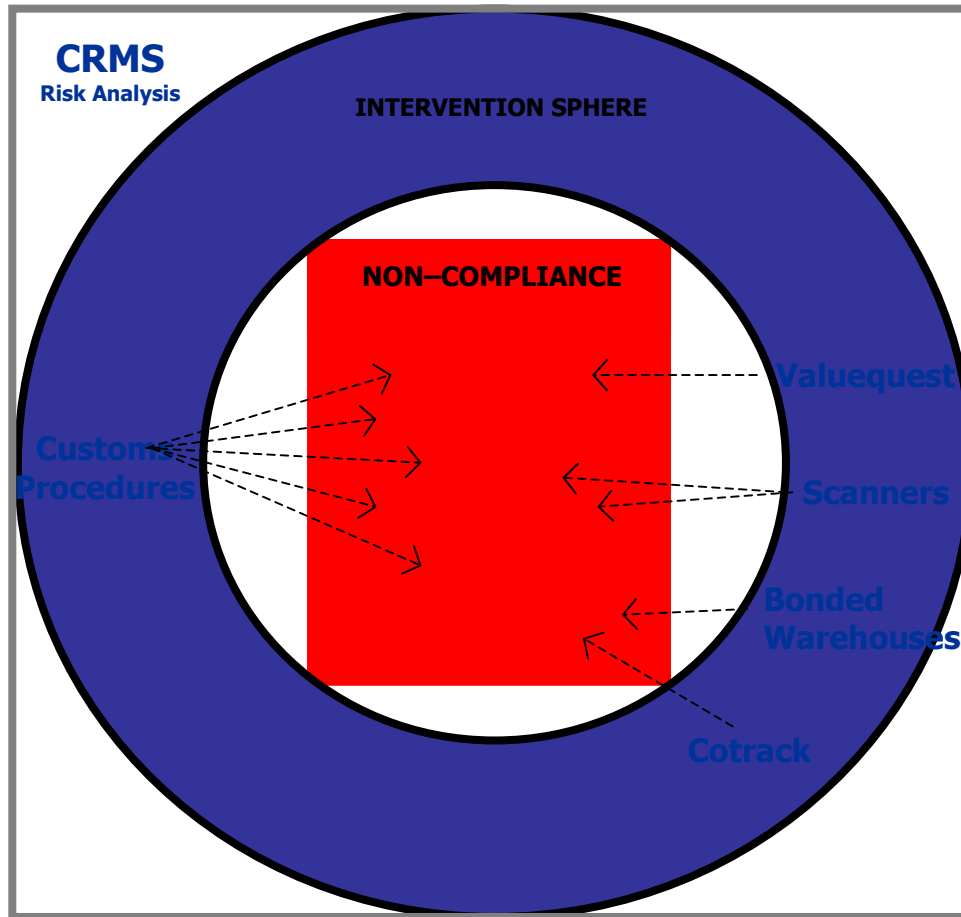
Intervention Levels related to Risk

Cotecna's CRMS



Treating Risk Cotecna Vision

CUSTOMS INTELLIGENCE DOMAINE



Scanning An Intervention Tool



Scanning and Risk Management

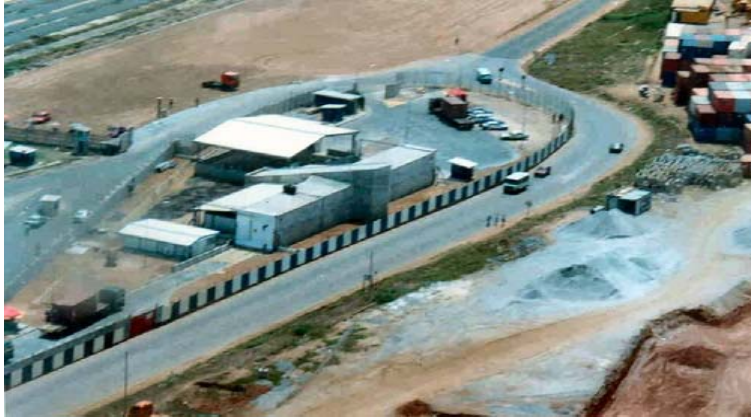


With Risk Management – Very Efficient Customs Tool

- > Non-Intrusive
- > Fast
- > Facilitates Trade
- > Increases Security
- > Enhances Revenues
- > Smoothes Container Flow
- > Deterrent Effect



Scanning and Risk Management



How does CRMS enhance X-Ray Scanning?

- > Identifies more precisely the nature of risk associated with each shipment
- > Assists Customs in regulating both the volumes and type of shipments directed through Scanning

