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Electron automated data processing system of Mongolian Customs Service

On 25th May, 2001 an instruction #345 was approved for accomplishing new software named GAMAS as customs automated data processing system by Director of Customs General Administration of Mongolia.

So far in the framework of this decision several systems have been carried out and are introduced below:

1. Unified custom clearance system
2. Unified duty assessment system
3. Cargo manifest system
4. Risk management system
5. Exterior and Long distance declaring system
6. Online declaration
7. Electronic payment or e-payment

Since 2004, Risk Management System which is recently counted as the main goal of World Customs Service has been developed as well as e-bank or electronic payment system. Additionally in this year declaration system based on internet (online declaration) was introduced for the first time.

For fulfilling our main purpose, to introduce customs automated data processing system and e-customs to Mongolian Custom Service, we have started implementing the following systems:

1. Risk Management System

Core objectives of the system are to control over the tax payment, price and documentary clearance of goods coming in, to assess the clearance risk according to the clearance offence or the information given by big companies about good owner and to establish an effective control system and clearance operation.

Risk control can be classified onto 3 levels.

- Red Alert as 80-100% control
- Yellow Alert as 20-80% control
- Green Alert as -20% control

The control modules of risk system are

The main purpose of the system is to organize the document collection procedures and inspection or checking properly by controlling the collection of the documents for the importing products through the custom point of Mongolia, its prices and evaluations and taxation payments and determining the risks for collecting the custom documentation based on the violations related to the custom documentation and information about the product importer gathered from the larger organizations. The major activity of the risk automation is to put control over the custom documentation procedures for the products imported through the custom by the business entities and individuals and predetermine the possible violations by using the computer.

Some of the examples of the major inspections and checking used for calculating the risks are as follows:

1. Determining the risk of primary document of the product or luggage manifest,
 - To write the manifesting for the imported products through the custom point and check the electronic data with the original documents for the products arrived at the certain terminal.
2. Document collection risks,
 - 2.1. Recalculate whether the risk of manifest is revealed or not,
 - 2.2. Whether the importer has a payable to the custom organizations,
 - If the importer has committed any debt issue while importing the products through the other custom points and did not pay for such debts on time, the custom documentation shall be stopped.
 - 2.3. Documentation for temporary procedure.
 - To determine whether the importer is having the documentation for temporary procedure made or did not export or import after having the documentation for temporary procedure made.
 - 2.4. Whether the importer committed the administrative or criminal violations or not,
 - If the importer has committed any of the administrative violations according to the custom law while having the custom documentation prepared, the importer shall undergo the RED and YELLOW lights inspection depending on the number of violations.
 - 2.5. Whether the importer has committed any inspection violations after the custom documentation is done,
 - If any of the violations was revealed by the inspection after the custom documentation, act is levied to the business entity and the she did not pay the penalty, the custom documentation shall be stopped.
 - 2.6. Whether the business entity is a new importer,
 - As for the business entities that are crossing the custom point at first time and having the custom documentation made, the risk might be higher and therefore, she should undergo the RED lights' inspection.
 - 2.7. Inspection of the price and evaluation.
 - This inspection is made by preventing from determining the price and evaluation of the products of which the custom documentation is made too high or too low.
 - 2.8. Inspection of the products with risks.
 - If the business entity is having the custom documentation made for the products that require contracts, licenses and other important documents, covered by the extraordinary taxes or exempted from the taxation i.e., products with higher risks, the products shall undergo the RED light's inspection. (For instance, *Beer is the product to which the extraordinary custom tax is levied and the price swindling can exist.*

These inspections are assumed as the automated system of the risk management.

For perfecting further systems, such as “Risk Management System” we face some problems to be decided.

- international custom organizations’ experience
- real practical activities from the countries who had developed the similar systems
- attendance to seminar or trainings about information technology
- exchanging opinions about system security with other countries
- budget difficulties for connecting main custom offices to the fiber optic cable online network

Nowadays only 4 of 39 Mongolian Customs Service offices are connected this kind of network. Connecting offices to the fiber optic cable is very important to proceed automated data processing system and risk management.

But we have some financial difficulties for that work.

Finally, we would like to highlight once again that a new software customs automated data processing system named GAMAS, which was developed by Mongolian experts is very progressive step.

Our main purpose is to introduce customs automated data processing system and e-customs to Mongolian Custom Service

Thank you very much for your kind attention.