





# WCO CUSTOMS RISK MANAGEMENT COMPENDIUM



**WCO Customs  
Risk Management  
Compendium**



**VOLUME 1**

1. Risk management in the Customs context
2. Developing an organizational framework for managing risk
3. Establishing the management of the organizational culture
4. Conclusion



**VOLUME 2**

1. RISK ASSESSMENT: PROBLEMS AND SOLUTIONS
2. RISK INDICATORS
3. RISK CONTROL MEASURES
4. IMPROVED RISK AND INTELLIGENCE

- **Volume 1:**  
Principles, framework, process for managing risk
  
- **Volume 2:**  
Operational risk management, tools and instruments

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## COMMON PART - GLOSSARY

**Risk**  
*Effect of uncertainty on organizational objectives.*

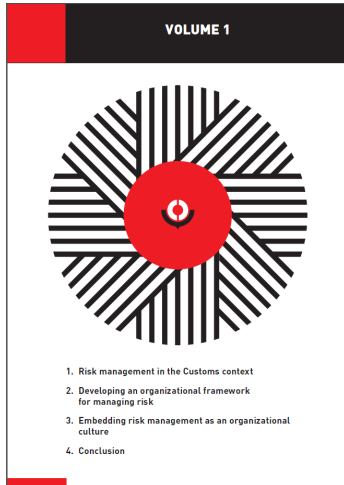
**Risk management**  
*Coordinated activities by administrations to direct and control risk.*

**Risk assessment**  
*The overall process of risk identification, risk analysis, risk evaluation and prioritization*

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# RMC - Volume 1



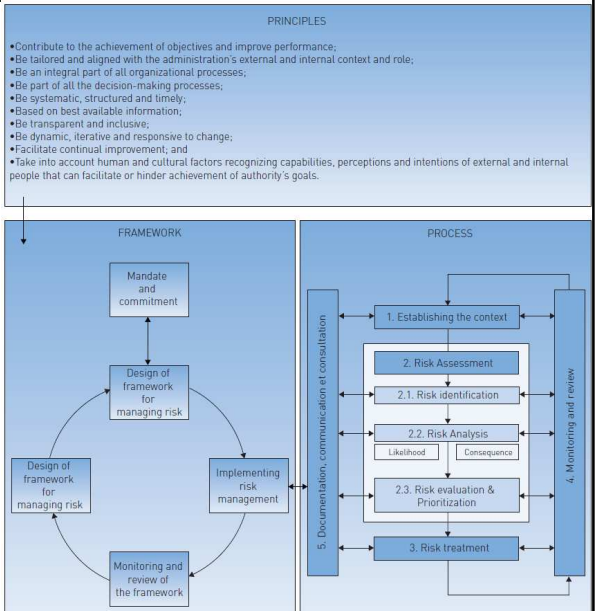
1. RISK MANAGEMENT IN THE CUSTOMS CONTEXT
  2. DEVELOPING AN ORGANIZATIONAL FRAMEWORK FOR MANAGING RISK
  3. EMBEDDING RISK MANAGEMENT AS AN ORGANIZATIONAL CULTURE
  4. CONCLUSION
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- ANNEX 1: RISK MANAGEMENT TECHNIQUES AND TOOLS  
 ANNEX 2: COMPLIANCE MEASUREMENT  
 ANNEX 3: APEC RISK MANAGEMENT PROCESS SELF-ASSESSMENT  
 ANNEX 4: RISK ASSESSMENT/TARGETING CENTRES  
 ANNEX 5: CASE STUDIES BY MEMBERS

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## Risk Management "Architecture"

- \* Principles
- \* Framework
- \* Process



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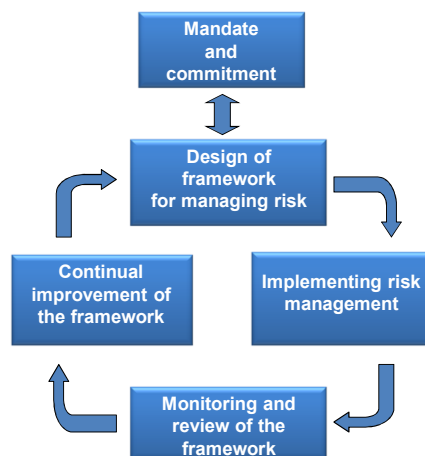


## Risk Management Principles

- contribute to the achievement of Customs objectives and improvement of performance
- be an integral part of all organizational processes in Customs
- be systematic, structured and timely.
- be tailored and aligned with the Customs authority's external and internal context and risk profile
- be part of the decision-making processes in Customs
- be based on the best available information



## Risk Management Framework

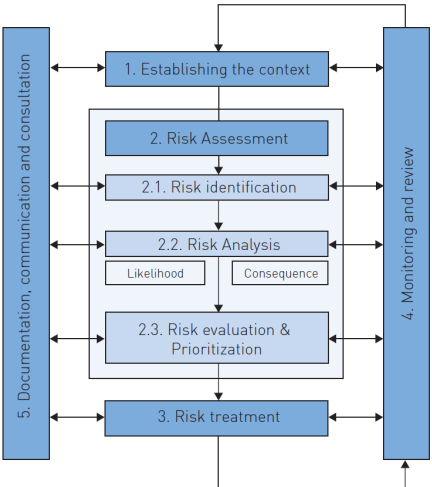


1. Mandate and commitment
2. Design of framework for managing risk
3. Implementing risk management
4. Monitoring and review of the framework
5. Continual improvement of the framework



# Risk Management Process

- 1. Establishing the context
- 2. Risk Assessment
  - 2.1. Risk identification
  - 2.2. Risk Analysis
  - 2.3. Risk evaluation and prioritization
- 3. Risk Treatment
- 4. Monitoring and review
- 5. Documentation, communication and consultation



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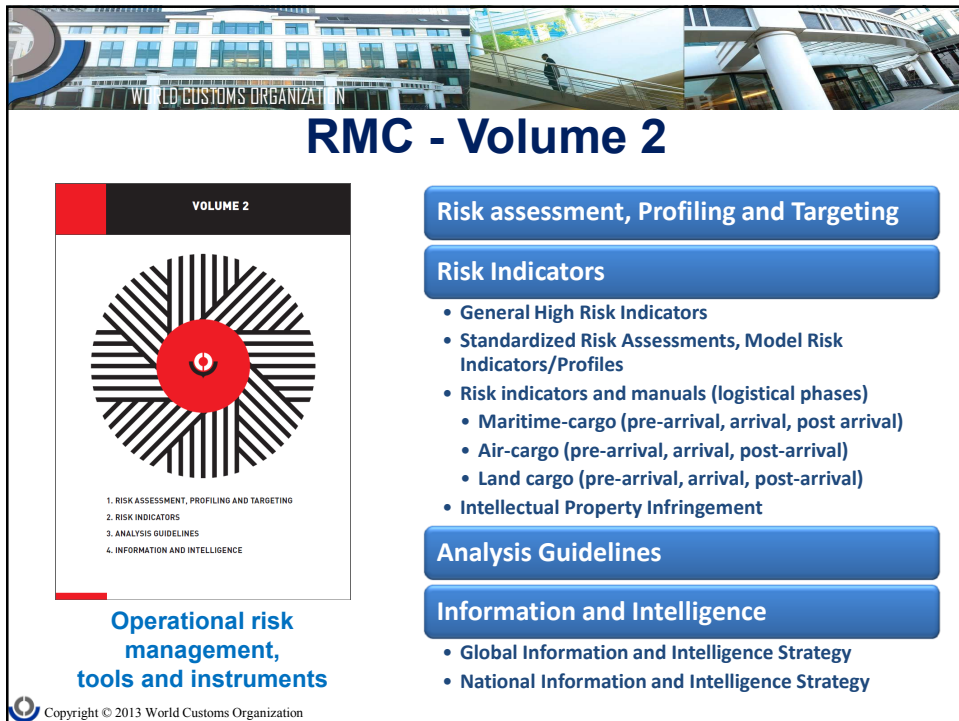
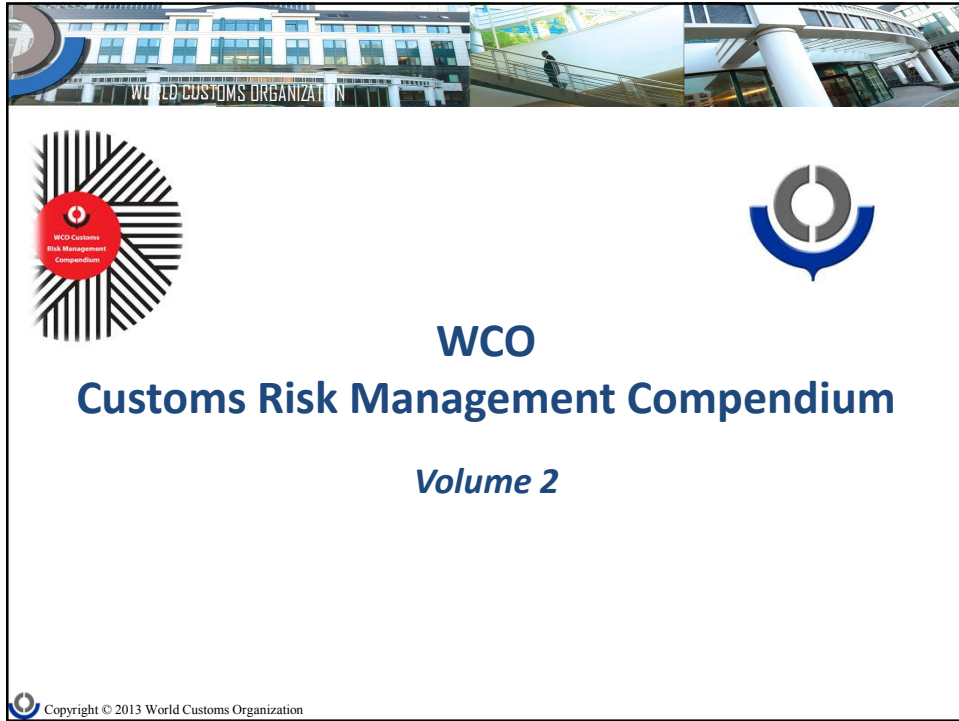


## ANNEXES


- ANNEX 1: RISK MANAGEMENT TECHNIQUES AND TOOLS
- ANNEX 2: COMPLIANCE MEASUREMENT
- ANNEX 3: APEC RISK MANAGEMENT PROCESS SELF-ASSESSMENT
- ANNEX 4: RISK ASSESSMENT/TARGETING CENTRES
- ANNEX 5: CASE STUDIES BY MEMBERS



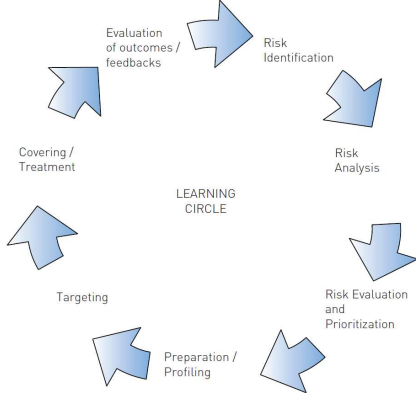
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## 1. Risk Assessment, Profiling and Targeting



LEARNING CIRCLE



1. RISK ASSESSMENT, PROFILING AND TARGETING

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## 2. Risk Indicators

- **General High Risk Indicators**
- **Standardized Risk Assessments, Model Risk Indicators/Profiles**
- **Risk indicators and manuals (int. trade logistical phases)**
  - Maritime-cargo (pre-arrival, arrival, post arrival)
  - Air-cargo (pre-arrival, arrival, post-arrival)
  - Land cargo (arrival, post-arrival)
- **Handbook: Factors for Intellectual Property Infringement**

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## General High-Risk Indicators

1. *Carriers Manifest Detail*
2. *Country Identification*
3. *Commodity and transportation factors*
4. *Container aspects*
5. *Importer / Exporter aspects*
6. *Shipper factors*



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## Standardized Risk Assessments, Model Risk Indicators/Profiles



### **Cluster 1: Mode of Transport**

1.1. Commercial and small sea crafts; 1.2. Sea Containers; 1.3. Air – Person; 1.4. Air – Cargo; 1.5. Road (Trucks); 1.6. Truck Driver-vehicle combination; 1.7. Rail; 1.8. Fast Parcel

### **Cluster 2: Revenue Protection**

2.1. Operator; 2.2. Goods; 2.3. Vehicle

### **Cluster 3: Drugs and Precursors**

3.1. Goods; 3.2. Operator; 3.3. Vehicle; 3.4. Person; 3.5. Post arrival phase

### **Cluster 4: Security**

4.1. Security for the Supply Chain; 4.2. Weapons of Mass Destruction

### **Cluster 5: Other Prohibitions and Restrictions**

5.1. Money Laundering; 5.2. Paedophile; 5.3. CITES; 5.4. Nuclear and Radioactive material; 5.5. High Technology and Munitions; 5.6. Firearms; 5.7. Cultural Property; 5.8. Intellectual Property Rights (IPR); 5.9. Environmental Crime

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## Risk indicators and manuals (international trade logistical phases)



2.3.1 MARITIME RISK INDICATORS  
(Incoming Sea Containers)  
PRE-ARRIVAL PHASE



2.3.2 MARITIME RISK INDICATORS  
(Incoming Sea Containers)  
ARRIVAL PHASE



2.3.3 MARITIME RISK INDICATORS  
(Incoming Sea Containers)  
POST-ARRIVAL PHASE

### Maritime-cargo (pre-arrival, arrival, post arrival)

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### MARITIME RISK INDICATORS - CONTAINERS

Pre-arrival

No	Source	No	Source element	No	Sub element	No	Indicators
1	Bill of Lading/ Manifest	1.1	Shipper / Consignor	1.1.1	Name	1.1.1.1	Not traceable
						1.1.1.2	First shipment (never seen before)
						1.1.1.3	Misspelled
				1.1.2	Adversely known	1.1.1.4	Is another shipping company
						1.1.2.1	Previously detected
						1.1.2.2	Subject of a law enforcement alert
						1.1.3	Address
		1.1.3.2	Hotel				
		1.1.3.3	Incomplete				
		1.1.3.4		1.1.3.4	Misspelled		
				1.1.3.5	No address		
				1.1.3.6	P.O. Box		
				1.1.3.7	Shipper is not based in the country of shipment		

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# MANUALS

MANUAL  
 FOR  
 MARITIME RISK INDICATORS  
 (INCOMING SEA CONTAINERS)  
  
 PRE-ARRIVAL PHASE

### CONTENTS

1. INTRODUCTION
2. THE SUPPLY CHAIN
  - 2.1. GENERAL INFORMATION
  - 2.2. SHIPPING COMPANIES
  - 2.3. STEVEDORE
  - 2.4. SHIP BROKER (SHIPPING AGENT)
  - 2.5. FORWARDING COMPANY
  - 2.6. STORAGE/WAREHOUSING COMPANIES
  - 2.7. CONSIGNOR/SHIPPER
  - 2.8. CONSIGNEE
  - 2.9. CRIMINAL ORGANIZATIONS
    - 2.9.1. Criminality by organizations
    - 2.9.2. Criminality by employees (corruption)
    - 2.9.3. Identity hijacking
    - 2.9.4. Rip-Off
    - 2.9.5. Updating of Bill of Lading information
3. MODUS OPERANDI OF SMUGGLING IN CONTAINERS
4. BILL OF LADING
  - 4.1. GENERAL INFORMATION
  - 4.2. EXPLANATION OF THE SECTIONS ON A BILL OF LADING
5. SHIPPER/CONSIGNOR (1.1)
6. CONSIGNEE (1.2)
7. NOTIFY PARTY (1.3)
8. TRANSPORT ROUTE (1.4)
9. GOODS (1.5)
10. CONTAINER (1.6)
11. SHIPPING AGENT (1.7)
12. OTHERS (1.8)

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MARITIME RISK INDICATORS - CONTAINERS

Pre-arrival

No	Source	No	Source element	No	Sub element	No	Indicators
1	Bill of Lading/ Manifest	1.1	Shipper / Consignor	1.1.1	Name	1.1.1.1	Not traceable
						1.1.1.2	First shipment (never seen before)
						1.1.1.3	Misspelled
						1.1.1.4	Is another shipping company
					1.1.2	1.1.2.1	Previously detected
						1.1.2.2	Subject of a law enforcement alert
						1.1.3	1.1.3.1
		1.1.3.2	Hotel				
		1.1.3.3	Incomplete				
		1.1.3	1.1.3.4	Misspelled			
			1.1.3.5	No address			
			1.1.3.6	P.O. Box			
			1.1.3.7	Shipper is not based in the country of shipment			

Sub element 1.1.1 Name

1.1.1.1 Not traceable

Frequently, shipments are found in which the shipper is not traceable. The internet is a very useful source of information for research companies abroad. However, the internet is not always the most reliable source. When companies are found on the internet, the web page of the company often plays an important role in deciding whether or not to check a shipment. If a web page appears to be professional, the Customs officer may assume that the company actually exists.

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2.4.1. AIR-CARGO RISK INDICATORS  
PRE-ARRIVAL PHASE

2.4.2. AIR-CARGO RISK INDICATORS  
ARRIVAL PHASE

2.4.3. AIR-CARGO RISK INDICATORS  
POST-ARRIVAL PHASE

**Air-cargo (pre-arrival, arrival, post-arrival)**

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2.5.1. LAND-CARGO RISK INDICATORS  
ARRIVAL PHASE

2.5.2. LAND-CARGO RISK INDICATORS  
POST-ARRIVAL PHASE

**Land cargo (arrival, post-arrival)**

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## Handbook on Risk Indicators: Intellectual Property Infringement



### Annex II: Checklist

The following is a checklist with risk indicators mentioned in this handbook.

#### Document-based recognition :

1. Goods description – are high-risk goods involved?
2. Vague description of goods?
3. Country of origin known as source of counterfeit or pirated goods?
4. Country of destination has a reputation for demand for counterfeit or pirated goods
5. What is the nature and quality of the documentation?
6. Who is the sender and who the importer/consignee? Do they have a licence?

7. Place of production
8. Routing of the goods and means of transport
9. Declared value of the goods
10. Size of the shipment
11. Terms of sale/delivery
12. Lease arrangement of the container

#### Packaging-based recognition :

13. Appearance of packaging

#### Goods-based recognition :

14. Quality of the goods
15. Labels and marks on the goods
16. Product details
17. Multiple trademarks in one consignment



## 3. Analysis Guidelines

### CONTENTS

#### 1. INTRODUCTION

- 1.1. What is Analysis?
- 1.2. What is the Purpose of Analysis?

#### 2. ANALYSTS AND EXPECTATIONS

- 2.1. Recruitment of Analysts
- 2.2. Development of Analysts
- 2.3. Customer/Client/Sponsor Expectations of Analysis
- 2.4. Analyst Expectations of the Customer/Client/Sponsor

#### 3. INTELLIGENCE CYCLE AND ANALYSIS CYCLE

- 3.1. Planning & Direction (including project or programme management and planning)
  - 3.1.1. Tasking Definition and Terms of Reference
  - 3.1.2. Conceptual Modelling & Scoping
  - 3.1.3. Working Hypotheses and Indicators
- 3.2. Collection
- 3.3. Processing
  - 3.3.1. Evaluation
  - 3.3.2. Collation
- 3.4. Analysis and Peer Review
  - 3.4.1. Analysis
  - 3.4.2. Integration
  - 3.4.3. Interpretation
  - 3.4.4. Peer Review/Management Review
- 3.5. Analysis Products and Dissemination
- 3.6. Review/Feedback

#### 4. BIBLIOGRAPHY

#### 5. APPENDIXES

- Appendix 1: Example Job Profile – Intelligence Analyst  
 Appendix 2: Task Form  
 Appendix 3: The placement of the analysis unit in the organisation  
 Appendix 4: Analysis Products





# 4. Information and Intelligence

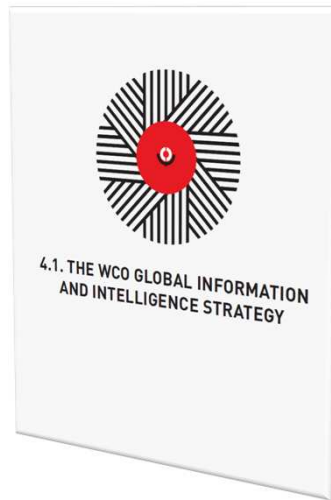
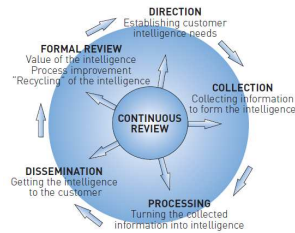
- WCO Global Information and Intelligence Strategy
- National Information and Intelligence Strategy



## WCO Global Information and Intelligence Strategy

A Customs' Intelligence philosophy sets out what intelligence is, identifies its actual, or potential source, whom it is produced for and why it is needed.

It also sets out the fundamental principles and processes that underpin all intelligence activity.





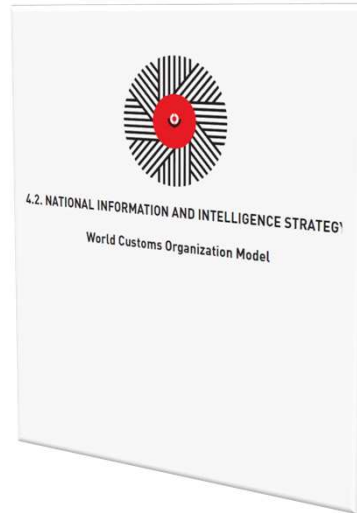


## National Information and Intelligence Strategy

The structure of an Information and Intelligence Strategy could include some or all of the following chapters:

- Introduction
- Legal framework
- Intelligence functions and information gathering
- Use of information and intelligence
- Intelligence products
- Capacity building
- External cooperation
- Coordination
- Public relations
- Technology
- Economic impacts
- Review mechanisms

Action Plan



## WCO CUSTOMS RISK MANAGEMENT COMPENDIUM

<http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/rmc.aspx>





**THANK YOU FOR YOUR  
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