CUSTOMS GENERAL ADMINISTRATION OF MONGOLIA:

BORDER MANAGEMENT MODERNIZATION AND TRADE SUPPLY CHAIN

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Customs General Administration of Mongolia

CONTENT

BRIEF INFORMATION: MONGOLIAN CUSTOMS

Government implementing agency under the Ministry of Finance

In total 2,232 employees

Assessment and collection of Customs duties and VAT

Administration and enforcement of Customs legislation

Overall control on imports and exports: Total trade turnover for the year 2023: USD 24.1 bill. USD.

Trading partners162 countries in 2023

MONGOLIAN BORDERS

Total 37 borders:

- 16 ports bordering with Russia (active10)
- **17 ports bordering with China**
- Air: 4 borders.

Ханх

Харигын гол

Асгатын гол

Тэс

Бага-Илэнх

Алтанбулаг

Зэлтэр

Ульхан Тогтор

Эрээнцав

Арцсуурь

Сүхбаатар

Агацын гол

Хавирга

Цагааннуур

Өлгий

Даян

Ховд

Чингис хаан ОУНБ

Чойбалсан

Баянхошуу

Булган

Сүмбэр

Байтаг

Бичигт

Бургастай

Шивээхүрэн

Цагаандэл уул

International 6 borders:

- Altanbulag
- Tsagaannuur
- Sukhbaatar (rail)
- Ereentsav (road)
- Borshoo
- Khankh

Bilateral 4 borders:
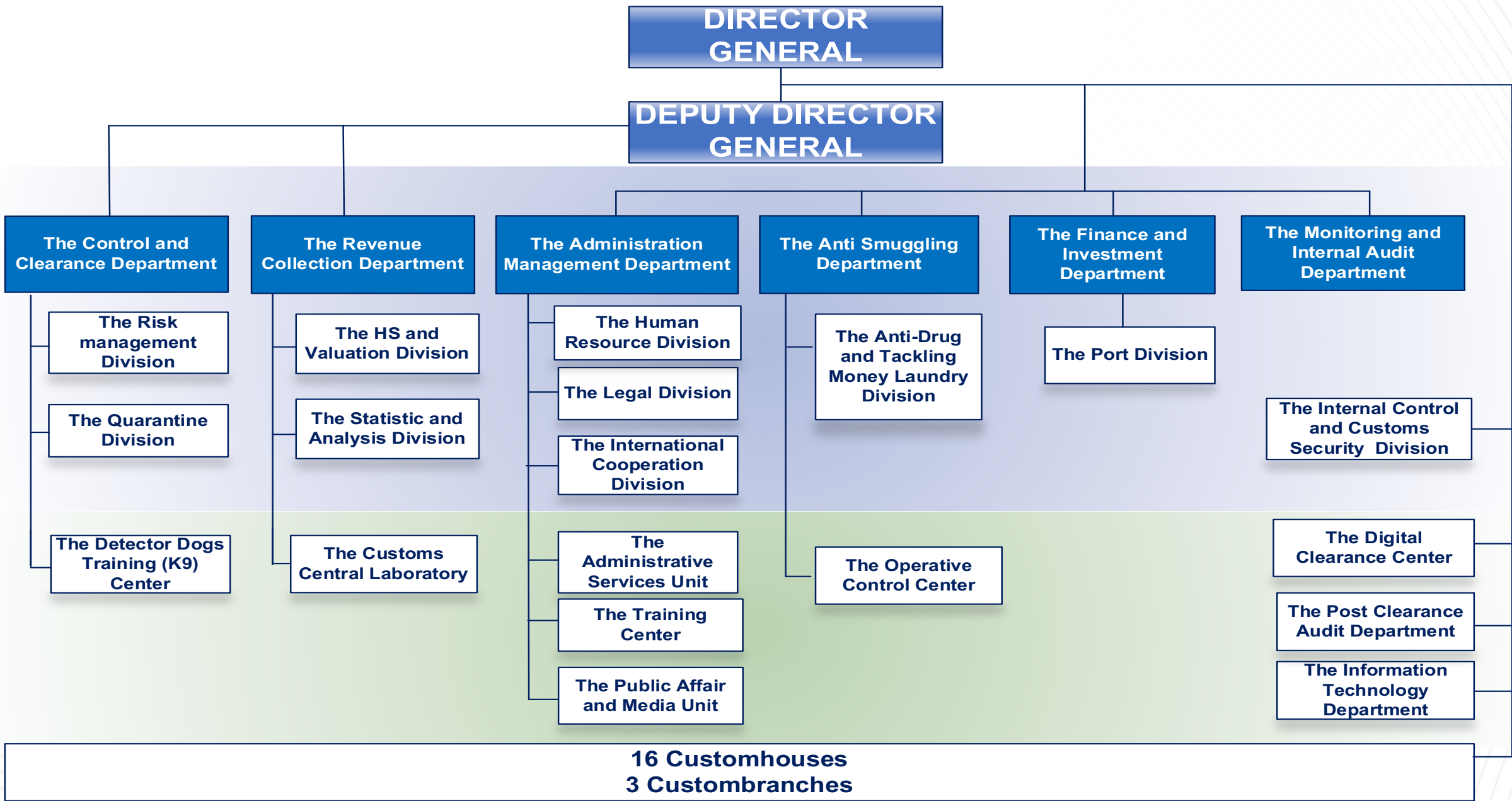
- Tes
- Artssuuri
- Ulikhan
- Ereentsav (rail)

International 6 borders:

- Zamiin-Uud (rail & road)
- Bulgan
- Bichigt (rail & road)
- Sumber

Bilateral 11 borders:

- Bayankhoshuu
- Khavirga
- Gashuunsukhait (rail & road)
- Shiveekhuren (rail & road)
- Khangi
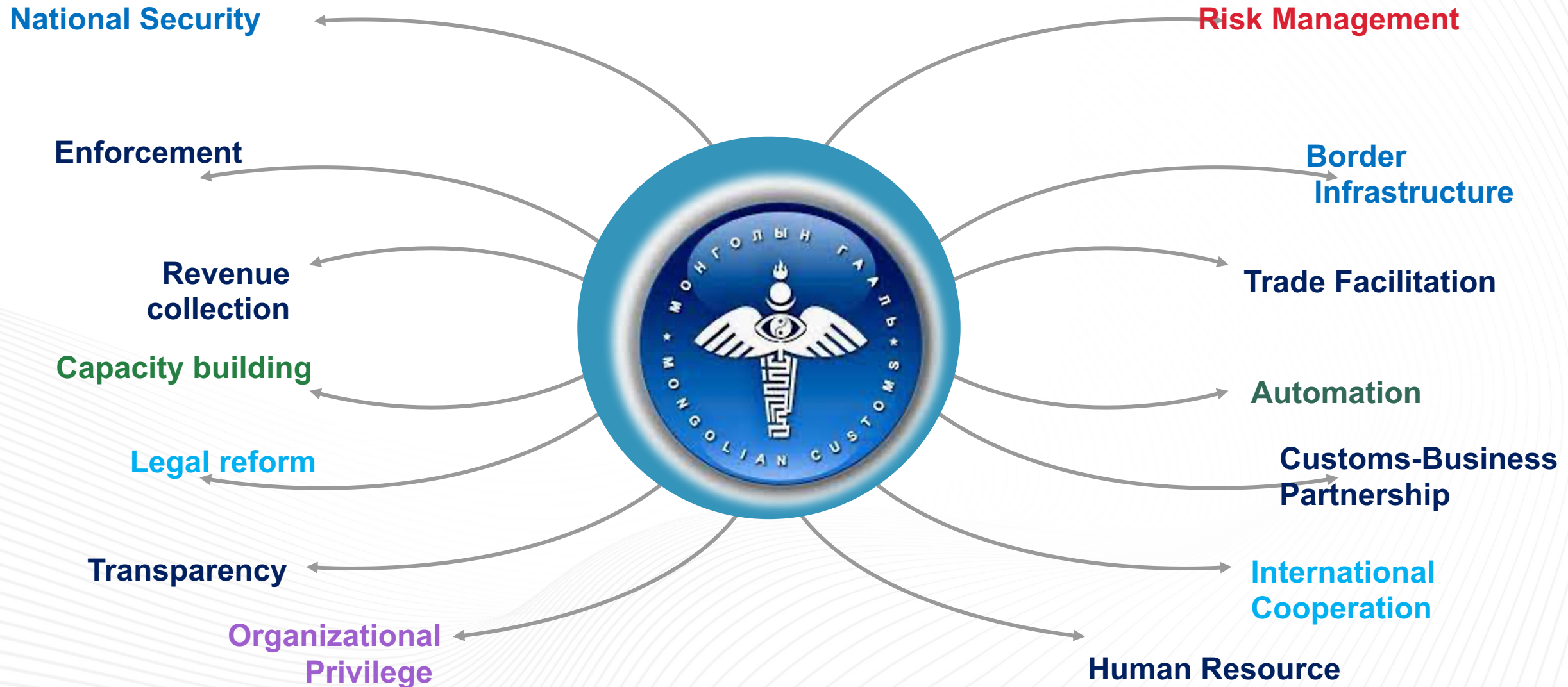- Burgastai
- Dayan
- Baitag
- Tsagaan Del-Uul

THE ORGANIZATIONAL CHART OF THE CUSTOMS GENERAL ADMINISTRATION OF MONGOLIA
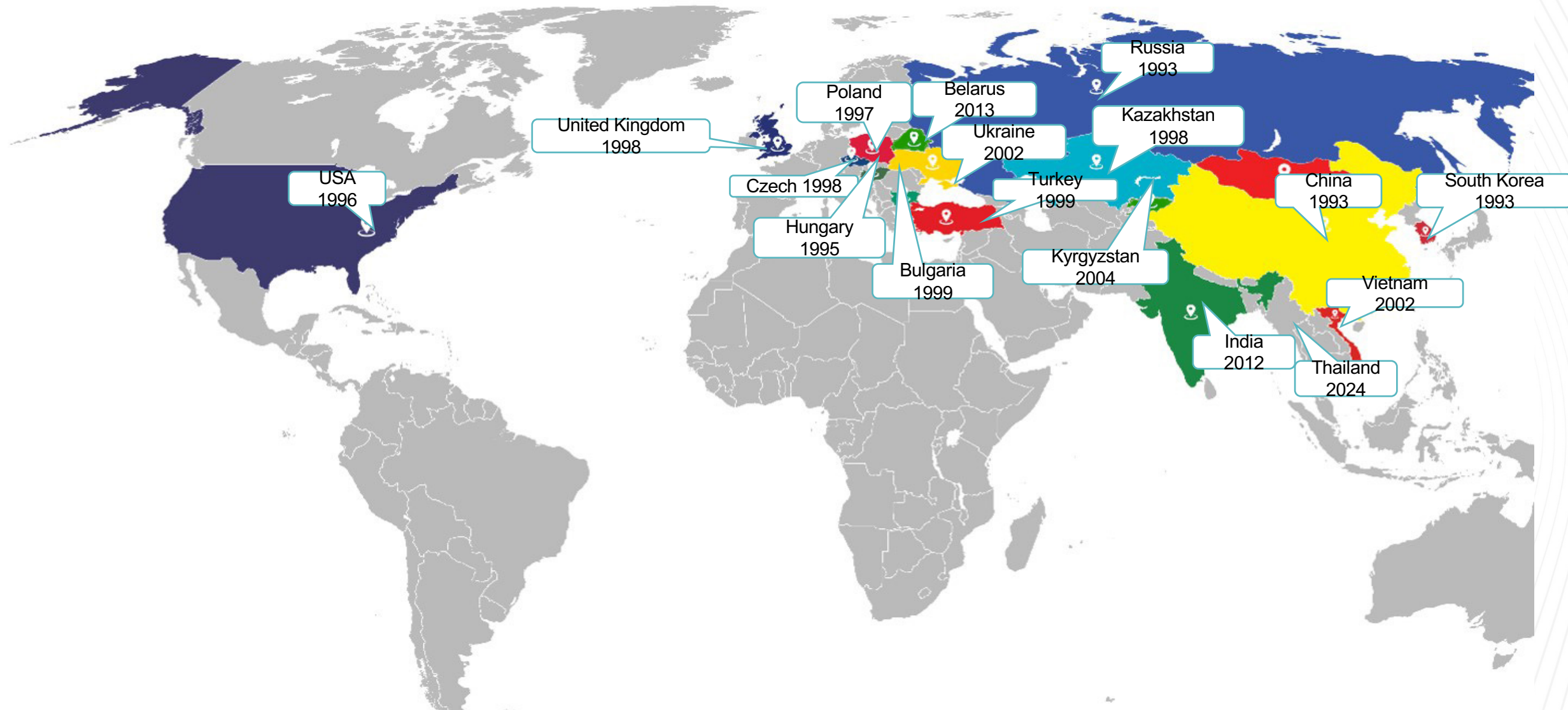
LEGAL FRAMEWORK

1991 - Convention on Establishing the Customs Cooperation Council

2006 – International Convention on the Simplification and Harmonization of Customs Procedures

1993 – International Convention on the Harmonized Commodity Description and Coding System

SAFE Framework of Standards to Secure and Facilitate Global Trade

WTO TFA

Convention on Temporary Admission (Istanbul Convention)

Performance Measurement Contracts

Customs Convention on the ATA Carnet for Temporary Admission

Customs Business Partnership

WCO Data Model 3.7

PRIORITIZED AREAS

National Security

Risk Management

Enforcement

Border Infrastructure

Revenue collection

Trade Facilitation

Capacity building

Automation

Legal reform

Customs-Business Partnership

Transparency

International Cooperation

Organizational Privilege

Human Resource

Intergovernmental Agreement for Cooperation and Mutual Assistance on Customs Matters (17 countries)

- United Kingdom 1998
- USA 1996
- Poland 1997
- Belarus 2013
- Russia 1993
- Kazakhstan 1998
- Ukraine 2002
- China 1993
- South Korea 1993
- Czech 1998
- Turkey 1999
- Hungary 1995
- Kyrgyzstan 2004
- Vietnam 2002
- Bulgaria 1999
- India 2012
- Thailand 2024

MONGOLIAN CUSTOMS STRATEGIC PLAN 2021-2024

VISION: **Be a Trustworthy, Transparent and Innovative Organization**

MISSION: **Ensure national security and promote economic competitiveness by strengthening proficient and skilled human resources.**

SG 1.

Facilitate & Secure Legitimate Trade

SG 2.

Combatting Illicit Trade Flow

SG 3.

Fair & Efficient Revenue Collection

SG 4.

Capacity Building Development

CONTENT

1 Brief Introduction of Mongolian Customs

2 Border Controlling Agencies

3 Customs Modernization

4 ICT Development

5 Furthermore

CONTROL OF PASSENGERS, GOODS AND VEHICLES ENTERING COUNTRY BORDER

Risk management

Harmonizing document

IT solutions

SEW

Joint Border controls

AEO

Information exchange

Trade Facilitation agreement

Trade Facilitation Principles

Transparency | Simplification | Harmonization | Standardization

The Four Pillars

Trade facilitation

One stop service
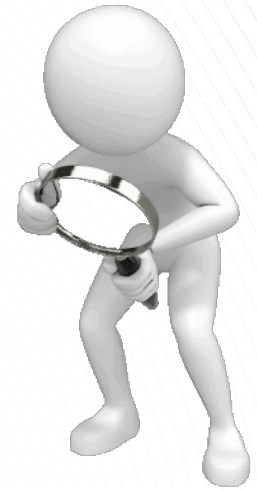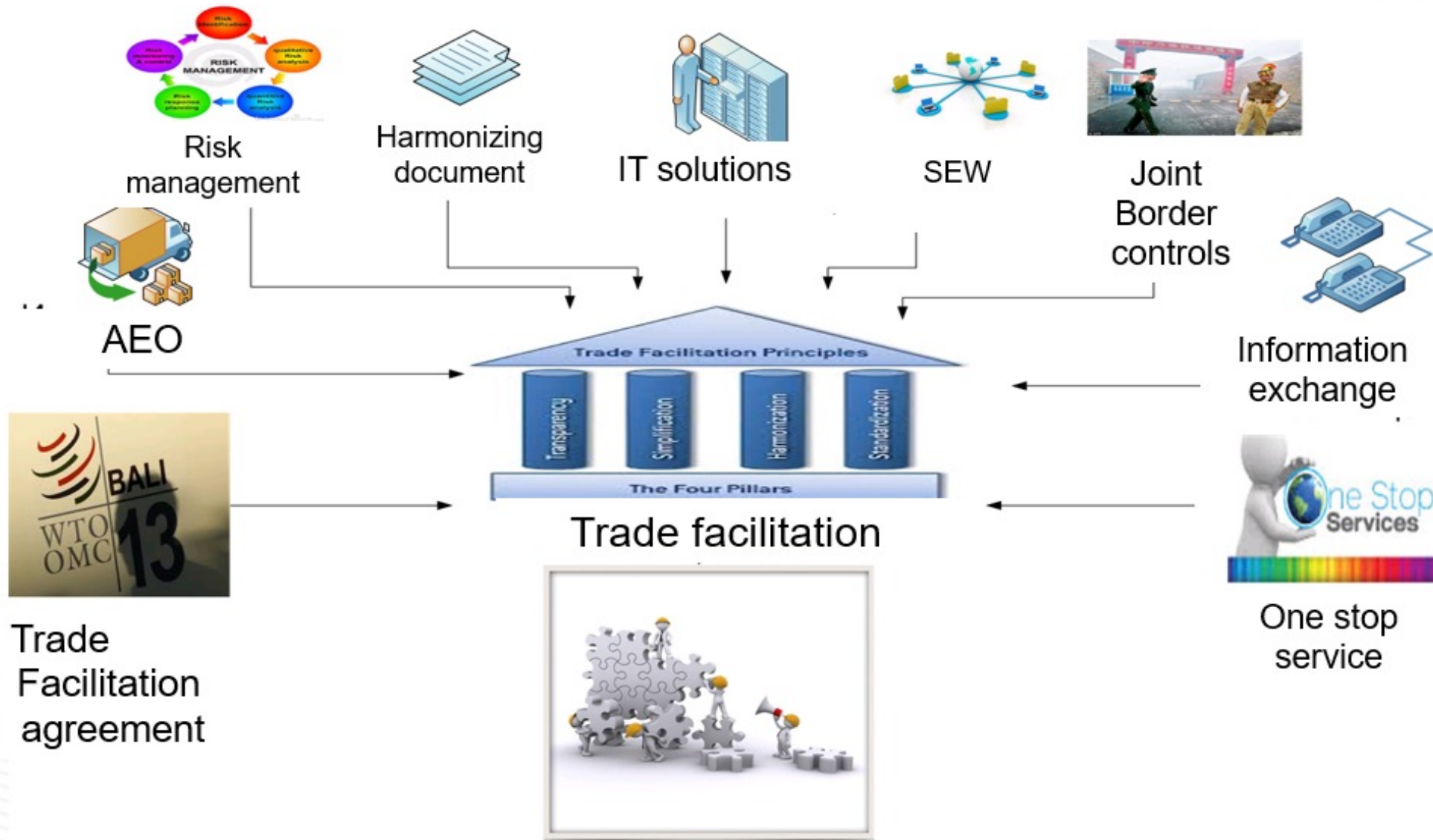
Is institutional capacity ready to implement all these?

TRADE FACILITATION MEASURES OF MONGOLIA

WTO: TFA

Article 12;

Implementation rate: 85.3%

UNCTAD TF Empowerment Programme:

Article 1-12, 23; (141 Check list question);

Implementation rate: 70.9%

WCO Mercator Programme:

Article 1-12, 23;

Maturity Assessment: Level 2 (Augmented), 57%.

Timeline of implementation commitments
Based on implementation commitments over time

Today 85.3%

% of TFA implementation

Cat. A   Cat. B   Cat. C

> Explain these metrics
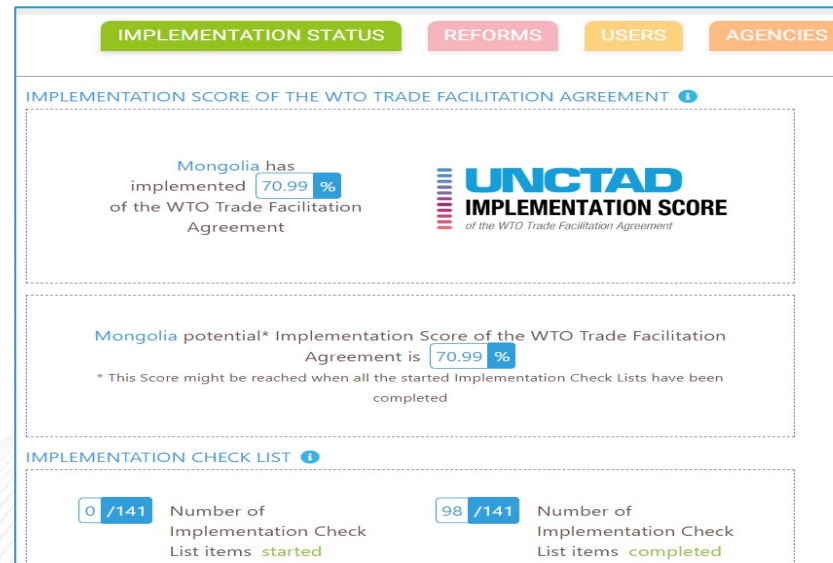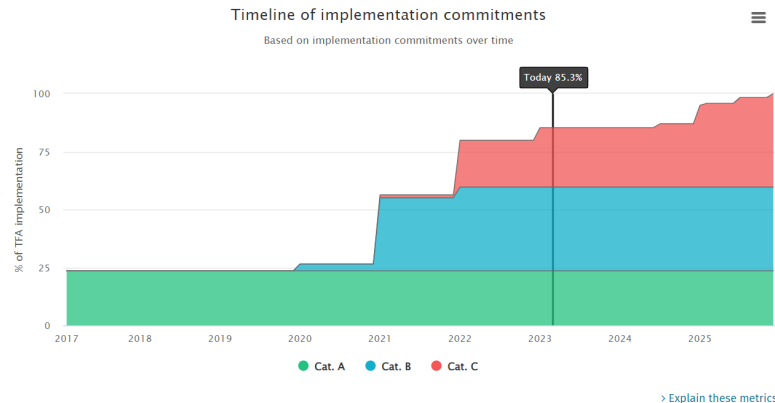
TODAY	2023 - 2024	2025 - 2027
22 Feb 2017 - 6 Feb 2023	7 Feb 2023 - 31 Dec 2024	1 Jan 2025 - 31 Dec 2027
85.3%	95.0%	100.0%
	+9.7%	+5.0%

IMPLEMENTATION STATUS   REFORMS   USERS   AGENCIES

IMPLEMENTATION SCORE OF THE WTO TRADE FACILITATION AGREEMENT

Mongolia has implemented 70.99 % of the WTO Trade Facilitation Agreement

UNCTAD IMPLEMENTATION SCORE of the WTO Trade Facilitation Agreement

Mongolia potential* Implementation Score of the WTO Trade Facilitation Agreement is 70.99 %

* This Score might be reached when all the started Implementation Check Lists have been completed

IMPLEMENTATION CHECK LIST

0 /141   Number of Implementation Check List items started

98 /141   Number of Implementation Check List items completed

Mercator Programme
A Navigational Map for Trade Facilitation

A WCO Initiative to Support WTO TFA Implementation

MONGOLIAN CUSTOMS PERFORMANCES (2018-2023)
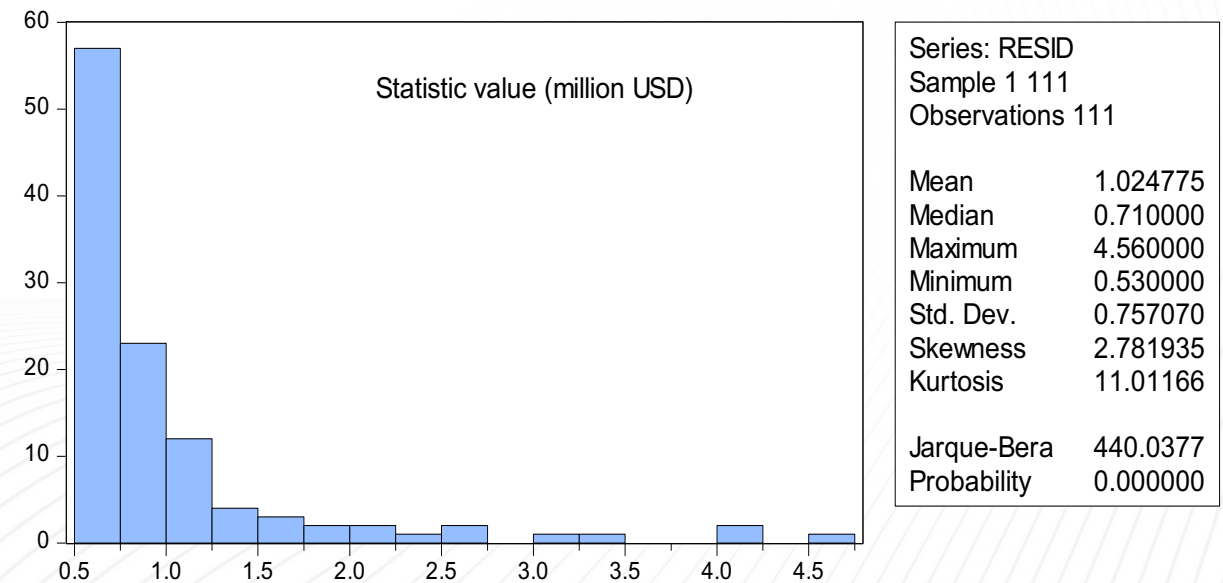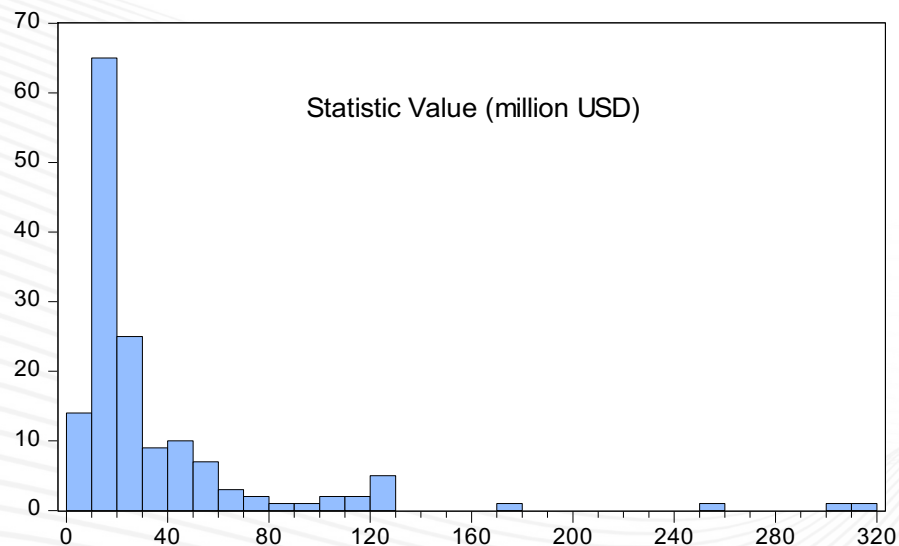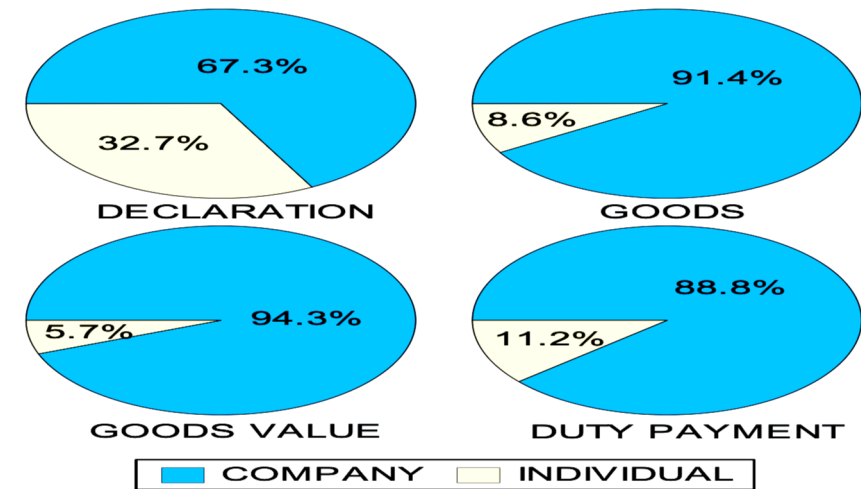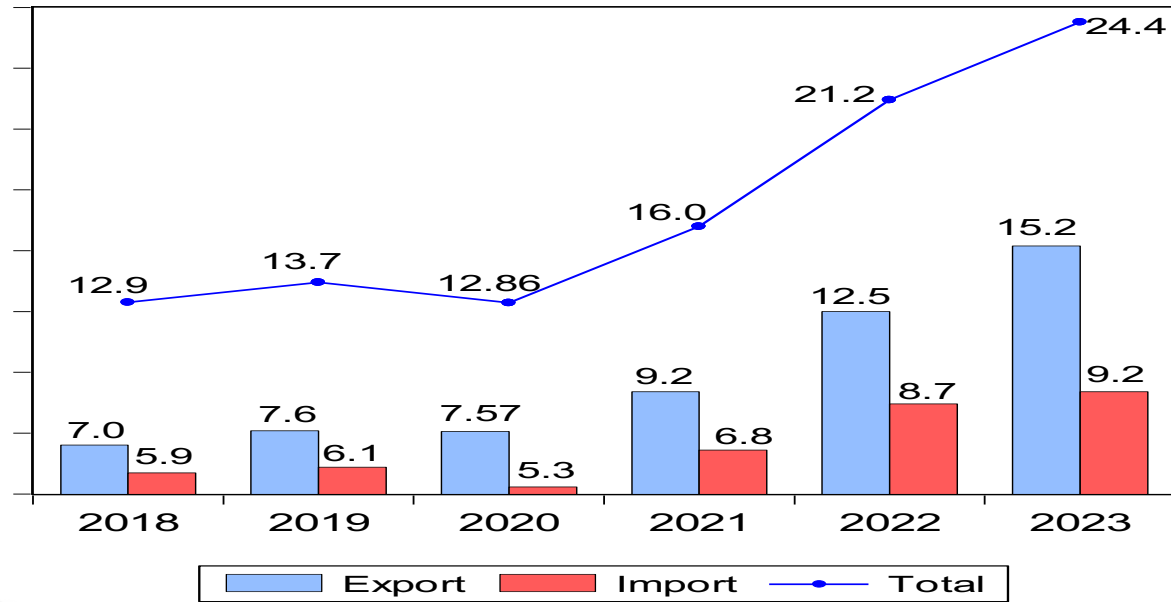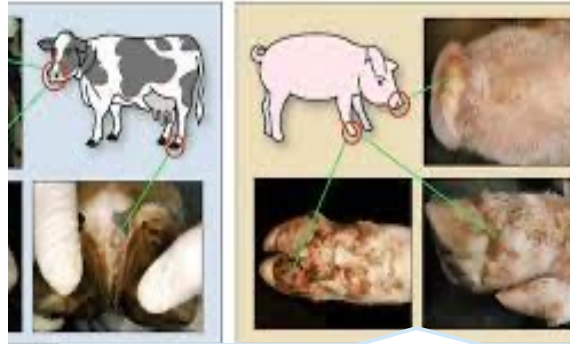
Health control

Veterinary control

Plant control

Food safety and quality control

Quarantine control:
5,744 goods by 6 digit HS code,

Subject to control: 2,226 (38.7%)

No need to control: 3,518 (61.3 %)

Subject to control: 2,226 goods

High: 715 (32.1%)

Medium: 1,318 (59.2%)

Low: 193 (8.7%)

MONGOLIAN CUSTOMS REFORM AND MODERNIZATION
(Within last 30 years)

LEGAL FRAMEWORK
- Continuously improving…
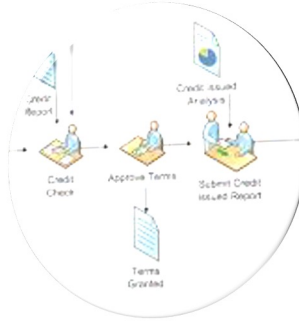
INFORMATION TECHNLOGY
- ASYCUDA (1994-2001)
- GAMAS (2002-2009)
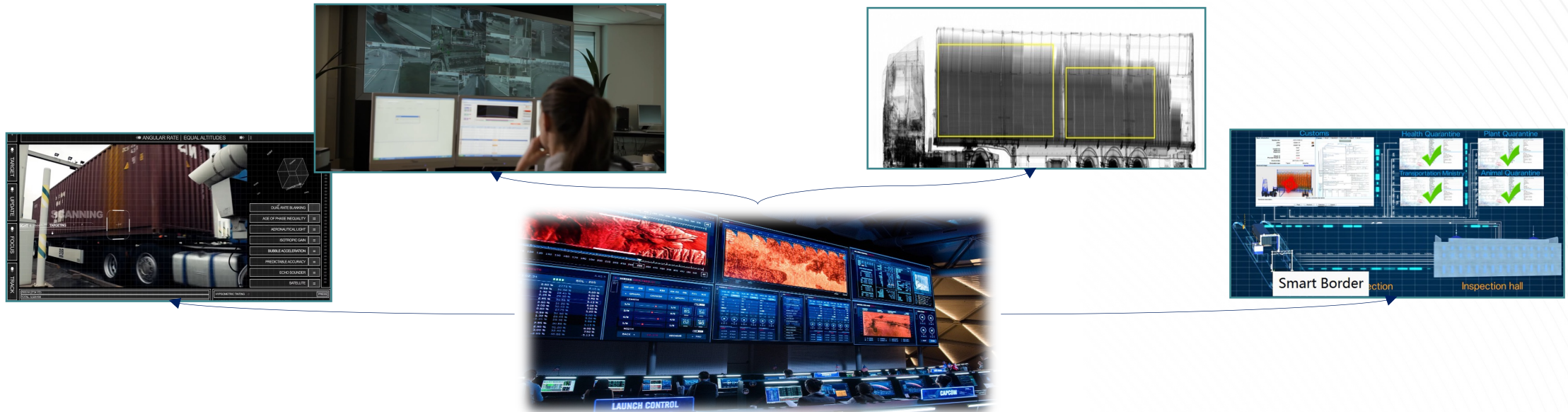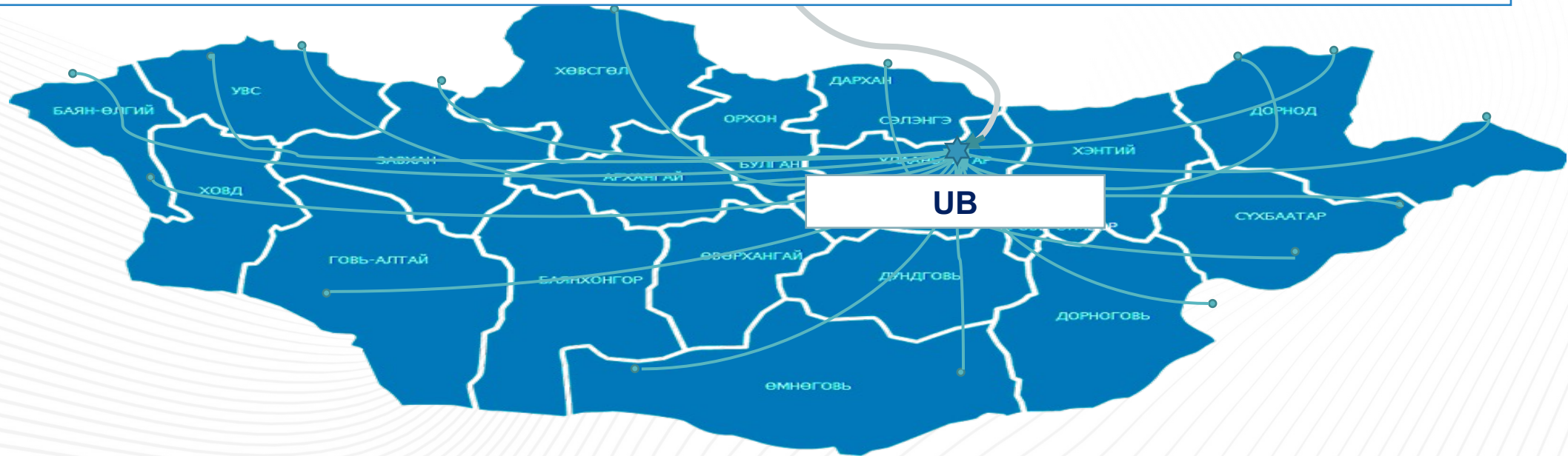- CAIS & CEPS (Since 2010)…

HUMAN RESOURCE
- Continuously improving…
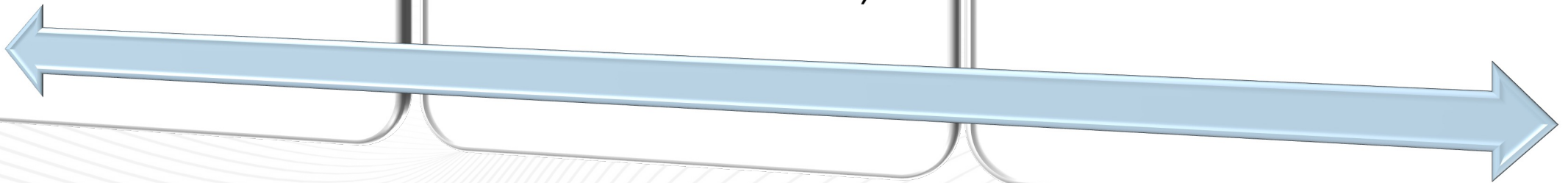
CUSTOMS GENERAL ADMINISTRATION OF MONGOLIA:

Management consultancy services for implementation of Foreign Trade Single Electronic Window (2019 – 2021). Under this project produced following documents

- As–Is Report
- To-Be Design Report
- Change Management Recommendations
- Requirements Specifications Report
- Recommendations on Regulatory Environment
- Report on Cost estimates for FTSEW implementation

The first two stages planned to implement between 2022 and 2023 under the Regional Improvement Border Service project.

BORDER MANAGEMENT MODERNIZATION: CURRENT PROJECTS

Customs Control Infrastructure

Business Process Analysis

Capacity Building

Trade Facilitation

✓ Re-engineering Customs business process

✓ Coordination of international projects, initiatives and programs to better address the challenges

✓ Operational targeting center
✓ CCTV
✓ Customs laboratory

✓ Social welfare of employees
✓ Comprehensive human resource development program

TIMELINE OF MONGOLIAN CUSTOMS INFORMATION SYSTEMS

1992 ASYCUDA → **2001** GAMAS → **2010**
- CAIS
- CEPS
- RM
→ **2021**
- CAIS 2.0
- CEPS 2.0
- GAALI.MN
- CIMS
→ **2023 ~** SEW →

Between 1992-2001 Mongolia adopted internationally accepted system ASYCUDA (Automated System for Customs Data) developed by United Nations Conference on Trade and Development (UNCTAD);

From 2001-2010 Mongolian Customs General Administration (MCGA) introduced GAMAS;

Customs automated systems called Customs Automated Information System (CAIS) since 2010;.

"CAIS, CEPS" upgrading since 2019.

INTRODUCTION OF CURRENT SYSTEMS

CAIS

Customs automated information system;

CERP

Customs ERP (Plan, Performance report, Human resource etc.)

CEPS

Customs External Portal System (Customs Broker, Freight Forwarder, Carrier etc.)

GAALI.MN

Customs E-Service (Self declaration system, E-Payment, E-notification etc.)

E-Payment

E-Payment system(Customs tax and other duties)

APQS

Animal Plant Quarantine System (Import and Export License)

CUSS

Customs Statistics System

INFORMATION EXCHANGE PROCESS

|	
CROSS-BORDER, INTERNATIONAL	Exchange declaration data and X-ray photo with Russian Federal Customs (IBM MQ)
	Exchange manifest data with China customs(IBM MQ)
	TIR EPD information with the International Road Union(on going)
GOVERNMENT AGENCY (G2G)	e-license and e-permission with the Ministry of Health;
	Vehicle clearance information with the Ministry of Roads and Transportation;
	Passenger's cargo information with the Communications Information Technology agency;
	Foreign Trade Statistical data with the General Statistics Department;
	Customs clearance information with the General Taxation Authority;
OTHERS (G2B, B2G) HEALTH INFORMATION EXCHANGE	Cargo weight information with Custom's Terminal owner
	Customs tax and other duties information with the financial institutions.
	Expertise Act with the Mongolian National Chamber of Commerce.
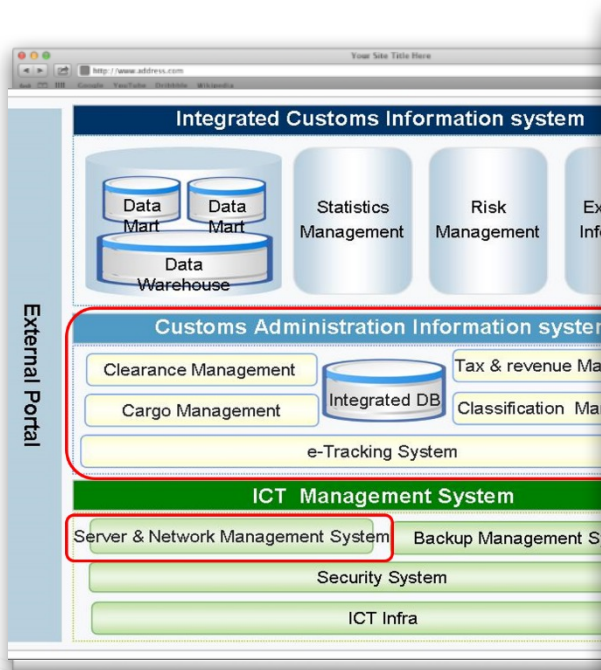
WCO Data Model 2.0v
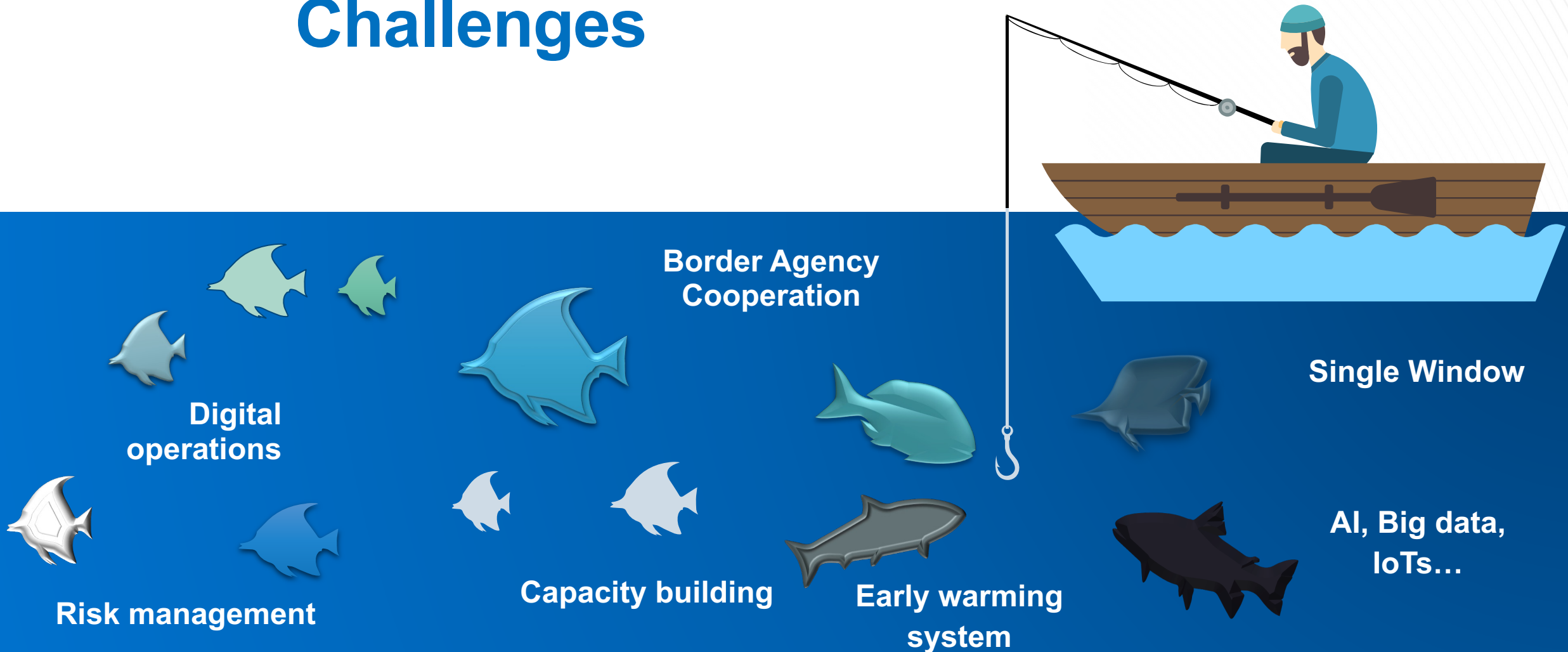
☐ Limited connection
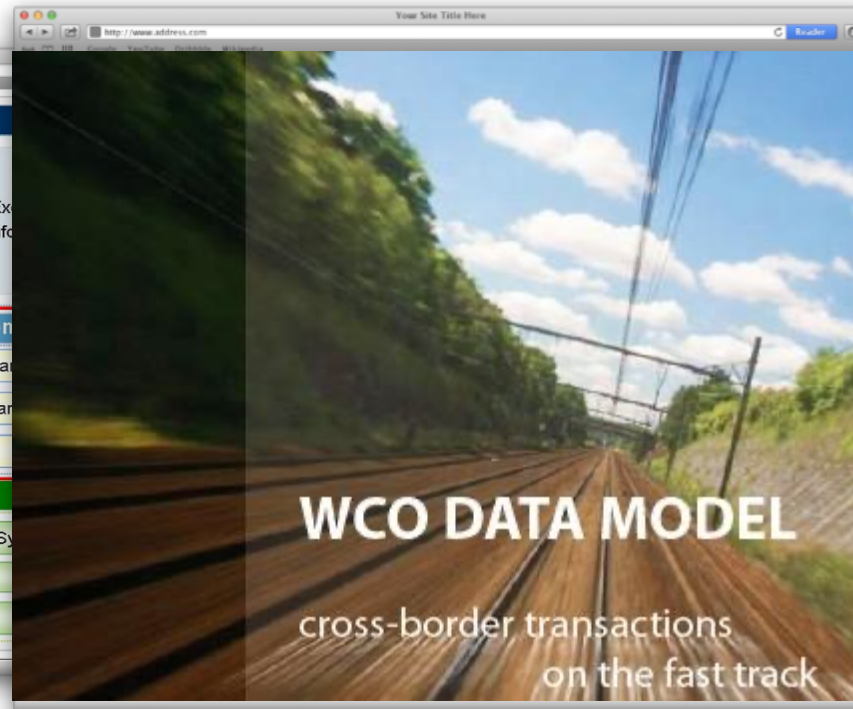
WCO Data Model 3.7v

☐ Able to exchange information between region
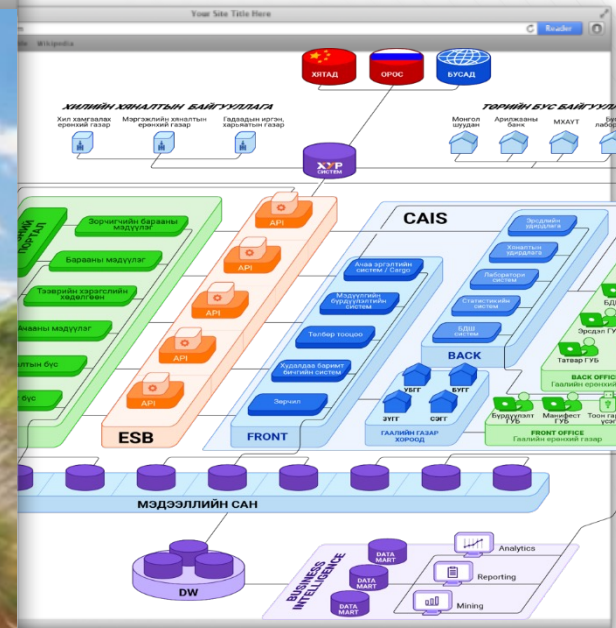
Result:

☐ Paperless trade
☐ Trade facilitation
☐ Risk based selectivity system
☐ AEO

Challenges

Border Agency
Cooperation

Single Window

Digital
operations

AI, Big data,
IoTs…

Risk management

Capacity building

Early warming
system

Data sharing

Communities of Practitioner

Assistance with the Transition to Data

TOOLS (Unified data standard)

Data category
Data flow by function

BIG DATA

Real time

Real time

Real time

OPEN DATA SOURCES

CUSTOMS ADMINISTRATIONS

TRADE RELARED PARTIES

27
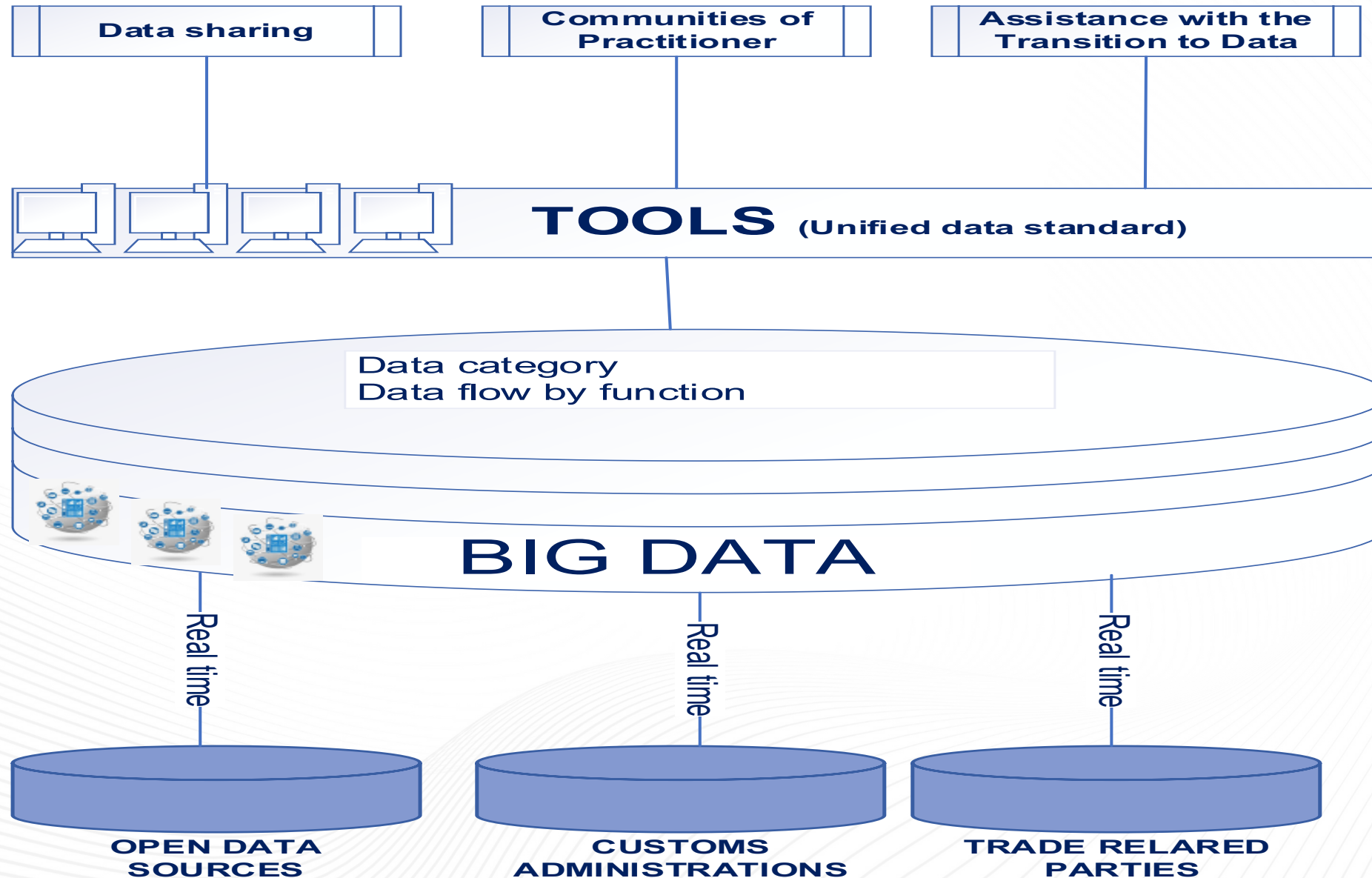
FURTHERMORE

BLOCKCHAIN TECHNOLOGY

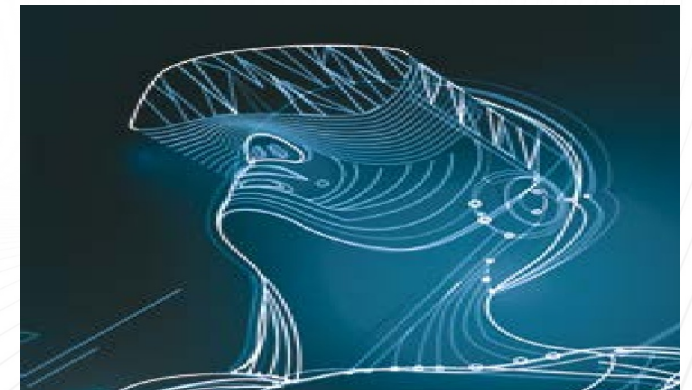**INTERNET OF THINGS**

ARTIFICIAL INTELLIGENCE & MACHINE LEARNING

BIOMETRIXS

DRON

VIRTUAL, AUGMENTED AND MIXED REALITY

- ✓ To establish Single Electronic Window;

- ✓ To conduct Business process re-engineering study on Border Regulatory Control;

- ✓ To improve Capacity Building;

- ✓ To reform the Legal Framework;

- ✓ To introduce Integrated Risk Management;

- ✓ To develop CBM;

- ✓ To enhance Customs-Business Partnership;

- ✓ To improve Simplified Customs Procedures; and

- ✓ To use Disruptive Technology for Customs performance (AI, BD, ML, and IoT etc.).

THANK YOU FOR YOUR KIND ATTENTION!