



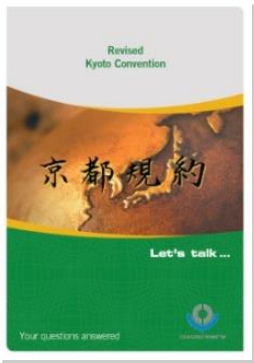
Session 2

WCO Instruments and tools relevant for CBM

WCO tools to support CBM

The WCO has developed a number of instruments and tools, which respond to Members' needs as regards CBM implementation. The WCO is continuing to develop and fine-tune an inter-active guidance tool designed to help Customs implement the TFA.

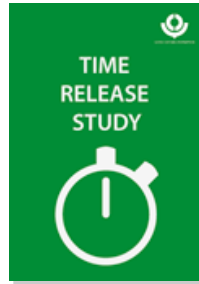
Examples of WCO tools



Revised Kyoto Convention



SAFE Framework of Standards



Time Release Study Guide



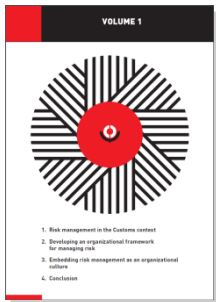
Single Window Compendium



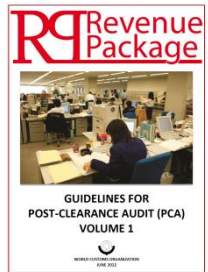
Data Model



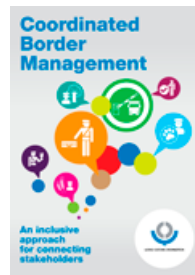
Transit Handbook



Risk Management Compendium



Post Clearance Audit Guidelines



CBM Compendium



NCTF Guidance



TFA e-Learning courses



Customs Business Partnership Guidance

Trade Facilitation Tools, Instruments & Guidelines

- Conventions
 - Legally binding
- Recommendations
 - Adopted by WCO Council
 - Not binding, but formally adopted with conditions that implicitly commits administrations to implement its provisions
- Tools
 - Non-binding informal publications
 - Developed to help members and traders in the Customs area

Topics

- Economic Competitiveness Package
- Revised Kyoto Convention
- SAFE Framework of Standards
- CBM Compendium
- Single Window Compendium
- Globally Networked Customs
- Time Release Study



ECP

Economic Competitiveness Package

WCO Strategic Goal 1

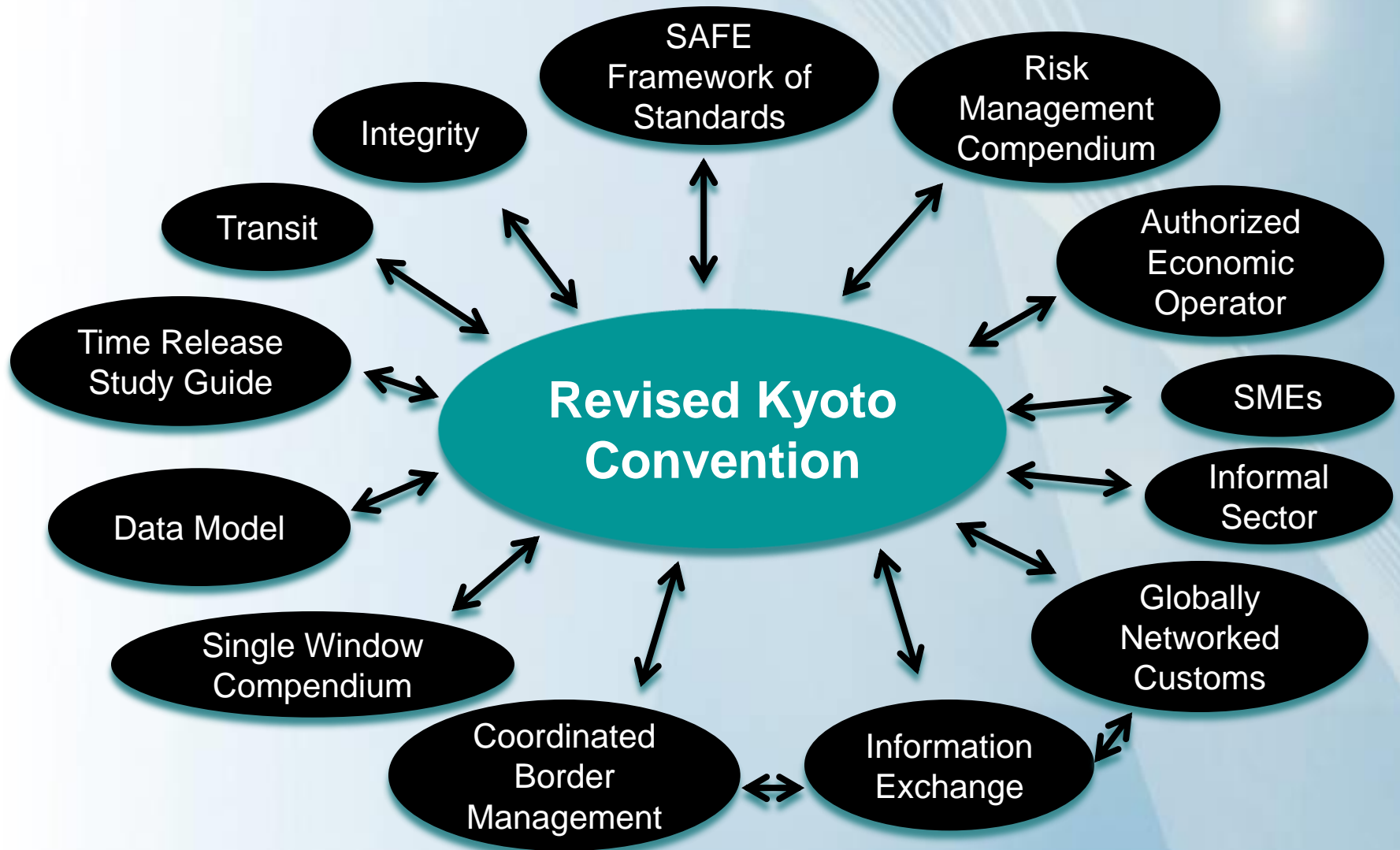


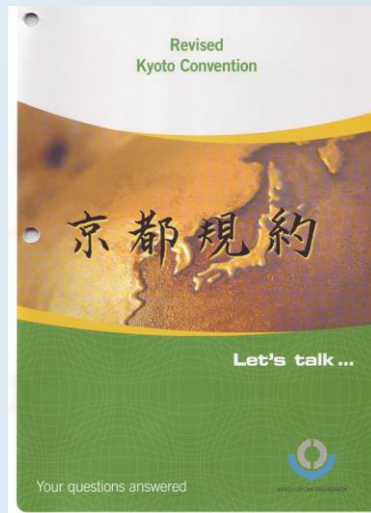
- **Promote the security and facilitation of international trade, including simplification and harmonization of Customs procedures**

Economic Competitiveness Package

- The Economic Competitiveness Package (ECP) is currently a matter of high priority at the World Customs Organization (WCO). Economic competitiveness starts with trade facilitation. Customs administrations undeniably play an important role in trade facilitation. Indeed, facilitating trade is one of the key objectives of the WCO and the Organization has contributed, through its tools and instruments as well as through technical assistance, to increasing the economic competitiveness and growth of Members.

Economic Competitiveness Package



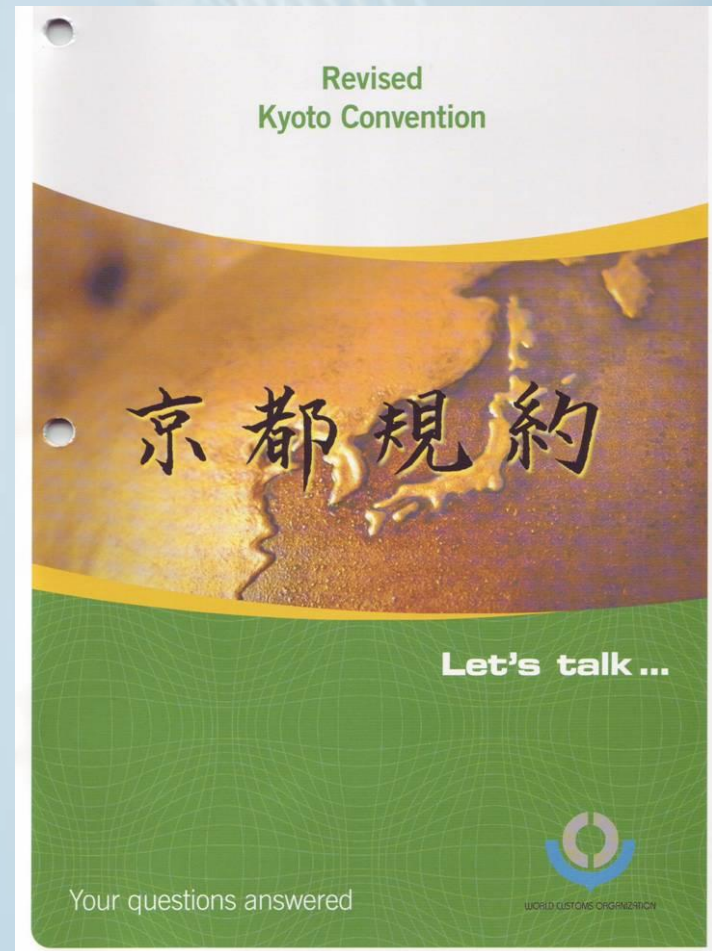


Revised Kyoto Convention

Conventions:

RKC: Blueprint for Modern Customs Administration

- International Convention on the Simplification & Harmonization of Customs Procedures 1999
- Risk Management & Audit controls
- Pre-arrival processing
- Limit information to that necessary for compliance with Customs' law
- Electronic submission of declarations and supporting documents
- Use of international standards



CBM: Concepts & Applications

- The RKC General Annex contains standards that provides guidance for CBM
- RKC provides essential guidance for “first steps”
- CBM is a living body of knowledge – Business process innovation is key

CBM: Concepts & Applications

- RKC Chap 3: Clearance & Other Customs Formalities (Std 3.1, 3.3, 3.11, 3.35; T. Std 3.4, 3.5)
 - Designating locations, competencies operating hours of border crossings, correlating with the other side to ensure coordination
 - Use of international standards in paper forms and IT formats
 - Joint inspections between Customs and CBRAs
 - Establishment of juxtaposed Customs offices & cooperation at such offices

CBM: Concepts & Applications

- RKC Chap 6: Customs Control (Std 6.3, 6.4, 6.5, 6.7, 6.8; T. Std 6.9)
 - Use of risk management
 - Cooperation between Customs Administrations
 - Cooperation with Trade
 - Use of Information Technology

CBM: Concepts & Applications

- RKC Chap 7: Application of IT (Std 7.2,7.3, 7.4)
 - Stakeholder consultation in introduction of IT systems
 - Use, retention and sharing of electronic information



SAFE Framework of Standards

Standard 5.3 of Section 5 (CBM) states that **Governments should develop co-operative arrangements**, nationally and internationally, **between Customs and other Government agencies** involved in international trade in order **to facilitate the seamless transfer of international trade data (Single Window environment)** and to exchange risk intelligence.

CBM: Concepts & Applications

- SAFE FRAMEWORK OF STANDARDS

Four core elements

- Harmonization of the advance electronic cargo information
- Consistent risk management approach to address security threats
- Request of the receiving nation, that the sending nation's Customs administration to perform an outbound inspection of high-risk cargo and/or transport conveyances
- benefits to businesses that meet minimal supply chain security standards and best practices

CBM: Concepts & Applications

- **SAFE FRAMEWORK OF STANDARDS**

- Three Pillars

- Pillar 1, Customs-to-Customs network arrangements
 - Pillar 2, Customs-to-Business partnerships
 - Pillar 3, Customs to Other Government and Inter-Government Agencies

CBM: Concepts & Applications

- **SAFE FRAMEWORK OF STANDARDS**

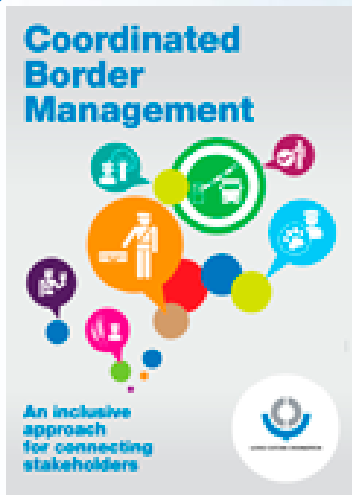
- Pillar 3, Customs to Other Government and Inter-Government Agencies**

- Standard 2 - Cooperation within Government(2.1.1, 2.1.2, 2.1.3, 2.24, 2.5)
 - Standards 2.2 - 2.5 Cooperative Arrangements/Procedures
 - Standards 2.6 - 2.9 Cooperation between and among governments
 - Standards 2.10 – 2.11 Multinational Cooperation



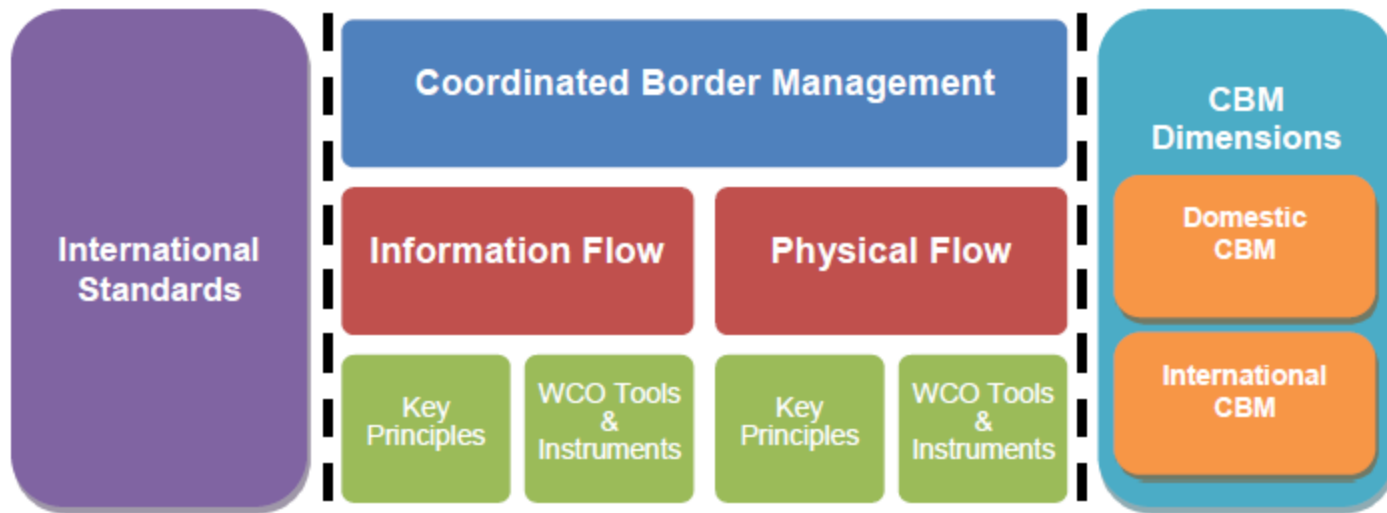
The CBM Compendium is helpful for WCO Members in their attempts to develop and implement CBM in their countries by incorporating best practices on different areas of CBM that Members could take reference from.

The Compendium highlights electronic single window as the electronic manifestation of Coordinated Border Management.



CBM Compendium

CBM Compendium

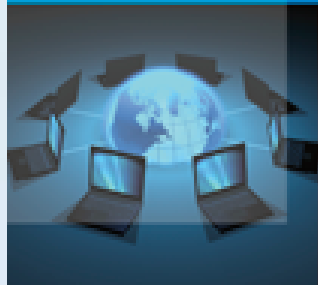


CBM Compendium

The standards relating to CBM in both the RKC, as well as the TFA involve 3 key areas:

- Coordination of procedures and formalities;
- Coordination of enforcement and controls;
- Coordination in information technology developments.

Compendium
How to Build a
Single Window
Environment



Single Window Compendium

Single Window to Government

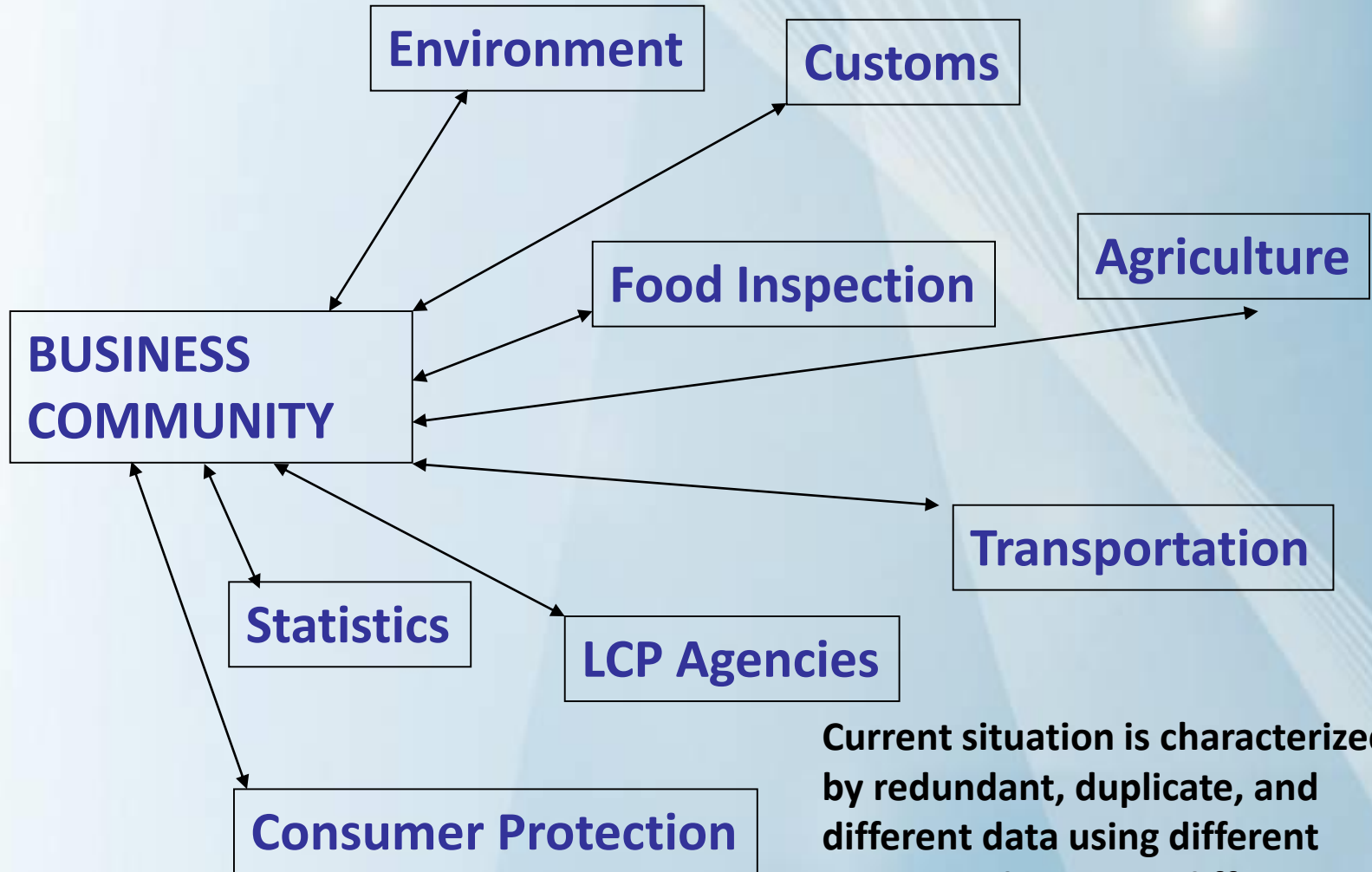
The Single Window environment is a complex technical issue, but it cannot work without the politics and other non-IT issues being examined first.

Be sure to get the policy, legal and administrative frameworks analysed and sorted before looking at technical options.

Single Window to Government

a cross border, 'intelligent', facility that allows parties involved in trade and transport to lodge standardised information, mainly electronic, with a single entry point to fulfil all import, export and transit related regulatory requirements.

Current Situation

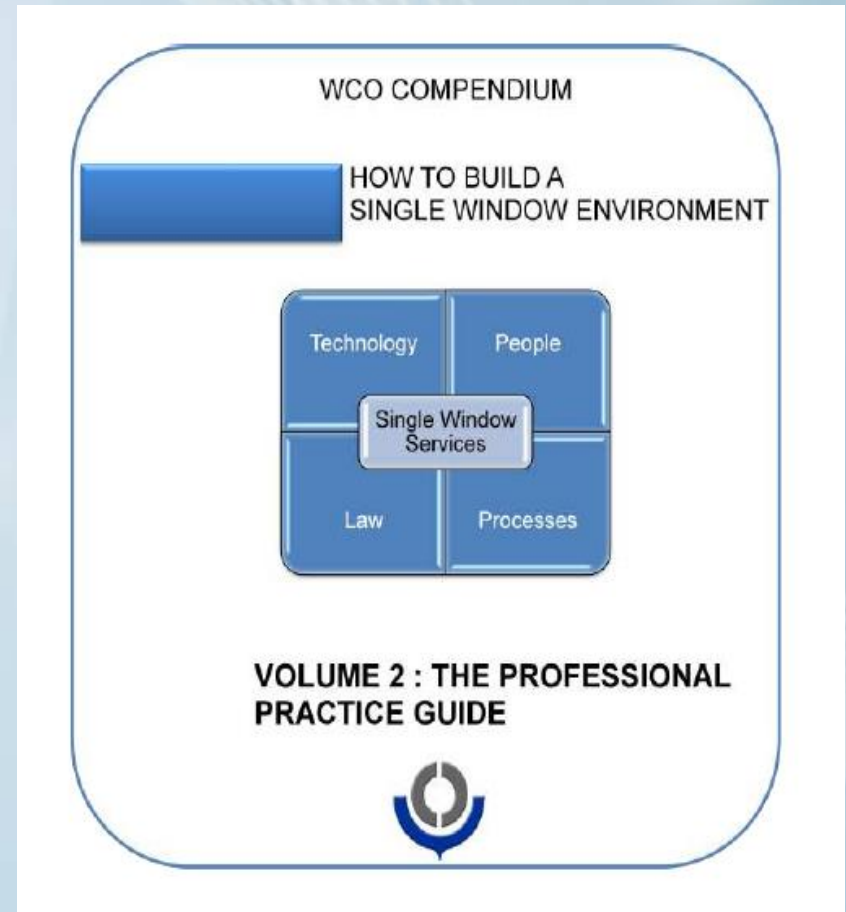
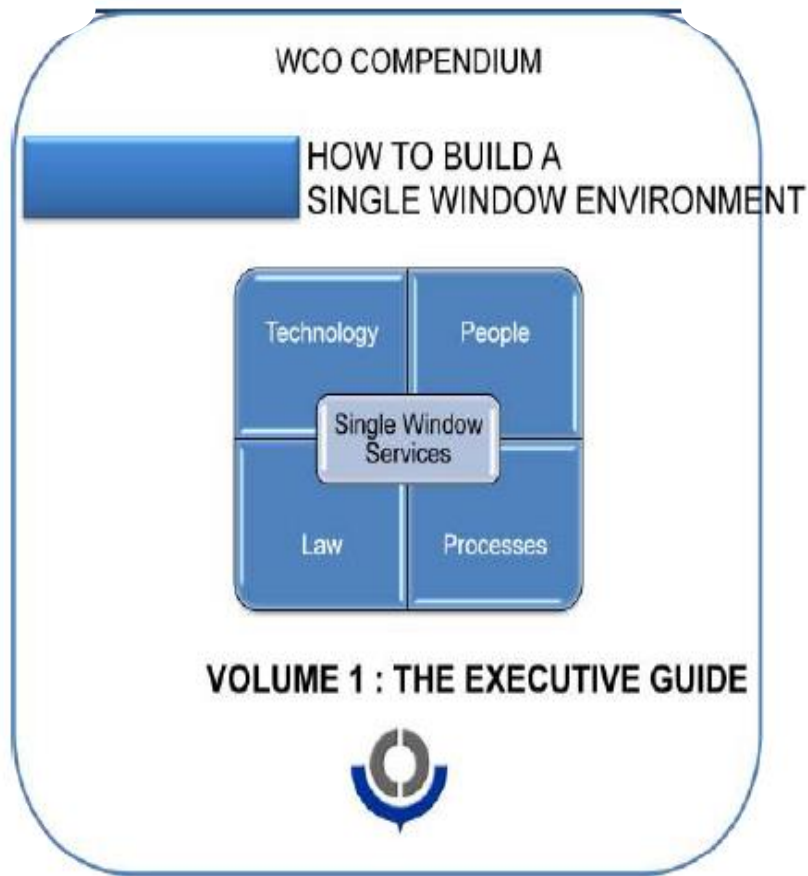


Current situation is characterized by redundant, duplicate, and different data using different automated systems, different forms, or both.

WCO Data Model

1. Reduces costs to trade by simplifying data requirements
2. Improves reporting and compliance by improving the quality of data.
3. A comprehensive reference on cross-border regulatory data standards.
 - Meets requirements of several international conventions.
 - Is aligned with widely used international standards
1. 4. Enables Single Window implementation
 - Can be used as the basis for Data Harmonization
 - Includes data requirements from Customs, statistics, agriculture, environment & marine safety
 - Provides an electronic messaging solution for Single Window
 - GOVCBR – Government Cross-Border Regulatory Message

Single Window



Single Window

Chapter 1:

Understanding the Single Window Environment

Chapter 2:

Customs Functions & the Single Window Concept

Chapter 3:

Single Window as part of Customs Modernization

Chapter 4:

Agenda Setting & Policy Planning

Chapter 5:

Establishing Formal Structures

Chapter 6:

Designing Single Window Services

Chapter 7:

Dealing with Legal Issues

Chapter 8:

Human Resources & Change Management

I. Incubation & strategic Planning

II. Establishment & Consolidation

III. Development, Implementation, Evaluation & Feedback

Diagram1: Layout of Chapters for Volume 1

Single Window

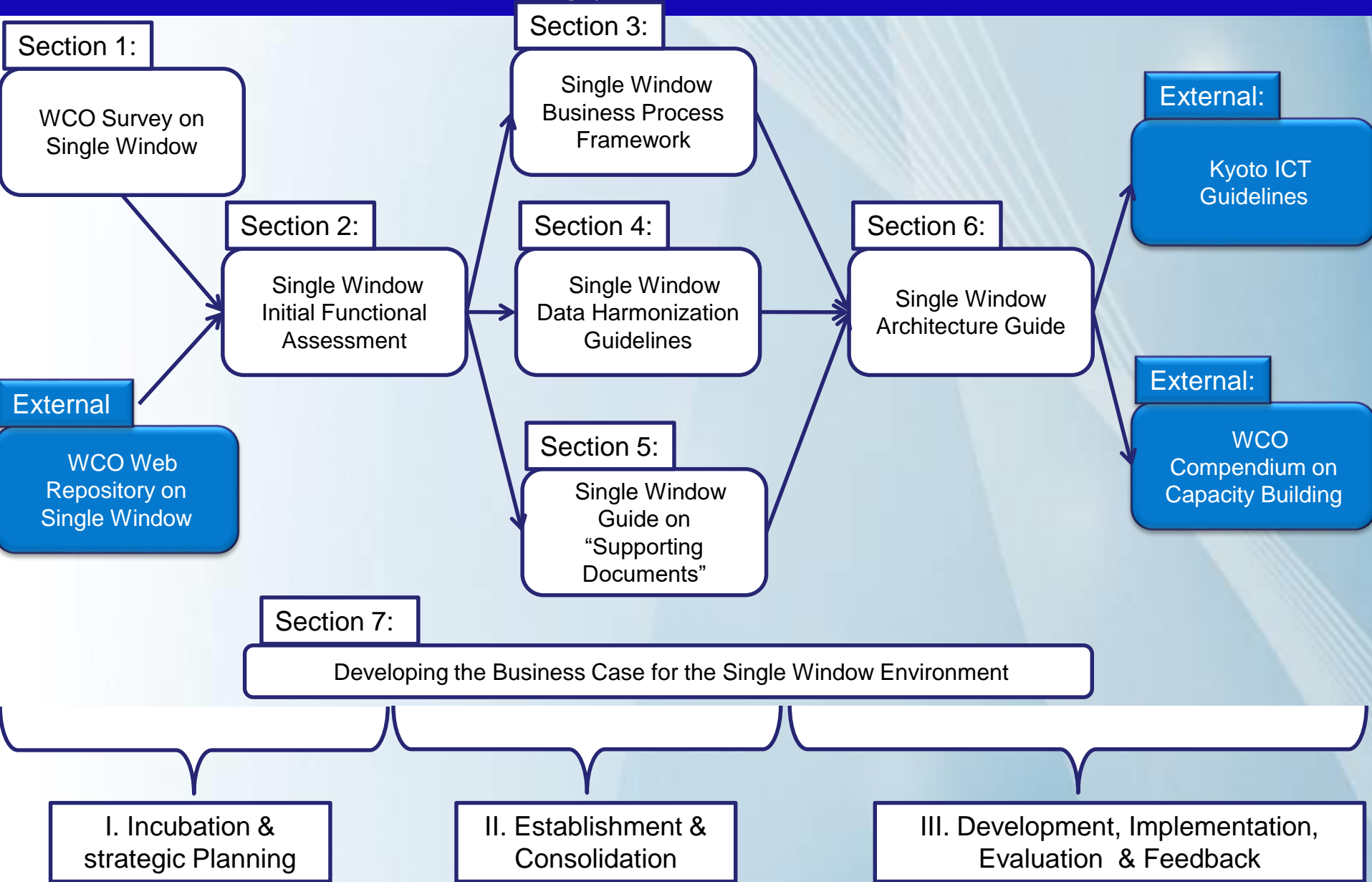
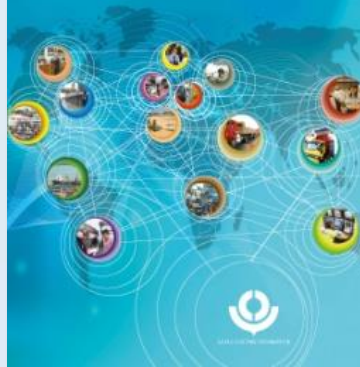


Diagram 2: Layout of Sections for Volume 2

Globally Networked
Customs Concept



Globally Networked Customs

GNC

What is the Globally Networked Customs (GNC) concept?

- A standardized way for Customs authorities to exchange information.

What is the scope of GNC?

- Customs-to-Customs (C2C) information sharing only, including data obtained from commercial sources.

What are the principle elements of the GNC approach?

- As with other WCO instruments, there will be a set of Protocols, Standards, and Guidelines for WCO Members to follow.

■

GNC

What will GNC do for a Customs administration?

- It will speed up the time between agreeing on an exchange of information arrangement, and implementation. It will also lower implementation and operation costs

Will GNC become the mandatory method for exchanging information?

- Using GNC is voluntary. WCO Members can continue to negotiate, develop and agree one-off arrangements. This also applies even if partner countries are using GNC for other exchange of information arrangements.

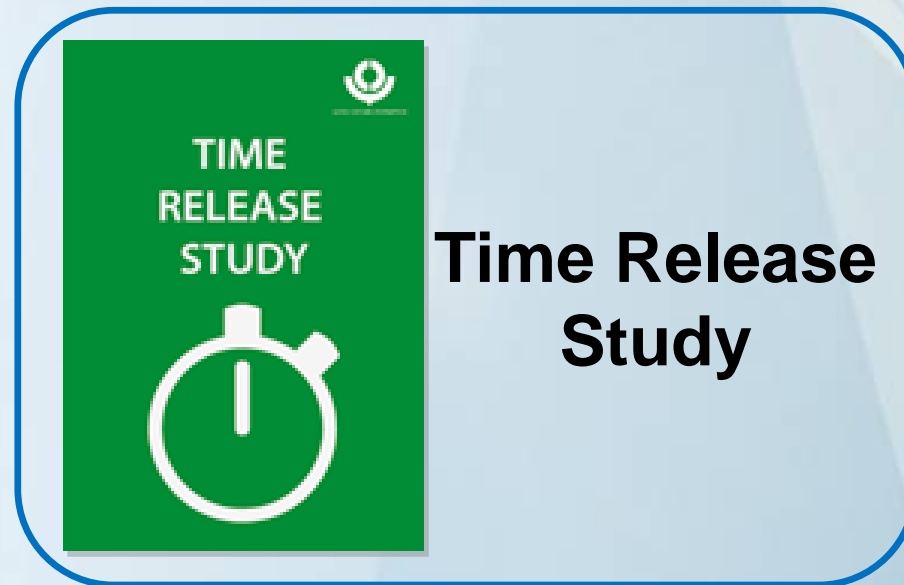
GNC

Two tracks, namely a Commercial Track and an Enforcement Track.
What does it mean?

- What is in the Commercial Track?
Systematic exchange of information such as export data which is input through a national Customs application. This Track will contain most of the exchanges taking place under GNC.
- What is in the Enforcement Track?
Information exchanges initiated by a Customs authority, either under Mutual Assistance agreements/arrangements, or where a risk assessment on data in the Commercial Track triggers the need for further information.

Will there be conformity with other WCO instruments?

- Where relevant, the standardized approaches for GNC will be constructed in conformance with existing WCO instruments such as the Data Model, the Revised Kyoto Convention and the SAFE Framework of Standards.



Contents



I. Why TRS is important?



II. Overview of the TRS



III. TRS Benefits

The importance of TRS

- ❑ **Huge increase in cross border trading as a result of globalization, border management in trade facilitation (TF) becomes more prominent;**
- ❑ **Expediting the movement, clearance & release of goods has been a major desire for many countries in the 21st Century;**
- ❑ **Just-in-time delivery of goods is important for business.**

What is Time Release Study?

- ❑ A unique tool and method for measuring the actual time required from arrival of goods to its release.
- ❑ The tool to assess the efficiency and effectiveness of each actor in the flow process of cargo.

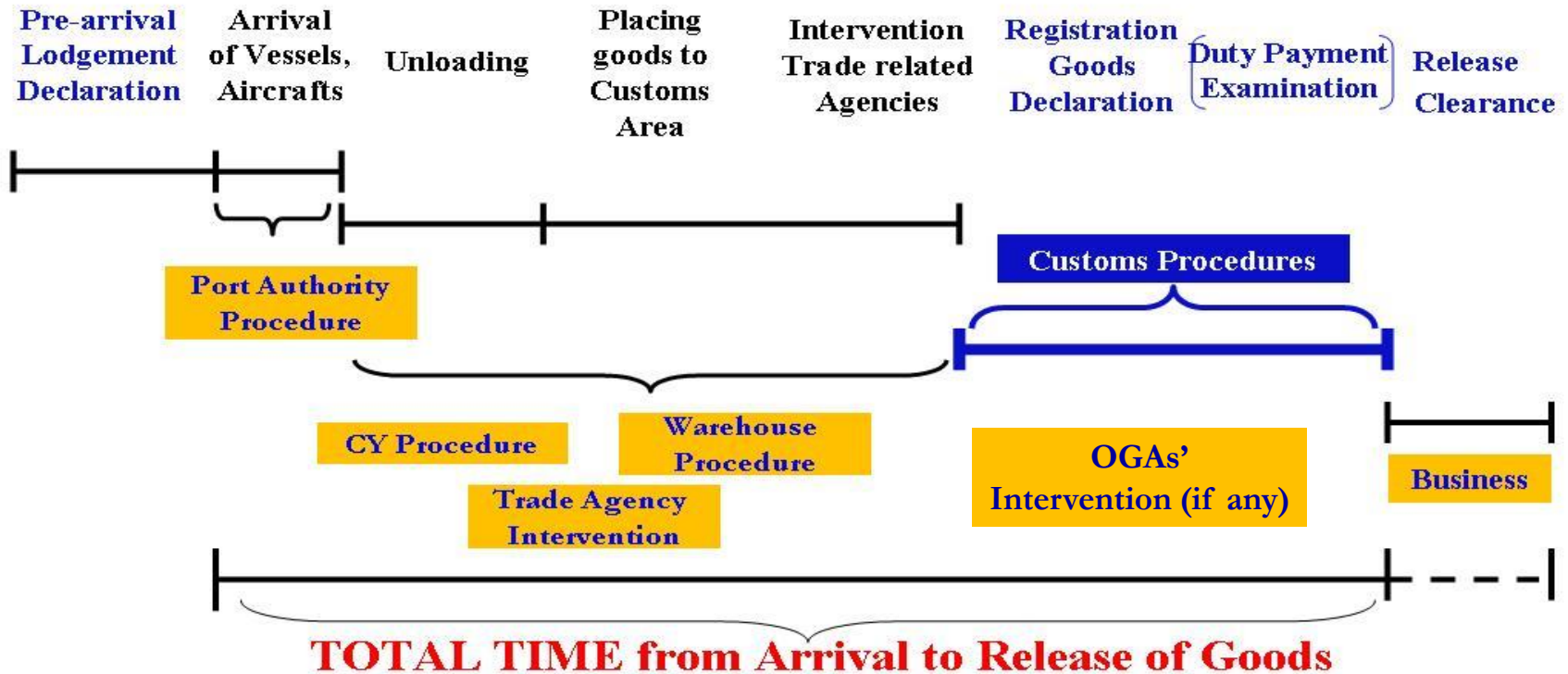
TRS' objectives

- ❑ Identifying bottleneck actions affecting customs release
- ❑ Assessing new procedures, operations, etc.
- ❑ Establishing baseline TF performance measurement
- ❑ Identifying opportunities for TF improvement, such as SW
- ❑ Estimating the country's approximate position as a benchmarking tool

Possible scope of the TRS

Cargo Flow from Arrival to Release of Goods

Sea cargo & Air cargo



TRS' particularities

- ❑ Applies to multiply mode of transport and to several type of procedures such as import, transit, export and etc.
- ❑ Package embracing three components.
- ❑ Cutting-cross tool, not based on perception.
- ❑ A Cycle leading to continues improvement.

The Phases

Phase 1: Preparation of the Study

- ❑ Establishment of a TRS Working Group
- ❑ Determination of scope and design of the study
- ❑ Planning and detailed methodology
- ❑ Detailed Drawing plan
- ❑ Sampling
- ❑ Developing a survey questionnaire form
- ❑ Test-Run

Phase 2: Collection & Recording of Data

Phase 3: Analysis of the Data & Conclusions

- ❑ Analysis of the results of TRS and formulations of action plan
- ❑ Finalizing TRS report and Press Release

TRS Process

Preparation Phase

Establish Customs
WG

Customs WG

- Determine the scope/details
- Develop a draft TOR, Time table & Questionnaire

1st TRS WG meeting

- Agreement in principle

Customs WG

- Amend a draft TOR, Time table & Questionnaire
- Develop instruction for collection data

2nd , 3rd ... TRS WG meeting

_th TRS WG meeting

- Finalize a TOR, Time table & Questionnaire and instruction

TRS Process

Preparation Phase

Workshop

Organized by TRS WG
Questionnaire & instruction
Train the people responsible for filling
questionnaire

Test Run (TRS WG)

Identify sample declaration for test run
Collect several questionnaires with data for test
purpose

Distribute the Questionnaire (TRS WG)

Distribute Questionnaires

TRS Process

The Questionnaire

Section A: General Information	
1. Customs Office (*)	Customs Office A
2. ID number of Goods Declaration (*)	10114725
3. Pre-Arrival Logement of Goods Declaration (*)	Yes
4. Physical Inspection (*)	No
5. Intergention by Trade Related Agencies (*)	No
Section B: Cargo Information	
6. Arrival of Goods (*)	10:25, 1 October 2013
7. Unload (Storage) of Goods (*)	14:35, 1 October 2013
8. Submission of Customs Declaration (*)	15:00, 3 October 2013
9. Customs Permission (*)	17:05, 3 October 2013
10. Cargo removal from Customs Area (*)	09:50, 4 October 2013

TRS Process

Data Collection/Recording Phase

Data Collection (TRS WG)

- Collect completed questionnaire

Data Recording (TRS WG)

Record data

Calculate Ave. time & SD in each
process/criteria.

TRS Process

Analysis/Conclusion phase

Data Analysis (TRS WG)

- Analysis the delay identified
- Follow up study, field visit & interview



Drafting (TRS WG)

- Draft a possible Action plan
- Draft a final report



TRS WG Meeting

- Discuss the final report which includes Action plan
- Finalization



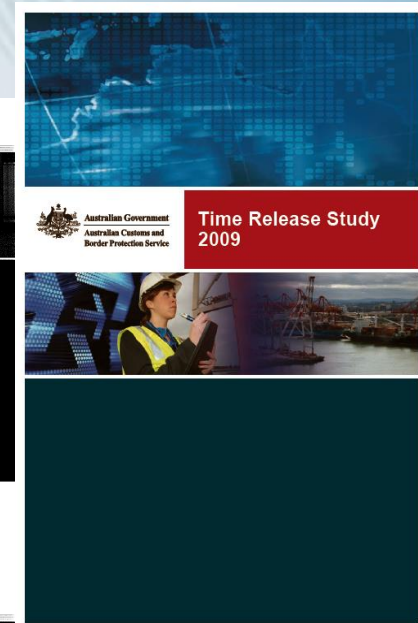
Press Release (TRS WG)

- Drafting a simple paper for release it in public

Analysis/Conclusion phase

✓ Final Report

- Objectives
- Scope
- Methodology
- Analysis
- Conclusion
- Recommendations
(Action Plan)



2nd TRS

3rd TRS

.....

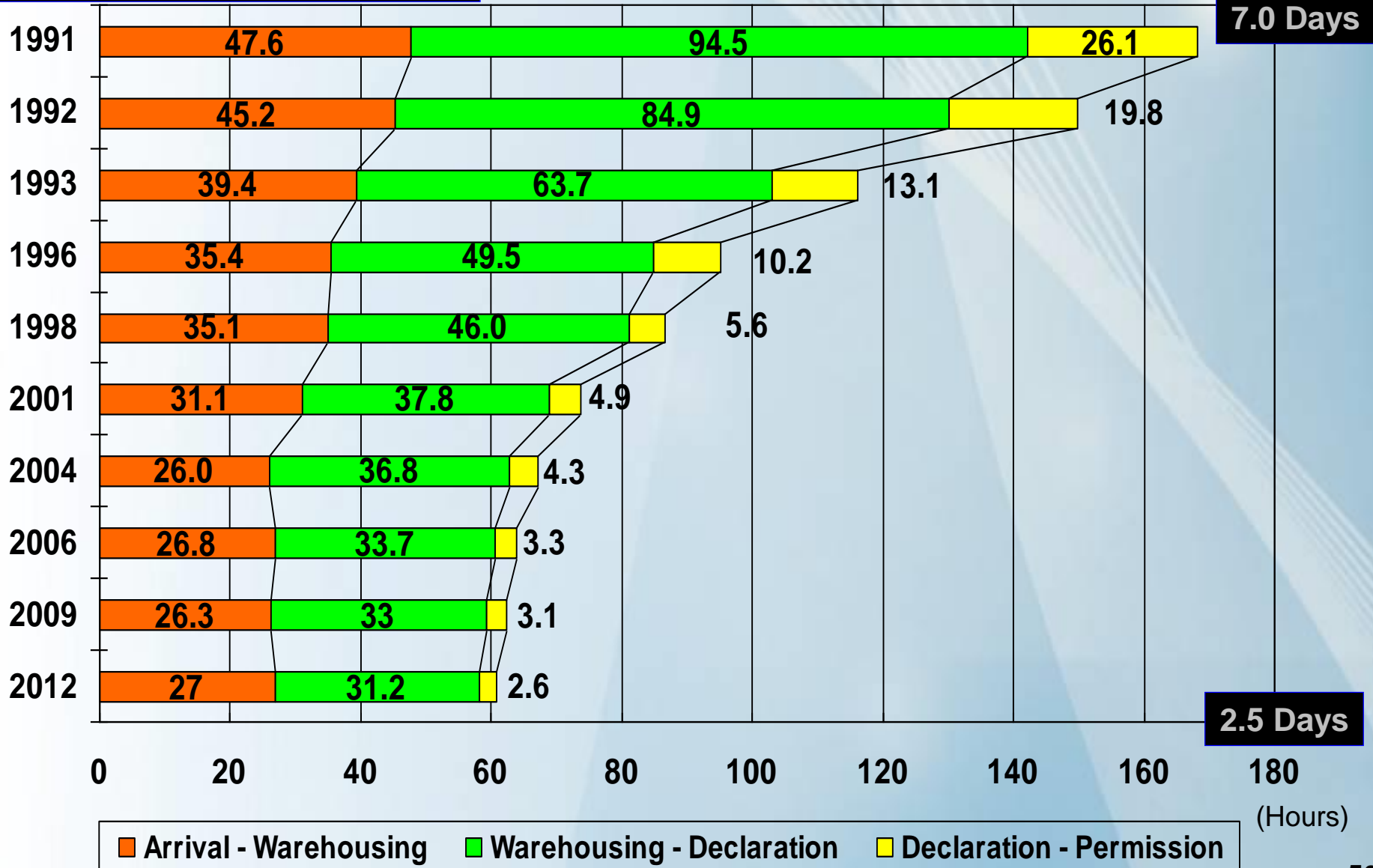
TRS Benefits

Procedures, Processes & Legislation

- Diagnose the efficiency of specific customs procedures
- Take measures to improve compliance or enforcement
- Simplify and harmonize customs procedures
- Automate Customs processes
- Draft / modify relevant Customs legislation

TRS Benefits

Sea Cargoes



TRS Benefits

Organization

- Reallocate staff and resources for optimal utilization**
- Initiate organizational reform**
- Support requests for human, financial and technical resources**
- Address anti-corruption measures**
- Train staff**

TRS Benefits

Overall benefits

- Win & Win situation, as it enhances C to B and C to G**
- Reduces the supply chain time, from arrival to release cargo**
- Reduces transaction cost for businesses**
- Promotes investment in a broader manner**
- Contributes to economic development of countries, and prosperity**

**Thank you for
your attention**