

.....CROSS-BORDER TRANSACTIONS.....
ON THE FAST TRACK.....→

WCO Data Model

Instruments SAFE / RKC

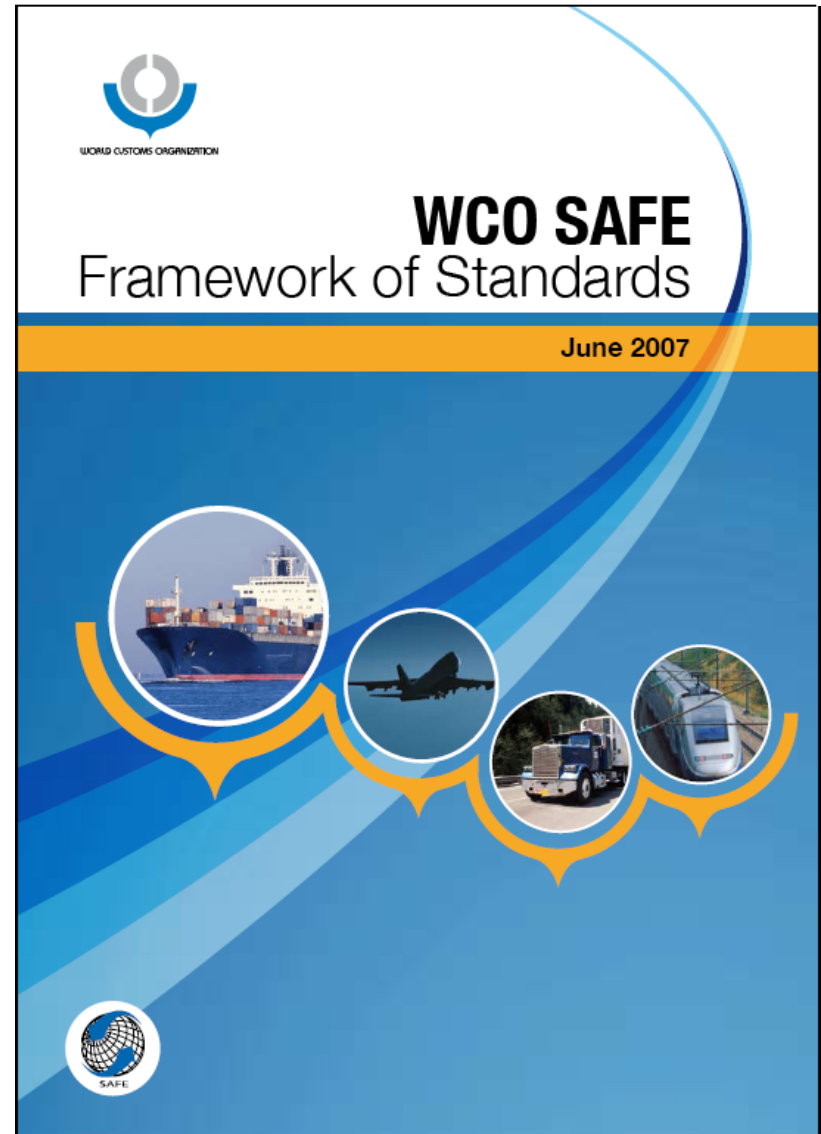


World Customs Organization



SAFE Framework of Standards

**Security of the
international
supply chain**





SAFE FoS

History:

- ◆ **Resolution I (2002) – WCO Task Force**
- ◆ **Develop Standards**
 - **HARMONIZED PROCEDURES eg: revised Kyoto Convention and WCO Business Partnership Guidelines**
 - **HARMONIZED CUSTOMS CONTROL - common risk management/assessment/profiles**
 - **HARMONIZED DATA REQUIREMENTS = WCO Data Model with UCR as common action key**





SAFE FoS

History II:

- ◆ **Resolution II (2004) – WCO High-level Strategic Group**
 - = **Implement Standards/Capacity Building**
 - = **SAFE Framework of Standards/AEO Guidelines**
 - = **Strategic use of data to better manage international supply chains/ISCM**
 - = **WCO Data Model and the UCR**
 - = **Columbus Program**





Objectives of the Framework

- ◆ **Certainty and predictability at a global level**
- ◆ **Integrated supply chain management for all transport modes**
- ◆ **Allow Customs to meet the challenges and opportunities of the 21st Century**
- ◆ **Closer cooperation among Customs administrations**
- ◆ **Stronger Customs-to-Business cooperation**
- ◆ **Tangible benefits for businesses**
- ◆ **Seamless movement of goods**





Four core elements

- 1) Advance electronic manifest information**
- 2) Common risk-management approach**
- 3) Inspection of high-risk cargo at port of origin (Focus upon exports)**
- 4) Enhanced trade facilitation for legitimate trade (Authorized Economic Operator concept)**





SAFE FoS

Latest amendments:

- ◆ **B2G Column (CBM Building Block in C21)**
- ◆ **“10+2” and the SAFE Data Element maintenance mechanism**
- ◆ **SAFE and 100% scanning; the only realistic alternative?**



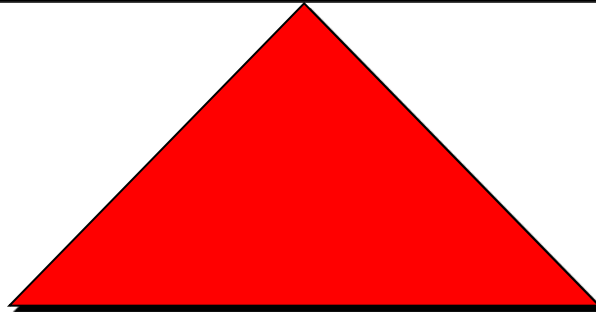


Trade Facilitation vs. Security

WCO Framework of Standards

Facilitation

Security





Revised Kyoto Convention

**(Blueprint for Modern
Customs Administration)**





Revised Kyoto Convention

- ◆ 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





Revised Kyoto Convention

CHAPTERS OF THE GENERAL ANNEX

- 1 - General principles**
- 2 - Definitions**
- 3 - Clearance and other Customs formalities**
- 4 - Duties and taxes**
- 5 - Security**
- 6 - Customs control**
- 7 - Application of information technology**
- 8 - Relationship between the Customs and third parties**
- 9 - Information, decisions and rulings supplied by Customs**
- 10 - Appeals in Customs matters**





RKC PRINCIPLES

THE GENERAL ANNEX RECOMMENDS ALL KEY ELEMENTS THAT A MODERN CUSTOMS SHOULD APPLY :

- ◆ **STANDARDS, SIMPLIFIED CUSTOMS PROCEDURES AND PRACTICES**
- ◆ **CONTINUOUS DEVELOPMENT AND IMPROVEMENT OF CUSTOMS CONTROL TECHNIQUES**
- ◆ **MAXIMUM USE OF INFORMATION TECHNOLOGY**
- ◆ **PARTNERSHIP APPROACH BETWEEN CUSTOMS AND TRADE**





Revised Kyoto Convention

General Annex Chapter 7

- **APPLICATION OF INFORMATION TECHNOLOGY**
 - **7.1. Standard**
 - **Customs shall apply information technology** to support Customs operations, where it is cost-effective and efficient for the Customs and for the trade. Customs shall specify the conditions for its application.
 - **7.2. Standard**
 - When introducing computer applications, **Customs shall use** relevant internationally accepted standards.
 - **7.3. Standard**
 - The introduction of information technology shall be carried out in **consultation with all relevant parties** directly affected, to the greatest extent possible.
 - **7.4. Standard**
 - New or revised **national legislation** shall provide for:
 - **electronic commerce** methods as an alternative to paper-based documentary requirements;
 - electronic as well as paper-based **authentication methods**;
 - the right of the Customs to retain information for their own use and, as appropriate, to exchange such information **with other Customs administrations** and all **other legally approved parties** by means of electronic commerce techniques.





RKC Specific Annexes

- ◆ **Cover different aspects of Customs procedures**
- ◆ **Contain Chapters which deal with specific procedures**
- ◆ **Acceptance of one or more of the Specific Annexes/Chapter(s) optional**
- ◆ **Contain Standards and Recommended Practices**
- ◆ **No reservations permitted to Standards**





RKC GUIDELINES

- ◆ **All Annexes and Chapters to be accompanied by implementation Guidelines**
- ◆ **Guidelines to contain detailed information on implementation of**
 - **Provisions in the Annexes**
 - **Simplified procedures**
 - **Best practices**
- ◆ **Guidelines not a part of the legal text**
- ◆ **Guidelines to be reviewed and updated to reflect current practices**





General Annex Chapter 7

ICT Guidelines

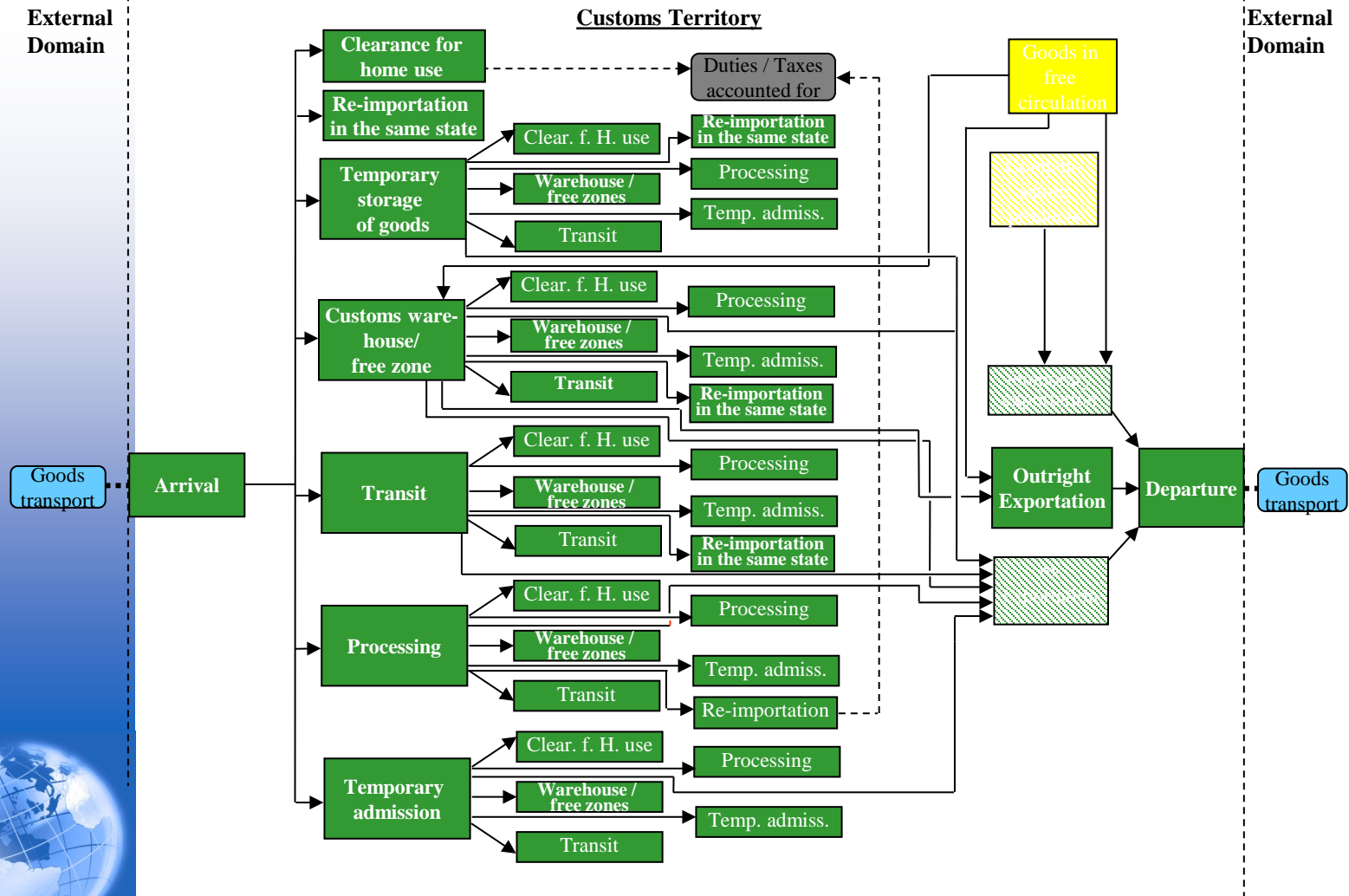
- ◆ **Purpose = “to focus the attention of Customs administrations on the impact of ICT on their business”**
- ◆ **15 Chapters; 17 Appendices, 149 pages**
- ◆ **Includes: strategic planning, change management, system development, comms, security, authentication, legal issues, audit, e-commerce, cost/benefit, WCO recommendations on IT & common problems**





Revised Kyoto Convention

Global model



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Questions ?



World Customs Organization