WCO Objectives, Trade Facilitation and Modernized Customs

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The WCO Mission Statement

To enhance the effectiveness and efficiency of Customs administrations...by improving their ability to 

- Apply trade regulations & facilitate trade
- Protect society
- Collect revenue

...which promotes economic prosperity and social development
Key Challenges

- Doha Round stalemate
- Facilitate and Secure supply chains
- Recurring natural disasters and trade recovery
- Terrorism, piracy, security
- Environmental protection
- IPR infringements
- Trans-national organized crime (eg: money laundering)
- Food crisis/Financial crisis
- Displaced persons/people trafficking
Key Activities

- Trade Facilitation
- Efficiency of Customs
- Holistic approach to end to end supply chains
- Technology, Use of modern tools
- Cooperation with trade and other agencies (CBM, Customs-Trade Partnerships)
- Promotion of Mutual Recognition
- Capacity Building in support of activities
Approved as the future Customs roadmap (2008 June Council)

10 building blocks for C21

CBM, GNC and RM as means to mitigate transport bottlenecks
Revised Kyoto Convention
Revised Kyoto Convention (RKC)

- International Convention on the simplification and harmonization of Customs procedures (Revised Kyoto Convention, adopted in 1973, revised in 1999)

- 75 Contracting Parties (promotion priority and accession process ongoing in many countries)

- Blueprint for Modern Customs procedures
  - effective controls (risk management, audit based control, Coordinated intervention, pre-arrival declaration)
  - facilitate legitimate trade (standardization, simplification, transparency, predictability, use of IT, trade partnership)

- Relevance for implementation of future WTO Trade Facilitation Agreement (jointly with other instruments)
Benefits of RKC implementation

Better management of Customs services

Faster clearance and less transaction cost

Increased revenue through increased trade volume and integration of informal trade

Promote foreign direct investment (as efficient border procedures are one of the deciding factors)

Certification as having international good practice (« announcement effect »)

Participation in future standard making (right to vote)

Benchmark of successful capacity building/donors support
Revised Kyoto Convention (RKC)

Core provisions and definitions of general application to all Customs procedures in ten Chapters of the General Annex - obligatory

Specific Annexes contain Chapters relating to specific procedures (25) - optional

Implementation period for Standards/Recommended Practices (3 years) and Transitional Standards (5 years)

Detailed Guidelines containing information for
- the interpretation of the provisions
- the implementation of the provisions
- methods of application and best practices
Key Principles of RKC (I)

Transparency and predictability
- Rules for providing information
- Clear and transparent appeal procedures
  (Customs, independent authority, courts)

Standardization and simplification of goods declaration and supporting documents
- Minimum data requirements
- Provisional / Incomplete Goods Declaration
- Submission by electronic means

Simplified procedures for all operators
  Separating release from clearance procedures

“Fast track” procedures for authorized persons with good compliance records such as: release of goods with minimum information to identify goods (with subsequent declaration)
Key Principles of RKC (II)

Pre-arrival information (prior lodgement and registration of the Goods declaration and supporting documents – cargo declaration)

Maximum use of information technology
- Use of international standards
- Consultation of all relevant parties when introducing computer applications
- Electronic commerce methods as an alternative to paper-based requirements

Juxtaposed Customs office and joint controls

Coordinated intervention/Inspection with other border agencies

Partnership with the trade
- Formal consultative relationships
- Memoranda of Understanding (MOU)
Key Principles of RKC (III)

Minimum necessary controls to ensure compliance

Risk management
- Identify high risk consignments based on risk analysis (intelligence)
- Shift from documentary and physical checks to targeted checks
- Facilitation of legitimate trade while maintaining effective control
- Effective and efficient deployment of Customs resources

Audit based controls
- Post-clearance audit
Other relevant WCO TF Instruments

- The SAFE Framework of Standards to secure and facilitate global trade
- The WCO Data Model (Vers 3)
- Single Window Compendium
- Risk Management Compendium
- Istanbul/ATA Convention
- Time Release Study
- Immediate Release Guidelines
- Activities to support Coordinated Border Management
- C21 Building Blocks
The SAFE Framework of Standards to Secure and Facilitate Global Trade

SAFE Objectives

- 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 and with OGAs
- Stronger Customs-to-Business cooperation
- Tangible benefits for businesses
- Seamless movement of goods
The SAFE Framework of Standards

- Establish standards that provide supply chain security and facilitation to goods being traded internationally;

- Enable integrated supply chain management for all transport modes;

- Strengthen networking arrangements between Customs administrations to improve their capability to detect high-risk consignments;

- Promote co-operation between Customs and Business;

- Champion the seamless movement of goods through secure international trade supply chains;

- Importance of SW and CBM.
Thank you for your attention

For more information

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