



Globally-Networked Customs: A New Era of Enforcement or an Opportunity for Traders?



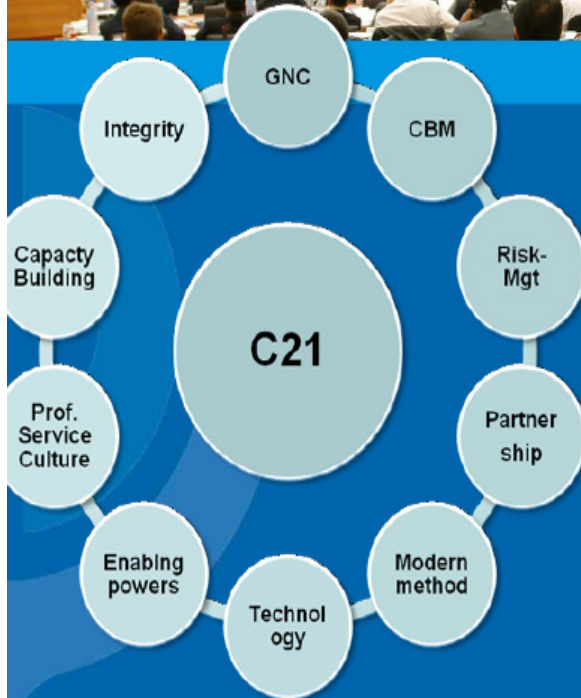
The WCO Vision



Customs in the 21st Century



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES



Approved as the future
Customs roadmap

10 building blocks for C21

Interlinked, integrated



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Customs in the 21st Century: Building Blocks

- **Collaborative Border Management & Single Window**
 - WCO actively sponsoring CBM efforts—pilots underway
 - Single Window systems under development from US, Canada, Mexico to Chile, from Singapore to Serbia to South Africa
 - Customs at center of Single Window, but is it legally entitled to or capable of being in control?
- **Public-Private Partnership**
 - AEO model at core of efforts to foster cooperative arrangements with the private sector
 - Designed to enhance targeting via improved risk management utilizing deeper knowledge of international supply chains and commercial actors in the supply chain: facilitation for the known and the compliant; inspections for the others



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Customs in the 21st Century: Building Blocks

- **Globally-Networked Customs (“GNC”)**
 - WCO initiative designed to foster exchange of trader and enforcement (e.g. targeting) data between WCO members (e.g. exporting country to importing country; vice-versa)
 - Implements standard data protocols (WCO data-model based) to enable quick implementation between partner countries
 - Approved by WCO council in June; pilot implementations of trader ID/AEO and commercial fraud (customs valuation) to proceed quickly thereafter
- **WCO Data Model**
 - WCO data model is xml standard and toolset designed to enable customs and trade applications to interact easily and globally
 - Most members, including US and Canada, are implementing new system developments to be data-model compatible
 - Designed to be underlying basis for GNC



Traditional International Customs Cooperation

IMPORTER



National Border



EXPORTER



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21st Century Customs Cooperation: GNC

IMPORTER



National Border



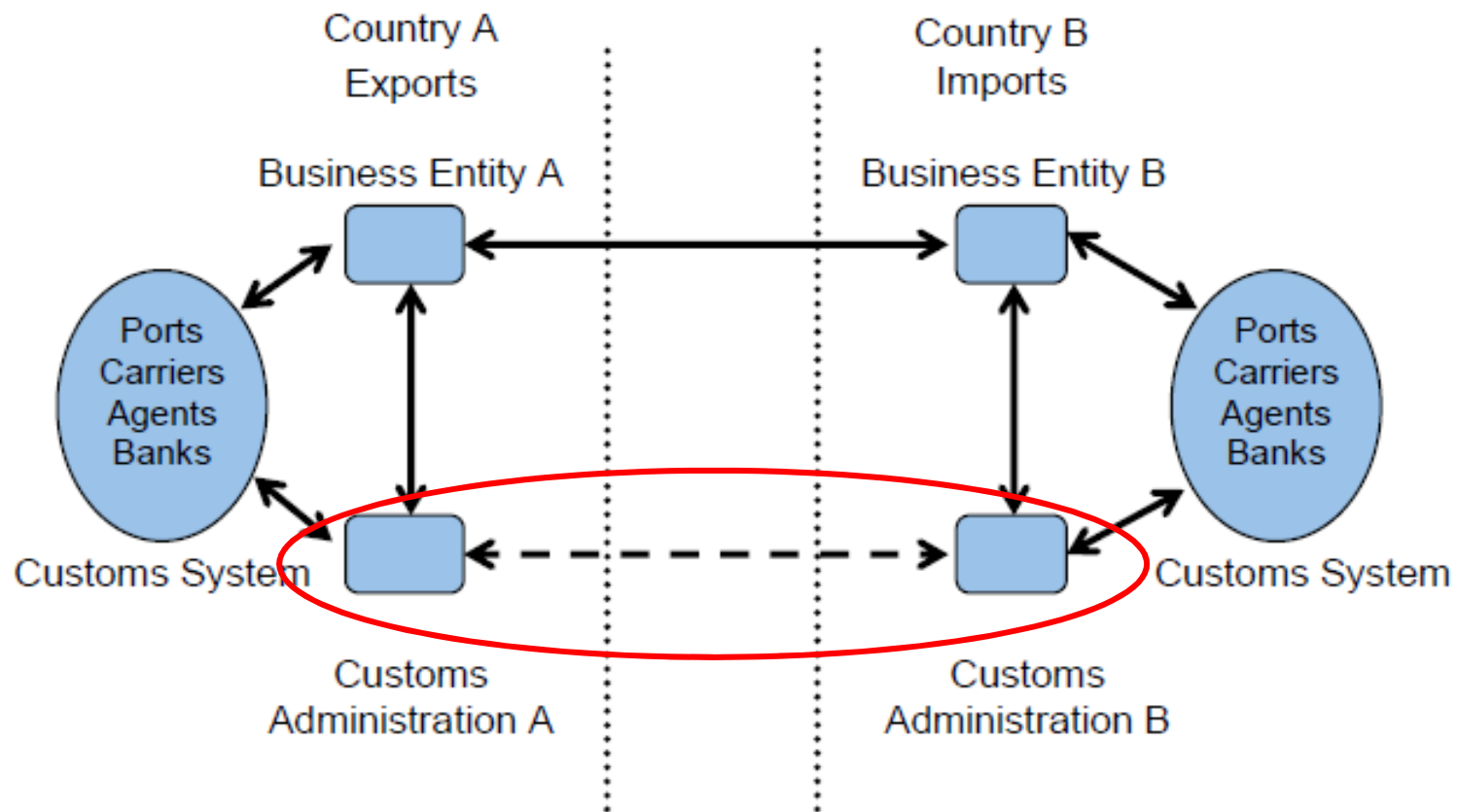
EXPORTER



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GNC: Moving Customs into the 4th Dimension



(source) WCO Secretariat, based on the presentation by India at the 4th Meeting of the Ad Hoc Group on Globally Networked Customs (Brussels, Sep. 2010)



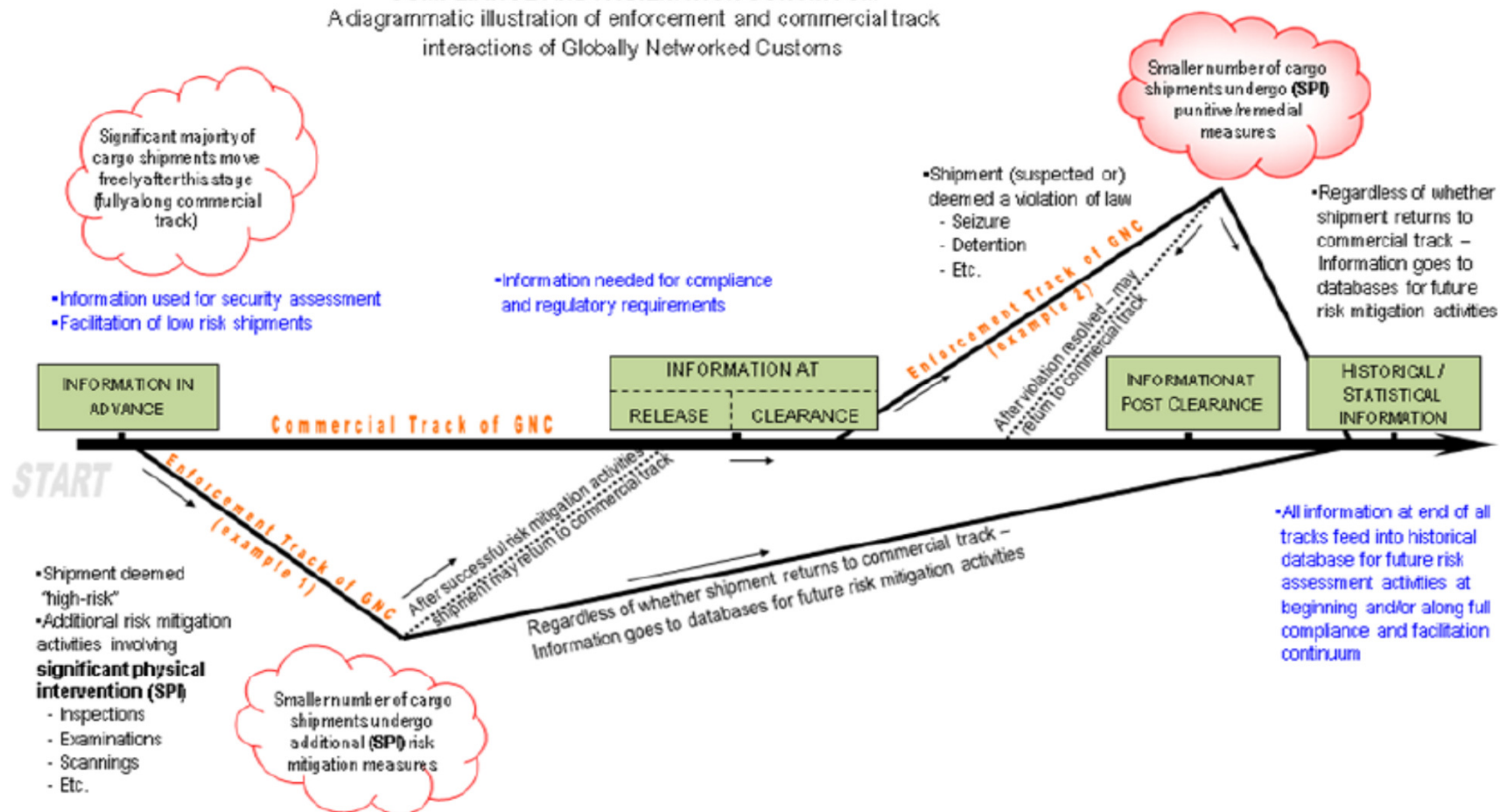
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Graphical Depiction of Commercial and Enforcement Tracks of GNC

"COMPLIANCE AND FACILITATION CONTINUUM"

A diagrammatic illustration of enforcement and commercial track interactions of Globally Networked Customs



This diagram is designed for illustration purposes only as to giving a general sense of comparative volumetrics and potential interactions between enforcement and commercial tracks under GNC – It is not an exclusive process flow to represent all possible transactional scenarios



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“... the pathway to fair and effective revenue collection”

- Many WCO member governments collect a large percentage of their revenue from customs duties
- “The global financial crisis has led to a downturn in international trade which has inevitably affected government revenues. Additionally, the global trend in the reduction of Customs duty rates, through unilateral, regional, and multilateral trade liberalizations, can potentially have the same effect.”
- The Revenue Package is designed to enhance revenue collection through more effective enforcement and through intergovernmental information sharing.



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"... the pathway to fair and effective revenue collection"

1. TECHNICAL ASSISTANCE TO VERIFY THE DECLARED CUSTOMS VALUE		
Topic	Expected product/outcome	Proposed tasks
1.1 Use of national Valuation databases as a risk assessment tool	Practical guidelines, good practices and typologies on access, storage and use of valuation price data ¹ .	<ul style="list-style-type: none"> - Study examples of existing Valuation databases. Identify best practices. - Study examples of Customs obtaining and using price data from industry and market sources. - Consider links to Globally Networked Customs programme. - Take into account views of Technical Committee on Customs Valuation.
	To be incorporated in Customs Valuation Control Handbook.	
1.2 Exchange of Customs Valuation information	Advice on valuation databases to be included in Risk Management Compendium.	<ul style="list-style-type: none"> - Cooperation within WCO Secretariat.
	Practical guidelines, good practices and typologies on exchange of Customs valuation information ² .	<ul style="list-style-type: none"> - Study existing bilateral/multilateral arrangements for exchange of Customs valuation information. - Take into account views of Technical Committee on Customs Valuation.
	To be incorporated in Customs Valuation Control Handbook.	
	Exchange of Customs valuation information considerations to be included in Globally Networked Customs (GNC).	<ul style="list-style-type: none"> - Examine within context of the GNC programme, taking into account the possible/potential use of nCEN.



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“We may not always find evidence of valuation fraud but just the ability to compare data has greatly enhanced our effectiveness in terms of revenue collection!”

Senior Indian Official, April 2012

GNC Pilot exchange
of export declared
value to import
customs between
South Africa & India



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Thank you
Muito
Obrigado
Gracias

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