

**Advancing WCO / UPU
Relationship
&
Public Private Partnerships for e-
Business Standards**

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Everyone talks about the Weather!

- **“Isn't it interesting that the same people who laugh at science fiction listen to weather forecasts and economists?” (Kelvin Throop III)**
 - **now you're going to listen to me**
 - **I am to talk about the role of PPP within the Customs domain**
 - **Partly forecasting, partly economics but I hope not too much science fiction!**



MDCXXXVI...

BACKGROUND

- **The trade asks for quicker release of goods. The citizens fear the threats. The consumers want safe products.**
- **Against this background, Customs are confronted with apparently contradictory objectives: the facilitation of trade, calling for faster control of merchandise flows, and the security of our citizens calling for more effective controls. The challenge is to strike the right balance between the two!**

BACKGROUND

- **Customs a long history of recognizing reliable traders and providing simplified procedures for them**
- **Similarly we have longstanding traditions of collaboration with trade**
- **It is a win/win – we could not perform our jobs without this partnership deal**

Evolution of Customs



The SAFE Framework

- Recognition of risks to the security and facilitation of the international trade supply chain led the WCO to take bold action.
- WCO Council Resolution, June 2002, forming a Joint Customs-Industry Task Force on Security and Facilitation.

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; 27 Key data elements**
3. **Inspection of high-risk cargo at port of origin; export controls**
4. **Enhanced trade facilitation for legitimate trade; Authorized Economic Operator (AEO) concept**

+ Integrity and Good Governance matters

Pillar 1, Standard 4

Risk-Management Systems

The Customs administration should establish a risk-management system to identify potentially high-risk shipments and automate that system. The system should include a mechanism for validating threat assessments and targeting decisions and identifying best practices.

Risk management is intrinsic to our approach to all business

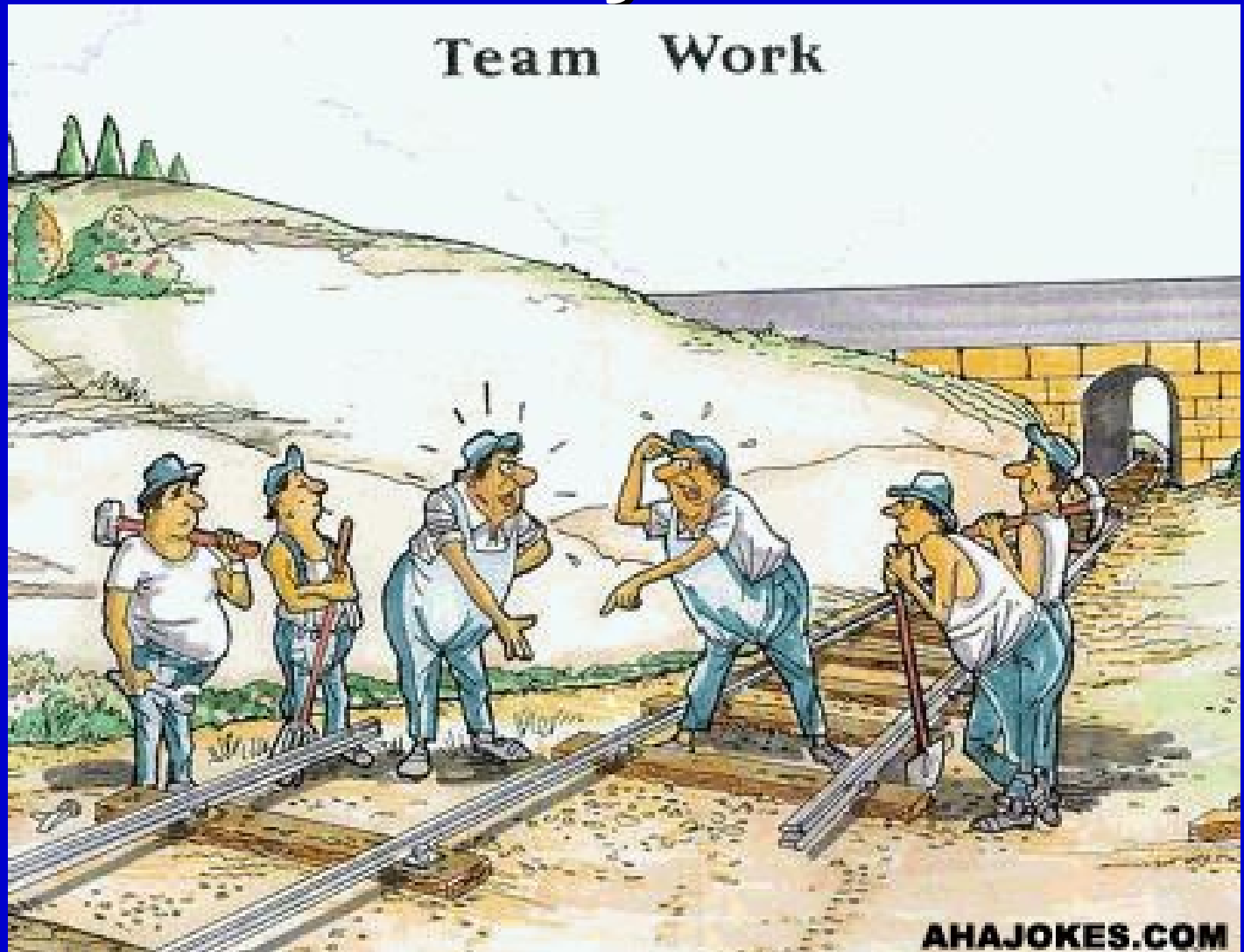
Pillar 1, Standard 6

Advance Electronic Information

The Customs administration should require advance electronic information on cargo and container shipments in time for adequate risk assessment to take place.

Much of our e-business strategy surrounds data standards and timely, high quality data

AEO - Why Collaborate?



Authorized Economic Operator in the SAFE Program

“A party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards. Authorized Economic Operators include inter alia manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, and distributors.”

Authorised Economic Operator

- **Many traders already meet existing international security requirements (ISPS, aviation security etc) or**
- **High security standards to avoid theft and loss - in many cases no or limited additional investment necessary**
- **Specific situation of each individual company has to be taken into account**

Pillar 2, Standard 1

Partnership

Authorized Economic Operators involved in the international trade supply chain will engage in a self-assessment process measured against pre-determined security standards and best practices to ensure that their internal policies and procedures provide adequate safeguards against the compromise of their shipments and containers until they are released from Customs control at destination.

Pillar 2, Standard 2 Security

Authorized Economic Operators will incorporate pre-determined security best practices into their existing business practices.

Any risk mitigated by the action of an AEO is one less that Customs must attend to – a clear win/win for all

Pillar 2, Standard 3

Authorization

The Customs administration, together with representatives from the trade community, will design validation processes or quality accreditation procedures that offer incentives to businesses through their status as Authorized Economic Operators.

Pillar 2, Standard 4

Technology

All parties will maintain cargo and container integrity by facilitating the use of modern technology.

Ubiquitous electronic systems, standardized data and recognition of legal/policy implications are the basis of Customs' global e-business strategy

Pillar 2, Standard 5

Communication

The Customs administration will regularly update Customs-Business partnership programs to promote minimum security standards and supply chain security best practices.

Pillar 2, Standard 6

Facilitation

The Customs administration will work co-operatively with Authorized Economic Operators to maximize security and facilitation of the international trade supply chain originating in or moving through its Customs territory.

Tangible Benefits for Businesses

- **Reduced examinations**
- **Faster processing of shipments**
- **Lower administrative costs**
- **Lower insurance rates in some cases**
- **Creation of an international system for identifying private businesses that offer a high degree of security**

WCO and UPU

- **Cooperative Relationship Maintained for more than Half a Century.**
- **Specific Nature of Universal Postal Service Recognized by the Kyoto Conv.**
(Postal Traffic: Specific Annex J of Revised Kyoto Conv.)
- **WCO/UPU Contact Committee: 28 mtgs.**
- **A Renewed Partnership Agreement (MOU) Concluded in 2007: Shared Commitment on Practical Projects of Mutual Interest.**



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

WCO and UPU: NEW MOU

- **Work More Closely in Modernizing Postal and Customs Processes;**
- **Develop Standards for EDI Messages and Ensuring Inter-operability of EDI Systems;**
- **Combine the UPU's List of Prohibited Items in Post with that of WCO's HS DB;**
- **Prevent the Distribution of Counterfeit, Illegal & Dangerous Goods through Post.**



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

WCO / UPU Future Collaboration

- Advanced Manifesting – Commercial Goods
- Improved screening & release for private mail – when there is no direct contact with the shipper
- Improved client interaction at export to improve Customs risk assessment and subsequent release times
- Improved definition between the role of traditional mail administrations and emerging express operators – to reflect modern business relationships

WCO / UPU Future Collaboration

- WCO / UPU collaboration to assist the establishment of robust national Customs / Postal facilitation committees
- Ongoing WCO / UPU collaboration in the training of Customs / Postal personnel working in international mail exchanges
- Jointly identify potential AEO clients utilising the international mail service for the carriage and/or clearance of commercial goods



WORLD CUSTOMS ORGANIZATION
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WCO / UPU Future Collaboration

- **Jointly ensure national Postal and Customs authorities joint security procedures reflect the SAFE FOS**

Thank-you – Questions?
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