



*Computerisation of Customs and
Trade - Selectivity and Accounting*

Controls
David Wright

ASYCUDA WORLD

ASYCUDA

world Presence



The Caribbean



Barbados



Belize



Dominica



Grenada



Haiti



Montserrat



St. Lucia



St. Vincent



Trinidad & Tobago



Anguilla



Turks & Caicos



Puerto Rico



El Salvador



Honduras



Nicaragua



Bolivia



Venezuela

Central America

South America

ASYCUDA

World Presence



Europe



Estonia



Latvia



Lithuania



Romania



Slovakia



Albania



Georgia



Moldova



Iran



Jordan



Lebanon



Palestine



UA Emirates



Syria

Middle East



Cambodia



Phillipines



Sri Lanka



Ivory Coast



Nigeria



Tunisia



Zimbabwe

Rest of the World

BACKGROUND

powered by:
ASYCUDA
world

The ASYCUDA Program is directed at reforming the customs clearance process.

It aims at:

- ◆ improving efficiency & effectiveness of Customs operations;
- ◆ speeding up customs clearance;
- ◆ simplification of procedures; and,
- ◆ minimizing administrative costs



***Working “smarter”
not harder***

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

STRATEGIC OBJECTIVES

powered by:
ASYCUDA
world

- ◆ *Better management and control of Government finances*
- ◆ *Capacity building of Customs*
- ◆ *Better conditions for trade*
- ◆ *Reliable source of information on foreign trade*
- ◆ *Platform for e-Government*



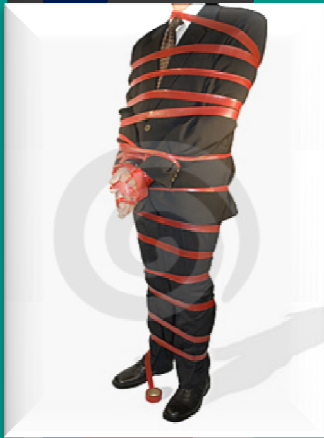
UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

EXPECTED BENEFITS

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- ◆ *Increased Revenue Collection*
- ◆ *Reduced Clearance Times & Costs*
- ◆ *Transparency / Accountability*
- ◆ *Harmonised & Streamlined procedures*
- ◆ *Paper-less Environment*
- ◆ *Reliable On-Line Trade Data*
- ◆ *Adaptable - Flexible*
- ◆ *Full ownership of the system*





CURRENT STATUS

1. No Advance Cargo reporting increasing delays considerably;
2. Fully Paper-based and manual intensive systems;
3. Limited use of IT, mainly used to assist in tax calculation and statistics
4. Non-standardised procedures when clearing goods

CURRENT STATUS



5. 100% documentary review
6. Discretionary selection of shipments for physical examination
7. Unknown intervention effectiveness
8. High costs - multiple fees/charges/OT
9. Absence of indicators Measuring Performance



REFORMED PROCESS

- 1. Single-Platform approach**
- 2. Minimized requirements using EU S.A.D.**
- 3. Harmonized border authority processes**
- 4. Integrating all trade related GOV Agencies**
- 5. 100% e-Customs Transactions**
- 6. Institutionalized Risk Management**
- 7. Performance Indicators**

TARGETS



1. Clearance Times

- Green Lane – 1 hour
- **Yellow Lane** – 4 hours
- **Red Lane** – 8 hours

2. Intervention Levels (gradual decrease)

- Green – 55%
- **Yellow Lane** – 15%
- **Red Lane** – 30%

3. Post Clearance Auditing ~50%

4. Effective Targeting Ratio +20%



NEW CLEARANCE PROCESS

Main Features

- ➔ Advance cargo manifest reporting by electronic means before arrival of goods
- ➔ Electronic submission of Customs Declarations and ancillary documentation
- ➔ Risk Management and Post Clearance Audit as pillars of border control and trade facilitation
- ➔ Electronic release of goods through direct interfaces with Port Authority and Terminal Operators



IMPORTS CLEARANCE PATH

Six Simple Steps



Comprehensive controls – event/process driven with consistency checks before submission



Integrated tariff facilitates accurate & consistent tax calculations and bond management



Other Government Agencies taking part of the automated clearance process



Accurate cargo inventory controls at sheds and warehouses



1. Manifest Registered



2. Entry registered, assessed and paid.



3. Load manifest and Risk Assessment



6. Goods Delivered

Clearance Path



4. Processing



5. Examination / Other GOV Ag.

Project Lifecycle



Phase 1: Mobilisation / Awareness

Phase 2: Building the Prototype

Phase 3: Pilot Site LIVE OPERATIONS

- Cargo Management
- Declaration Processing

Phase 4: Roll-Out / Full Deployment

Phase 5: Consolidate Sustainability

Where are we going?

- *Today:*

Pre-Clearance Control

Post Clearance Control

- One declaration is examined at a time – impossible to search through archive of declarations.

- *Future:*

Pre-Clearance Control

Post Clearance Control

- Examining All of Trader's Declaration History using computer data
- Data mining - intelligent search through data to find targets for investigation .
- Need: Professional Brokers; Regular Traders with Guarantees.

First Steps:

- *Identify and Professionalize Regular Trade*
-afford privileges which they will be reluctant to lose; obtain guarantees.
- *Target the Irregular Trade* - *Obtain better results and give incentive towards compliance.*
- *Professional Brokers* – *Improve standards; Identify and correct regular errors.*
- *DTI* – *Direct Trade Input of Declarations*
- *Trader Accounts* - *pay declarations once a month*
- *Selectivity* - *reduced control for compliant traders.*
- *Consultation* - *regular meetings to resolve trade problems.*

DTI PREPARATION OF DECLARATIONS

Clearing Agent or Company

BROKER FILES
Same Reference Files As Customs

List of Importers

Fully Integrated
Tariff with Duties &
Taxes

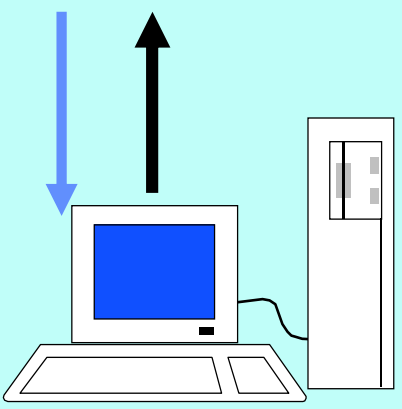
Currency Rate of
Exchange

Transparent Regulations

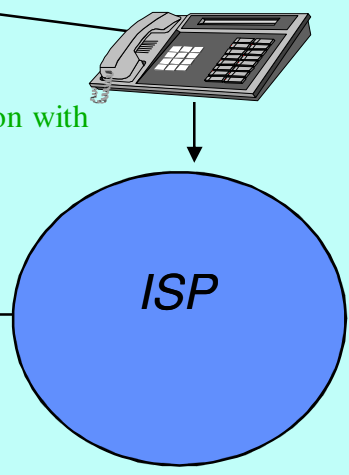
Required Supporting Documents



REGISTRATION
Declaration Registered
on Customs Server. SAD
Hardcopy printed.



Customs Server



Internet connection with
Customs.

Telephone Modem or Broadband
Connection.

Asycuda Selectivity

High risk intruder selected for full examination.

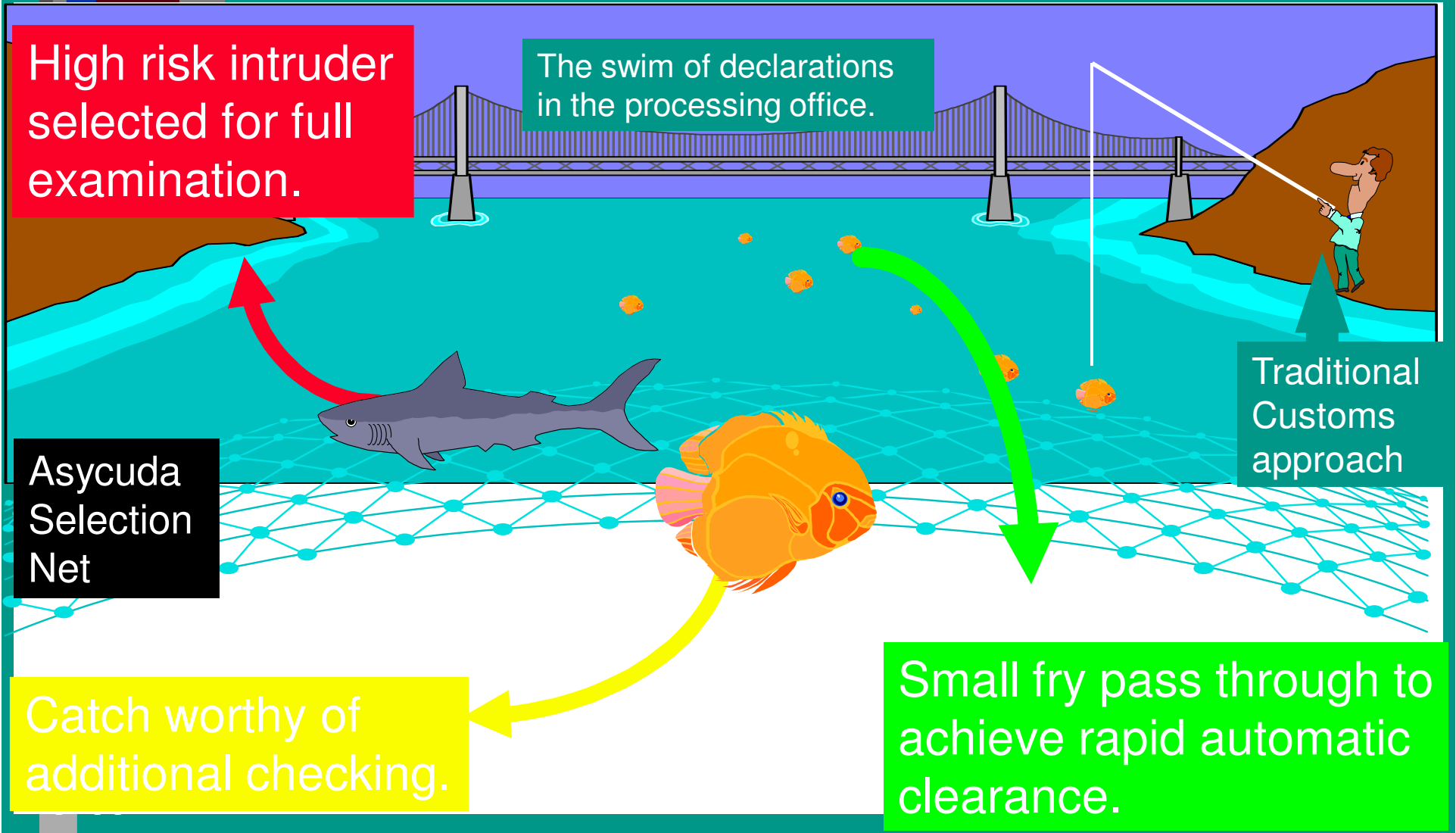
The swim of declarations in the processing office.

Traditional Customs approach

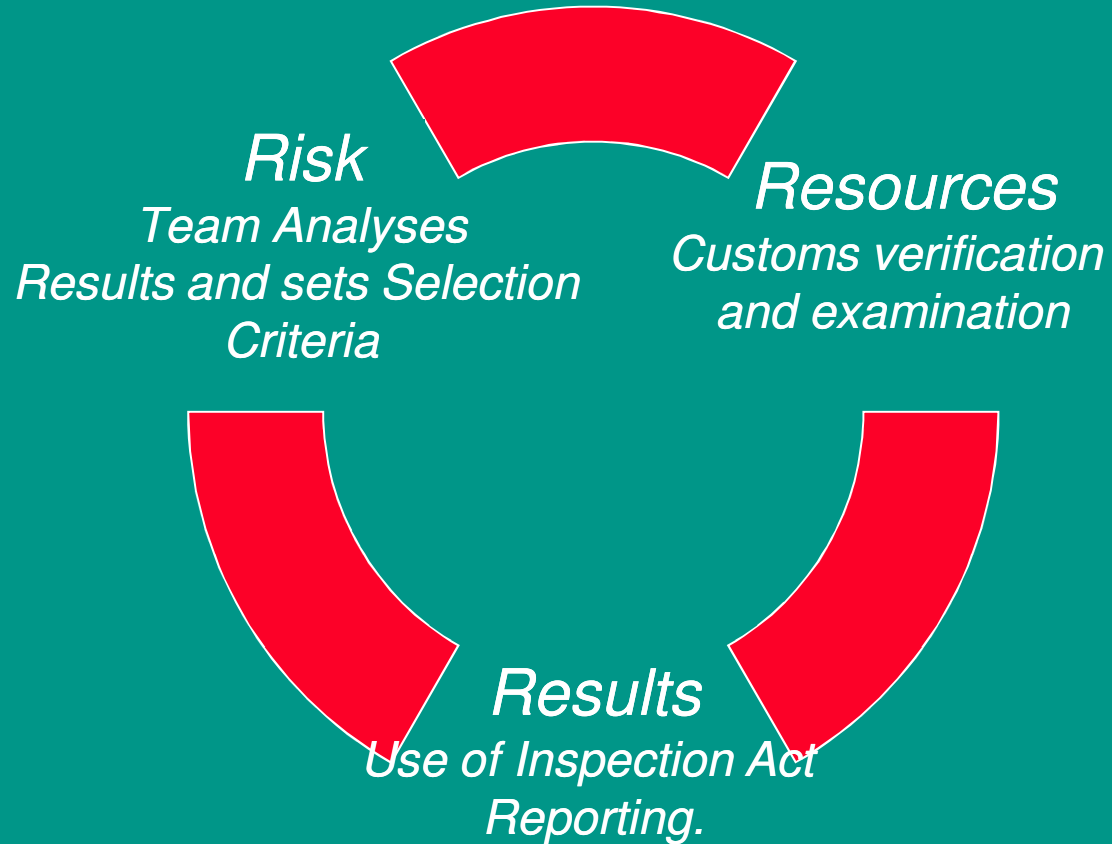
Asycuda Selection Net

Catch worthy of additional checking.

Small fry pass through to achieve rapid automatic clearance.



Selection Cycle



ASYCUDA Selection

- *Random Factor* – set percentage set for each colour ensures that the declarant cannot predict whether his goods will be examined or not. Keeps honest traders honest.
- *Criteria* – Specific criteria input to select red, yellow or blue – percentage may be set for each criteria. This represents the combined experience of the department.
- *Manual* – Approved officer may re-select declaration if he suspects fraud.

Defining Selection Parameters

■ *Countries:*

- *Low Risk: Great Britain*
- *High Risk: France*
- *Medium Risk: USA*

■ *Brokers:*

- *Significant errors made.*
- *Evidence of conspiracy to evade revenue with importer.*

■ *Commodities:*

- *High Revenue Goods*
- *Goods commonly miss-described*
- *Cheap goods commonly used to hide contraband*

■ *Importers/Exporters*

- *Profiling*

Profiling of Importers and Exporters

- *Profile Importers and Exporters:*
 - *Identify Regular importers from Trade Data.*
 - *Have they an identifiable address?*
 - *Have they any assets to grab in case of debt?*
 - *Have they been examined repeatedly with nil result?*
- *If yes to above, allocate to green lane unless there is a history of serious non-compliance.*
- *Monitor results and move to red lane if serious irregularities found.*

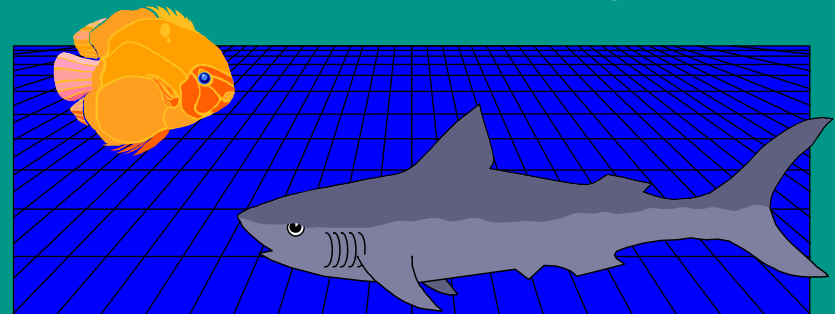
Selection Criteria

ANALYSIS OF HISTORICAL DATA

- *Uneconomic Loads.*
- *Inappropriate Loads.*
- *High Risk:*
 - *Countries*
 - *Products*
 - *Brokers*
 - *Companies.*
- *Systematic inspections*

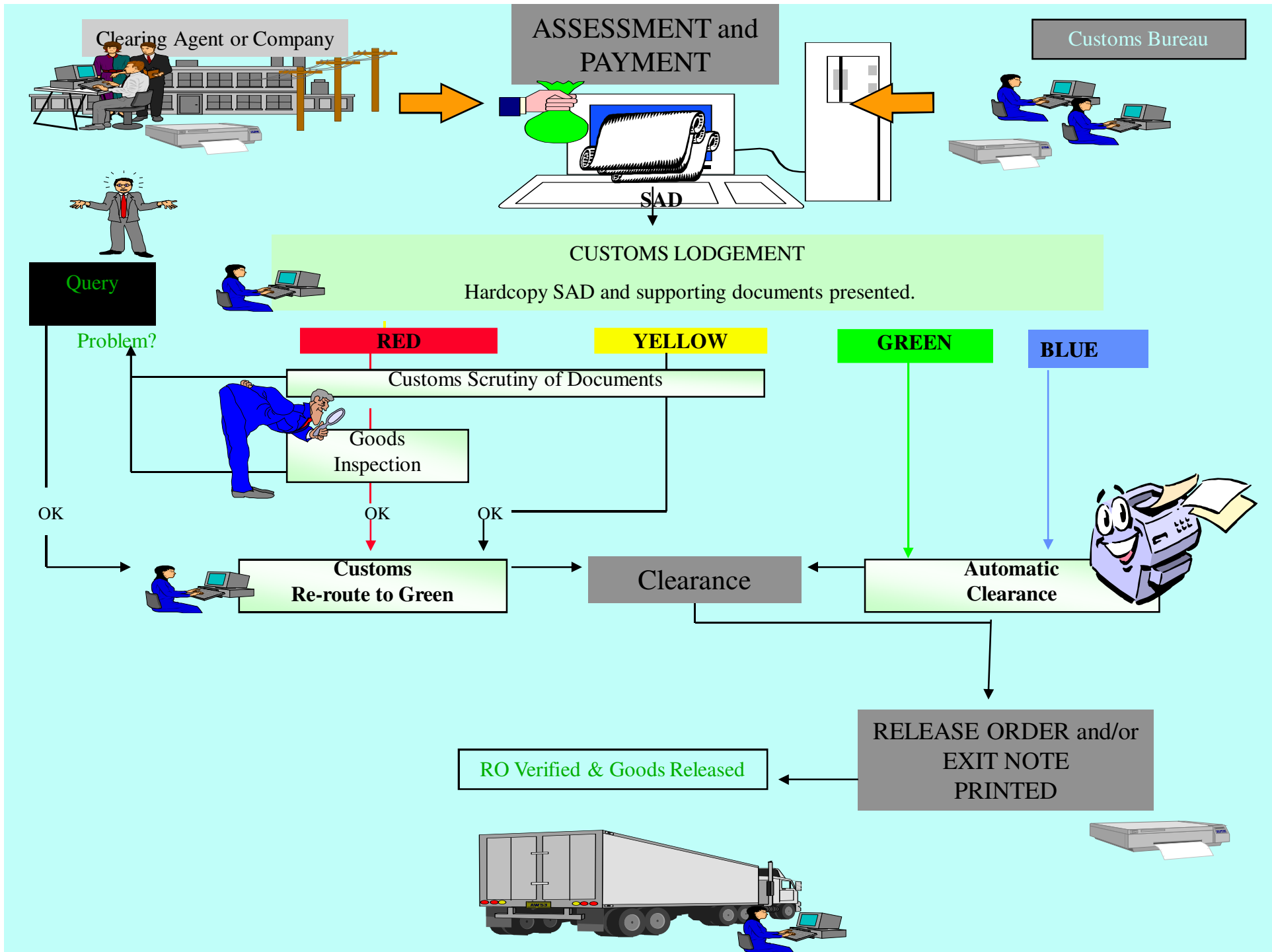
CRITERIA APPLIED IN THE FUTURE

- *Concentrates Resources onto worthwhile big fish :*

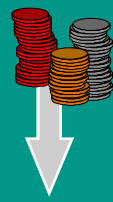


Control of Declarations:

- *Automatic selection of declarations that are documentary checked;*
- *Automatic selection of goods that are sampled and examined;*
- *Monitoring of officers activities;*
- *Systematic records identify non-compliant traders;*
- *Compliant traders rewarded;*
- *Non-compliant traders targeted;*



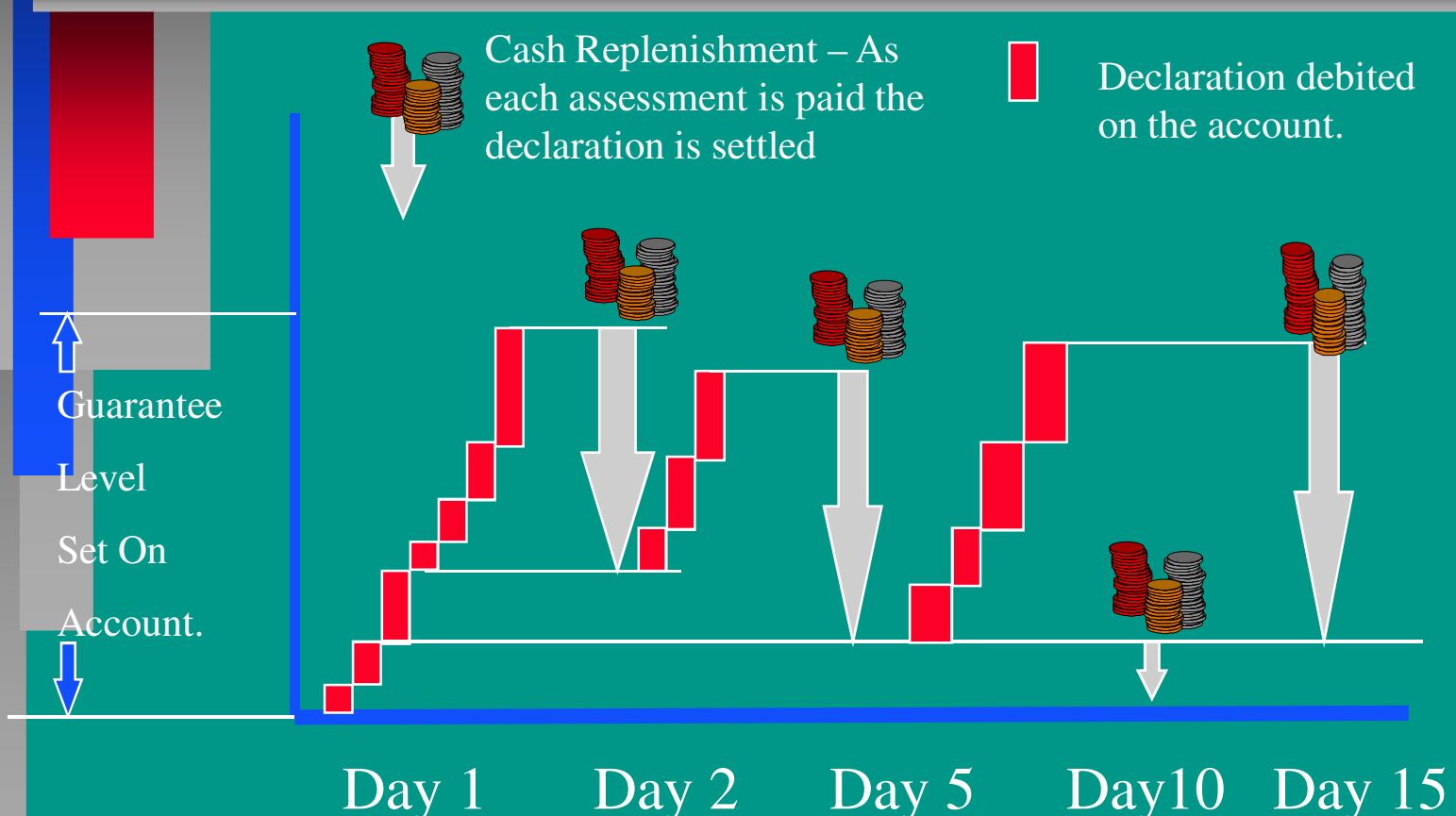
Declarant's ASYCUDA Deferment (Credit) Account



Cash Replenishment – As each assessment is paid the declaration is settled



Declaration debited on the account.



ACCOUNT NUMBER: 1234 Set for 10 days

**RELEASE ORDER
CERTIFICATE OF IMPORT OR EXPORT**

Customs Office: 1003 Geneva.	Declaration Type: IM4 - Direct Import
Customs Reference: C 2004 02/09/2000	Assessment: A 2005 02/09/2000
Declarant: 19262844	A. N. Other Broker Someplace in Switzerland Switzerland.
Reference: 2000/ATC/59	
Company: 94567899	A Trading Company. Someplace in Switzerland Switzerland.
Mode of Payment: CASH	Account No: 10001
Receipts No and Date: R 1356 02/09/2000	Statement No and Date:
ICD Customs Duty Total	2,017.00
EXD Excise Duty Total	459.00
VAT Value Added Tax Total	1,015.00
Total Item Taxes:	3,491.00
CPF Customs Processing Fee	100.00
Total Global Taxes:	100.00
<hr/>	
Total Amount Assessed and Paid for this Declaration: 3,591.00	
Item No; No and Type of Packages; Package Markings	
Commodity Code	Procedure Code
& Goods Description.	COO Value
	Suppl Quantity. Gross Weight
01 60 Cartons Kheun and Nagel; 1 - 60	
4203019000	4000 000
Cotton shirts containing more than 50% cotton.	GB 560,000
	85
<hr/>	
02 45 Cartons Kheun and Nagel; 61-105	
4203020000	4000 000
Nylon shirts containing more than 10% cotton but less than 50%.	GB 240,000
	30