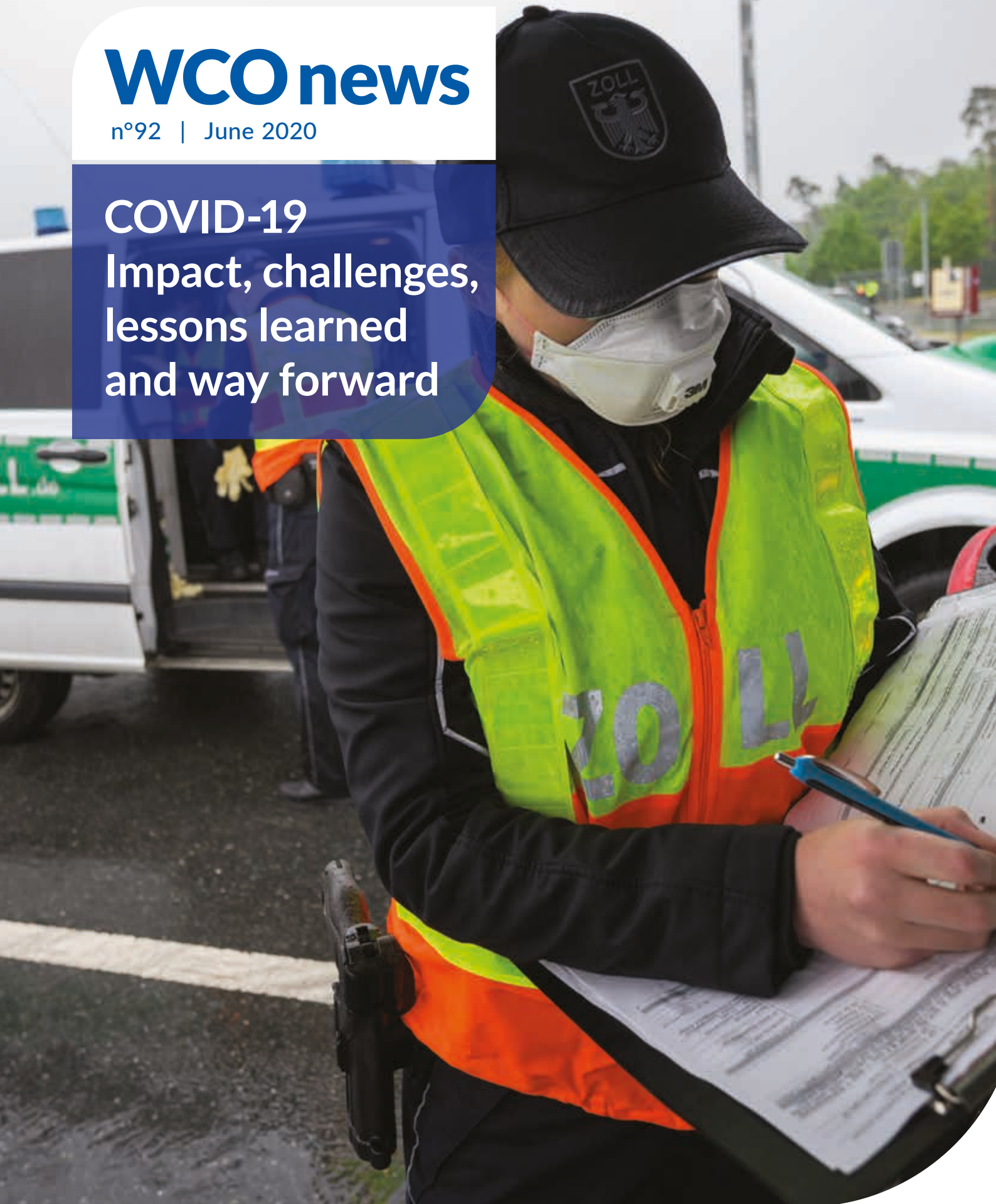


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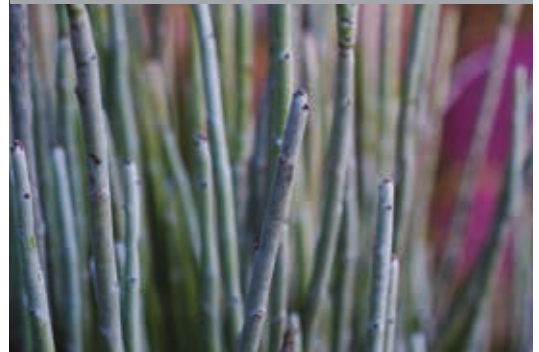
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Editorial note

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Controlling general aviation: WCO mapping tool nearing completion



The Project is funded
by the European Union

In early 2019, and in partnership with the European Union, the WCO launched the COLIBRI Project to assist Customs administrations in Latin

America, the Caribbean, and Africa in implementing effective controls of general aviation, a sector that incorporates all civil aviation activity other than commercial transport (sports and leisure aviation, private aviation, business aviation, and aerial work).

The project originated from an observation: the flexibilities offered by this mode of transport are exploited by organized crime, but it is very difficult for enforcement services to detect illegal aircraft usage without access to high-quality data in real time, and without access to high-performance tools for aircraft geolocation.

The project's designers, therefore, sought to develop a mapping tool combined with a worldwide database on general aviation. This geoportal is now in its development phase, and is due to be launched in four languages (English, French, Portuguese and Spanish) by the end of 2020.

The information that will be listed on the aircraft, together with the needs of a range of enforcement

agencies, has been identified by a Steering Committee comprising the WCO Secretariat project team, national experts from Customs and other partner administrations (civil aviation, criminal investigation, and anti-narcotics departments), and IT developers from a consortium of French specialist cartography companies that won the call for tenders to build the tool.

This collaborative work, which is essential to the project's success, identified the real needs of field officers in the affected zones, identified the various technical, organizational and human constraints, defined the technical functionalities and, finally, outlined how the tool should look, including in its mobile version. The Steering Committee members now have a blueprint for the geoportal, and the final product promises to offer new and effective technology that is accessible on any aircraft, in any country.

The system will consist of a main portal that will display relevant information on general aviation (e.g., images, articles, and news items), and which will provide access to a secure area reserved for specific users. The various technical tools will be built on an open-source basis, with an optimal security level.

6 FLASH INFO

One of the tools is a map viewer that will display all the data on a background map (e.g., OpenStreetMap, Sentinel satellite images). Its data will include information on relevant events reported in the media or from any open sources, public geographical data, and control or seizure events. The latter will be reported by countries. The data displayed can be parameterized to define a specific area, such as an aerodrome, and filters will allow users to select which information to display. It can all be printed or exported to prepare for a field mission, for example.

The international database will contain a technical data sheet for each aircraft, stating its registration, a detailed description, and record of controls carried out. An aircraft's control history will, therefore, be able to be traced from its registration.

The mobile application, designed primarily for field officers, will not offer the full range of system functionalities, but will enable geolocated data, including photos, to be input into the COLIBRI database. This application will be available in offline mode, i.e. without the need for mobile or WiFi network access, so that officers can record data on their device wherever they are, and send it to the database later once network access is restored or available. Because the interface is simple and intuitive, training in the tool will be short.

Each country participating in the project will take responsibility for its own management of the system, and may, therefore, decide to share its information at the desired level (national, regional, global). Information on offences will also be exchanged in accordance with bilateral Customs, police or judicial cooperation agreements.

More information

enforcement@wcoomd.org



Homepage of the COLIBRI geoportal



Homepage of the COLIBRI database



Handbook on Customs - FIU cooperation

The WCO and the Egmont Group have developed a "Handbook on Customs - Financial Intelligence Units Cooperation"

which highlights effective modes of communication and cooperation between the two services in order to improve the targeting of international money laundering activities and terrorist financing. The manual reviews, in particular, the recommended structures for optimal sharing of information, and highlights good practices such as transversal training.

More information

www.wcoomd.org



Where there's a way, there's a will: how the WCO builds capacity to implement strategic trade controls

By James McColm, Malik Ghulam Ali, Adam Vas, Peter Heine and Debika Pal, WCO

It is often said that where there is a will there's a way, but the reverse can also be true: improving Customs administrations' capacity to understand and implement regulations might influence their willingness to make commitments. By developing and disseminating methods and tools to make strategic trade controls effective and efficient, the WCO may actually increase the chances that Customs administrations are willing to build control capacity in this domain. This article looks at the WCO approach to capacity building in the domain of strategic trade controls and outlines what has been achieved in this area.

All countries abide by a number of international non-proliferation commitments including treaties, sanctions, and informal multilateral arrangements, all of which entail certain responsibilities to prevent the dissemination of weapons of mass destruction

(WMD)-related technology to unauthorized state and non-state organizations or people. Amongst these international instruments is the United Nations Security Council Resolution 1540 (UNSCR 1540) adopted in 2004 after revelations about the

Abdul Qadeer Khan proliferation ring, and in the context of the post-9/11 security environment. The Resolution has come the farthest in defining a common list of what measures states must take in relation to strategic trade controls and calls for their full implementation by 2021.

As such, all countries should, therefore, have a strategic trade control (STC) system in place, which aims to manage the transfer of sensitive materials, technology or equipment that might be used in weapons systems. Some of those goods have both civil and military applications and are called dual-use goods. National laws and regulations should determine the universe of goods a country considers strategic (generally including both listed goods and a catch-all provision allowing for governmental control over unlisted goods under certain circumstances), define a licensing regime and associated offences, and establish penalties for violations. In a well-functioning STC system, traders apply for permits or licences as required, and proactively comply with trade control obligations and commerce proceeds. However, compliance with the law may not be perfect, and enforcement agencies must detect, deter, and ideally prevent non-compliance.

When it comes to enforcing STCs, Customs is generally, although not always, the main agency involved at the border. Depending on the situation of a country, determining whether traders are compliant is a challenging task, especially for dual-use goods. As Renaud Chatelus explained in an article published in a previous edition of this magazine, "Detection of chemical, biological, radiological and nuclear (CBRN) material at borders by radiation portal monitors, scanners and other detectors is relatively well known by many Customs services, but amounts to only part of it. Many controlled items are dual-use industrial and scientific equipment or material defined by technical specifications, which are to be found in technical documents rather than on detector screens." Difficulties are particularly acute in countries that are transit or transshipment points for this trade as explained by Lithuania Customs in the October 2019 edition of the magazine.

STCE at the WCO

At the 31st Session of the WCO Enforcement Committee, in March 2012, several administrations took the floor to outline the challenges they faced

in relation to enforcing STCs, and called upon the WCO Secretariat to do more to help them. As a response, a team of experts was set up under a Strategic Trade Control Enforcement (STCE) Project with the objective to develop guidance material and deliver training. An Implementation Guide¹ and a comprehensive training curriculum were developed, training sessions were organized and, in 2014, an enforcement operation, called Operation Cosmo, was conducted.

The project was soon turned into a long-term programme. More training was conducted and, when Operation Cosmo 2 was run in 2018, it became the largest operation ever conducted by the WCO Secretariat with 114 countries and many international organizations participating, such as the Organization for the Prohibition of Chemical Weapons (OPCW), the International Atomic Energy Agency (IAEA), the European Commission's Joint Research Centre, the UN Security Council's 1540 Committee, and INTERPOL.

WCO capacity building tools

According to the UN, capacity building can be defined as: "...the process by which individuals, groups, organizations, and communities increase their abilities to: (1) perform core functions, solve problems, define and achieve objectives; and (2) understand and deal with their development needs in a broad context and in a sustainable manner."² It is something these organizations do themselves, not something done for them. Certainly, they may seek and obtain assistance, but capacity building must be undertaken by the organization seeking to improve capacity.

The training curriculum developed by the WCO for administrations wishing to build their capacity contains high-level briefings for senior managers on how to strengthen national STCE efforts and modules for operational personnel, covering chemical, biological, radiological, and nuclear (CBRN) material and related dual-use material and equipment. It also includes training modules on applying risk management and post clearance audit in the context of STCE.

The curriculum is designed to be modular and adaptable to the capacity building needs of an administration, and to the type of trade flows it deals with. A STCE Maturity Model helps identify

1 <http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/guidelines/wco-strategic-trade-control-enforcement-implementation-guide.aspx>

2 *United Nations Development Programme, Management Development and Governance Division, 1998.*

specific gaps in a Customs administration's national STCE system and suggests actionable next steps.

In most countries, Customs act in terms of national regulations that give effect to a country's international obligations, such as a Strategic Trade Act or export control orders, which list a range of goods that are subject to an export licence or permit from another regulatory authority. However, in some countries, there is no such national legal basis for detaining and seizing goods subject to international controls. Although Customs has the power to check these goods, without specific national legislation it is often difficult to legally prove that a restriction applies to a particular shipment.

The STCE maturity level also guides the selection of suitable training modules from the curriculum. For example, training for administrations with a strong STCE foundation may focus on upskilling operational personnel, but training for administrations without established national legislation would focus first on senior-level policy makers and decision makers, the aim being for them to develop a plan for the adoption of a suitable regulation.

When assessing capacity building needs, it is also necessary to understand how a country could be involved in illicit trade in strategic goods given its trade flows. While it can be argued that all countries are likely to hold some WMD-related material, some manufacture or hold WMD and related materials, some manufacture related materials, some hold stocks of related materials, and some have substantial throughput of cargo or can act as a diversion point, and are, therefore, expected to take appropriate and effective measures to prevent their territory being used to transship WMD and related materials.

To provide a better view of the situation and originally support Operation Cosmo, a Strategic Trade Atlas³ was developed by the United States Department of Energy's Argonne National Laboratory and the European Union's Joint Research Centre. It provides a snapshot of a country's principal imports, exports, and trading partners for goods classified under Harmonized System⁴ (HS) Headings associated with strategic goods. The WCO uses this information to tailor training and focus on goods most relevant to each country. Customs administrations can also use it to guide company selection for outreach and audit as

well as for risk profile development for targeting and risk management.

STCE expert trainers

The WCO Secretariat does not have the staff or resources to conduct training in all countries requesting its assistance. Instead, it relies on Accredited Customs Expert Trainers. The recruitment process is as follows: the Secretariat sends a letter to WCO members inviting them to nominate personnel matching a very specific profile to attend an accreditation workshop at the end of which participants will be told whether they can take part in a capacity building mission with an expert to finalize their accreditation.

Asked to comment on the expert recruitment process of the STCE programme, Vesna Vrachar, an accredited STCE trainer from Serbian Customs, explained that "the process is very complex and requires extensive and detailed preparation as well as hard work. The STCE curriculum is very detailed and the practical professional literature which trainers have to assimilate is comprehensive." She also highlighted how training others actually strengthen her understanding of the issue: "during the STCE training, we try to install a dialogue with participants. Not only do they learn from us, we learn a lot from them as well. There is a real opportunity to transfer knowledge and exchange experiences in the implementation of controls."

Another expert who is finalizing her accreditation, Leila Barrahmoun from Morocco Customs, also pointed out how much she learned during the process, saying that she realized that "a good trainer must not only be qualified, but also open-minded, patient and reassuring."

The WCO now has well over 100 accredited and pre-accredited STCE Expert Trainers from over 50 countries. Training can currently be delivered in four languages, English, French, Spanish and Portuguese, and will be available in Arabic by the end of 2020.

The WCO Secretariat aims at ensuring gender balance in the recruitment of trainers. During its latest train-the-trainer STCE workshop, women represented more than half of the officers selected to continue on to the accreditation process. In September 2019, the balance of accredited WCO trainers was 2 males to 1 female, but over the next

When assessing capacity building needs, it is also necessary to understand how a country could be involved in illicit trade in strategic goods given its trade flows. The Strategic Trade Atlas provides a snapshot of a country's principal imports, exports, and trading partners for goods classified under HS Headings associated with strategic goods.

3 <http://publications.jrc.ec.europa.eu/repository/handle/JRC111470>

4 <http://www.wcoomd.org/en/topics/nomenclature/overview/what-is-the-harmonized-system.aspx>

three years, the Secretariat hopes to move towards a gender-balanced pool of trainers.

Enforcement operations

Operations serve multiple purposes. Among other things, they represent, for all participating agencies, the true test of individual and collective capacities.

Operation Cosmo 1 mainly served the WCO Secretariat’s aim to raise awareness among Customs administrations on their obligations when it comes to STCs, and to reveal operational challenges and capacity building needs. Indeed, information collected during the operation informed STCE training and capacity building efforts that followed. Last but not least, it helped set the stage for Operation Cosmo 2, conducted in 2018.

Cosmo 2, on the other hand, enabled the Secretariat and participating administrations to, once again, test their capacity to identify illegal shipments and to get used to sharing information on illicit or suspicious shipments using STRATComm, the

WCO’s secure communications platform for cases involving strategic goods.

Following the operation, many countries highlighted the value of the courses they had received while preparing for the operation, especially those on audit-based controls, risk management and the analysis of strategic goods. Many also expressed their appreciation for the ease of communication with Customs authorities in other countries through the use of STRATComm.

Likewise, countries also reported continuing challenges such as their need to improve risk management of strategic goods, their lack of domestic STC legislation, their lack of quick and reliable technical “reachback,” and the need to keep training new personnel on STCs. Cosmo 2 provided the WCO with information and understanding on what countries need to move from classroom-based theory to practical fieldwork, and provided the WCO as well as participating countries with a path-forward for future work.

HS 2022
includes a set of amendments related to dual-use items which were difficult to classify at the HS six-digit level or which were classified under residual subheadings along with many common goods.



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Harmonized System (HS)

One of the challenges that companies and Customs face when implementing STCs, and not the smallest, is control lists that generally do not take into account Customs tariff categories. Conversely, with few exceptions like nuclear reactors or some nuclear material, Customs tariffs generally do not take into account control list definitions (see again the article by Renaud Chatelus published in the October 2012 edition of the magazine).

As part of the overall STCE effort, the WCO Secretariat asked the Organization's HS Committee to introduce a set of amendments to the HS Nomenclature related to dual-use items which were difficult to classify at the HS six-digit level or which were classified under residual subheadings along with many common goods. All proposed amendments were approved by the WCO Council in June 2019 and are included in the HS 2022 version of the Nomenclature.

HS amendments related to dual-use goods

The following 16 dual-use goods now have their own six-digit position in the 2020 edition of the HS:

- Certain radioactive materials
- Micro-organisms and toxins
- Tow of Aramids
- Carbon fibres
- Crucibles of tantalum
- Bismuth of high purity
- Nuclear grade zirconium
- Hafnium and rhenium
- Biological safety cabinets (Class III)
- Freezer dryers and spray dryers
- Isostatic presses
- Industrial robots designed for handling explosives and radioactive materials
- Electron beam melting furnaces, plasma atomization and melting furnaces and vacuum arc remelting furnaces
- Radiation-hardened cameras, image intensifier (night vision) cameras and high-speed cameras
- Unmanned aircraft
- Mass spectrometers (spectrographs)

Measuring the programme's performance

The following data can be taken into account when trying to assess the impact of the programme:

- Operation Cosmo 2 gathered 114 countries, which makes it the most successful WCO global operation in terms of participation.
- A global network of STCE trainers has been established to support the Secretariat's activities.
- Many administrations started training their staff without the assistance of the Secretariat, and some national Customs schools or academies have adopted the STCE training material developed by the WCO.
- The WCO training curriculum and implementation guide are used by other organizations training law enforcement officials including the Proliferation Security Initiative (PSI), and the export control outreach programmes of the European Union and the United States.
- The initiative has already led some countries to embark on policy enhancements, with some introducing dedicated Counter-Proliferation Units, setting up Counter-Proliferation Targeting Cells, and running regular STCE national training programmes and STCE-focused enforcement operations.

Let's share two countries' experience, namely the United Kingdom and Pakistan.

In the United Kingdom, following the accreditation of officers from the UK Border Force's Heathrow Counter-Proliferation Team (CPT) and from Her Majesty's Revenue and Customs (HMRC), a nationwide STC upskilling campaign was launched. Over the course of several training events, UK trainers reached frontline Border Force officers from various ports and airports, as well as officers from HMRC's National Clearance Hub who set and monitor profiles for strategic goods. In addition to employing the WCO guidance and training material, they also made use of HMRC's Risk and Intelligence Service's assessments on risks inherent to each of the ports, focusing training on the strategic commodities exported or transiting from these ports. Training also detailed local detention and seizure processes, and the compelling national and international drivers requiring effective strategic trade control.

Efforts to improve STCE resulted in substantial systemic reforms in some countries, as the case of Pakistan well illustrates. In June 2016, a Pakistani officer attended a WCO accreditation workshop. Within a span of two years, more officers were accredited and the administration had established an impressive STCE training programme. Future officers were systematically trained and the STCE curriculum embedded into different training courses meant for the capacity building of mid-career and entry-level officers both for managerial and frontline streams. National workshops were also held, with and without the assistance of the Secretariat, and gathered not only Customs managers and frontline officers, but also importers and Customs brokers. By the end of 2018, 83 Customs managers, 299 frontline officers, and 1,232 importers and Customs brokers had received training.

Thanks to senior management engagement in Pakistan, on 4 September 2018, a National Counter-Proliferation Unit (NCPU) was created at Karachi and a Counter-Proliferation Training Cell at the national training facility. The unit was tasked, in close alignment with WCO STCE guidelines, to establish counter-proliferation teams at all the field offices which clear exports, to update the national risk management system, to support the Directorate General of Post Clearance Audit in selecting and conducting audits of companies engaged in the export of strategic goods, and to coordinate capacity building activities in the area of STCE.

Counter-proliferation teams have already been established at the two major ports in Karachi, which together clear more than 85% of the country's exports. The NCPU is currently analysing Pakistan's national database with the Strategic Trade Atlas to update their national risk management system, helping counter-proliferation teams in conducting

physical examinations, providing "reachback" support to field offices, and functioning as Customs' national focal point for the national licensing authority, namely the Strategic Export Control Division (SECDIV) at the Ministry of Foreign Affairs.

Conclusion

The value of the WCO STCE Programme has been recognized by the UN Office for Disarmament Affairs (UNODA) and the UNSCR 1540 Group of Experts. It has become a global standard for Customs training in the field of STCE and the more countries adopt it, the more effective the global non-proliferation system will be.

The success of the programme is partly due to its flexibility: the training curriculum can be adapted to different levels of STCE system maturity, and the commodity focus can be tailored to national priorities and trade flows.

The training also focuses on decision makers responsible for system design and resource allocation, not just implementers. More importantly, as STCE is not a traditional priority for Customs administrations, senior policy-level commitment and political will is vital.⁵

It is often said that where there's a will, there's a way, but the reverse can also be true. According to Morrissey and Verschoor, decision makers' assessments of their capacity to implement reforms will influence their willingness to make commitments.⁶ By providing a way to build capacity to enforce STCs, the WCO may actually increase the chances that Customs administrations are willing to try.

More information

enforcement@wcoomd.org

5 (PDF) *Where There's a Will, There's a Way? Untangling Ownership and Political Will in Post-Conflict Stability and Reconstruction Operations*. Available from: https://www.researchgate.net/publication/265748234_Where_There's_a_Will_There's_a_Way_Untangling_Ownership_and_Political_Will_in_Post-Conflict_Stability_and_Reconstruction_Operations [accessed Oct 17 2018]

6 Oliver Morrissey and Arjan Verschoor, "What Does Ownership Mean in Practice? Policy Learning and the Evolution of Pro-Poor Policies in Uganda," in the IMF, World Bank and Policy Reform eds. Alberto Paloni and Maurizio Zanardi (London: Routledge, 2006)



Some 1,000 Customs officers have already benefited from the WCO Fellowship Programme

Since its launch in 1985, the WCO Fellowship Programme has run a total series of 80 sessions, enabling 950 participants from 143 Customs administrations in developing countries to acquire sound knowledge on internationally recognized Customs techniques and practices, and to bolster their management capacities in order to develop their administrations' modernization efforts. Acknowledging the numerous benefits of this Programme, participants flock in ever increasing numbers year on year to enrol on the Programme.

The Programme's administrators have, over the years, sought to improve it by proposing a format that is more in tune with the concerns and needs of the target administrations. They have, in particular, focused on:

- the development of leadership capacities with a view to endowing Fellows with the knowledge, methods, and processes needed to assist them in becoming responsive managers, and real agents for change in their administrations;
- the relevance of the research work to be undertaken by the Fellows under the supervision of an expert from the WCO Secretariat, ensuring that this work relates to a priority area for their respective administrations, or to particularly important WCO standards or tools (such as data analysis methods or e-commerce standards);
- the level of female participation, which, over the total 35-year period, is approaching 40%;
- participation by the maximum possible number of countries and, in particular, by countries

which have not previously benefited from the Programme (for example, Iran and Timor-Leste have recently had the opportunity to participate for the first time in the Programme);

- oversight of the implementation of the recommendations advocated in the Fellows' research papers by means of a survey reviewing the Programme's impact on the administrations one year on.

Focusing briefly on this last point, the questionnaire, which is systematically sent out one year after participation in the Programme, allows the benefiting administrations and the Secretariat to assess the Programme's impact with respect to the implementation of the recommendations resulting from the research carried out and the progression of the Fellows' careers.

Brendah Mundia, the WCO Deputy Director of Capacity Building, took part in the Fellowship Programme in 2004. Her research paper related to the Revised Kyoto Convention. She explains, "when I went back to my administration, I could then head up the preparations for Zambia's accession to the Convention, which would take place in 2006. Managing this and many other projects allowed me to come up through the ranks of my administration."

Analysis of the results of the surveys conducted over the three sessions held in the 2017-2018 financial year has shown that:

- 86% of those surveyed consider that the Fellows make an effective contribution to the modernization of their administration;
- the recommendations have been implemented fully in 21% of administrations and implementation is under way in the others;
- in 93% of cases, the Fellow contributes to the implementation or oversight of the recommendations drawn up with the WCO tutor;
- a broad majority of administrations (93%) acknowledges that participation in the WCO Fellowship Programme has or will have an undeniable impact on the Fellow's future career.

The Commissioner General of the Gambia Revenue Authority, Yankuba Darboe, was a Fellow in 2008. Responding to a question about his career path, he points out that, "a few months after I got back, I was tasked with managing the Customs Valuation Service. In 2012, I was appointed Deputy Commissioner General of the Gambia Revenue Authority and, in 2015, I was promoted to Commissioner General. The knowledge I acquired during my time

at the WCO and the insight I gained, in particular into leadership and management, have certainly helped me on my career path, and are still helping me today."

Dicksons C. Kateshumbwa, the former Commissioner of Uganda Customs and Chairperson of the WCO Council, provides further testimony: "on my return in 2011, I gathered together the Customs Audit Team that I was in charge of at the time so that we could jointly develop a new vision and mission for our department. This approach revolutionized the way we worked and made it possible for us to set ourselves apart from the rest of the administration. Four years later, in 2015, I was appointed Commissioner of Customs, a dynamic administration which, under my leadership, successfully implemented over 13 major reforms."

Funding is needed in order to implement the Programme. Travel, accommodation, and other expenses incurred by the Fellows and the trainers overseeing their work are charged to the Secretariat, with generous support provided through donor sponsorship.¹ Without these donors, there would be no Programme and no results. The contributions made are not merely financial ones: some administrations welcome Fellows on study trips at the end of the Programme, allowing them to observe the latest Customs practices in real-life situations.

The overlapping benefits of developing Fellows' individual qualities, their professional skills, and their plan for modernization are the factors that determine the success and longevity of this Programme. The growing interest of developing countries' Customs administrations in the Programme demonstrates its undeniable influence on the participants' careers, and the administration's path towards modernization. The impact of what may be regarded as a real investment goes beyond the mere growth of individual and organizational performance; the majority of former Fellows even consider themselves more capable of tackling extreme and unexpected situations, such as the current COVID-19 pandemic.

As Yvener Neptune, an agent for change in Haiti Customs and Fellow in 2018, explains, "because of the WCO Fellowship Programme, I learned not to give up in the face of adversity, but to turn the challenges into opportunities. Each of my actions is driven by the same ambition: to build a better Customs." And we leave the final word to him: "taking part in the Programme gave me renewed hope that our community would have a brighter tomorrow. Long live the Fellowship Programme!"

More information

capacity.building@wcoomd.org

¹ The Programme's current donors are the Republic of Korea's Ministry of Economy and Finance and the Customs Administrations of Japan, France, and the People's Republic of China. In the past, other financial contributors have included Belgium, Switzerland, Canada, the Netherlands, the Commonwealth, Sweden, Norway, and the United Kingdom.

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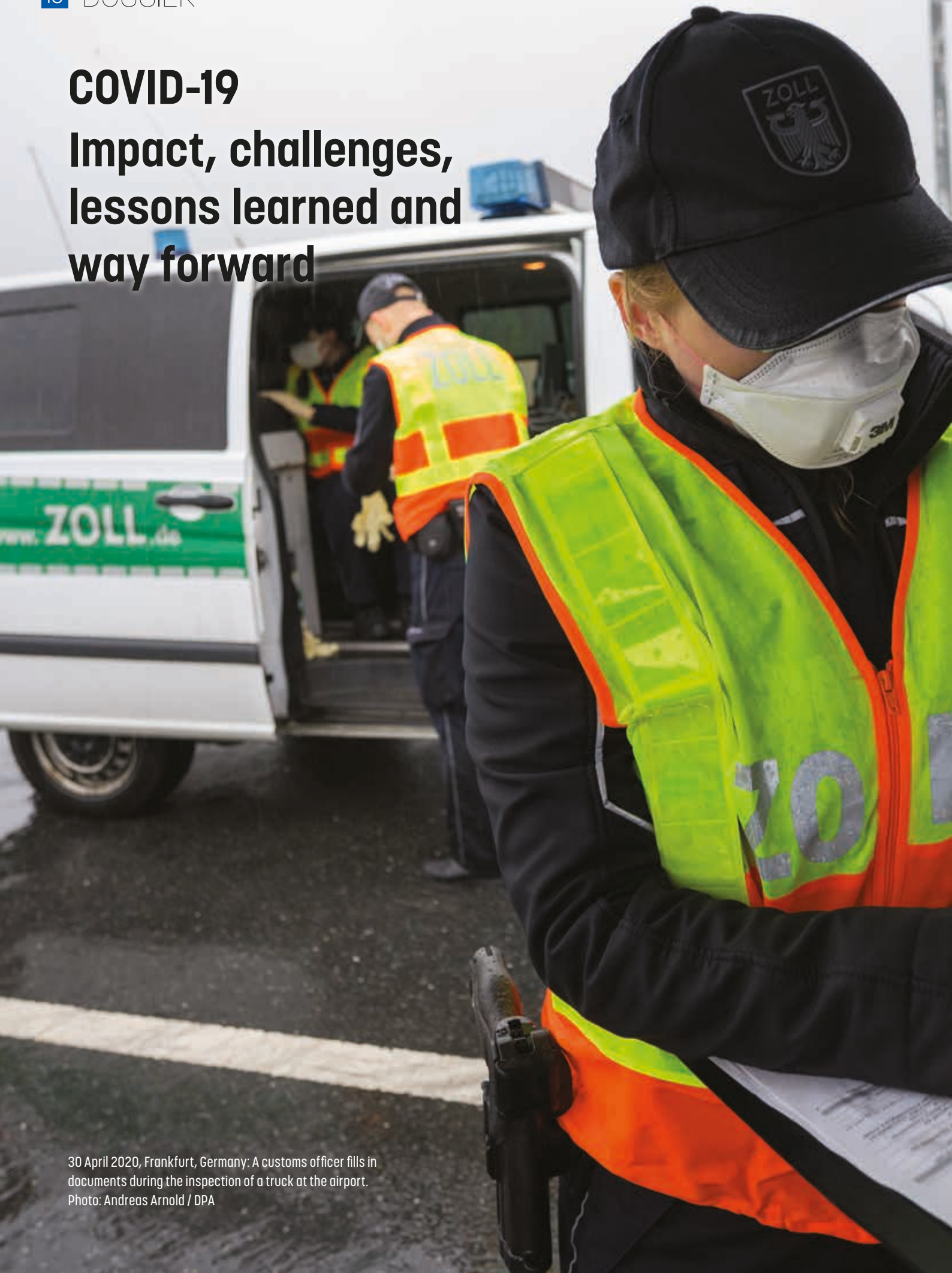


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COVID-19

Impact, challenges, lessons learned and way forward



30 April 2020, Frankfurt, Germany: A customs officer fills in documents during the inspection of a truck at the airport. Photo: Andreas Arnold / DPA

Working with you through these challenging times

By Kunio Mikuriya, WCO Secretary General

When it was announced by the World Health Organization (WHO) that COVID-19 had become a pandemic, the WCO Secretariat's management team quickly sprang into action, listing the urgent tasks to be done to support Customs administrations in managing the crisis and developing a business continuity plan.

Supporting Customs administrations

A dedicated webpage was created on the WCO's website, which compiled all the instruments, tools, initiatives, and databases that could be utilized by Customs administrations in their efforts to address the various COVID-19-related challenges.

One of the first tasks was to publish HS classification references for COVID-19 medical supplies in collaboration with the WHO. Whilst not legally binding, the list is a key tool to support countries in identifying and ensuring that goods, which were essential in the fight against the virus, were cleared through borders as swiftly as possible. As shortages of medicines can worsen the situation, the WCO also published a list of priority medicines, defined as medicines used in the general management of hospitalized patients with COVID-19, medicines that are used as part of the direct treatment against COVID-19 in hospitalized patients, and medicines where interrupted supply could result in serious health consequences.

While the world is gripped by the fight against COVID-19, criminals have turned this into an opportunity for fraudulent activity. There have been an alarming number of reports quoting seizures of counterfeit and substandard critical medical supplies, such as face masks and hand sanitizers in particular. Recognizing the importance of permanent and real-time exchange of relevant information to fight these criminal activities, the WCO launched the Intellectual Property Rights (IPR) CENcomm Group on the newly modernized CENcomm platform, its secure global communications system that enables countries to share alerts and requests for information worldwide.

Given the shortages and the activities of market speculators, another important trend was the introduction of export licences for certain categories of critical medical supplies, such as face masks, gloves, and personal protective gear. To help trade operators in identifying countries that had taken such measures and in finding the corresponding regulations, the WCO published and maintains a list of countries having adopted temporary export restrictions on certain categories of critical medical supplies in response to COVID-19. A list of countries having adopted temporary import support (lowering or waiving of direct and indirect duties and taxes) was also compiled.

In addition, guidance was provided on how to establish and utilize essential goods lists during a disaster and on how to communicate during a crisis. Letters were also issued to requesting Customs administrations to take specific actions



on two specific issues, namely the ATA Carnet procedure and the clearance of postal items.

Contracting Parties to the Conventions on temporary admission were asked to provide sufficient facilities for ATA Carnet holders and representatives to re-export temporarily imported goods, without unexpected additional costs, in cases where delays in re-exporting were due to preventive measures taken by governments of the Contracting Parties against the spread of the virus. This measure was carried out in consultation with John W.H. Denton AO, the Secretary General of the International Chamber of Commerce (ICC), which represents National Guaranteeing Associations.

As for the clearance of postal items, the letter, prepared with the Universal Postal Union (UPU), called for administrations to be flexible and accept postal shipments with any of the accompanying legitimate UPU documentation even if it did not correspond to the mode of transport effectively used (e.g., CN 37 [for surface mail], CN 38 [for airmail] or CN 41 [for surface airlifted mail] delivery bills).

Indeed, as a result of COVID-19's impact on the aviation industry, a large proportion of international mail has had to be shifted from air to surface transportation, such as sea and land (road and rail), and some Customs authorities were confronted with postal documentation intended for other modes of transport at land border ports due to the need to reroute postal traffic. The letter also addressed the need to accept, as the goods transit declaration, any commercial or transport document for the consignment concerned that meets all Customs requirements, as stipulated in the WCO Revised Kyoto Convention (Recommended Practice 6, Chapter 1, Specific Annex E).

Observations, priorities, and principles were also provided by the WCO Private Sector Consultative Group (PSCG). In addition, the WCO also requested its Member administrations to send information on the various measures that they had taken to prevent and/or fight the spread of the infection as well as any information on any challenges encountered, including web links to any relevant documents that they had published online, such as legislation, guidance material, etc. These case studies were published together with a list of contact points for inquiries at the national level concerning the import, export or transit of relief supplies relating to COVID-19.



Apart from the Customs-centric support being provided to its Members, the WCO also intensified contacts with its international partners representing both the public and private sectors, such as the ICC, the IMO, the OTIF-OSJD, the UPU, the WHO, and the WTO, to deliver common messages to frontline officers and economic operators. Via a series of joint statements, we called, among other things, for increased transparency on new trade and trade-related measures introduced in response to COVID-19; for assurance that any new border action is targeted, proportionate, transparent, and non-discriminatory; for continued freedom of transit; for a coordinated and proactive approach between public and private entities to ensure the integrity and continued facilitation of the global supply chain so that the flow of goods by sea, air, rail, or land is not unnecessarily disrupted.

Other organizations also offered guidance and recommendations and the WCO has partnered with the WTO, UNCTAD, the CSSO, the GATE, IATA, and the ITC to develop a COVID-19 Trade Facilitation Repository in which all these actions are consolidated. The repository acts as a platform that consolidates the initiatives on trade facilitation adopted by organizations and stakeholders, seeking to provide access to these resources in a unique and user-friendly database. It contains a useful listing of all such initiatives broken down by organization, type of measure, and subject matter.

Work continuity at the Secretariat

Measures were taken to allow the Secretariat's personnel to work remotely, providing continuous and high-quality service throughout this trying time. The COVID-19 pandemic has had a significant impact on the Secretariat's daily operations, leading to the cancellation of many missions and regular meetings. However, it did not prevent the Secretariat from engaging with its Members, reflecting on alternative solutions, and leveraging technologies to complete the activities earmarked in the WCO Strategic Plan.

Different channels were used to communicate with its Members and obtain their feedback on newly developed documents and initiatives. The Secretariat also invested efforts to deliver remote capacity building training and technical assistance to its Members, and to assess their potential new needs, directly stemming from the pandemic.

In parallel, the Secretariat is already working on activities aimed at improving WCO Members' capacity to focus on business recovery and continuity. The project aims to provide assistance in dealing with potential disruptive scenarios in response to the COVID-19 impacts through various mechanisms, such as the development of new tools, and a tailor-made, dedicated capacity building programme with donor funding.

About the content of this magazine's dossier

For the dossier of this edition of the magazine, we invited various administrations and organizations to provide an overview of how they responded

to the crisis and to highlight any lessons learned. We also discuss the future of Customs and one area of enforcement which may not be very well known, namely the trade in wild plant resources. I would like to thank the authors for taking the time to contribute to the magazine, as I am well aware that time is a rare resource for management teams during a crisis. It might still be too early for many to reflect and share information yet, so we will continue to share experiences on this topic in the next editions of the magazine.

Indeed, it will be especially interesting to see how the crisis may have speeded up modernization efforts within Customs administrations, especially the use of technology. Ten years ago, our ability to respond would have been limited. However, thanks to technology, we are at a time where it exists, and is helping us to dampen the impact of COVID-19 somewhat.

It will also be of interest to monitor whether the crisis has led to some restructuring, where apparel, electronics, and pharmaceutical companies rethink their supply chains to make sure that they are globally diversified, and less dependent on one or two locations. Changing suppliers and logistics providers as well as revising sourcing will become more prevalent as companies seek to better secure their supply chains – Customs may have an educational and enforcement role to play here, to ensure these changes do not cause inadvertent compliance issues, such as violations of Customs regulations, sanctions, export control, or other trade laws.

At the WCO, we will continue to advocate for a global approach to this pandemic that is strongly focused on trade facilitation and supply chain security. Additionally, we will continue to support Customs modernization efforts, to enhance and update international standards as and when necessary, and to share expertise, especially in developing business continuity plans. In closing, I should stress that the unpredictable is not a reason to be unprepared; even less so now!

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From reactivity to proactivity, for a safer and more prosperous world

By Ricardo Treviño, Deputy Secretary General, WCO

Since December 2019, when the first cases were identified, the global coronavirus (COVID-19) pandemic has spread with dramatic consequences for people, governments, and companies. Although we will only be able to make a preliminary assessment of its full consequences in the coming months, most analysts agree that the crisis will have a long-term impact.

All the professionals that have taken risks for the benefit of communities during what is one of the major challenges the world has faced in the past decades must be warmly praised. Some, such as health and care professionals, fully committed to their responsibilities to fight the virus, have put their own safety at risk to perform their missions. Others did as well, including those who worked to ensure that people's basic needs were met.

Customs administrations too have kept operating throughout this challenging situation to ensure the smooth supply of goods, including key medical equipment, and to prevent attempts by smugglers, counterfeiters and criminals to enter illicit and sometimes dangerous goods.

Eventually, humanity will prevail and the pandemic will come to an end with normal operations resuming all over the world. However, the current crisis should lead society's key actors, including those involved in the management of the international trade supply chain, to deeply reflect on how to better respond to pandemics in the future.

Global preparedness

Very recently, in September 2019, the Global Preparedness Monitoring Board (GPMB),

co-convened by the World Health Organization (WHO) and the World Bank, published its first annual report on global preparedness for health emergencies entitled “A World at Risk.” In this report, it is said that “For too long, we have allowed a cycle of panic and neglect when it comes to pandemics: we ramp up efforts when there is a serious threat, then quickly forget about them when the threat subsides. It is well past time to act.” This statement should be seen in the light of the fact that 1,483 epidemic events in 172 countries were tracked by the WHO between 2011 and 2018 and that specific recommendations were made to raise preparedness throughout this period.

The developments since December 2019 show that this assumption was right: decisions were taken at a time the virus already represented a serious threat, whereas higher preparedness to combat pandemics would definitely have delivered sharper responses and better results. In general, a higher preparedness to cyclical or emerging threats, including clear action plans and coordination mechanisms to be implemented when a threat arises, would enable better country responses in dealing with such crises.

Actionable policies and measures

Pandemics are recognized as one of the major global catastrophic risks for human societies, but they are certainly not the only ones: among others are natural disasters, wars, and cyber-attacks, as well as, in general, the criminal use of new technologies. Knowing the existence of these global risks is one thing, but translating knowledge into actionable policies and measures has always been a dilemma for governments.

Customs often operate under pressure to meet the objectives set by governments, including financial objectives, and is an executing agency that follows a governmental strategy. It is also operating in a complex environment and, when adopting measures or reforms, it must take into account the concerns and constraints of a wide range of actors, including private operators.

Customs is well placed to know which policy works or which resources, regulations, and operational set up are needed to implement it. As stated in Chapter 3 of the WCO Development Compendium dealing with strategic development: “It is important that policy makers ensure that national Customs

services are engaged at the strategy and policy development stage. The involvement of Customs in this process ensures that they understand and influence the policy and will be better positioned to implement it.”

However, to be engaged in policy dialogue requires that one be informed, i.e. to understand the environment in which one operates, the emerging trends, and the opportunities and threats. To assist in this regard, the WCO Secretariat publishes an Environmental Scan every year, which helps WCO Members to understand the social, political, economic, technological and legal developments as well as the impact that these developments could have on the way Customs operates.

Stronger linkages

In the next WCO Council and Policy Commission sessions, Members of the Organization will be invited to endorse the proposal for stronger linkages between the Environmental Scan and the WCO’s Strategic Plan. The idea is to make the WCO strategy more relevant to all social, political, economic, technological, and legal developments.

The Strategic Plan 2022-2025 will be drafted following the inclusive process that was used during the drafting of the previous plan. The process will be led throughout the 2020-2021 and 2021-2022 financial years. Members of the WCO will be strongly encouraged to actively engage with one another and with the Secretariat in order to deliver an overall strategy that takes into account diverse current priorities as well as emerging risks and challenges, using foresight methodologies, thereby switching the focus to proactivity instead of reactivity.

Implementation and high-level support

Many administrations seem to regard the Strategic Plan as a document that engages the WCO Secretariat only. It should not be. The COVID 19 crisis brings unforeseen challenges to the global Customs community and has helped us clarify the provisions of some of our instruments and has highlighted the importance of speeding up the modernization of some Customs processes. It also has clearly shown that many guidance and internationally agreed standards, including those related to natural disaster management, are still not fed into national policy development or not implemented properly.

In the next WCO Council and Policy Commission sessions, Members of the Organization will be invited to endorse the proposal for stronger linkages between the Environmental Scan and the WCO’s Strategic Plan. The idea is to make the WCO strategy more relevant to all social, political, economic, technological, and legal developments.

It is, therefore, imperative that working methods, identified practices, norms, and standards be implemented. Although some initiatives taken at the WCO-level have not been, or only partly, taken into account by various governments when developing and drafting policies, such as the instruments developed to ensure automatic information exchange, other initiatives simply require better understanding and high-level support.

Conclusion

By improving its strategy and closely linking it to emerging trends, the WCO, as the voice of the global Customs community, will be able to fulfil its leadership role. Indeed, a better strategy may also encourage WCO Members to commit to it. Working together, the WCO and its Members can go from reactivity to proactivity, for a safer and more prosperous world.

More information

<http://www.wcoomd.org/en/about-us/what-is-the-wco/strategic-plan.aspx>



Customs in the face of COVID-19: the case of Uganda

By Kateshumbwa Dicksons, former Commissioner of Uganda Customs and Chairperson of the WCO Council

After 14 years of service, Kateshumbwa Dicksons left the Uganda Revenue Authority a few weeks ago. In this article, he shares the experience of Uganda Customs in dealing with the COVID-19 pandemic.

Since the year 2000, Uganda has experienced repeated outbreaks of viral hemorrhagic fevers (VHF): five Ebola VHF outbreaks, and three Marburg VHF outbreaks. Each of these outbreaks is said to have case fatality rates between 25 to 90%. None of them, however, slipped into such a crisis as we have witnessed with COVID-19!

Towards the end of 2019, the first cases of what came to be known later as the coronavirus (COVID-19) were detected in China, and in less than three months, it had grown into a pandemic covering almost the entire globe, greatly affecting all sectors of our economies! In the words of the Managing



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Director of the International Monetary Fund (IMF), “Never in the history of the IMF have we witnessed the world economy coming to a standstill. It is way worse than the global financial crisis.”

In light of this unprecedented reality, governments took to adopting various policies and measures to curb the spread of this highly infectious disease, with a number of them implementing a lockdown of their population. After most neighbouring countries had confirmed COVID-19 cases, the government of Uganda started taking deliberate measures to reduce gatherings, starting with the closure of academic institutions at all levels, and the banning of all political, cultural, social, and religious gatherings of more than 10 people.

When the first case was reported on 22 March 2020 the measures were tightened further to include the restriction and later banning of all international and local passenger travel, and the imposition of a night curfew. Business operations were also restricted to what was deemed “essential services,” and only critical staff were allowed to go out to perform their duties. This is the first time that such extreme measures were taken while facing a disease outbreak.

With Customs being deemed essential, we managed to operate amidst the challenges. We set out to ensure that staff are well protected and that there was supply chain and business continuity, while at the same time putting extra caution to prevent the spread of the virus. Using our own experience and the experience of other WCO member countries,

Uganda was managed to take the following measures:

Staff

It has been said that if leaders fail to serve their people first, both clients and the organization will suffer. In line with the guidance from the health authorities, we depopulated the offices to ensure social distancing by enabling some officers to operate from home. For staff not confined to working from home, we provided adequate personal protective equipment, hand sanitizers, hand washing facilities, infra-red thermometer guns, and face masks. We also had to ensure that information relating to COVID-19 was relayed to staff through all available channels of communication including social media.

Border management and cargo movement

The borders and airport remained closed to passenger traffic; only allowing cargo movement which was also conducted under specific conditions. The operators were subjected to COVID-19 tests and the trucks were monitored under the Regional Electronic Cargo Tracking System (RECTS), a collaborative arrangement between the Customs authorities of Kenya, Rwanda, Democratic Republic of Congo and Uganda to effectively monitor trucks in transit. This was to ensure that the allowed operators do not mix with the population.

Supporting the economy

Uganda introduced tax relief measures with an extension of tax exemption to sixteen COVID-19 related medical supplies. We also provided for an

Cargo movement was conducted under specific conditions. The operators were subjected to COVID-19 tests and the trucks were monitored under electronic cargo tracking system.



Clockwise from left to right: Customs Officers at Malaba One Stop Border Post on the Kenya-Uganda Border receive documents from truck drivers; attach an e-seal to a truck; conduct a physical goods examination.

extension of payment period for duties, suspended the auction of overstayed goods and waived penalties resulting from COVID-19 related delays in transit, overstay by carnet holders and temporary importation of motor vehicles.

Lessons learned

From 22 March 2020 when the first case was reported up to 20 May 2020, Uganda had recorded 145 cases with 65 recoveries and no deaths. This can be compared to 2,455 cases in the East African Community and 5,112,010¹ cases globally at the same time. Drawing from Uganda's experience in the face of epidemics, and especially in the light of the ravaging COVID-19 disease, below are a few lessons learned by Uganda:

Safety first

There is nothing of greater importance than the preservation of life. The role of Customs as a

frontline agency at borders and airports exposes officers to infections, and many other occupational accidents that call for a routine assessment of the health status of Customs officers who face the risks. There is need to invest in the safety of staff at the work place.

Collaborative management

Effective leadership calls for synergetic collaboration given our different specialties. The COVID-19 has continued to underscore the need for building strategic partnerships and collaboration with other government agencies, business players and other Customs authorities. In Uganda, after banning all passenger travel in and out of the country, the biggest source of cases became interstate truck drivers. The efforts of Uganda to quell transitions through this channel were highly aided by the Regional Electronic Cargo Tracking System (RECTS). This helped to reduce monitor contact of drivers with the communities.

1 https://www.ubos.org/wp-content/uploads/publications/05_2020UBOS-BULLETIN-22-n.pdf

Leveraging technology

“Stay at Home” was the resounding plea to citizens in many countries by their governments in an effort to manage the spread of COVID-19. Uganda Customs, however, had to retain a small presence of staff to facilitate the movement of goods including the supplies being used in the struggle to fight the disease.

By using online platforms to manage client queries and enquiries in addition to the internet-based Customs management systems, Uganda Customs ensured that some form of normalcy was maintained, and staff well utilized from home. To compensate for the shortage of officers allowed to work in the field, Uganda relied on the increased use of non-intrusive inspection (NII) equipment, and on the RECTS to fill the gap.

Adversity has shown the need to invest even more resources in technology. The new normal even after COVID-19 may involve less physical presence as interactions.

Better days will return

The COVID-19 pandemic has validated our connectedness as a global village as well as our collective vulnerability in the face of such catastrophes. It is not far-fetched to reason that what we are fighting may not be the last of its kind. Therefore, I would strongly encourage Customs administrations to use lessons learned from others even as we fight on. For we have the hope from experience that, however long the devastation of COVID-19 may linger, “better days will return.”

More information

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Customs in the face of COVID-19: the case of Sri Lanka

By Sunil Jayaratne, Additional Director General, Sri Lanka Customs

The first positive coronavirus case in Sri Lanka was reported on 3 March and by 8 May nearly 820 people were found to be infected out of a 22 million population. On 16 March a wide curfew was imposed on the island, followed by other stringent measures to protect the further spread of the virus. This strategy enabled the government to keep fatalities at a single digit. Many activities were shut down while others had to adapt. The Colombo Tea Auction, the world's oldest operational and largest single-origin tea auction, was conducted for the first time on an e-platform. Sri Lanka Customs (SLC) also had to leverage digital tools and find practical solutions to ensure the continued movement of cargo while applying government rules to avoid the spread of the virus. This article explains the various measures taken by the administration to respond to what is an unprecedented global health crisis.

Lower trade volumes

The Port of Colombo, the island's main entry point, benefits from a unique geographic location and Sri Lanka's ambition to make it an important hub for international trade. According to the Sri Lanka Ports Authority (SLPA), in 2019, 5.9 million Twenty-Foot Equivalent Units (TEUs) entered the Port in transshipment, and 1.3 million TEUs were imported or exported.

As Sri Lanka Customs collects 57% of state tax revenue, international trade is a key revenue source of the country. But, as everywhere else, trade flows plunged during the country's lockdown, especially at the Port. On a daily average, Customs used to clear 1,200 full container loads (FCLs) at import and process around 525 FCLs at export. These numbers have dropped to 524 at import and 220 at export. Overall, there was a drop of 24% in the number of maritime containers at import, export, and transshipment.

A COVID-19 Contingency Plan was soon developed. It introduced new working hours. To

help and inform traders, working schedules of the various units and the contact numbers of their heads were published on the SLC website (www.customs.gov.lk). Necessary arrangements were made with the Sri Lanka Police in order to provide curfew passes to Customs staff, transporters, Customs House agents, and other key personnel.

Given the low volume of exports due to most factories being closed for operations following government contingency measures, which recommended the minimization of human gatherings, the working hours of Customs services dealing with exports, which used to be accessible 24/7, were reduced to approximately 8 hours per day. However, Customs staff remained "on-call" and, if needed, had to report for duty.

Customs services in charge of imports managed to keep a good workflow. Around 95% of containers are being released, approximately, within half a day. In comparison, in 2018, when the latest Time Release Study was conducted, the average time taken to clear a maritime container was 16.5 hours, and 75% of FCLs were cleared within 24 hours.

Staff and public health and safety first

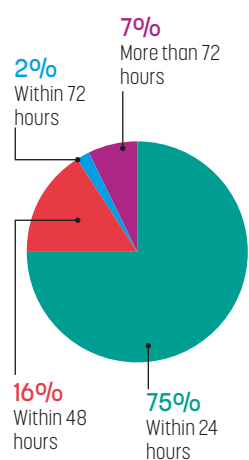
Consequent to the 2004 tsunami, the government of Sri Lanka had made significant changes to its disaster management systems, and the SLC and other agencies involved in the border clearance process had been reviewing procedures and mechanisms to face such events more efficiently (see WCO News, 78th edition¹).

When the Presidential Task Force on COVID-19 was set up to monitor and prevent the spread of the disease, and ensure essential services were provided to sustain overall community life in the country, the SLC was naturally asked to join.

To protect Customs staff, the following steps were taken:

Analysis of Total Import FCL Clearance

N° of TEUs



(Source: Time Release Study 2018, SLC)

1 <https://mag.wcoomd.org/magazine/wco-news-78/sri-lanka-customs-response-to-a-natural-disaster-challenges-faced-and-lessons-learned/>



- Strict instructions were issued in order to minimize human gatherings and maintain social distancing in order to contain contamination.
- The number of staff deployed was kept to a minimum with only 20% of the normal workforce of 2000 having to come to work.
- Instructions were issued to the rest of the staff to continue their duties by connecting virtually from their homes using their personal computers (this is the first time that officers were asked to operate from their homes in Customs' history).
- Sanitizing facilities, including wash basins and foot baths, were installed in front of all office entrances.
- Protective gear (face masks, hand gloves, sanitizers) were provided to the staff, especially those at the airport.
- A disinfecting chamber was first established at the entrance to the Customs Headquarters before being removed, following the directives of medical specialists who expressed concerns that the usage of a 75%+ alcoholic spray within the chamber could become flammable, which resulted in the introduction of alternative methods for disinfecting and sanitizing purposes at Customs Headquarters and all other Customs premises.
- Infrared thermometers were provided to allow Customs officers to check the body temperature of visitors.

Paperless processes

The SLC has started a modernization process, which includes the implementation of the provisions and procedures contained in the WCO Revised Kyoto Convention and the WTO Trade Facilitation Agreement as well as the implementation of paperless procedures.

The SLC has been using ASYCUDA for more than two decades to process declarations and a fully-fledged online e-payment platform since 2017. To further digitalize the process during the crisis, trade operators can now submit scanned copies of other supporting documents such as invoices.

In addition, regulatory approvals issued by other government agencies, such as the Sri Lanka Standards Institute, plant and animal quarantine services, the food inspector service, and national medicinal regulatory approval, can be sent to an online platform to which Customs has access. Submission of manifests, delivery orders, and other shipping documents is also done electronically.

Moreover, the Customs requirement to produce an original paper certificate of origin was deferred for a reasonable period, depending on the situation of the issuing country.

In addition to the regular Customs Enquiry Point, a special 24/7 help desk was established to attend to stakeholder inquiries and the working hours and contact details of all Customs offices across the entire services spectrum were published online.

Relief and essential supplies

Although the number of trade operations decreased, new working constraints could have negatively impacted the capacity of Customs to process transactions. As such, there was a need to ensure that importations of relief and essential commodities were not only processed quickly, but also facilitated.

Putting into practice the lessons learned during colossal disasters such as the tsunami in 2004, the SLC, in collaboration with other concerned agencies, identified relief and essential supplies, and published a list of such goods with their HS codes. Priority was given to these goods for clearance, and the declaration requirements were simplified. Relief goods and donated medical equipment were exempted from taxes and duties, and the tariff rates of some items such as face masks were reduced.

The information was published through the government gazette notifications and circulated among officers timely. The administration also communicated the most significant tariff changes via its website (www.customs.gov.lk) as well via the recently established Customs enquiry point and help desk.

Customs also acted diligently to release good considered as essential to sustain overall community life in the country. Accordingly, the following measures were put into action:

- Dog-handler teams from the Sri Lanka Police's Narcotics Bureau were deployed for the examination of essential goods being imported from high risk countries.
- Routine cargo selectivity criteria were tailored to release medium and low risk cargo with minimum or no Customs intervention. As a result, around 70% of importations selected for examination through non-intrusive cargo scanning equipment were released without inspection.
- Verifications of the authenticity of licences, standards, and permits were coordinated via electronic means to ensure expedited release, and final clearance of some of the importations requiring such documents was put on hold and will be subject to post clearance audits.

- Measures were taken to facilitate routine referrals to regulatory agencies. For example, unless indispensable, the debiting² of import control licences by the Control Department was temporarily stopped in order to save time.
- Prompt actions were taken to facilitate requests made by foreign missions, especially relating to the expediting of essential exports.
- Provisional online procedures were introduced to verify certificates of origin and grant preferential tariff treatments to countries with whom Sri Lanka had signed Preferential Trade Agreements (PTAs) such as with countries of the South Asian Association for Regional Corporation (SAARC). In this particular case, in order to ensure consistent implementation of the FTA, a webinar was organized by the SAARC Secretariat with the participation of all the administrations of the SAARC countries; Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.
- Penalties on late reporting of manifests or other documentation were waved as well as port/airport demurrage charges at the request of traders. The latter required coordination with the SLPA, private container terminal operators, and air cargo authorities.
- In addition to the regular Customs Enquiry Point, a special 24/7 help desk was established to attend to stakeholder inquiries.
- As already indicated, the working hours and contact details of all Customs offices across the entire services spectrum (import, transshipment, export, parcels, passengers, industries, services, etc.) were published online.

Supporting the economy and supply chain continuity

If at the beginning of the lockdown, priority was given to the clearance of items listed as essential, Customs progressively started processing other transactions, including the importation of raw materials or semi-manufactured goods to be processed for re-export under the inward processing procedure. To speed up the processing of applications, a Standard Operating Procedure (SOP), which is a set of step-by-step instructions, was put in place, and requests and inquiries were

² Import control licences are issued for a specific quantity and time period. Each time an operation covered by the licence takes place, the quantities of goods are deducted from the granted quantity in order to maintain the balance for control purposes.

attended to diligently via email to ensure the manufacturing industry was disturbed as little as possible.

The SLC also assisted the SLPA to clear spaces adjacent to cargo unloading bays in order to increase the efficiency of unloading goods from vessels as, although the number of containers was decreasing, many importers could not pick up their goods. In order for them not to be penalized, the SLPA, private container terminal operators, and air cargo authorities agreed to waive port/airport demurrage charges at the request of traders.

Handling passengers

Bandaranayake International Airport is Sri Lanka's main international airport. As most flights to and from the island nation have been suspended since 19 March, the number of passengers dropped drastically to around 50 inward and 150 outward passengers.

Passenger movements before and after the COVID-19 outbreak

Period	No of inward passengers per day	No of outward passengers per day
Before the pandemic (January 2020)	12,025	12,722
During the pandemic (April 2020)	46	155

Customs staff were still allocated to ensure expedited clearance and control of passengers and their luggage in accordance with the protection measures stipulated by the government. Departing passengers were mainly foreign nationals, mostly tourists, for whom special flights were arranged. Arriving passengers were mainly Sri Lankan nationals who were brought home on specially

arranged flights, and who were then referred to specially established quarantine centres.

The clearance depots for Unaccompanied Passenger Baggage (UPB) – i.e. the sender and receiver of the baggage are the same person and it may be cleared under the duty free allowance provisions – were shut down at the initial stage. Indeed, some passengers were unable to return to the island and even receivers were unable to present themselves at Customs offices to collect goods on behalf of their relatives due to the curfew. Customs resumed clearances from 20 May, once the curfew had ended, and UPB could be released at a nominal fee to the authorized person nominated/appointed by the sender. Some private sector companies were also allowed to provide door-to-door delivery.

Cooperation with the private sector

The SLC held regular meetings with private sector stakeholders in order to provide remedies for the issues faced by them, which resulted in some COVID-19 measures being changed accordingly. For example, paper Customs declarations were accepted when importers or brokers were not familiar with the paperless process, cooperation was sought with Inland Clearance Depots or dry port administrators to facilitate the clearance of goods, and a solution was found with UPB warehouse handlers to allow them to deliver the baggage of passengers unable to return to Sri Lanka to an address provided by the passengers in question.

Stronger after the crisis

The current COVID-19 crisis has inculcated numerous lessons for the SLC as well as other authorities worldwide, and we believe we will come out stronger, bolstered by the lessons learned.

More information

<http://www.customs.gov.lk>



Japan Customs conducts online induction training for new recruits

By Japan Customs

As more countries imposed restrictions on movements and gatherings to fight the spread of COVID-19, online training that might have been a useful tool before, suddenly became a necessity. In this article, Japan Customs explains how it quickly adapted to the situation to keep offering new recruits the training they needed to take on their first assignment with confidence.

Japan Customs has three main missions: protecting society; collecting duties and taxes appropriately and in a fair manner; and further facilitating legitimate trade and travel. These missions are intertwined, and are getting more complex. This complexity, as well as the key and various functions Customs plays, from ensuring proper clearance of increasing in-bound passengers to countering terrorism, has been recognized, including at the political level. As a result, the administration has been given additional human resources, and the number of newly recruited Customs officials has been increasing in recent years.

The Japan Customs Training Institute (CTI) provides various kinds of training programmes, which are

designed according to officers' skills and career paths. Among these various training programmes, the one developed for newly recruited officers is of particular importance. It is indeed imperative for new recruits to understand the laws and regulations they will have to enforce, the powers that are granted to them to do so, and the working techniques they will have to implement.

The training consists of academic classes presented by experts in their field, as well as a practicum provided by experienced CTI trainers. After attending the courses, recruits are then sent for practical courses, so-called on-the-job training, which is delivered at their respective workplaces.

Thinking outside of the box

With the latest induction training planned for April 2020, when the country was still applying strict measures to stop the spread of COVID-19, the CTI had to quickly alter its way of training, moving away from the conventional classroom format. Following the government's "stay at home" guidance, theoretical courses, which were deemed fundamental, were recorded to enable new recruits to follow them online.

The topics deemed essential included the National Public Service Act, Tax Laws, Customs Laws, and operational procedures related to basic Customs procedures such as Customs clearance, surveillance and control, commodity classification, and rules of origin.

Regarding on-the-job training, it was maintained, but recruits were divided into smaller groups.

This is the first time that the CTI has had to conduct home-based online induction training, which required various detailed arrangements to be taken as well as coordination with the Customs and Tariff Bureau (CTB) of the Ministry of Finance and the respective regional Customs offices.

The home-based online training was arranged in the following manner:

- The CTI prepared a detailed handbook, explaining how to login to the online platform and providing the training schedule and security instructions, that was distributed to all trainees.
- A syllabus and textbooks were distributed ahead of each lecture, in order to allow officers to prepare and duly understand the aims and purpose of the courses.
- Notices and additional information, such as changes to the schedule, were properly communicated.
- Lecturers were asked to stay available to students to answer questions, and their contact details were shared with students.
- Lecturers developed short tests for each student to take at the end of each lecture in order to validate their acquisition of knowledge, and wrap-up examinations were conducted once

the student had gone through the entire series of recorded lectures.

- The CTI monitored the work done by each trainee through the system, and any delay or absence was investigated.
- Trainees were required to submit a daily activity report through the system, and could pose questions to the lecturers by email at any given time.

Challenges encountered

The CTI has encountered some challenges in the course of arranging home-based online training. For example, while almost all trainees had a smartphone, they did not necessarily all have a PC or tablet, tools that are the most appropriate for online training purposes. To overcome this challenge, the CTI had to try out the course on several smartphones, browsers and operating systems.

In addition, the files of the recorded lectures were rather heavy. Although the CTI managed to reduce the size of the files, the data transmission capacity and speed depended on the trainees' internet connection speed or bandwidth, which varied from one to another. Therefore, sometimes the CTI had to communicate extensively with new recruits to find technical solutions, at least for this critical and limited time of the training.

Early success

While it is too early to evaluate the effect of the online induction training or compare it to conventional classroom training, the CTI believes that the online training exercise was successful, and that it enabled new recruits to take on their first assignments with confidence.

More information

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Air cargo – the lifeline of recovery: health, trade, and society’s wellbeing

By Vladimir D. Zubkov, Secretary General, The International Air Cargo Association (TIACA)

In every discussion I have about aviation, people ask me when they will be able to fly again. Still remains to be seen when the recovery from COVID-19 firmly starts, but from all assessments, it may take several years for the industry to come back to its pre-crisis level, especially when it comes to intercontinental leisure passenger traffic.

The economic impact of the current pandemic on average citizens is huge, and discretionary expenses like travel will be the first thing to be eliminated. Vacations as well as visiting friends and relatives will most likely be domestic, not international, if they occur at all.

As the Secretary General of a business association dealing with air cargo, why did I start this article by talking about passenger traffic? You may not know it, but around 60% of international cargo is carried on passenger planes, under the passenger deck!

With the grounding of most passenger planes, the air cargo industry suddenly lost between 80-90% of its existing belly capacity, which severely disrupted air cargo flows. However, the sector was able to quickly adjust to this sudden change with innovative measures such as increased utilization of freighters, specialized charters, and passenger planes converted into cargo-only planes. All these

measures enabled demand for the transport of medical supplies and equipment, food, and other necessities to be fully met. So, international trade, whatever is left of it, can still continue to rely on the air cargo market, which in value terms used to account for around a third of all goods being traded internationally.

What COVID-19 has done to our industry is in certain ways unprecedented, and many airlines and airports still struggle to adjust to it. Before I go any further and start looking into the challenges, let me remind you that TIACA is an international not-for-profit association, representing all parts of the air cargo industry: shippers, forwarders, airports, airlines, ground handling companies, manufacturers, IT solution providers, and educational institutions. The aircraft operations are only the forefront, the most noticeable element of the whole air cargo supply chain, but for the system to function in harmony, there must be a balance between the interests of all those who make the movement of air cargo possible from “door to door.”

Coping with the challenges

What characterizes operations today is diminished belly capacity (only 20% of belly cargo is still flying), dominance by a few all-cargo freighter operators, with the remaining capacity shifting more than



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ever to serving e-commerce companies. Excessive financial losses for most of the participants in the air cargo supply chain become pretty common.

Airports, who play a very significant role in the entire mechanism enabling air cargo, are feeling the impact as well. Even when closed to passenger traffic, a substantial share of airport and airside infrastructure remains open. The overall cost base for operations remains almost the same, as most airports' costs are fixed.

Shippers also face growing challenges with the loss of capacity, and transport rates that are now often 2-3 times higher than the normal rates. They are often kept in the dark, no longer able to rely on regular cargo networks, while having to also deal with opportunistic airlines operating ad hoc flights. Now more than ever, shippers need transparency on what flights to what destinations are being served, and they also need access to slot allocation overview at airports for planning their shipments.

Airlines and the whole cargo supply chain have been trying to keep up with the demand for critical shipping of all medical and urgent goods related to this crisis. Air bridges have been made to fly masks, protective gear, and ventilators, and, as I already said, airlines are looking at ways to convert passenger planes to a cargo-carrying configuration. Charter flight operators, i.e. companies that offer unscheduled flights and which do not follow regular airline routings, are now also moving cargo. Last but not least, ensuring last-mile delivery services has been very challenging with diminishing, and often restricted by new conditions, ground transport.

Regulation

Regulatory issues came up front, because the new conditions required non-standard solutions. For example:

- Commercial rights on international routes governed by bilateral and multilateral agreements impose restrictions on changes in air routes. These restrictions had to be waived as airlines needed to be able to quickly change the geography of flights, depending on the urgency in deliveries.
- Permits granting such rights had to be issued quickly.
- The huge diversity of rules related to ground handling and cargo safety as well as different flying restrictions made compliance difficult, and there was a need for coordination and uniformity.
- Rules governing the use of airport slots had been suspended in many countries. A slot is the scheduled time of arrival or departure allocated to an aircraft on a specific date. The rules for slot allocation mean that airlines must operate at least 80% of their flights within their allocated slots under normal circumstances, and could only reallocate a certain number of unused slots. With these rules suspended, airlines were able to offer up their unused allocation so that they could be allocated to newly planned cargo operations, avoiding any need to run empty services in order to maintain slots.

If time had always been a major constraint for the air cargo industry, it had to deal with increased pressure in this respect while also dealing with less capacity. Moreover, safety risks increased with mislabelling and wrongful declarations, reported as being on the rise in many parts of Asia. Unscrupulous shippers are exploiting the situation, and inexperienced ones are further complicating processes, both creating unnecessary problems and hazards.

Facilitate the restart of aviation operations

There is a wide-spread belief that the air cargo side of aviation, unlike the passenger side, is prospering and doesn't need any restart or rebuild plan. True: some airlines, freight forwarders, and others are temporarily benefitting from the fact that demand exceeds capacity.

With the grounding of most passenger planes, the air cargo industry suddenly lost between 80-90% of its existing belly capacity, which severely disrupted air cargo flows. However, the sector was able to quickly adjust to this sudden change with innovative measures.

However, when things start getting back to normal, the air cargo supply chain will have to readjust, and be ready to implement new safety, security, and administrative requirements, and procedures. To handle such requirements and support logistics staff on the ground at the airport, supply chain managers will need to set up cross-functional teams.

Airports should look at the critical routes that need to be open for both commercial and strategic viability. Airports and airlines will also have to create air cargo “data and logistics corridors” to increase the efficiency of cargo movement.

The slot allocation regime will still be a problem, and the need to be able to release slots for cargo operations will remain. This is the area where the participation of Customs authorities is absolutely necessary. Close collaboration with airport-located services in responding to fluctuating capacity demands, alignment of data transfer protocols, and the introduction of a paperless environment and cloud-based communities – these are just a few important areas for joint activities.

More than ever, airports and their airline partners must cooperate, and should not overlook ground handling services and other players in the supply chain. They are often called “unsung heroes” these days because they have to physically put their shoulders to cargo loads, often not being able to observe social distancing, and yet, they are not that visible, but it is them that secure shipment movements to and from planes.

Turning to administrative issues, senior managers in airlines and airports must realize that cargo has become a core business, which should lead them to invest in a cargo management tool, and hire or train staff. Recovery plans should also be reviewed accordingly.

Airlines and all other businesses in the air cargo logistics chain are fragile financially: leases on expensive aircraft, salaries, electricity, and providers of services and materials, among others – all need to be paid, requiring financial resources that are not always covered by reduced and irregular operations. States and local authorities must understand the fundamental role that the air cargo industry plays, and that it is critical to maintain its subsistence and vitality. Many governments have already announced packages to support air carriers and other aviation-related businesses through

different arrangements, starting from financial injections to favourable credit terms.

Build a more resilient aviation system in the longer term

The actions suggested above will form a foundation for building a resilient air cargo system in the longer term. But more is needed to get rid of delays as well as useless and irrational route diversions, two phenomenon that are recurrent within the air cargo environment.

Some existing regulations should be changed or relaxed to enable a better response to disasters, pandemics, or any other disruptions that may occur. With this in mind, key actions should include:

- Allowing quick changes in air routes by reviewing some of the provisions of commercial rights within bilateral and multilateral agreements to lift restrictions on airlines’ ability to quickly change their geographical operations, depending on the urgency of deliveries.
- Exempting cargo flight crew from quarantine measures.
- Improving slot availability for cargo flights by ensuring that airports release slots for urgent cargo operations.

Additionally, regulation bodies, at the national, regional, or international level, need to appreciate that aircraft operations are only the forefront, the most noticeable element of the whole air cargo supply chain. We should always remember that for the system to function in harmony, a balance must be found between the interests of air cargo operators, airports, freight forwarders, handling companies, and other stakeholders at large.

In fact, the crisis made governments realize that having access to air cargo services is a strategic national imperative to ensure the health, security, and wellbeing of their citizens and countries. Not only is the air cargo industry a significant contributor to the global economy and international trade, it is also an entire ecosystem that has to be efficient so that airlines can sustain vibrant and critical services at all times, and not just during a crisis.

Beyond the change in regulations, there are lessons to be learned from what we are currently experiencing, and we need new procedures within our industry in order to prepare ourselves





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Is it possible to have a global response in concert with Customs?

What is true for the air industry, applies to many other industries and government services too, including Customs administrations with whom it shares many issues and challenges. In response to the challenges brought about by COVID-19, all stakeholders joined together under the banner of ICAO. They included the WCO, TIACA, the WHO, IATA, ACI (Airport Council International), GEA (Global Express Association), ICCAIA (International Coordinating Council of Aerospace Industries Associations), and CANSO (Civil Air Navigation Services Organisation).

TIACA sees its role as assisting ICAO in reaching out to governments with the aim of coming up with better regulations and a better working environment, again for the benefit of all. Air cargo volumes have grown in recent years and will continue to do so faster than anticipated, driven by e-commerce. Hence, there is a need to gain efficiency and transparency.

It is of the utmost importance to ease restrictions and liberalize traffic movement in order to facilitate access to the destinations where cargo flights operate. In practice, facilitation would also require enhanced cooperation with enforcement services, including more effective exchange of information. This flexibility must come with transparency and interconnectivity.

We need to leverage this crisis and work together to find ways to facilitate air cargo movement even more energetically, and to implement effective and efficient controls. Good practices are available at many airports. For example, in some instances, services dealing with air cargo have formed dedicated “cargo communities” who rely on and are assisted by the unimpeded and reliable flow of information through a cloud or any other functioning database. This is just one example of a good practice that deserves careful consideration.

for potential crises in the future, in particular, procedures involving employees and their health and safety. While the relaxation of processes and restrictions on air cargo movements must continue, we should always bear in mind that there can be no letdown on safety and security issues.

Indeed, preparedness is key, and the various companies that make up our sector – like other industries – must develop emergency plans to anticipate, and build scenarios to be able to respond to the unpredictable. This will involve analysing the new knowledge obtained during COVID-19, getting some experience of managing risks, training employees, and establishing procedures for a quick response such as stocking and supplying protective equipment, monitoring staff wellbeing, setting up internal arrangements with emergency teams, managing IT systems to manage schedules and enable data transfers, enabling optimized remote working, and protecting personal data.

Air cargo is an integrated industry; hence the need for consistent actions and consistent messaging across the industry at all times.

More information

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The invisible and secure border of the future

By James Canham and Alexander de Voet, Accenture

Never more than now has the need for a secure and contactless border experience been more important.

Border agencies face many challenges and are today operating in an era of unprecedented change. An increasingly volatile global travel and trade environment combined with new security and public health threats, make for a challenging and evolving operating environment that requires close observation, and coordinated and far-reaching responses.

To be successful in this era of instability and rapid change, border agencies need to evolve their processes, people, and technology while ensuring that border experiences and processes are fully digitalized, and made as seamless and contactless as possible for legitimate travellers and traders.

A future that's very different from today

The future border will be an invisible one for the majority of citizens and traders. Administered by Customs and other border agencies that base their decisions and actions around real-time data, and which foster collaboration between humans and machines when making critical decisions that affect the movement of people and trade across borders.

Encouragingly, the beginnings of this transformation are already evident, as forward-thinking agencies invest in new technologies to transform their operations and border management processes. Examples of innovation such as the Finnish

Immigration Service's use of an online digital services platform for immigrants seeking to enter Finland (EnterFinland), which includes a cross-government and multi-lingual virtual agent network across Immigration, Tax, and Patent & Registration agencies¹. Another example of such innovation is the Dubai World Logistics Passport initiative to incentivize the sharing of logistics facilities and services to further transform Dubai into an international logistics hub².

To change the way core border agency tasks and services are delivered in a faster, safer, and more user-friendly way, we believe the border agency of the future will be characterized by three core features.

Invisible

By using digital technologies that remove the need to present documentation or interact with an officer at the border, agencies can get rid of most existing routine processes in favour of a more proactive approach triggered directly by trade supply chain events. This change is based on recognizing people and physical objects digitally (for example, through touchless biometrics or sensor technology), enabling border officers to focus on those people and goods of which the identity, status or authenticity is unclear or that can be matched to a risk profile, and to operate more remotely when needed for health or security reasons.

Adaptable

By embracing adaptable, self-learning approaches, and tapping into systems and data across their ecosystems, border agencies will be well placed to quickly and easily adapt to changing demand, technology or policy. This adaptability is underpinned by a data-driven approach, using high volume, high-quality travel and freight data to enhance and accelerate decision making. The adaptable approach also flows through to an agency's workforce, making use of technologies such as artificial intelligence (AI), cloud computing, and augmented and virtual reality technologies to enhance the capabilities of both humans and machines, and establish a more flexible and responsive workforce. Machine learning will be a particular feature, with systems and processes being equipped to self-adapt and self-learn,

and border officers continuously training their AI-enabled systems to help make better decisions.

Radically connected

The future border agency will not do it all alone. Rather, the agency will be supported by a rich ecosystem of both public and private partners, working in a collaborative and coordinated fashion. Agencies and other entities operating at the border will digitally share high-quality and trusted data across borders and jurisdictions to speed up and improve processing at and beyond the border. Agencies will also tap into specialist skills and capabilities, from data scientists to contact centres, on an "as needed" basis to supplement and support border agency officials to maximize service and output for citizens, traders, and travellers alike. These ecosystem and partnership focused approaches are already emerging, and – while new and somewhat challenging – are necessary in this era of unprecedented change. The US Customs and Border Protection agency is one organization currently partnering with e-commerce supply chain companies such as Amazon, DHL, and eBay to secure vital e-commerce supply chains and protect consumers³.

The notion of the "invisible, adaptable and radically connected" border sounds somewhat futuristic, but it is closer than we think as our rate of technology capability and usage increases year on year. Accenture's recent "Technology Vision" research found that border agency leaders and the public are already receptive to change, and support the greater use of digital technologies by Customs and other border agencies.

Turning vision into reality

We have set out our vision of the future border agency; the next question is how to embark on the journey to get there. In our view, it involves focusing on three priority areas.

Modernize the core

Most border agency leaders – and indeed public service leaders – acknowledge the need to digitize and modernize. However, in all too many cases the go-to solution is a move to e-forms, and data banks in an attempt to digitize their operations. The reality is that these efforts provide little more than digital versions of traditional paper trails and fail to reap



85%

of Public Service executives believe that to compete in a post-digital world, organizations need to elevate their relationships with customers as partners.



76%

of Public Service executives agree that organizations need to dramatically reengineer the experiences that bring technology and people together in a more human-centric manner.



61%

of Public Service executives state rapid advancements in new technologies and scientific innovations are poised to disrupt their industries.

1 https://migrifidocuments/5202425/0/Starting+up+Smoothly+experiment+evaluation_CMYK.PDF/87688320-dfef-9246-6c24-c1ac8e436103/Starting+up+Smoothly+experiment+evaluation_CMYK.pdf

2 <https://gulfnews.com/business/dubai-launches-world-logistics-passport-at-davos-1.69186960>

3 <https://www.cbp.gov/newsroom/national-media-release/cbp-and-trade-partners-are-taking-action-secure-e-commerce-supply>

the full value of the data that already exists across the ecosystem.

Instead, the most important action area to get on the path to the future border agency is to analyse and modernize core business processes and operations, with a view to becoming invisible, adaptable, and radically connected. This means identifying the main events that typically occur along an end-to-end cargo or traveller journey, and determining where data is generated and by whom. Tapping into that data will enable border agencies to obtain a clear and real-time view of goods and passenger journeys, to an extent that requesting information at the border can become the exception rather than the rule. In a trade context, typical events to focus on could include those such as applying for trade finance or booking container space.

In the long run, once the data has proven to be sufficient and reliable, data pipelines will fully replace documents such as Customs declarations. While tapping into this data will by no means be an easy task, and will require extensive collaboration across jurisdictions, moves to support the creation and adoption of data pipelines are already underway.

Connect digital and physical realities

To deliver on the capabilities we have described, border agencies must be bold in embracing new technologies that will help achieve the pivot to more predictive and virtual processing of people and goods. This ultimately means breaking down the trust barrier between digital and physical reality to make the border become truly invisible.

Looking across the landscape of emerging technologies, the foundational technologies that we believe border agencies should be proactively looking to embrace right now include touchless biometrics, AI, blockchain, and the Internet of Things (IoT). Forward-thinking agencies are already venturing into these areas, with initiatives including the installation of a tunnel at Dubai International Airport equipped with 80 facial recognition and iris scanning cameras⁴, and Sydney International Airport also trialling facial recognition technology for some passengers⁵. Such initiatives herald a

future in which agencies will be able to create a “biometric border” that conducts a 3D scan of each traveller’s face and checks it against a digital passport, enabling the traveller to walk freely through the immigration hall. Establishing government attested digital identities for travellers and traders is paramount to the success of such initiatives.

Today, the World Economic Forum (WEF) and Accenture are working with the Canadian and Dutch governments as well as national airlines among other partners, to explore the potential of a decentralized digital identity system called Known Traveller Digital Identity (KTDI) that uses biometrics and blockchain technology to create unique, verifiable, and secure digital passports for travellers.

At the same time, blockchain technology will help agencies to manage the data pipeline and event-based processes in an efficient and secure way, while both the physical (goods, people) and digital (data on the blockchain or elsewhere) elements will be connected digitally, using sensors connected via the IoT. Ports are already leveraging these technologies to develop “digital twins,” creating a virtual representation of the port ecosystem, using real-time data to monitor or simulate processes. Leading examples include the Port of Rotterdam, where a digital twin is helping to reduce waiting times and costs⁶. At the same time, the port and Dutch Customs are investigating how they can apply AI to support x-ray scan image analysis to assess whether a container’s contents match the corresponding Customs declaration⁷.

While humans are unrivalled at connecting the dots between the digital (data) and the physical (what they see) while assessing the context and nuance, they are unable to focus on multiple things at once, which is something machines can do. So, there are great opportunities for humans and machines to augment one another at the border by connecting the digital and physical realities. To do this, agencies will need to develop user interfaces that do away with the need to look at multiple screens and that can overlay a landscape view with relevant information in real time, using technologies such as

“Until recently, the role of Customs consisted primarily of collecting Customs duties and indirect taxes at import. Numerous developments, including EU enlargement, the development of e-commerce, the threat of terrorist attacks, and the internationalization of organized crime, have altered the environment in which Customs operate.”

Source: https://ec.europa.eu/taxation_Customs/general-information-Customs/eu-Customs-strategy_en

4 <https://www.engadget.com/2017/10/10/dubai-airport-scan-face-video-tunnel/>

5 <https://www.afr.com/technology/biometric-security-sydney-airport-and-qantas-to-trial-facial-recognition-tech-20180705-h12a2t>

6 <https://www.maritiemnederland.com/artikelen/maritiem-achtergrond/digital-twin-communicert-straks-met-slimme-schepen>

7 https://www.agconnect.nl/artikel/douane-rotterdamse-haven-verkent-ai-mogelijkheden?tid=TIDP233260X4388695B9DF54D2FB1DD397D3B4AF5DYI5&utm_campaign=AGC_nieuwsbrief%20dagelijks&utm_medium=Email&utm_source=SMG&utm_content=490_do%2024%20okt%20A

mobile, AR/VR, and eye-tracking. Dubai Customs⁸ has already developed “smart glasses” that display a container’s Customs declaration, risk assessment, and x-ray images for inspectors.

Expand the horizon

Just as agencies must shift their mindset from individual transactions to events along an integrated digital and physical value chain, they will need to expand their focus from the subject – the individual person or goods item – to that same subject’s end-to-end journey and wider network of contacts and activities. This will require agencies to tap into data from across the ecosystem, such as the geolocation of ships and other modes of transport, companies’ ownership structures and financial reports, and passengers’ social network history.

As well as enabling agencies to share data and improve processes, this ecosystem will also enable agencies to act in predictive and pre-emptive ways for various tasks, such as stopping goods or people from loading or boarding at the port of departure, based on risks identified by the destination country. The ecosystem will also let agencies tap into specialist skills as needed (for example, accessing data scientists or forensic professionals on-demand, rather than carrying the costs for specialist skills 100% of the time).

To help them gain access to the wider information ecosystem that will open up these opportunities, border agencies should move to identify collaboration and data sharing opportunities across their ecosystem, while always being careful to stay within the constraints of privacy regulations. These efforts could be helped by making experience, data,

infrastructure, and platforms available for other entities to leverage, and vice versa, for mutual benefit.

One example of this approach is sharing physical inspection space between agencies (see box below on the joint inspection space in the Netherlands)⁹.

Conclusion

The border agency of the future will be invisible, adaptable and radically connected. Through these three characteristics, agencies will enable all their stakeholders to enter a new era of faster, safer, and more efficient travel and trade flows, while maximizing the value of their country’s border as a national asset. The technologies, capabilities, and business case to effect this transformation are all available today to those willing to embrace change. All that’s needed is the commitment, leadership, and investment to bring it about.

More information

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The Joint Inspection Centre at Schiphol Airport, Netherlands

The Joint Inspection Centre (JIC) at Amsterdam’s Schiphol Airport makes freight handling safer and more efficient by enabling different enforcement and inspection authorities to carry out checks on airfreight together. The JIC is part of the Schiphol SmartGate cargo initiative, a joint public-private cooperative venture between the Dutch Customs administration, Schiphol Airport, KLM Cargo, and Air Cargo Netherlands. The building houses a dispatch floor, a scanning hall, storage and examination spaces, a quarantine room for small animals, garages for scanning vehicles, and a training centre.

⁸ <https://www.khaleejtimes.com/nation/general/dubai-Customs-goes-007-gets-smart-google-glasses>

⁹ <https://news.klm.com/dutch-king-opens-joint-inspection-center-at-schiphol/>



COVID-19 and its impact on Customs and trade

By Steven Pope, Vice President, Head of Go Trade, Deutsche Post DHL Group

The COVID-19 pandemic has changed our lives in ways that we never imagined. One thing, however, has become very clear; the continued importance of global trade and of initiatives supporting the smooth flow of goods across borders, especially essential goods to areas where they are most needed. Globalization, as Frank Appel our CEO recently stated, is here to stay.

At Deutsche Post DHL, the world's largest logistics company and the world's most international company, we have seen first-hand the impact of this pandemic on global trade as well as the ability of Customs officers to carry out their duties.

Most countries have taken steps to adapt to the new norm, and this has been reflected on the ground. The challenge going forward is how to minimize that impact and support a strong recovery once the situation improves. Customs has a key role to play here.

Those countries that have minimized bureaucracy and cost at the border have been able to benefit ahead of those that haven't; and now there has never been a more important time to implement

even the most basic reforms to support countries both from a health and safety as well as an economic perspective.

The COVID-19 pandemic has shown the importance of both the WCO Revised Kyoto Convention (RKC) and the WTO Trade Facilitation Agreement (TFA), including major concepts supported by these instruments: an all-digital clearance process, and efficient risk management.

Implementing modern risk-based Customs processes that balance the need for compliance with trade facilitation will help to ensure that essential goods reach their destination on time, compliance is maintained, and managing the clearance process remotely and digitally enables the health of Customs officers and importers/exporters to be protected.

If the global economy is to recover as swiftly as possible, it is key that countries implement both the RKC and the TFA so as to offer a clear foundation for Customs to play their part. Moreover, if all countries act now and push through even the most basic recommendations of the RKC and the TFA, they stand to benefit from the necessary change in

DHL Express came up with a special gesture to thank frontline workers amid the Coronavirus pandemic. A DHL aircraft with rainbow symbols and huge stickers saying 'Thank you' shows DHL Express' gratefulness to all essential workers who keep operations and its network with hubs and gateways in more than 220 countries and territories up and running.



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Expedite critical goods

Customs should expedite clearance of goods directly impacting or helping to alleviate issues or situations related to the coronavirus outbreak. Clear guidance has been given by the WCO. Additionally, the WCO website also provides guidance on the United Nations model agreement¹ on expedited clearance of essential medical and emergency goods.

Risk management systems and pre-arrival processing

Customs should adopt risk management systems and pre-arrival procedures, with a view to expediting the release of low-risk shipments upon arrival, and to minimize personal contact, which will protect both Customs officers and importers/exporters.

supply chains that will come, following the COVID-19 pandemic.

Countries must act in the interests of sustainable economic growth, maintaining a proper balance between compliance and trade facilitation. Indeed, processes need to be transparent and consistent in execution.

Using the WCO's example of issuing a joint statement together with the International Chamber of Commerce, Customs administrations and the private sector should engage with each other in order to gain a clear view of the challenges that both sides face, thereby enabling Customs to develop policies and processes that are fit for purpose.

If a clear balance is to be struck between managing compliance and supporting trade facilitation, both the public and private sector must play their part.

Of key importance is the need to have well developed continuity plans that enable Customs and other border agencies to operate outside of their normal environment, and to be able to rapidly adjust to changed circumstances.

Here are some key recommendations that have been already highlighted by the WCO, and from a private sector perspective, are essential if we are to come through this crisis as painlessly as possible.

Whilst some measures will be implemented only on a temporary basis during the pandemic, many should become part of everyday operations, and the use of risk management should be a tool in every Customs administration's armory. Both risk management systems and risk profiling are key enablers for trade facilitation and assuring compliance. It also helps administrations to optimize the use of finite Customs resources.

Part of the risk profiling process must be the recognition and preferential treatment of AEO's. For a business to become an AEO, they must undergo a rigorous audit process, giving the Customs administration a clear picture of their commercial activity and compliance record. Maximizing scarce resources and optimizing its ability to counter non-compliance should be top of the list of every Customs administration: not differentiating between AEOs and non-AEO's is an inefficient use of resources, and adds unnecessary cost and delay to businesses that have invested heavily in compliance.

Minimize physical inspections

To more effectively employ limited inspectional resources, Customs authorities should reduce non-essential or non-time-sensitive physical inspections and administrative verifications, and focus instead on critical formalities and high-risk shipments.

¹ United Nations model agreement concerning measures to expedite the import, export and transit of relief consignments and possessions of relief personnel in the event of disasters and emergencies, accessed at <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-programmes/natural-disaster/united-nation-model-of-agreement.pdf?db=web>

Electronic filing

Digitalization has never been more important than now. In order to maintain social distancing, the electronic transmission of Customs declarations and associated documents is essential.

Care should be taken that the move towards digitalization does not replicate old paper-based manual processes. A move towards digitalization should lead to full paperless transaction without the need for printed copies of electronic declarations, manual instead of digital signatures, date stamps, and face to face approvals being applied instead of via email or electronic approval via the Customs clearance system.

Leaving manual processes in place not only leads to significant delays and costs, but in the current COVID-19 crisis places both Customs officers and importers/exporters at risk due to the need for unnecessary physical contact.

Extend deadlines for other paper-based processes

Other non-essential paper-based processes that are not considered critical to safety, health, and welfare should also receive extended deadlines. Examples are permit processing, payment of fees, and other reporting and processes not directly related to the shipment clearance.

Tariff relief

This is something that has been communicated extensively by the WCO and is absolutely vital for assuring the swift delivery of essential medical products and equipment, pharmaceutical goods, and food items.

Duty and fee deferrals

Customs should consider declaring a penalty and interest-free deferral on duty and fee payments for the duration of the crisis. E-payments for fiscal charges and reducing the need for paper-based payment protocols

Penalties and collections should be managed proportionally during this time, and be focused on



the deliberately non-compliant as opposed to those not meeting deadlines for declarations because of delays directly linked to the COVID-19 pandemic.

Finally, standards need to be clearly defined with a phased in implementation period for any export/import restrictions. Training also needs to match implementation to ensure that Customs officers are not placed in a position where they are trying to enforce something without a clear understanding of what needs to be done.

From a private sector perspective, Customs administrations need to publish well defined and simplified guidelines as to the requirements, and to minimize the cost burden of inspections for export approval.

Not since the Second World War have we seen such widespread global disruption. It has tested us all and shown just how sensitive global supply chains are to disruption. However, it is also a time of opportunity.

Never before were the benefits of a modern risk-based digitalized Customs service with a balanced focus on trade facilitation and compliance so clear.

More information

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Customs brokers and the COVID-19 crisis

By H el ene Kerjean, AKANEA

Early 2020 saw the spread of the COVID-19 pandemic to almost every country on the planet. Healthcare workers, road hauliers, logistics specialists, international freight forwarders, agrifood cooperatives... much has been said and written in the media about the problems faced by these groups of professionals as a result of the crisis. Are Customs brokers facing the same challenges? AKANEA – publisher of a Software-as-a-Service (SaaS) solution for Customs declarations – decided to find out by carrying out a survey among Customs brokers based in France.

A sector-wide downturn

Although it is difficult to make sweeping statements about the impact of the COVID-19 pandemic on all Customs brokers based in France, it is safe to say that most of them have experienced a downturn in business.

As a provider of subscription-based software for managing Customs declarations, AKANEA has an insider's insight into the impact of the crisis on this sector; according to its observations, the volumes handled by French companies in calendar week 13 were down by 42% in comparison to the same period in 2019. In certain cases, the slump in activity has been limited to a specific region.

In late March 2020, Francis Tournebize, Director of the Customs brokerage company Tournebize, reported that trade flows with China had started to tail off, but that "It's business as usual as far as the Maghreb region is concerned."

In early April 2020, Cyril Mac Ginley, Customs Manager at the transport and logistics company EPSP, also reported a downturn, stating that "We've definitely felt the impact of the COVID-19

pandemic, particularly as regards the volume of orders and Customs transactions."

New working practices

As in many other sectors, it has been necessary for Customs brokers to switch to remote working in order to continue operating throughout the crisis – a process made easier for AKANEA's customers by the fact that the company's SaaS tools can be accessed from any location.

Yet, remote working as a blanket solution is not always viable, as Francis Tournebize explains: "Almost all of our staff are now working remotely, but I'm still going into the office along with two of my employees, mainly because we need access to the originals of documents for Customs declarations. The fact that our IT tools are SaaS solutions meant that the switch to remote working was painless."

Although remote working is a widespread solution that has allowed many employees to keep doing their jobs, and many companies to stay in business, other support measures have also been introduced to place companies in the best possible position to weather this unprecedented storm.

All childcare facilities and schools in France have been closed temporarily on government orders, but parents have been able to take a leave of absence covered by their health insurance policies in order to care for their children at home. At Cyril Mac Ginley's company, 40% of staff have taken up this offer: "Since so many of our staff are now on leave, we've not had to introduce short-time working hours as a result of the pandemic. EPSP is still operating on the basis of its Business Continuity Plan."

Developments at AKANEA

For several years, the company has been following a strategy of investing in new technologies, and subscribing to SaaS solutions for the full range of tools used by its teams; as a result, it has been possible for all of the members of these teams to work from home instead.

Nevertheless, it has still been necessary to modify a number of AKANEA's previous practices to accommodate remote working, particularly in the case of teams that used to spend most of their time out of the office. These modifications have included the following:

- sales teams are now offering remote product demonstrations in the form of webinars;
- consultant/trainer teams are making the most of the lull in activity being experienced by some of their customers by offering remote training sessions.

The impact on other teams has been minimal, with the customer support team being a good example; the team members have remote access to the tools that they would normally use in the office, and are able to follow their customary procedures to handle tickets opened by customers.

Team-building at a distance

A more pressing problem faced by company directors and other managerial staff has been that

of fostering teamwork, and a culture of mutual assistance within the company itself. According to Sabine Gayton, Customer Support Manager at AKANEA, "All of us are using a collaborative workspace that allows us to make calls, share screens, work in pairs, and exchange IMs. We've really made this tool work for us, so that we can all catch up with the latest developments, work better remotely, and find solutions to new technical or organizational challenges."

Yet, although Francis Tournebize believes that remote-working solutions have proven their worth, and allowed companies to continue operating, "[...] they still can't compete with the dynamics and healthy rivalry of a group meeting, where everyone has the opportunity to progress and improve."

Staying positive despite the challenges

Broadly speaking, the mood among our clients as regards the health crisis and its impact remains optimistic. In the words of Francis Tournebize, "It's important to stay positive, and to remember that these testing times are forcing us to gain a better understanding of the challenges we face, and to identify areas where we need to move forward – because standing still simply isn't an option."

Cyril Mac Ginley is also optimistic despite the crisis, thanks to a strategy adopted several years ago that has allowed his company to continue operating: "Around five years ago, we made a conscious decision to diversify and branch out into new markets, and new products, firstly to secure existing customers' loyalty, and secondly to engage with new customers. This strategy has definitely paid off and helped us to navigate this challenging period."

More information

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These testing times are forcing us to gain a better understanding of the challenges we face, and to identify areas where we need to move forward – because standing still simply isn't an option.

Francis Tournebize,
 Director of the Customs
 brokerage company
 Tournebize

Since 1975, Candelilla (*Euphorbia antisyphilitica*) has been listed in Appendix II of the Convention on International Trade in Endangered Species of wild Fauna and Flora (CITES), under *Euphorbia* spp. However trade controls for all finished products containing Candelilla wax (extracted from *Euphorbia antisyphilitica*) were removed in 2010.

Controlling the invisible trade: wild plant resources and their sustainability

By Anastasiya Timoshyna, Zhang Ke, Yuqi Yang, Xu Ling, TRAFFIC

With the current global spotlight on wild animal markets as a possible source of the COVID-19 epidemic, it is easy to forget that the biggest flows of “wildlife” in trade involve plants, not animals. There are also important conservation and health reasons to keep a close eye on the wild plant trade sector during this global health emergency. During the COVID-19 outbreak, the use of wild plants as herbal ingredients in traditional Chinese medicine formulations and other herbal-based products around the world is anticipated to increase dramatically. This article presents what is known about the trade in wild plant ingredients, the impact of COVID-19 on the demand and trade in these resources, and recommendations to the Customs community.

Scale of the trade and regulations

Approximately 60,000 plant species are used globally for medicinal purposes, of which about 28,000 have well-documented use, and approximately 3,000 species are traded internationally, with only one-third of them known to be in commercial cultivation¹.

The value of the global trade in medicinal and aromatic plant species has almost tripled in recent years, from 1.1 billion US dollars in 1999 to 3 billion in 2015, based on UN Comtrade data. This is an underestimate as in the international product nomenclature developed by the WCO, known as the Harmonized System or HS, the code from which the figure is derived does

1 Jenkins, M., Timoshyna, A., & Cornthwaite, M. (2018). *Wild at Home: Exploring the global harvest, trade and use of wild plant ingredients*.

not cover all traded plants² (HS 12.11 - Plants and parts of plants of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh, chilled, frozen or dried, whether or not cut, crushed or powdered). One comprehensive review suggests that in 2013, China exported over 1.3 billion kg of plant materials, with a reported Customs value of over 5 billion US dollars, to which wild-collected produce may have contributed as much as 1.8 billion³.

It is assessed that direct overexploitation, including for international trade, combined with land-use changes and habitat loss, threatens the survival of as many as 20% of the plants used for medicinal and aromatic purposes. The extinction of these species threatens the livelihoods and well-being of millions of wild harvesters in poor and marginalized regions around the world. The fact that wild plant supply chains often operate under complex legality, with much of the trade being informal, reinforces the idea that some of the trade is under-reported.

The trade in some of these plants is regulated. At the international level, CITES lists 800 species of medicinal and aromatic plants (MAPs) in Appendix II, which includes species not necessarily threatened with extinction, but trade in which must be controlled in order to avoid utilization incompatible with their survival.

Trade data shows that, from 2006-2015, 43 CITES Appendix II wild species were traded legally (i.e. accompanied by CITES documents) – some 25,000 tonnes in total. According to importers' annual reports, the top three exporting countries were Mexico, Cameroon, and South Africa, together representing 75% of all wild-sourced exports, while five countries were responsible for 77% of imports: France (26%), US (16%), Japan (15%), Germany (11%), and Spain (7%). According to importers' data, the trade in Candelilla *Euphorbia antisiphilitica* and African Cherry *Prunus africana* accounted for 73% by volume of all CITES-listed plants. Significant trade was also recorded for aloes *Aloe* spp., orchids *Dendrobium* spp., and agarwoods *Aquilaria* spp. Jatamansi *Nardostachys jatamansi* exports from Nepal also appear to be globally significant according to data reported by exporters.

There is also evidence of illicit trade as exemplified by the analysis of CITES-related seizures reported by European Union (EU) Member States⁴. During 2018, 23% of all seizures reported were of medicinal plant and animal products and parts/derivatives for medicinal use. This included 260,562 plant-derived medicinal items (and an additional 6,685 kg and 23 lt), with many Appendix II-listed MAPs seized, including aloe *Aloe maculata*, *Gastrodia elata* and *Dendrobium nobile* orchids, and *Prunus africana*.

Many of the seized products contain CITES Appendix-II listed plant species, suggesting some are linked to poor compliance with, rather than an intentional violation of, CITES regulations. This may be linked to a lack of understanding of CITES requirements along trade chains, and/or capacities to implement the regulations in source and transit countries.

At the national level, the control of use and trade are often covered by different legislative requirements, including the establishment of access and resource-use regimes, the protection of species and habitats, consumer protection, and the establishment of intellectual property regimes. The US Lacey Act, for example, now requires a declaration of legal sourcing at the time of import of certain plants and plant products since its amendment in 2008. In 2017, a US manufacturing company was prosecuted and fined for non-compliance with the Act⁵. It is worth noting that the declaration requirement has been implemented in phases and that phase six of the enforcement schedule, which will go into effect from 1 October 2020, includes certain essential oils⁶.

What is the relevance to issues surrounding COVID-19?

Many plants are recommended as either formal or informal COVID-19 treatments, or for general wellbeing worldwide.

In China, plants comprise around 80% of traditional Chinese medicine (TCM) products. An estimated 30% of TCM industrial production volume is from wild plants, accounting for 70% of the species by number. Both TCM and Western treatments are used to treat COVID-19 patients, with official

CITES lists 800 species of medicinal and aromatic plants in Appendix II, which includes species not necessarily threatened with extinction, but trade in which must be controlled in order to avoid utilization incompatible with their survival.

2 Sorrenti, S. 2017. *Non-wood forest products in international statistical systems. Non-wood Forest Products Series no. 22.* Rome, FAO.

3 Brinckmann, J. A. (2016). *Sustainable Sourcing: Markets for certified Chinese medicinal and aromatic plants.* Geneva: International Trade Centre, 22.

4 TRAFFIC (2019). *Overview of seizures of CITES-listed wildlife in the European Union—January to December 2018.* Retrieved from: [https://ec.europa.eu/environment/cites/pdf/reports/EU-seizures-report-2018-FINAL%20\(rev%2009-04-20\).pdf](https://ec.europa.eu/environment/cites/pdf/reports/EU-seizures-report-2018-FINAL%20(rev%2009-04-20).pdf)

5 <https://www.justice.gov/opa/pr/essential-oils-company-sentenced-lacey-act-and-endangered-species-act-violations-pay-760000>

6 https://www.aphis.usda.gov/aphis/newsroom/stakeholder-info/sa_by_date/sa-2020/sa-03/lacey-act-phase-six

treatments issued by China's National Health Commission. One study⁷ screened 125 Chinese herbal medicines for the potential to inhibit COVID-19 directly, and evidence of SARS and H1N1 influenza prevention has been reviewed⁸.

The current official treatment plan⁹ includes 10 TCM prescribed formulations and 13 proprietary Chinese medicine formulations (including granules, capsules, injections), which utilize over 125 plant species. They include Licorice root *Glycyrrhiza* spp, a protected species in parts of its Chinese range, used in 11 formulations, and several CITES Appendix II-listed species: Ginseng root *Panax* spp, and *Cibotium barometz*. *Panax ginseng* and *Magnolia officinalis* are grade-II listed on China's protected species and nationally important protected medicinal plant lists, requiring their harvesting and trade to take place only with a provincial authorities' permit, and under their oversight. A subset of these species is likely to be sourced from the wild, in China and internationally.

An increase in the volume of trade in herbal products in China, driven by COVID-19 prescriptions¹⁰, has taken place and likely elsewhere. There are reported "rushes for traditional herbal medications" against COVID-19 in Thailand¹¹, "immune-boosting" herbal capsules promoted in India¹², traditional government-promoted herbal medicines against coronavirus in Bolivia¹³, and increased use of traditional remedies in Tunisia¹⁴. India's Ministry of AYUSH issued a statement on "Ayurveda's immunity-boosting measures for self-care during the COVID-19 crisis¹⁵," which includes the recommendation to take a Chyavanprash formula (containing a range of wild plant ingredients) daily. Research suggests infusing nano-fibre respiratory masks with medicinal plants¹⁶. There are reports of Cameroonians taking a herbal COVID-19 "cure"¹⁷, and the President of Madagascar has been promoting a herbal drink as a treatment^{18,19}. There



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is also a reported rapid increase in the demand for traditional Chinese remedies for respiratory and other ailments in the US²⁰.

Dried wild harvested nettle leaves and panax ginseng

Why does it matter and what should be done?

While current research and attention focus on the likely efficacy of herbal medicines to support health care, there is a lack of attention to ensuring the sustainability of supply chains. This is particularly important for plants sourced from the wild. Indeed, only one-third of the plant species in international trade for medicinal and aromatic purposes is estimated to be in commercial cultivation.

Challenges around trade in wild plant ingredients include increasing demand, as well as complex trade chains and traceability issues. There are also identification issues, as plants are mostly traded as parts, derivatives, and finished products, including in mixed and processed form. Conversely, market awareness of sustainability issues is growing, and

7 Zhang, D. H., Wu, K. L., Zhang, X., Deng, S. Q., & Peng, B. (2020). *In silico* screening of Chinese herbal medicines with the potential to directly inhibit 2019 novel coronavirus. *Journal of Integrative Medicine*, 18(2), 152-158. <https://doi.org/10.1016/j.joim.2020.02.005>

8 Luo, H., Tang, Q., Shang, Y. et al. Can Chinese Medicine Be Used for Prevention of Corona Virus Disease 2019 (COVID-19)? A Review of Historical Classics, Research Evidence and Current Prevention Programs. *Chin. J. Integr. Med.* (2020). <https://doi.org/10.1007/s11655-020-3192-6>

9 <http://www.nhc.gov.cn/yzygj/s7653p/202003/46c9294a7dfe4cef80dc7f5912eb1989.shtml>

10 For example <https://www.nutraingredients-asia.com/Article/2020/04/29/COVID-19-and-TCM-Thailand-and-Laos-embrace-China-approved-Lianhua-Qingwen-Capsule-product>

11 <https://www.bangkokpost.com/thailand/general/1880490/covid-19-fear-fuels-rush-for-traditional-herbal-medication>

12 <https://economictimes.indiatimes.com/magazines/panache/covid-19-boost-your-immunity-with-dalmia-groups-herbal-capsule/articleshow/74684873.cms>

13 <https://www.nytimes.com/reuters/2020/03/21/world/americas/21reuters-health-coronavirus-bolivia-tradition.html>

14 <https://www.middleeasteye.net/video/tunisians-turn-traditional-herbal-medicines-amid-coronavirus-fears>

15 <http://ayush.gov.in/sites/default/files/Immunity%20Boosting%20-%20%20AYUSH%20Advisory.pdf>

16 <https://www.port.ac.uk/news-events-and-blogs/news/herbal-medicine-might-help-battle-against-covid-19>

17 <https://www.voanews.com/covid-19-pandemic/hundreds-rush-popular-clerics-herbal-covid-cure-cameroon>

18 <https://www.dw.com/en/covid-19-who-cautions-against-the-use-of-traditional-herbs-in-africa/a-53341901>

19 <https://www.sciencemag.org/news/2020/05/unproven-herbal-remedy-against-covid-19-could-fuel-drug-resistant-malaria-scientists>

20 <https://www.reuters.com/article/us-health-coronavirus-usa-herbs/u-s-coronavirus-threat-fuels-demand-for-traditional-herbal-remedies-idUSKBN20W2GR>

best practices are available, as well as some policy and legislative frameworks (notably including CITES regulations), creating opportunities for establishing the conditions for sustainable and legal trade in wild plants, benefiting livelihoods, ecosystems, and other species, as well as providing healthcare opportunities and food security.

Within China, recent efforts²¹ have provided insights into the industrial production of TCM products, identifying key gaps around the sustainability of supply chains, and providing practical solutions to address them. Solutions include the application of TCM-sector corporate sustainability guidelines, together with international best practices such as the FairWild Standard²². Beyond China, the Belt and Road Initiative (BRI) includes a TCM strategy²³, which focuses on the rapid expansion of TCM centres around the world, providing opportunities to advance sustainable-use practices. The “greening” of this strategy is key to ensuring the long-term survival of medicinal and aromatic plant species.

The future availability of plant ingredients to support human health is dependent on prioritizing the long-term conservation and sustainable use of source species, which necessitates much greater action from governments, the private sector, and consumers.

Priority actions/recommendations for the Customs community include:

- Increasing Customs officers’ awareness of the scale and importance of trade in wild plant products and ensure effective monitoring and control of the trade.
- Encouraging relevant services to collaborate with the CITES Secretariat, national authorities, and relevant non-governmental organizations (NGOs), to propose and adopt species-specific Customs codes for plants in reporting national statistics. Only a few plants have an HS code at

the six-digit level. In the 2022 edition of the HS, a new position was created for one species, African Cherry *Prunus africana*, but many other plants have to be classified under the generic “other” position.

- Collaborating with NGOs, the CITES Secretariat, and other relevant organizations to analyse existing seizure data in order to identify underlying causes for the illegal trade in Appendix II-listed medicinal plant species. This would help to identify knowledge, awareness or capacity gaps, and, in the long-term, reduce the illegal trade/number of seizures of Appendix-II listed species.
- Collaborating with plants authorities and relevant NGOs, to conduct capacity building, focusing on laws, procedures, and systems, enforcement coordination, and the identification of plant products.
- Collaborating across source, transit, and consumer countries to exchange information, data, and intelligence on CITES-listed and nationally protected plant species, including trade and harvesting bans, high tariffs, quotas, etc. This could be achieved through the adaptation of the Guidelines for Verifying Timber Legality for Customs, which was developed with the support of the WCO.
- Participating in a multi-stakeholder discussion to review existing national laws and policies covering the harvest and trade in wild plant resources in order to ensure the legality of species harvest and trade, and to identify potential gaps or loopholes in the existing regulatory and policy frameworks, especially where international trade is a concern.

More information

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<https://www.traffic.org/what-we-do/species/wild-plants/>

21 Engaging China’s private sector in sustainable management of medicinal plants project website: <https://www.traffic.org/what-we-do/projects-and-approaches/promoting-sustainable-trade/fairwild/egp-maps/>

22 FairWild Standard Version 2.0 (2010), retrieved from: <https://www.fairwild.org/s/FairWild-Standard-V2.pdf>

23 Hinsley, A., Milner-Gulland, E.J., Cooney, R. et al. Building sustainability into the Belt and Road Initiative’s Traditional Chinese Medicine trade. *Nat Sustain* 3, 96–100 (2020). <https://doi.org/10.1038/s41893-019-0460-6>

Evolution of data analysis at Dominican Customs

By Carlos Canelo Cohen, Database Specialist, Strategic Planning and Economic Research Management, General Directorate of Customs, Dominican Republic

Talking about competitiveness, effectiveness, quality control, risk management, and compliance is meaningless if we do not talk as well about access to technology and data analysis tools, including the need for trained personnel who are able to develop and manage these very tools.

At the General Directorate of Customs (DGA) of the Dominican Republic, data analysis, and data-driven decision making used to be labelled as "difficult and unattainable." This pessimism was well-founded. Limitations existed in terms of technological infrastructure, connectivity between IT systems, access to data, and data quality, to name a few. The situation reinforced the prevailing culture and status quo. Performing analyses and providing results in a timely manner was not only difficult, but also did not receive the support it should have.

However, the DGA's Department of Economic Analysis, recalling the phrase coined by Voltaire "perfect is the enemy of good," had demonstrated that Customs had the necessary elements to initiate data analysis, namely the purpose, the data, and the analysts.

In August 2016, when new management took over, the DGA began a process of change, which affected all areas of the organization. At the core of this process was the investment in training as well as a human resource reshuffle in order to have the right people in the right positions.

Vision of the Dominican Republic's General Directorate of Customs

To be an efficient and modern Customs that responds in a timely manner to the demands of foreign trade, with effective risk management and high-quality standards, which promote regulatory compliance, based on the integrity of its human resources.



ANALYTICS

Table 1 – Some of the outstanding results achieved per category of smuggled commodity

Sector	Findings	Results
Alcohol	<ul style="list-style-type: none"> • Shell companies declared liquor for export to the Haitian market, but did not effectively carry out this operation and instead sold the liquor illegally on the national market. • Some companies were using counterfeit import licences. • Some companies operated two regimes (ordinary and free zone) under the same taxpayer identification number. 	<ul style="list-style-type: none"> • The import licensing process was reengineered. • A joint checking system of companies requiring a licence was established in the DGA-DGII Digital Platform. • A well-organized product catalogue containing quality information was created with only 5,000 products referenced instead of 100,000. • The regulation related to the collection of a special tax on alcohol consumption, which importers have to pay along with any Customs duties, was amended to improve the processes related to alcohol importation and tax collection. • Revenue increased by 12% in just one year compared to 4% in previous years.
Cigarettes	<ul style="list-style-type: none"> • Illegal products were detected. • Traceability of products was improved. • Companies selling smuggled cigarettes, for which no proof of import or purchase existed, were identified. 	<ul style="list-style-type: none"> • Amount of cigarettes seized increased by almost 200%. • Excise tax collections on cigarettes grew by 24% in just one year.
Hydrocarbons	<ul style="list-style-type: none"> • Several attempts of fuel smuggling were identified. 	<ul style="list-style-type: none"> • A regulation on waste (slop and sludge) and hydrocarbon mixtures was adopted. • A protocol on maritime reception of fuel ships was created. • Importers and other actors in the marketing chain, such as distributors, carriers, and retailers, are now closely monitored.
Free Zones	<ul style="list-style-type: none"> • The difference between sales reported to the DGA and sales reported to the DGII amounted to more than 66 million US dollars. • More than 90 companies located in free zones reported different amounts to the two entities. • More than 60 companies located in free zones reported to one entity and not the other. 	<ul style="list-style-type: none"> • Audits were conducted on companies located in free zones when discrepancies existed between data reported to DGA and to DGII.

As part of the change, Dominican Customs endeavoured to create the necessary conditions to leverage and exploit the large amount of data available inside and outside the institution.

Purpose

Every organization needs a purpose, a well-defined north, a shared vision capable of igniting the spark and keeping the organization moving. The five general objectives of the DGA Strategic Plan state that Customs must:

- Facilitate foreign trade.
- Collect and manage revenue efficiently.
- Strengthen the institution.
- Ensure quality services.
- Implement comprehensive risk management.

Data and data analysts

To develop data analysis capacity, the DGA decided to put together a team and to look for potential candidates within its various services. The team was multidisciplinary and included staff working in IT, statistics, and economics.

Regarding data, although the institution did not have a “data warehouse,” a cleaned, organized, and updated database recording import and export transactions had been built and maintained by the Statistics Department. With the help of statistics staff, a data warehouse was built with clean import and export information. Another challenge was the construction of a database recording a breakdown of revenue collections by tariff code and by type of revenue (administration fees, VAT, fees related to laboratory work, etc.); basic, but vital information.

If you can't measure it, you can't improve it.

Peter Drucker, an Austrian-born American management consultant, educator, and author

Although the DGA and the General Directorate of Internal Revenue (DGII) are two arms of the Tax Administration, their IT systems were not connected. To overcome this, a rather rudimentary, but effective mechanism was used to exchange information. It consisted of establishing direct communication with a counterpart department in DGII and copying large data tables onto pen drives (USBs).

I remember taking a taxi on a regular basis to DGII Headquarters with a pen drive in my pocket to get the information that I needed because the data tables were too large to be sent via email. Then, I would head back to my office and export the tables to SQL with my cell phone in one hand talking to the guys at DGII who understood the data, so that I could actually use it and crossmatch it with my tables, and thereafter validate that everything was good.

Institutional results

With a clear purpose, a commitment from critical entities to exchange information with the DGA, a more reliable database, trained analysts, and the support of our institution, the team started analysing data and obtained excellent results.

An exemplary collaboration is now in place with DGII, with whom the DGA exchange live data and maintain active working groups. Officers from the Customs Intelligence, Post-Audit, and Free Zones Units as well as advisors to the Director General also benefit from this exchange of information and attend meetings of the working groups. Thanks to this exchange of information, the DGA managed to:

- improve taxpayer profiles (economic activity, performance, etc.) for intelligence and post-audit control;
- identify taxpayers who reported different figures to the DGA and DGII in terms of value and quantity of sales on the local market and/or the value and quantity of goods purchased abroad;
- validate the payment of import taxes and motor vehicle licence fees;
- identify assets and real estate of taxpayers who were found guilty of fraud by the DGA.

Some of the results achieved are further listed in table 1 (see page 51) and illustrated in the graphics accompanying this article.

Project evolution

The results achieved were highly valued by the DGA's new leadership team, which took up the reins in 2016, favouring support for further efforts to be deployed when it comes to data analysis.

Following an agreement with DGII, the DGA's Sub-Directorate of Technology developed a data exchange model in line with the requirements of both DGII and the National Investigations Department (DNI), an entity which reports to the President of the Dominican Republic.

Back in 2015, the DGA's data analysis team had already developed tools, using Power BI, a business analytics service by Microsoft available under a free licence, which enables end-users to create their own reports and dashboards. This enabled the team to demonstrate the value of such tools to the DGA management team and to argue for the purchase of a professional licence or any other similar service.

The DGA's IT Director helped the team to select the right solution on the market. As the team knew where it was heading and what it wanted, the selection process was efficient, and straightforward. In November 2017, the DGA finally acquired a data analysis platform developed by a commercial company. When the team started using the platform, it was like unleashing children in a big playground.

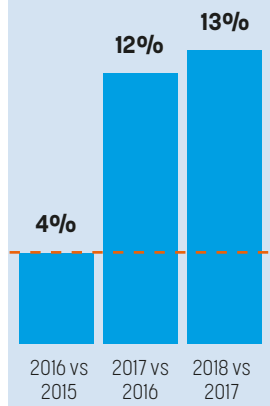
After receiving basic training on how to use the platform to develop its own tools, the DGA created several applications to deal with specific issues such as Finance, Express Mail, Vehicles, Intelligence, Inspection, Free Zones, Audit, and Inspection. These applications enabled the DGA to replace manual reports, automating them, and reducing the time and costs associated with their development. They also allow information to be disseminated at all levels of the institution in an efficient, safe, and dynamic way.

One of the main goals of the applications is to help staff understand and leverage their data. Managers, administrators, and officers can now easily view and monitor real-time risk indicators and operations from their mobile devices, tablets, or computers. Being better informed, they can make sounder decisions and explain them.

Currently, the data analysis team is working on the automation of the Time Release Study (TRS). A first TRS was carried out according to the guide

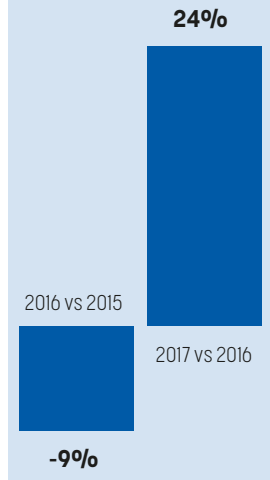
Alcohol Excise Tax Collection Growth

2018 vs 2015; %



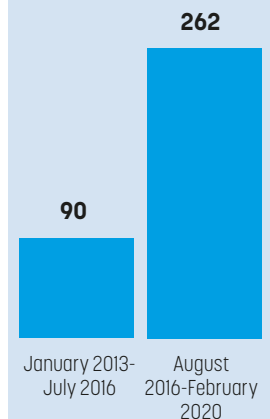
Cigarette Excise Tax Collection Growth

2017 vs 2015; %



Quantity of Cigarettes Seized

2013-2020; Millions of units



Source: Prepared by the author based on data from DGA and DGII.

provided by the WCO and in coordination with the two main ports of the Dominican Republic: Haina International Terminals (HIT), and DP World CAUCEDO. Preliminary results have already led to important decisions, which were swiftly implemented, contributing to an improvement in the goods clearance process.

The TRS also enabled the team to identify critical data collected by the Port Authority, which was not being captured in the DGA system before, or, if captured, was not reliable. The team is now working on the development of risk indicators based on this new data. These efforts, together with other developments in other areas of the institution, enabled the DGA to base all decisions on sound data analysis, to improve the implemented processes, and to undertake performance measurement.

Next steps

In 2020, the data analysis team intends to develop three important applications that will have a major impact on Customs processes and decision making. They will deal respectively with mirror data analysis, price analysis, and fraud detection.

To analyse data, the team will be using the methods and algorithms developed by the WCO BACUDA team (<http://www.wcoomd.org/en/topics/research/data-analytics.aspx>). This requires the team to learn how to employ R, Python, Machine Learning, and Web Scraping tools, something the team is currently busy doing. There is also a need to improve data governance, making sure that data is unified, consistent, accurate, and complete, thereby eliminating duplicate data and data management tasks.

The team's ambition is to introduce the concept of business intelligence into the DGA. Business intelligence is the collection of strategies and tools that are used to analyse business information. To do so, the DGA will put together a Business Intelligence Department.

At present, the multidisciplinary team of mathematicians, statisticians, economists, and systems engineers working on data analysis is dispersed in several areas of the institution. Gathering these professionals under the same roof will facilitate the development of tools, systems, and methods to further analyse and disseminate information within the organization, a process that is continuous in nature.

Recommendations for Customs

Before concluding, I would like to make a few remarks. I believe that to move staff in charge of data analysis forward one needs to:

- stop complaining, and make good use of what one already has;
- get management on one's side, and once this is achieved, the rest of the institution will follow;
- produce actual results as there is no better way to get management support;
- define the purpose, collect data, and identify the right people for the job;
- finish what one has started.

In addition, it should be remembered that data analysis is an ongoing process that needs to be readjusted to the same extent that the institution and business rules change. The goal pursued is to generate knowledge through the analysis of available information, in order to strengthen the foundation of decision making, redefine working practices and risk criteria, ultimately positioning ourselves as modern Customs administrations that integrate continuous improvements into its processes.

More information

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Few human forces are as powerful as a shared vision.

Peter Senge, an American systems scientist

Implementing nCEN helped Uganda strengthen its targeting capacities

Statistics show that currently, seizures result equally from routine and targeted controls, but the administration believes improving inspection efficiency lays in better data analysis.

By Douglas Kabagambe, nCEN Programme Leader, Customs Department, Uganda Revenue Authority

Uganda Customs adopted the National Customs Enforcement Network (nCEN) back in 2015. It took time to enter information in the application and to convince enforcement officers of its benefits. But today, with 1,200 cases validated in the database, the appreciation of the system has greatly improved, and the good news is that it is only getting better. The objective is to have 90% of all enforcement seizures in the nCEN by 2019/2020, in order to establish robust intelligence capabilities and enhance profiling methodology.

Detecting offences is what drives any Customs officer. To do so, Ugandan Customs officers mainly rely on intelligence tip-offs and routine control, as well as, more and more, on risk profiling. Statistics show that currently, seizures result equally from routine and targeted controls, but the administration believes improving inspection efficiency lays in better data analysis.

The nCEN consists of three independent databases. The principal database of national seizures and offences comprises data required for analysis, as well as means of conveyance, routes, and the possibility to view photos depicting exceptional concealment methods. Two supplementary databases contain information on suspect persons and business entities of interest to Customs, thereby facilitating a structured investigation process.

From the information in the databases, data analysts have developed risk indicators related to concealment methods, cover loads, and routings, as well as profiles on offenders. Moreover, the nCEN offers a robust information reference for field Customs officers, even those that are on their first day of duty.

Studying concealment methods is especially useful. Thanks to the risk indicator related to cover loads, a total of 762 pieces (3.2 tons) of ivory and 423 kg of pangolin scales were seized; the case is ongoing in the law courts. The cover load was timber logs: smugglers had hollowed out some of the timber logs, placed the various items into these logs, and then filled them with wax to hold the items together.

Data transfer between the nCEN and the WCO's global CEN is easy, and in this particular case was shared immediately via the CEN platform to inform the international Customs community of this modus operandi.

Other very useful risk indicators are the itinerary, which includes the country of origin, transit, and destination, as well as the nationalities of offenders. Indeed, profiling individuals is critical: as the old saying goes "things just don't happen, people make them happen."

Those risk indicators are just three of the many important fields that must be filled in when entering information in the nCEN databases. Pictures are also useful as they often speak for themselves, enabling officers to better understand the nature of an item and concealment methods.

The nCEN also serves as an effective tool for training, and plans are underway to develop an induction course on risk management for newly recruited Customs officers based on seizure data and pictures stored in the nCEN database as well as statistics drawn from the analysis of nCEN data.

To conclude, the nCEN is a robust, comprehensive, and dependable tool, and we love it.

More information

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In a recent seizure, 762 pieces of ivory and 423 kg of pangolin scales were concealed in a cover load of timber logs: smugglers had hollowed out some of the timber logs, placed the various items into these logs, and then filled them with wax to hold the items together.



How the Dutch ports readied themselves for Brexit

By Bas van Amsterdam, Advisor, Corporate Communication, Portbase

In choosing the most cost-effective option to distribute goods, supply chain managers all over the world have four transport options to choose from: ocean-going vessel, plane, train, or truck. But for European distribution there is also another efficient option available, shortsea shipping¹ (SSS).

Most SSS vessels carry goods within the European Union's (EU) internal market, in other words "Union goods" that have been manufactured in the EU or are in free circulation within the Union. These goods can be transferred within the EU without any Customs formalities².

Most of these vessels are built to carry containers, and their routes are connected to global deep sea trading links. As a result, containers arriving from Asia or the United States at one of the main European container ports might be loaded onto SSS vessels to be delivered to close by destinations and smaller ports.

Ferries are also big players in the industry. They transport goods in trailers, which unlike containers, come in various shapes and sizes, and the cargo can be both accompanied and unaccompanied.

Shortsea shipping has been quietly growing and developing, and several ports see this trade as a focus. These include ports in the Netherlands whose shortsea routes connect to all of Europe, especially the Baltic and Scandinavian countries, and the United Kingdom (UK).

Brexit

Given the level of trade exchange and logistics operations between the Netherlands and the UK, the decision of the latter to leave the EU was a topic of much discussion among the Dutch trade and logistics community. The negotiations on the type of trading relationship the UK will have with the EU are still ongoing, but, irrespective of the outcome,

Brexit will create a new reality for logistics chains between the two countries: the UK will become a country outside the EU Customs Union, and every form of trading relationship will see the introduction of Customs formalities in shortsea and ferry traffic.

Ferry operators and shortsea terminals, as well as importers, exporters, and logistics service providers moving goods from or to the UK will be faced with obligations that they currently do not have, and are operating in a logistics chain that is not yet geared to this. The ferry sector will be impacted the hardest as it does not have any experience in handling Customs formalities, unlike SSS vessels, which are more acquainted with them as they also carry goods to Iceland and Norway, which are not Members of the EU.

In mid-2018, a group of Dutch-based businesses launched an initiative to look into this issue and provide a solution for the automated handling of Customs formalities for companies that wanted to continue or to start transporting cargo via Dutch ports after Brexit.

The initiative

The entities forming this group and who have been working hard for the last two years are Portbase (the non-profit organization that built the Dutch Port Community System, enabling the sharing of data between companies and information-exchange with governments), Deltalings (the port entrepreneurs' organization), interest groups such as Fenex (the trade association for the forwarding sector) and Evofenedex (the trade association representing companies exporting, importing and transporting goods), Dutch Customs, the port authorities of Amsterdam and Rotterdam, ferry operators, and the shortsea terminals.

In the Dutch ports, the administrative handling of inbound and outbound deep sea container



Ferry operators and shortsea terminals, as well as importers, exporters, and logistics service providers moving goods from or to the UK will be faced with obligations that they currently do not have, and are operating in a logistics chain that is not yet geared to this.

¹ Short sea shipping is the maritime transport of goods over relatively short distances, as opposed to the intercontinental cross-ocean deep sea shipping. In the context of the EU, it is defined as maritime transport of goods between ports in the EU (sometimes also including candidate countries and EFTA countries) on the one hand, and ports situated in geographical Europe, and on the Mediterranean and Black Seas, on the other hand.

² In some cases, the Customs status of Union goods must, however, be proved when imported goods have been transported through a region that is not part of the Customs territory of the EU.



transport has already been fully – and successfully – automated for years, through the Port Community System that connects 4,700 entities involved in the logistics chain. The data provided by all the supply chain entities is shared and reused for various notifications and declarations. Reusing data leads to fewer errors, speeds up the logistics process, and reduces the liability and administrative burden of the various parties. Information from B2G processes is being used to facilitate B2B processes, and the other way around. That is what makes the Dutch ports smarter and more efficient.

The Port Community System is managed by Portbase, a subsidiary of the ports of Amsterdam (25%) and Rotterdam (75%), who is also in charge of the digital port infrastructure and core processes in all the Dutch ports. Being a non-profit organization, Portbase operates on a cost recovery-basis, and has a neutral position in the port community.

After some studies had been conducted, the entities participating in the group came to the conclusion that the Port Community System used to manage deep sea container transport could be redesigned to enable actors in the shortsea and ferry transport chain to also provide and share data via the system.

Cooperation with Customs

The cooperation with Dutch Customs played an important role in developing the solution. Dutch Customs is known as one of most modern Customs administrations in the world, particularly due to its efficient handling of processes: its motto being “Pushing boundaries: smart supervision with minimal disruption to the logistics chain.”

As a result, hinterland carriers that make use of the automated handling procedure via the Port Community System face minimal delays at the border. This efficient approach is of tremendous value to both the government and the business community, and strengthens the competitive position of the Dutch ports. Dutch Customs participated fully in the programme, providing the necessary insights and conducting an open dialogue in shaping the solution.

The approach

At the end of December 2018, the members of the group agreed on both the import and export process, and embraced one uniform method aimed at ensuring the smooth handling of Customs formalities, and a smooth cargo flow through the Dutch ports. Both for shortsea and ferry traffic, a single digital gateway – via Portbase – was to be created for all terminals. A lot of time was invested by all parties who discussed developments on an almost weekly basis.

In a relatively short time, they managed to accomplish a difficult task. The adjustments that were needed to convert the existing and successful working methods for deep sea container transport had already been completed prior to the first Brexit no-deal deadline on 29 March 2019. The solution creates a digital border for ferry and shortsea transport to and from the UK, whereby the handling of Customs formalities takes place in an automated fashion. Fortunately, the postponement of Brexit to 31 January 2020 – and the 11-month transition period that will follow – has allowed businesses even more time to prepare.

Current state of affairs

The next step was to advertise the solution that had been developed: an outreach campaign under the slogan “Get Ready for Brexit” was launched, and a website (www.getreadyforbrexit.eu) was also opened. At present, 80% of the volume that is transported between the UK and the Netherlands via Dutch ferry terminals has been registered with Portbase. This mainly concerns the larger, high-volume transporters and freight forwarders.

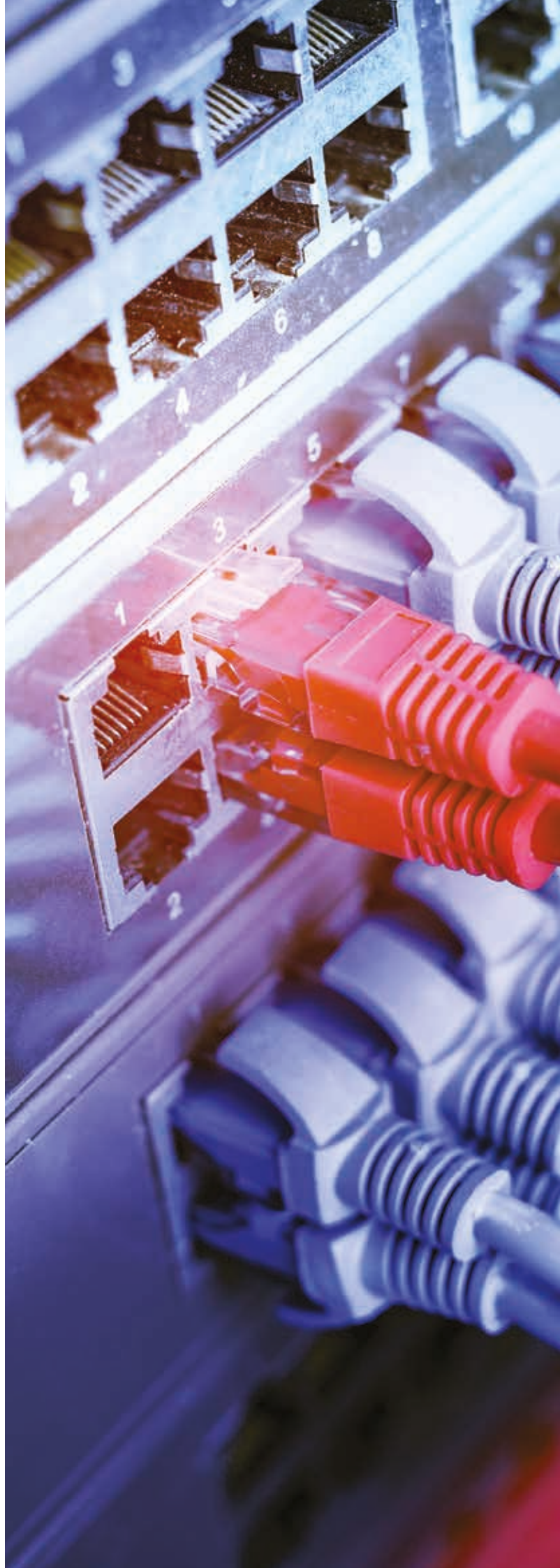
The Dutch ports now face the challenge of raising further awareness of the operational procedure, both at home and abroad, so that more parties will register with Portbase, particularly the smaller companies, both domestically and abroad, that are not known and, therefore, difficult to identify and reach. In the coming months, the Dutch ports and the Dutch government – in particular Dutch Customs – will have to chart the remaining 20% of the volume, and reach the companies that are responsible for this volume.

Conclusion

The Dutch ports are prepared and have done everything they can to ensure the swift flow of cargo by building modern digital and physical infrastructures. Indeed, the collaboration with Dutch Customs has enabled a solid and efficient way of working to be established in the Dutch ports. This story clearly illustrates that when private and public organizations join forces and work together, they can develop solutions that are satisfactory to all.

More information

www.getreadyforbrexit.eu



Leaning forward: Singapore leverages digital data to help financial institutions augment trade finance compliance

By Singapore Customs

Singapore Customs launched a Trade Finance Compliance Service on the country's Networked Trade Platform to augment trade finance compliance efforts against money laundering and terrorist financing.

Banks and financial institutions offer multiple solutions to traders in order to facilitate the purchase and shipment of goods. The most common trade finance product is the Letter of Credit, a formal commitment issued by a bank on behalf of and at the request of a customer to pay a beneficiary a given amount of money upon presentation of documents as specified in the Letter. It should be mentioned that the WTO estimates that 80 to 90% of global trade is reliant on such short-term financing means.

Trade finance and trade-based money laundering

As part of their money laundering related monitoring and reporting obligations, banks and other financial institutions have to assess whether these trade transactions are legitimate or possibly being used to launder money or move illicit funds. The process known as trade-based money laundering (TBML) can be achieved notably through the misrepresentation of the price, as well as the quantity or quality of imports and/or exports.

When considering a client's request, a bank's credit team must be on the lookout for inconsistencies and anomalies in the provided documentation, which means not only understanding the companies involved (know your client), but also the goods, transportation, locations, and beneficiaries connected with the transaction. Since trade finance manipulations related to money laundering almost always involve undervaluing and overvaluing goods and services, banks must be able to check the general prices of goods.

Trade Finance Compliance Service

To enable financial institutions to improve their price checks for non-commodity goods (i.e. goods whose prices are determined at the exporter-importer level of commodity trade, not in the international market), and to validate the compliance of a credit request linked to a trade transaction, Singapore Customs launched an e-service on 5 September 2019 called the Trade Finance Compliance (TFC) Service.

The service supports compliance officers' work related to:

- the detection of over/understatement when it comes to the prices of non-commodity goods being transacted, by providing anonymized data on the price of goods at the HS code level – mean, median and interquartile price data is available to reference the unit price of the underlying good;
- the detection of inflated revenue/income claims filed by new customers, by providing, with the trader's consent to disclose the information to the financial institutions, the unit price at HS code level of goods previously exported or imported by the trader;
- the legitimacy of a transaction, by allowing checks on whether an invoice has an associated permit for import or export, if the trader consented to share the information with financial institutions.

The service is accessible via the Networked Trade Platform (NTP), Singapore's one-stop



© AdobeStock

About the Networked Trade Platform (NTP)

The NTP was launched on 26 September 2018, and is a one-stop trade and logistics ecosystem, which supports digitalization efforts and connects players across the trade value chain - in Singapore and abroad. It aims to provide the foundation for Singapore to be a leading trade, supply chain, and trade financing hub.

The NTP helps businesses improve productivity through digital exchange and the reuse of data with their business partners and the government. Businesses can streamline their work processes and reduce inefficiencies stemming from manual trade document exchange.

The NTP also serves as a key gateway for digital connections to cross-border platforms and other governments' national Single Window systems.

trade and logistics ecosystem. It is the result of a joint government-industry partnership between Singapore Customs, the Monetary Authority of Singapore (MAS), and leading financial institutions in the country.

Currently, BNP Paribas, Commerzbank AG, DBS Bank, ICBC, MUFG Bank, OCBC Bank, and UOB have signed up to the TFC Service on the NTP. To ensure proper data governance, traders have to give consent on the NTP for their data to be shared directly with financial institutions of their choice.

The service will not only increase the efficiency and accuracy of the trade finance compliance checks carried out by the financial institutions, it will also enable traders to have their trade finance applications processed more rapidly. As such, the TFC service is part of the Singapore Customs transformation plan for easy, seamless, and integrated trade, travel, and cargo across borders.

More information

enquiry_ntp@customs.gov.sg
www.ntp.gov.sg

Existing trade finance process

Issues today



Lack of reliable data source for price of non-commodities



Labour and time intensive for manual checks

How Trade Finance Compliance service (TFC) improves the trade finance process

Benefits of TFC



Trusted data source provided by Singapore Customs



Automated process via APIs - Saves time and effort



Anonymised price checks can be used as a proxy to check the price of goods, even if it is an off-shore trade that does not require a Customs permit

For more information, visit us at www.gli.gov.sg/intQ-tfc

Deepening Customs-to-Customs collaboration: the URA-KRA story

By Uganda Customs

By deepening their collaboration, the Customs services of Uganda and Kenya have managed to optimize processes, facilitate trade operations, and strengthen enforcement capacities. Their story is a testimony to the fact that no amount of investment or innovation can solve problems without consensus on the way forward and collaboration at the decision-making and operational levels.

During the latest update of the WCO SAFE Framework of Standards to Secure and Facilitate Global Trade, in 2018, the Customs community aimed to give a new impulse and significance to the strengthening of cooperation between and among Customs administrations. Cooperation in the Framework is deeply associated with enhanced supply chain security and efficiency, based on mutual trust and transparency.

The Framework lists exchange of information, mutual recognition of controls, mutual recognition of authorized economic operators (AEOs), and mutual administrative assistance as some of the avenues of collaboration, effective measures that have been proven to go a long way in dealing with some of the traditional problems faced by Customs administrations globally.

Uganda and Kenya are members of the East African Community (EAC), a regional intergovernmental organization consisting of six partner states, namely Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda. The EAC countries established a Customs Union in 2005, a Common Market in 2010, and aim, ultimately, at more economic and social integration between partner states.



Boosting cooperation

Significant strides have been made to boost cooperation between EAC countries, especially between their respective government agencies. At the border, several one-stop border posts (OSBPs) have been created as part of the EAC's coordinated border management policy. But, just as it is at the national level between government agencies, most of the cooperation is oftentimes at a basic minimum. Deep collaboration never comes naturally, but can be cultivated and nurtured by the strong commitment and goodwill of leaders.

Uganda has been grappling with a number of problems, such as persistent cases of smuggling, delays in transit, theft of goods, forgery of documents, and mis-declaration of goods. Consequently, several projects have been implemented by Uganda over the years to improve its capacity to mitigate these problems.

With the above in mind, efforts have been put into building a strong and modern Customs administration, by, for example, centralizing document processing or investing in non-intrusive inspection. Many of these measures have successfully served their intended purpose, and yet, many challenges remain, leading to the conclusion that no amount of investment or innovation would solve some of these problems without collaboration, cooperation, and consensus with our key stakeholders.

The Port of Mombasa in Kenya handles over 80% of Uganda's maritime cargo, and the level of efficiency of operations undertaken by the Kenya Revenue Authority (KRA) highly influences the performance of the Uganda Revenue Authority (URA), especially in the area of trade facilitation. While examining avenues for improvement of our own processes, we identified the need to review our collaboration policy with the KRA. With like-minded leadership, the URA-KRA Customs administrations decided to hold a bilateral meeting in Nairobi, Kenya. Key on the agenda for discussion was the:

- integration of our respective national Integrated Customs Management Systems;
- deployment of each other's staff within our respective administrations;
- formulation of a joint compliance strategy;

- management of the Regional Electronic Cargo Tracking System¹;
- integration of our respective non-intrusive inspection systems;
- review of our joint valuation framework;
- development of joint capacity building programmes and a joint innovation hub.

A bilateral agreement was finally signed on 2 August 2019, marking the start of a fruitful journey, which gave birth to several joint working groups and brought to light the notion that, if everyone moves forward together, then success takes care of itself. Great things are never done by individuals, and we seldom reach our goals without the help of others. We have had to put a lot of effort into change management and the monitoring of the agreed action points, lest the efforts amount to null. This has called for a special joint team to monitor the implementation of the agreement, and continuously maintain the momentum.

Practical results

From this collaboration, we have reaped a seamless, cooperative system to the benefit of both Customs administrations and other stakeholders. Not only have we managed to curtail the diversion of transit goods into the local market and the disappearance of containers, there has been a considerable reduction in paperwork, leading to faster clearances. In addition, joint enforcement operations have greatly reduced cases of smuggling, and the joint compliance strategy has resulted in reduced forgeries and mis-declarations.

Among other things, the strategy provides for a back-to-back reconciliation process: once a risk has been identified by the KRA on goods in transit to Uganda, upon confirmation (possibly through verification inland by Uganda), the results are relayed back to the originating country (Kenya) to update their risk register.

There is also a synergy in the utilization of equipment such as that pertaining to non-intrusive inspection with images and other data produced being shared between administrations when needed. It is worth mentioning that all the above measures have also reduced avenues of corruption.

1 <https://mag.wcoomd.org/magazine/wco-news-88/countries-east-africa-cut-transit-time/>

In the light of the COVID-19 pandemic, this renewed collaboration has enabled us to monitor the movement of trucks to ensure that operators of unknown health status do not circulate in the community's member countries. This has allowed continuity of the supply of goods amidst a nationwide lockdown.

These numerous results are a testimony to how much we can do together. We are now keen to promote the approach that we adopted, which is in line with the WCO's principles and values. Moreover, we are confident that our holistic approach is necessary to optimize and secure the

international trade supply chain, while enabling wholesome improvements in trade facilitation.

Encouraging others

We would like to encourage other Customs administrations to consider our experience and prioritize the development of Customs-to-Customs collaboration, Customs-to-Business partnerships, and Customs-to-other government agencies cooperation. Together we can achieve more, with less.

More information

info@ura.go.ug
www.ura.go.ug



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Facing the COVID-19 crisis with numbers: performance metrics for business continuity

By Valentina Ferraro and Maka Khvedelidze, WCO Secretariat

The effort undertaken by the WCO in building a comprehensive Performance Measurement mechanism (PMM) to measure the performance of Customs administrations aims at strengthening a measurement culture among the WCO Membership, and at enabling them to develop metrics for strategic planning and evidence-based decision making. This, in turn, is going to help Customs in building its resilience and optimizing its organizational performance under disruptive scenarios, by providing the foundations for business continuity planning.

The development of global networks of communication as well as travel and trade routes has generated highly interdependent social, technical, economic, and biological systems. In such an ecosystem, successful strategies require more intense interactions as it is no longer a simple matter of positioning a fixed set of activities in the right place of a linear value chain. Increasingly, the strategic focus is the system itself, where value is created through fluid interactions of different economic actors – suppliers, business partners, allies, customers – whose role and relationships are subject to a constant reconfiguration in order to mobilize the co-creation of value in new forms, and by new players.¹

International supply chains and new “constellations” rely on solid and flexible manufacturing capacities as well as an efficient international transport system, especially in sectors based on outsourcing and just-in-time inventory. By imposing lockdowns to avoid the spread of the COVID-19 pandemic, which forced plants to shut down or slow down, starting with those producing parts that many industries worldwide depend on, governments put a stop to many supply chains and logistics operations.

The degree of interdependence and specialization of the current economic and value-adding systems

is a known source of vulnerability, and this is not the first time that the trade community has faced disruptions in the last decade. Such events include the volcanic eruption in Iceland, the earthquake and tsunami in Japan, floods in Thailand, and hurricanes Maria and Harvey, to name a few.

However, supply chain experts have observed that only a small minority of companies have invested in mapping their supply networks and are, therefore, able to secure constrained inventory and capacity at alternative sites when facing disruption. The results of the fortnightly survey published by the Business Continuity Institute (BCI) on 3 April 2020, in the midst of the COVID-19 crisis, revealed that only two-thirds (68.9%) of organizations had reviewed their business continuity plans of key suppliers, and just over three-quarters (76.3%) had identified a list of critical suppliers in response to COVID-19².

As for governments, some also seemed to have very little knowledge of how the supply chain works with some coming up with sub-optimal decisions based on limited information and lacking evidences, in some cases imposing export restrictions that further limited their access to key supplies. “No country is self-sufficient, no matter how powerful or advanced it may be,” said Roberto Azevêdo, the WTO Director-General, in a video posted to the

1 Normann, R., & Ramirez, R. (1993). From value chain to value constellation. *Harvard Business Review*, 65-77, (July-August).
2 <https://www.thebci.org/news/coronavirus-organizational-preparedness-learnings-from-our-fortnightly-survey.html>.



Organization's website in March 2020, adding that "Keeping trade open and investments flowing will be critical to keep shelves plentiful, and prices affordable."

This lack of understanding is not new. Back in 2011, Pascal Lamy, the then WTO Director-General, pointed out the need to shift the way trade is most commonly perceived in policy debates, a shift that requires changing the way trade statistics are currently conceived so that they reflect the reality of trade interactions between nations. He was calling for a new measurement system, which would allow one to follow the value-add at each step of the production chain in order to get a real picture of trade flows by weighting them according to what each trade partner really brings in terms of value.

What about Customs? Can we assess how well it performed during this crisis and what can we learn from it in terms of strategic planning and measurement capacities? Such an evaluation exercise requires access to indicators developed as part of a performance measurement policy. The WCO began reflecting on how to develop a new mechanism to measure Customs performance in 2019, and its Secretariat would like, in this article, to highlight the importance of having performance

metrics to develop sound strategies and operational responses in case of disruptions and crisis.

From business continuity to the overall organizational performance

The COVID-19 pandemic, like other exogenous events, provides a unique opportunity to test and update Business Continuity Plans (BCP) that are aimed at ensuring that processes are in place in times of a crisis to maintain critical functions and avoid any disruption for industry and the community at large that could damage a national or regional economy. For Customs this is translated into the need to take action to minimize the time that trade is disrupted, not restricting law enforcement capabilities and ensuring the availability of essential goods to the public.

According to ISO22301 (2012:2)³, "a business continuity exercise is a holistic management process that identifies potential impacts that threaten an organization, and provides a framework for building resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand, and value-creating activities."

Business continuity is addressed in several WCO instruments. The Revised Kyoto Convention

3 Revised by ISO 22301:2019 <https://www.iso.org/standard/50038.html>

Guidelines call for business continuity planning, which is defined as “the overall process of developing an action plan to ensure the continuation of business in the event of unexpected unavailability of a crucial system or facility. For Customs it means the ability of the administration to maintain the collection of duties and taxes, the control of goods and people crossing the border, and the uninterrupted and speedy clearance of goods and people in international trade and travel.”

One of the main risks that Customs face during times of crisis is an IT system shutdown, as highlighted in the WCO Single Window Compendium: “*when systems become unavailable and manual clearance is resorted to, this causes not just a disruption in services, but could also pose a risk in terms of weakening targeting, screening, profiling, and communication facilities.*”

Further guidance on how to develop plans and protocols to facilitate and resume trade flows after incidents that results in major disruption of the movement of goods internationally can be found in the WCO Trade Recovery Guidelines, published as part of the SAFE Package that aims to enhance supply chain security and efficiency.

Trade recovery procedures are focused on coordinating the international response to quickly resume the flow of international trade, and may operate concurrently with domestic incident responses or emergency management procedures that concentrate on consequence management, containment, and protection of critical infrastructure in the aftermath of an incident.

The Guidelines provide information on three critical components: a plan of action listing the steps taken prior to and following a disruption; a list of appropriate actions that Customs administrations could take that are consistent with industry best practices; and communication mechanisms to ensure the exchange of information between Customs administrations and businesses in order to facilitate trade recovery activities.

Although it is difficult to foresee all types of risks, especially systemic risk⁴, building different scenarios and measuring the key resilience metrics would

enable Customs to identify any gaps, as well as make the necessary preparations, to enable timely responses based on the identification of precursor signals of change and necessary action flows⁵.

Business continuity in the Kyoto Convention General Annex Guidelines:

Chapter 7 - Application of Information and Communication Technology

A business continuity plan will require a set of contingency plans for each core business process and infrastructure component. Each plan should provide a description of the resources required, staff roles, procedures and timetables needed for its implementation. The process covers four key stages.

Stage 1: Initiation

- Obtain commitment from senior management
- Set policy and scope for business continuity management
- Establish a Business Continuity Planning project work group
- Develop a master schedule and milestones

Stage 2: Business impact and risk analysis

- Define possible failure scenarios
- Define the minimum acceptable levels of outputs for each core business process
- Assess potential business impacts and risks of these scenarios
- Identify and evaluate options

Stage 3: Develop individual plans

- Identify and document contingency plans, and implementation modes
- Define triggers for activating the plans
- Assign resources for each core business process
- Obtain management approval, and allocation of resources

Stage 4: Management of the plans

- Distribute the plans to all relevant stakeholders
- Maintain strategy, plans, and procedures
- Look at education and awareness, review plans and risks, test the plans and control changes to the strategy and the plans so that they remain consistent with each other
- Train staff to produce the strategy and plans as well as to undertake the actions embodied within the plans
- Assure the quality and applicability of the plans in respect of adaptability, completeness, data quality, efficiency, friendliness/usability (very important as the plan will only be used in a time of chaos or disaster), maintainability, portability, reliability, resilience, security, testability, timeliness, and management approval

4 Systemic risk is defined as “a risk that is endogenous to, or embedded in, a system that is not itself considered to be a risk and is, therefore, not generally tracked or managed, but which is understood through systems analysis to have a latent or cumulative risk potential to negatively impact overall system performance when some characteristics of the system change.” In GAR – the Global Assessment Report on disaster risk reduction: 2019, Inter-Agency Secretariat of the ISDR, ISDR(02)/G56/2019.

5 Idem: <https://digitallibrary.un.org/record/3825375>.

Additionally developing and maintaining business continuity plans, can also substantially contribute the optimization of organizational performance, ensuring a control on Customs performance in terms of efficiency and security of the trade system under alternative scenarios.

A number of studies⁶ show that practices related to continuity planning such as creating awareness, increasing commitment, integrating the continuity practices into organizational processes and learning from incidents can contribute to embedding the continuity practices into organizations and increase resilience as well as day-to-day operational efficiency. As a result, business continuity should be seen as a holistic process, having a strategic value that goes beyond the enhancement of organizational resilience while reaching out to overall organizational performance.

In order to ensure its business continuity, Customs might need to reassess their strategic priorities in striving to produce certain outcomes more than others, and find a new balance between the control and facilitation functions under different scenarios.

Given that regulatory complexity makes the supply chain more vulnerable in time of crisis like COVID-19, Customs administrations are expected to guarantee simplified and harmonized procedures and the rapid clearance of relief consignments and essential goods⁷ while ensuring that health and safety risks are appropriately addressed.

In this respect, as pointed out by Grainger et al. (2019), effective communication is essential as careful and timely information about ad-hoc customs measures are essential to avoid unintended consequences of confusion, tensions, and indecisions⁸ for all the stakeholders involved.

Reflections on indicators

At the country level, several Customs administrations globally have developed methods and metrics to measure the performance of their services and processes.

At the international level, existing performance measurement tools take very different approaches with regards to how they are designed, the scope of

the assessment and their methodologies. While the WCO Time Release Study (TRS) has been growing in importance internationally, other international organizations maintain tools that are frequently used to measure certain aspects of Customs performance. Some examples are the World Bank Group's Doing Business and Logistics Performance Index (LPI), the IMF's Tax Administration Diagnostic Assessment Tool (TADAT), the Global Express Association's (GEA) "Customs Capability Report", the OECD's Trade Facilitation Indicators (TFI) and Global Forum on Transparency and Exchange of Information for Tax Purposes peer review, the WTO's Trade Policy Review Mechanism (TPRM), and the WEF's Global Competitiveness Index.

Many administrations have expressed their dissatisfaction with respect to the limitations of these tools for a comprehensive performance measurement of Customs administrations, including the methodology used to rank border processes worldwide in the World Bank Ease of Doing Business Index. The issue has been addressed by several articles published in the magazine: "A method for measuring trade facilitation" (February 2018), "Revisiting the "Trading Across Borders" category of the World Bank's Doing Business index" (February 2018), "Reviewing the OECD method to assess trade facilitation policies" (October 2018).

In 2019, WCO Members collectively decided to set up a working group with the aim of developing a comprehensive WCO Performance Measurement Mechanism (PMM) incorporating all Customs competencies. The establishment of the WCO PMM, a recognized, evidence-based, scored assessment mechanism, aims to enable strategic and evidence-based policy-making processes in Customs administrations, and assist countries with revenue mobilization and the safe and smooth movement of goods.

To identify the areas where the PMM needs to be developed, the Working Group on Performance Measurement (WGPM) entrusted the WCO Secretariat to conduct a survey among its Members to collect their experience in performance measurement at the national level. Preliminary results show that there is an interest and need to measure various expected outcomes such as

Business continuity should be seen as a holistic process, having a strategic value that goes beyond the enhancement of organizational resilience while reaching out to overall organizational performance.

6 *Business continuity management factors and organizational performance: a study on the moderating role of it capability*, Zahari Abu Bakar, Noorulsadiqin Azbiya Yaacob, Zulkifli Mohamed Udin, *Journal of Management Info* Vol. 2, No. 3 (2015) 5-12.

7 *Guidelines to Chapter 5 of Specific Annex J to the International Convention on the Simplification and Harmonization of Customs Procedures, as amended (Revised Kyoto Convention), Annex B.9 to the Convention on Temporary Admission (Istanbul Convention)*

8 *Customs and Humanitarian Logistics*, Andrew Grainger, Jamie M. Rundle & Saad Raafay Ahsen, *Global Trade and Customs Journal*, Volume 14, Issue 4 © 2019 Kluwer Law International BV, The Netherlands

increased efficiency in the fight against counterfeit goods and piracy, paperless trade, effective application of ICT solutions and data analytics, strengthened interinstitutional collaboration, efficiency of clearance and delivery in digital trade, smoother movement of goods and people, efficiency in safeguarding public health, increased trust in the relationship with trade, and evidence-based strategic management.

More information is available on the WCO website under the agenda of the 2nd meeting of the Working Group on Performance Measurement (access restricted to Members).

What is the link with business continuity plans?

Measuring some of the above-mentioned performance areas might highlight the need for appropriate continuity plans and for the formulation of a Customs emergency response in times of crisis. We believe that the process of developing a performance measurement mechanism, such as the one that the WCO is currently undertaking, will have positive effects on the capability to elaborate such plans for continuity and better resilience.

Reliable and trusted metrics will not only enable Customs to better design their plans, but also to better enforce them, participating in the design of cohesive national border policies, even if that entails compliance with temporary restrictions on freedom, as in the case of COVID-19 for travel and the trade in goods. This appears to be even more relevant in case of emergency responses, where citizens need to trust their government capability to take evidence-based decisions in order to accelerate systemic action and address questions of safety and security.

While undertaking business continuity planning, administrations could come across operations for which no performance measurement system exists, and for which indicators should be created. Administrations would also have to identify key relationships and dependencies with internal and

external organizations, and there might be a need to discuss with those actors how they address performance measurement, which data they collect, and whether they have developed their own metrics.

In this respect, harmonized performance and risk indicators should be designed to assist business continuity planning and management. The first step is to understand the resilience metrics that matter in business continuity and disaster recovery planning for the supply chain continuity and the organizational performance of the regulatory agencies at the border. Once the key business processes that are threatened by a potential disaster are identified, metrics could also be used to measure the efficiency of business continuity plan, including the recovery time or the fluctuations in the level of performance.

Coordinated preparedness

If we look at what business continuity means at the border, it is clear that a sound business continuity planning requires to take a system perspective. That implies assessing risks that might fall beyond the organizational perimeter of Customs but directly impact other Government Agencies cooperating with Customs at the border⁹.

In this context it is crucial to understand that any decision taken by Customs for business continuity not only impacts on Customs performance but might also have effects on the performance of other agencies as well as the overall performance of the supply chain.

Coordinated responses need to be developed to ensure a systemic resilience, acknowledging the existing interdependences of Customs and other stakeholders' expected outcomes and perceived risks. Building up Customs resilience and good performance calls for a joint preparedness and a co-orchestrated planning at the border.

More information

Communication@wcoomd.org

⁹ Grainger, Shaw and Achuthan (2018) "Port Resilience: a perspective from UK ports" in *Port Management*, S. Pettit and A. Beresford, Chapter 5, pp.117-138, Kogan

Latest developments in three areas: the RKC review, guidance on free zones, and access to domain name information

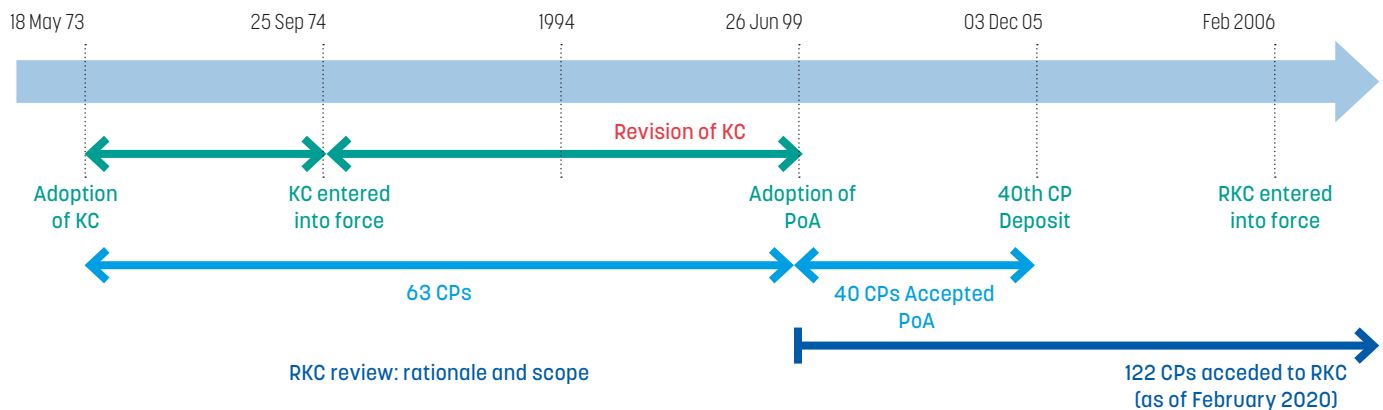
Revised Kyoto Convention: Customs' blueprint journey towards further simplification and harmonization of Customs procedures

By Phuntsho Dorji, Procedures and Facilitation Sub-Directorate, Compliance and Facilitation Directorate, WCO Secretariat

The International Convention on the Simplification and Harmonization of Customs Procedures, known as the Kyoto Convention, was adopted on 19 May 1973 and entered into force on 25 September 1974 with 63 Contracting Parties. Twenty years later, in 1994, a decision to revise the Convention was taken, and, in June 1999, a Revised Kyoto Convention (RKC) was adopted. It entered into force on 3 February 2006 after 40 Contracting Parties to the Kyoto Convention had acceded to the Protocol of Amendment. In February 2020, there were 122 Contracting Parties to the RKC.

Overall, the RKC is aimed at developing predictable and transparent Customs procedures based on the use of information technologies, risk management, a coordinated approach to controls along with other governmental agencies, and partnerships with trade, among other things. The Convention consists of three parts: the text, a General Annex with 10 Chapters, and 10 Specific Annexes. The entire General Annex is binding on Contracting Parties and no reservations are possible with respect to its implementation. Specific Annexes of the RKC consist of Standards and Recommended Practices regarding other aspects of Customs procedures. Contracting Parties may accept one or more of the

Figure 1: Historical Roadmap of the RKC



Specific Annexes as well as submit reservations to Recommended Practices to the WCO.

RKC review: rationale and scope

It is now 20 years since the adoption of the current RKC by the WCO Council in 1999. Though no amendments have been carried out thus far, comprehensive Guidelines relating to the General Annex and Specific Annexes of the RKC were developed at an early stage to assist with implementation. Many of these Guidelines have been updated, particularly the Guidelines dealing with “Information, Communication and Technology” and “Postal Traffic”. Further complementing the RKC, the WCO has developed a number of tools to respond to significant changes in the trade environment that impact the Customs community, such as the SAFE Framework of Standards to Secure and Facilitate Global Trade, the Framework of Standards on Cross-Border E-Commerce, the WCO Single Window Compendium, and the WCO Data Model.

Recognizing the need to ensure that the RKC remains the blueprint for modern and efficient Customs procedures, and reflects the rapid evolution of international trade and advances in technologies, the RKC Management Committee (RKC/MC), the WCO working body where RKC Contracting Parties meet to administer, review, amend and update the Convention, began, in 2016, to discuss the possibility of a potential review of the RKC. Subsequently, based on the recommendations made by the RKC/MC, at their June 2018 sessions the WCO Policy Commission and Council approved the establishment of a dedicated working group to carry out a comprehensive review of the RKC. The RKC review is mandated to cover both the structure and content of the Body of the Convention, the General Annex, the Specific Annexes, and the

Guidelines, taking into account the work already carried out by the Virtual Working Group set up by the RKC/CM in 2015.

Strategic outlook

At the 2019 WCO Council Sessions, Members endorsed a new Strategic Plan for the 2019-2022 period, comprising nine priorities that the WCO should focus on, one of which is the RKC. The Customs Environmental Scan 2019, carried out by the WCO Secretariat, provides an overview of the main global trends affecting trade and their potential impact on Customs’ roles, policies, and practices.

During the RKC review process, several underlying principles and issues were identified by the Members, including in particular:

- the renewed importance of promoting modern and efficient Customs procedures to both facilitate legitimate trade and ensure security;
- the significance and strengths of the binding nature of the RKC, recognizing the need for an embedded and periodic review mechanism;
- the need for a more robust implementation mechanism, which would be supported by technical assistance and capacity building, utilizing the WCO’s expertise;
- the necessity to move away from a traditional, paper-based declaration

Box 1: Trends Affecting International Trade

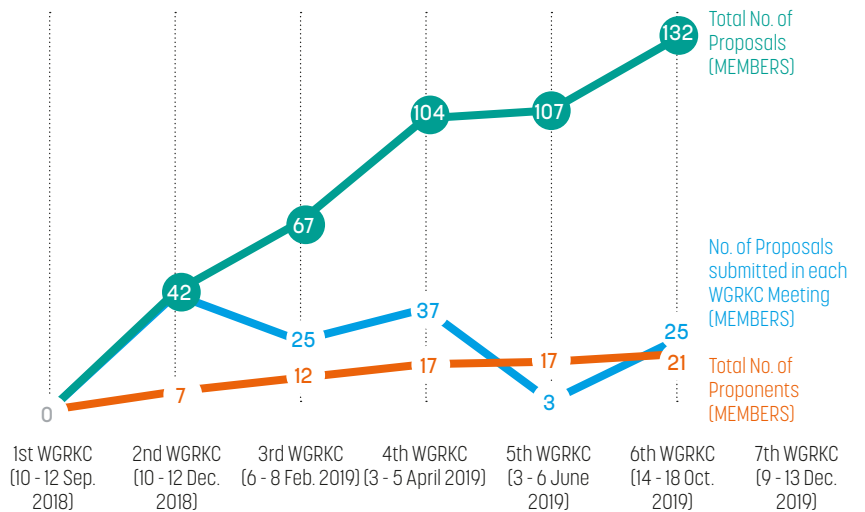
- A changing trade environment: rise of trade in services and intangibles, changes in trade patterns, debate surrounding multilateralism in trade, and re-birth of national borders;
- Prominence of security in public policies;
- Development of e-commerce;
- Moving towards the digital economy;
- Public awareness on climate change and a sustainable society.

system to reflect the extensive use of electronic data submission with end-to-end Customs functions and procedures, the need to implement the data pipeline concept and to leverage data through analytics, and the use of advanced technologies such as Blockchain and Artificial Intelligence.

Concepts and proposals

Since it first met in September 2018, the Working Group on the Comprehensive Review of the RKC (WGRKC) held a total of seven meetings where 179 proposals (132 coming from Members, and 44 from external stakeholders) were formulated and categorized across 37 concepts. 21 Members submitted proposals, primarily during the 2nd (42 proposals) and 4th (37 proposals) WGRKC Meetings as shown in Figure 2.

Figure 2: WGRKC’s Members’ Participation



The external stakeholders’ participation in the WGRKC meetings came into effect from the 5th Meeting and their number has grown from 9 to 13 as shown in Figure 3. As of the 6th WGRKC Meeting, external stakeholders had submitted a total of 44 proposals.

Figure 3: External Stakeholders’ Participation

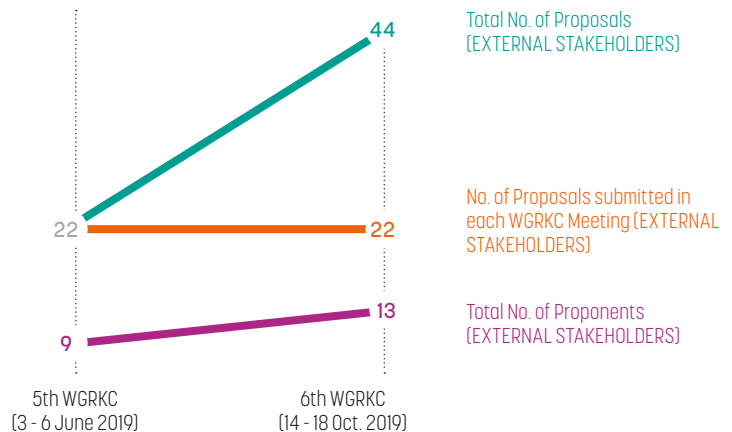
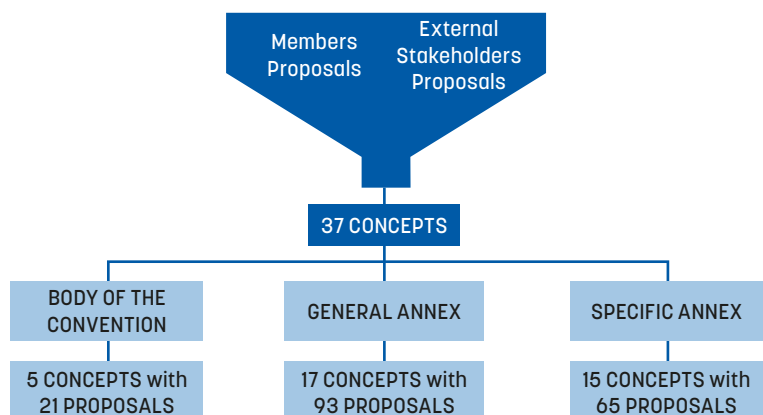


Figure 4 shows how the concepts and proposals are structured and filtered. The 37 broad concepts were classified within the existing structure of the RKC: Body, General Annex, and Specific Annexes.

Proposal Maturity Methodology

The WGRKC has developed a four-track maturity methodology, as illustrated in Box 2, for reviewing and adjudicating proposals submitted by Members and external stakeholders. Track D indicates a high maturity level, followed by Track A which indicates a fairly mature proposal with minor adjustments to be considered. In the case of Track B, the proposal needs further improvement and additional inputs by the proponent, based on concerns raised or comments made by the WGRKC. If a proponent fails or is unable to improve their proposal substantively or develop it further with the additional inputs required, then after a given period of time it is likely to be placed in Track C as a non-active proposal. 170 of the proposals have already been categorized in one of those tracks (see Figure 5).

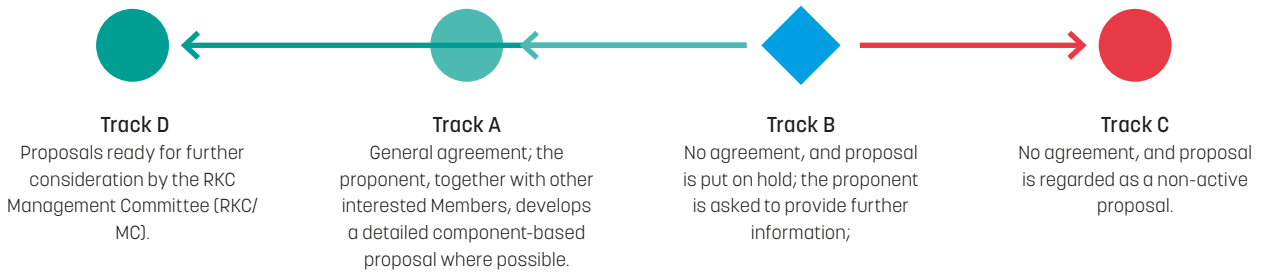
Figure 4: Concepts and Proposals Composition



Proposal composition

Figure 6 shows the number of proposals submitted by Members and external stakeholders under the different concepts. The concepts that have received the most proposals are: Monitoring, Reporting and Evaluation (MRE) – 9 proposals; Use of Advanced

Box 2: Four-Track Proposal Maturity Methodology



Technologies – 10 proposals; Data Issues – 10 proposals; Electronic Declarations – 8 proposals; Authorized Economic Operator (AEO) – 9 proposals; Customs Control – 16 proposals; Rules of Origin (RoO) – 12 proposals; and Coordinated Border Management (CBM) – 10 proposals.

To briefly explain the content of the proposals and their formulation, the proposals on the “MRE” concept are aimed at introducing a mechanism for monitoring, reporting, and evaluating Contracting Parties’ implementation of, and compliance with, the RKC. Proposals related to “Future Proofing” include, among other things, embedding a periodic review of the RKC. Several proposals relate to the use of advanced technologies such as Blockchain, Artificial Intelligence, Non-Intrusive Inspection Equipment, and 3D printing. Several also deal with key issues such as data and systems interoperability. Proposals pertaining to security and risk management are to be found under the “Customs Control” concept. Concerning “CBM”, the main focus of the proposals is on coordination and cooperation, as well as the Single Window.

Moving on to the concepts that are more technical in nature, the proposals under “Rules of Origin” aim to strengthen the existing Specific Annex K, covering self-certification, the direct transport rule, preferential and non-preferential origin of goods, among others. Proposals on e-commerce and postal issues are laid out under the “Express/Expedited Shipment” and “Postal Traffic” concepts. The remaining proposals relate mainly to procedures, formalities, electronic transactions, measures, and specific requirements/procedures pertaining to various topics indicated in the title of the concepts themselves such as “Free Zones”, “Warehousing”, “Travellers”, and “Relief Consignments”.

Figure 5: Track Status of Proposals

(as at the 6th WGRKC Meeting)

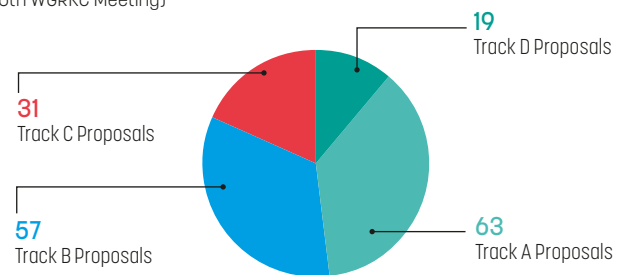


Figure 6: Number of Concepts and Proposals (as of 3 March 2020)

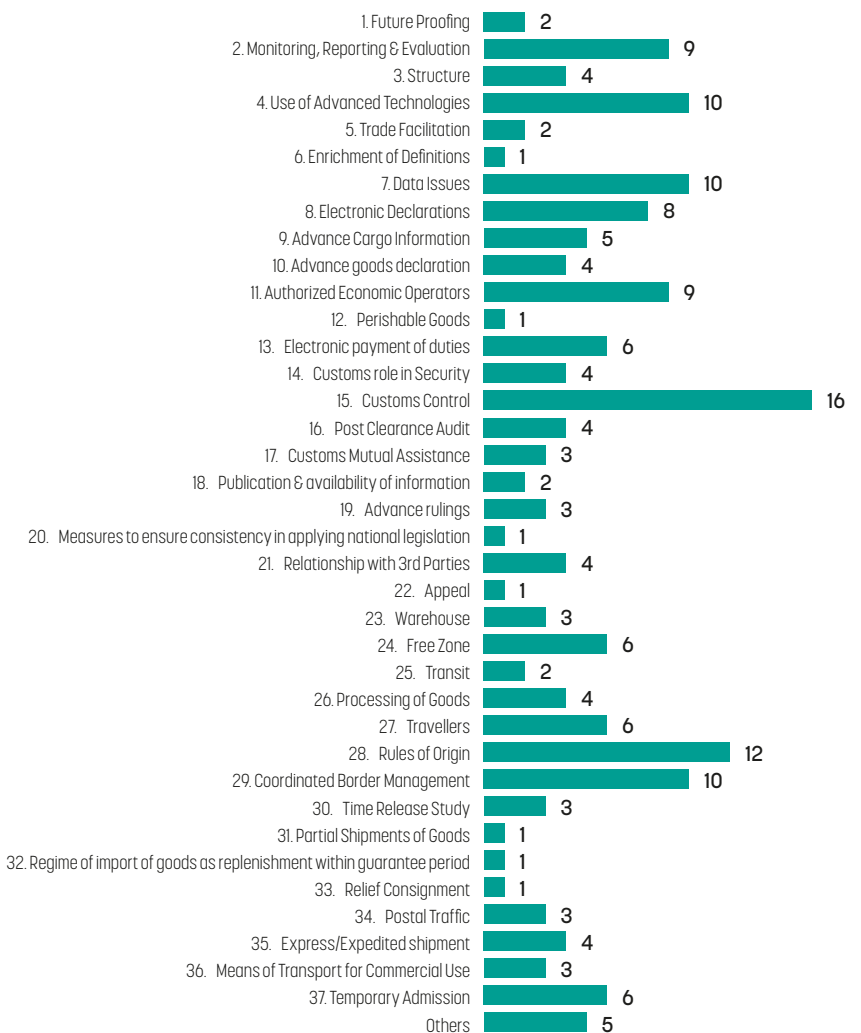
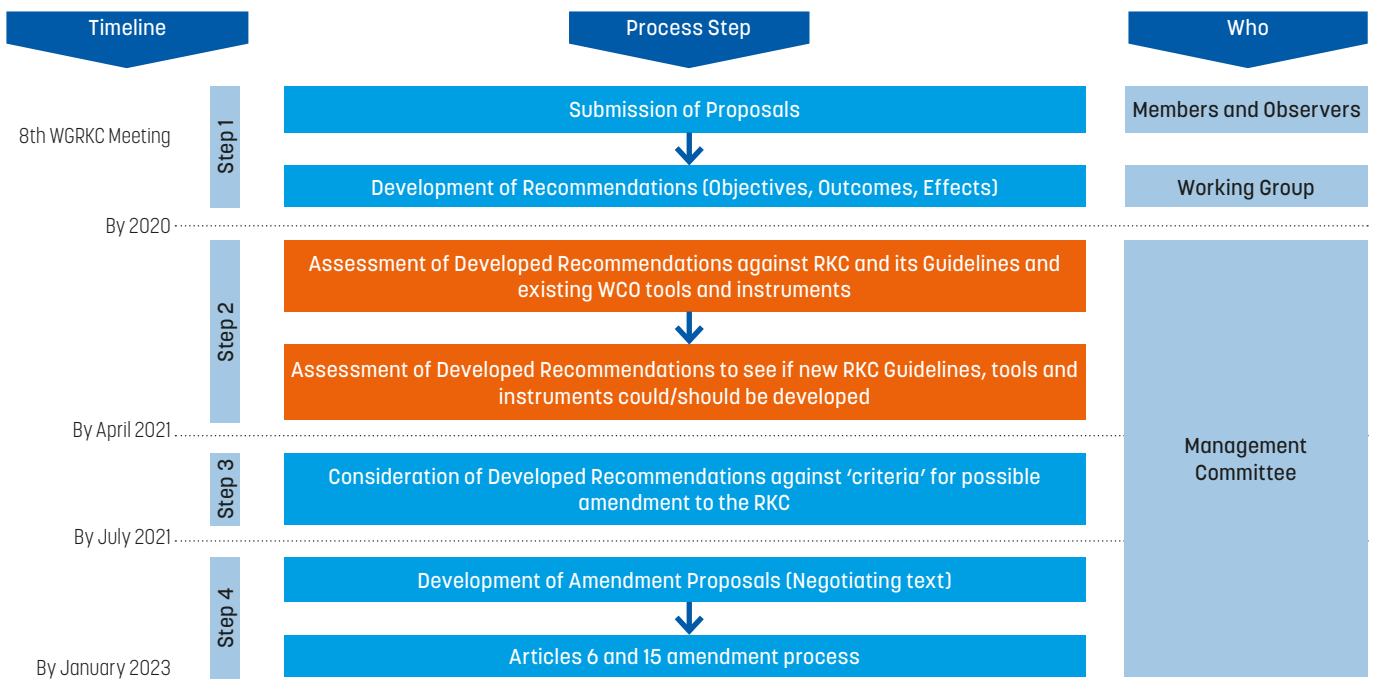


Figure 7: Four-Step Framework with Overall Timeline



Way forward

After intensive discussions on the way forward of the RKC review process, the RKC/MC, also taking into consideration the RKC amendment process, decided to continue the RKC review under a “four-step framework” described in Figure 7.

The timeline for conducting and finalizing the RKC review process was extended until January 2023 at the earliest. Step 1, the submission of proposals and the development of recommendation, has already been initiated, and one more WGRKC is to be held to develop the recommendations and finalize all the work. Subsequently, the RKC/MC will take on the responsibility of completing the RKC review work under Steps 2, 3 and 4 of the four-step framework. Step 2, the assessment of the recommendations developed by the WGRKC, will be carried out against the RKC and its Guidelines, as well as other existing WCO instruments and tools. Further assessment will be considered to determine whether an amendment of the RKC is required or not, and/or whether the development of new instruments or tools is needed or not. Under step 3, the developed recommendations filtered through step 2 will be further tested against the criteria endorsed by the RKC/MC to determine which recommendations require possible amendment of

the RKC. Should a recommendation go through the prior steps successfully, under step 4, proposals for amendment will be developed and go through the amendment process stipulated under Article 6 and 15 of the RKC.

Conclusion

The RKC review is likely to bring clear benefits for international trade, for both developing and developed countries. For developing countries, the binding nature of the RKC encourages and supports necessary national reforms to ensure that new requirements are met with an adequate legal framework. This helps create better market access opportunities, improve the investment climate, and enhance the ease of doing business in the country concerned. For developed countries, it offers enhanced market access opportunities and a predictable legal and operational playing field for traders.

To stay tuned for future developments, WCO Members are invited to consult the WGRKC and RKC/MC web pages.

More information

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WCO's development of draft "Practical Guidance on Free Zones"

By Satoko Kagawa and Kenji Omi, WCO Secretariat

WCO Members have been drawing and sharing lessons from their experiences in combating illicit trade associated with Free Zones (FZs) for decades now. One lesson is that there is a need for effective or better monitoring and control by Customs over these zones. However, changing existing FZ regimes requires action by policymakers, and convincing them to do so has been rather difficult at times.

This article introduces the key elements embedded in the recently published WCO research paper on FZs and the draft "Practical Guidance on Free Zones", which both aim to support administrations wishing to build or enhance their control capacities over FZs and ensure their competitiveness and sustainability.

WCO research paper

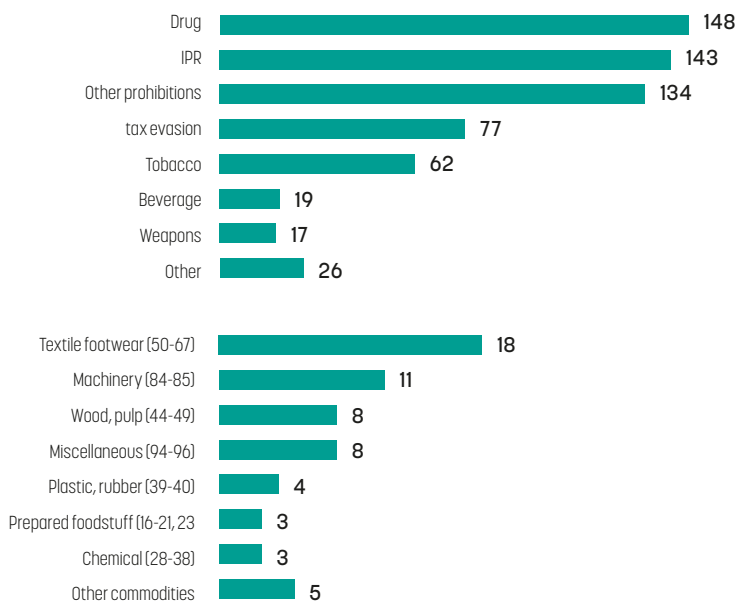
Many papers, such as those produced by the Financial Action Task Force (2010), the International Chamber of Commerce (2013), INTERPOL (2013), Viski et al. (2016), The Economist (2018), the Organisation for Economic Co-operation and Development (2018), and McKinsey & Company (2019), have called for high levels of control over goods and activities inside FZs. Some have also specifically named Customs as one of the agencies that needs to be empowered to do so.

Since 2018, the WCO Secretariat has been researching the topic: reviewing existing literature, conducting a survey, organizing workshops, and undertaking field studies. These activities resulted in the publication, in September 2019, of a WCO Research Paper entitled "Extraterritoriality of Free Zones: The Necessity for Enhanced Customs Involvement".

The FZ research paper presents the definitions, characteristics, and economic benefits of FZs as well as the risks they pose; describes the perceived "extraterritoriality" of FZs; and highlights Customs' limited involvement and insufficient authority in the establishment and operation of FZs.



Figure A - Types of commodities seized inside FZs and reported to the WCO CEN from 2011 to 2018 (unit: no. of seizures)



(The numbers in brackets refer to the HS Chapters to which the commodities belong)

The global nature and the variety of illicit trade activities related to FZs are stressed, ranging from tax evasion to smuggling of IPR-infringing goods, tobacco, drugs, and weapons. As there is limited global data available on illicit trade, no statistics can be drawn from the analysis of seizures reported to the WCO Customs Enforcement Network (CEN).

However, the research paper highlights some seizures including cases of 'missing cargo' inside FZs, cases where three or more countries were involved in the chain of transit/transshipment operations, cases involving the manufacture of illicit goods, cases involving the exploitation of the FZ's 'unlimited duration for cargo' feature, cases involving the smuggling of stolen cultural objects, and links to money laundering.

Practical Guidance

The draft Practical Guidance on FZs (FZ Guidance) was developed by the WCO Secretariat to help Customs administrations who wish to enhance their control over FZs, while effectively supporting their healthy development and competitiveness. It will be discussed by the WCO's Permanent Technical Committee in autumn 2020 for finalization. The draft consists of seven core elements, briefly summarized below.

Territoriality

The territorial definition of FZs is the core issue to be resolved. Indeed, Chapter 2 ("Free zones") of Specific Annex D of the Revised Kyoto Convention (RKC) provides a definition of a FZ which indicates that a FZ itself fall within the Customs territory.

However, some countries regard FZs as "being outside the Customs territory", leading to the idea that such zones are "extraterritorial areas" that are free from the usual Customs control. It is essential that FZs be regarded as inside the Customs territory, or as special areas where all non-tariff Customs activities are properly enforced.

Involvement

Customs should be a crucial player in the general development of national policies related to FZs, the establishment of each new FZ, and the approval of FZ tenant companies, including their admissible activities.

Company approval process and AEO concept

Customs' involvement in due diligence and compliance record checks at the company approval stage is critical to maintaining the safety and security of a FZ. Customs should conduct risk-based background checks on FZ applicant companies, their key employees, and compliance records. Furthermore, Customs could decide to open and adapt existing AEO programmes to tenant companies.

Reporting to Customs and the use of IT systems

In some countries, requirements on goods declarations and reporting are relaxed, and Customs sometimes has limited access to the cargo management system of the FZ operating body. It is necessary to establish proper reporting obligations, and to give Customs full access to the data stored electronically in the FZ operating body's systems.

Customs audit

Considering that in many FZs, tenants can store goods for an unlimited period, a Customs audit of companies operating in FZs is one of the most suitable and important tools for Customs to supervise activities there.

Customs control and surveillance

In order to combat illegal activities in FZs, Customs should have the competence to enter FZs to inspect goods, as well as to detect and seize goods, regardless of whether the intended transactions

are storage, manufacturing, transit/transshipment, or domestic consumption. It is essential that Customs control not only the movement of cargo at entry and exit points, but also during the storage and processing stages, via periodic onsite visits or visits at any time which they consider necessary.

Cooperation

Cooperation mechanisms with operators and companies, such as periodic dialogue and reporting, and the provision of adequate training, are necessary alongside the company approval process. Such periodic dialogue and sharing of information would enable Customs and the private sector to work together to solve any issues and challenges in FZs.

Furthermore, WCO Members' national experience indicates that being a formal member of an FZ governmental board would provide greater opportunities for Customs administrations to play a part in all decisions related to FZs, and would also ensure smoother communication with all relevant bodies.

Conclusion

Compared to the 1980s and 90s, when FZs became popular, Customs procedures have been substantially simplified through the use of technology. Moreover, FZs offer a variety of non-Customs related economic incentives. Today, arguing for relaxed Customs procedures and controls in FZs under the guise of promoting economic development seems rather outdated. Benefits can be provided without sacrificing the safety and security of trade.

Furthermore, ensuring effective controls in FZs contributes to improving the business environment at the national and international level. Lack of oversight over FZs impacts not only the country where the FZ is located, but also a country's trading partners.

Customs administrations are, therefore, encouraged to review or argue in favour of a revision the legal framework around FZs when needed, in line with the guidance provided by the WCO and in coordination with all public and private FZ-related authorities, with the objective of enhancing their compliance with the law and building a safe and sustainable global trade ecosystem.

More information

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Internet domain name ownership data: understanding changes and useful suggestions for Customs

By Brian J. King, Director of Internet Policy and Industry Affairs, MarkMonitor

Computers identify websites with an IP address, a long string of numbers separated by periods, which are difficult for humans to remember. Websites also have an address, made up of alphanumeric letters that usually spell out a word or brand name, called a domain name.

Since the creation of the internet as we know it, internet domain name ownership information has been publicly available in a database known as “WHOIS” – i.e. “who is” the owner of a domain name. Like other public databases of information pertaining to land title, trademark registration, or business entity ownership, WHOIS data serves the public interest in several ways, including as an important tool for law enforcement authorities. Richard D. Green, Chair of the G7 High Tech Crime Subgroup, recently wrote, “Supporting investigations related to phishing, malware, ransomware, counterfeit products, child sexual abuse material and terrorism, among other offences, as well as to facilitate the identification of victims and offenders, goes to the essence of providing domestic security for the citizens of G7 members. As such, WHOIS constitutes a key element of online accountability¹.”

However, the availability of this data to law enforcement authorities and other good actors has been significantly reduced as a result of the European Union’s General Data Protection Regulation (GDPR), which went into effect in May 2018. Overreaction based on fears of GDPR’s potential for crippling fines and business shutdown orders has led to broad misapplication of the law. GDPR is currently being misapplied both inside and outside the EU, resulting in domain names being listed in the WHOIS without personal data, significantly diminishing the usefulness of WHOIS to law enforcement authorities. While work is currently underway to correct early over-application of the law and build a system to

facilitate standardized access to this data, one of the most important tools for online law enforcement investigations hangs in the balance. More information follows, including ways governments can help improve the outcome of this internet policy development, as well as resources and best practices for Customs agencies to access WHOIS data in the short-term while these policies are being developed and implemented.

Background

In many ways, the ability to access WHOIS data has long contributed to trust in, and the security and stability of, the global Domain Name System (DNS), the hierarchical and decentralized naming system for computers, services, or other resources connected to the Internet or a private network. In the early days of the internet, many of today’s universal protocols were still being developed, and WHOIS data was often needed to contact system administrators to resolve technical problems with domain names and the systems that used them. Today, the internet’s very existence still requires the universal, voluntary use of standardized protocols, i.e. all systems communicating with each other in the same way. The ability to notify administrators when systems behave in a way that is inconsistent with those protocols remains as important as ever to the continued success of the internet.

Similarly, for the past several decades law enforcement authorities, cybersecurity investigators, intellectual property owners, and everyday consumers have come to trust WHOIS data to verify that website owners and email senders are who they claim to be. Because of the extraterritorial nature of the internet, there is no global internet police force, and no single entity can make global laws for its use. Rather than having an internet police force, the global DNS relies on local law enforcement, independent cybersecurity experts, IP owners, and consumer

1 <https://www.icann.org/en/system/files/correspondence/green-to-chalaby-21jun19-en.pdf>

protection agencies to contribute in their own way, and WHOIS has been described as the “first line of defence²,” enabling good actors to engage in self-help in order to address technical and legal problems for the greater good.

Registry, registrar and registrant

There are three different roles involved in the domain name registration process: the registry, the registrar, and the registrant. A domain name registry creates domain name extensions, sets the rules for domain names, and works with registrars to sell domain names to the public. For example, Verisign manages the registration of .com domain names and their DNS. The registries manage large, centralized databases with information about which domain names have been claimed and by who.

The registrar sells domain names to the public for a certain period of time and updates the registry when a customer purchases a new domain name. Some have the ability to sell top-level domain names (TLDs) like .com, .net and .org, or country-code top-level domain names such as .us, .ca and .eu. Lastly, a registrant is a person or company that registers a domain name.

What data is available?

Data collected from domain name owners includes the name, organization (if applicable), postal address, email, and telephone number of the owner, known as the domain name registrant. Domain owners may also provide additional information for a technical contact (e.g., an outsourced technical service provider), if applicable. While this might seem like a wealth of information to Customs agencies for whom woefully minimal data about shipments and shippers is the norm, only a very limited subset of the WHOIS data collected is public. See chart 1 for comparison.

The result is that very little helpful information is available publicly, but more data is available to law enforcement authorities upon request. Information on how to request this data follows.

Who controls the data?

While many countries have laws governing content on internet websites, the global DNS that routes traffic and serves as a source identification for websites and email is coordinated through a multistakeholder governance model. In the late

1990s, the nonprofit Internet Corporation for Assigned Names and Numbers (ICANN) was formed to globalize domain names and IP address numbers, which were managed under a contract controlled by the US Department of Commerce before being handed over to ICANN. In this multistakeholder governance model, governments collectively account for just one advisory committee among many other stakeholders, including private intellectual property and non-commercial civil society interests³.

Chart 1: Status of the data collected from domain name owners in WHOIS

Registrant	Status
Name	Collected, not published
Organization	Published, only if provided
Street address	Collected, not published
City	Collected, not published
State/Province	Published
Postal code	Collected, not published
Country	Published
Phone	Collected, not published
Email	Collected, not published
Technical Contact (optional)	
Name	Published, only if provided
Phone	Published, only if provided
Email	Published, only if provided

In order to promote competition and consumer choice in the domain name industry, ICANN serves as a regulator for the domain name registrar industry, accrediting thousands of registrars to ensure domain name owners enjoy the benefits of choice and competition among registrars. ICANN also contracts with registries. Registrars and registries together are known as “contracted parties” in that their business is dependent on their non-negotiable contract with ICANN. Registrars compete for customers based on domain name pricing, availability of security features, and value-added services like website builders and email hosting. At the most functional level, registrars perform the basic technical task of adding a domain name to the global DNS and renewing it each year. As part of this core function, each registrar is responsible for storage and some level of accuracy validation of WHOIS data for every domain name under its management.

² <https://www.igfusa.us/remarks-of-david-j-redl/>

³ <https://www.icann.org/community>

What's happening today?

Since the entry into force of the European Union's General Data Protection Regulation (GDPR) in May 2018, ICANN requires registrars to make a minimal subset of public WHOIS data available to all internet users upon request, both via a publicly accessible server responding to computer-generated requests, and in a user-friendly format on each registrar's website. But the non-public WHOIS data remains hidden from law enforcement and other parties with a lawful basis for accessing the data due to the risk of violating the data protection law. While ICANN's stakeholders work to develop policies to enable standardized access to redacted WHOIS data for such entities, ICANN unilaterally conscripted its contracted parties into manually evaluating requests for non-public data via a "Temporary Specification⁴." Unlike normal ICANN policy development that must be based on consensus among its stakeholders, a "Temporary Specification" is cramdown, non-negotiable, short-term policy.

Unfortunately, by many accounts, the Temporary Specification has been an abject failure. In the first nine months of the GDPR and the Temporary Specification being in effect, MarkMonitor, the global leading online brand protection service provider, submitted over 1,000 separate requests to registrars for non-public WHOIS data⁵. These requests were manually reviewed and sent by the world's top brand protection analysts and were related to websites confirmed to be infringing on more than 15 world-famous client brands. Of these requests, 86% were either ignored for 30 days and deemed denied, or were explicitly denied without any indication that the request was actually considered. Anecdotally, many law enforcement requests have similarly fared badly. Another troubling anecdote arose during the ICANN66 Montreal meeting in November 2019 when ICANN reported that a registrar had sent a generic denial message to an EU Member State's data protection authority, which was investigating a data breach on a website using a domain name sponsored by the registrar.

Progress and best practices

The first phase of ICANN's Expedited Policy Development Process (EPDP) focused solely

on the collection of WHOIS data and the public availability of a minimum subset of this data. Phase 1 has now been concluded, pending implementation formalities. To the disappointment of many in the IP and the law enforcement community, Phase 1 largely confirmed the requirements of the Temporary Specification into permanent ICANN consensus policy for one-off, registrar-decided disclosure of non-public registration data. Law enforcement authorities and the IP community now rely on Phase 2 of the EPDP to deliver a system for standardized access to non-public WHOIS data.

In response to this Phase 1 policy, the Registrar Stakeholder Group published guidance for WHOIS data requestors on how to submit a one-off request for non-public WHOIS data.⁶ This guidance is non-binding on registrars and will not guarantee disclosure of WHOIS data to law enforcement authorities for any given request. However, following this guidance should provide the best chance of successfully achieving disclosure of WHOIS data at a registrar's discretion. Another development from the EPDP's Phase 1 policy is that each registrar must publish its policy and process for handling one-off disclosure requests on its website. While this requirement is not yet in effect, some of the largest registrars have already provided this guidance. MarkMonitor's registrar policy may be viewed here⁷ for reference.

While some registries and registrars have been unresponsive to private sector requests, many are happy to work with law enforcement organizations who wish to request WHOIS data. Customs administrations may identify the registry and registrar for a given domain name by submitting a WHOIS query through any number of public lookup utilities, including MarkMonitor's free public WHOIS⁸, and then contact that entity directly. Many registries will list their law enforcement policies and processes on their website, and the contact information for each registry is publicly available⁹. Registrars are also contractually obligated to list their abuse complaints processes on their website, and many include specific instructions for law enforcement agencies. Several law enforcement organizations have relationships with many popular registrars, and can assist Customs administrations in making these requests more successfully. Such

4 <https://www.icann.org/en/system/files/files/gtld-registration-data-temp-spec-17may18-en.pdf>

5 <https://www.markmonitor.com/mmblog/brand-protection/gdpr-whois-and-impacts-to-brand-protection-nine-months-later/>

6 <https://rrsg.org/minimum-required-information-for-whois-data-requests/>

7 <https://rrsg.org/minimum-required-information-for-whois-data-requests/>

8 <https://domains.markmonitor.com/whois/>

9 <https://www.iana.org/domains/root/db>

groups include the Europol Cybercrime Centre (EC3)¹⁰ and the National Cyber-Forensics and Training Alliance (NCFTA)¹¹, as well as multinational groups including the Joint Cybercrime Action Taskforce (J-CAT)¹², and the Intellectual Property Rights Coordination Center (IPR Center)¹³.

An Initial Report on Phase 2 of the EPDP has recently been published for public comment on a proposed System for Standardized Access/Disclosure (SSAD) of non-public WHOIS data.¹⁴ The Initial Report includes details on how entities can become accredited to access WHOIS data and what information will be required to grant access to this data. Importantly, the Initial Report includes the concept of automated access for law enforcement authorities within their jurisdiction, though it lacks clarity on how other requests will be approved or denied, who the “data controller(s)” will be (an important factor in data protection law), and how the SSAD can evolve and gain efficiencies over time as data protection law evolves.

What can be done?

Due to the global coronavirus pandemic and the publication of the Phase 2 Initial Report

Addendum¹⁵, the deadline for public comments on Phase 2 of the EPDP Initial Report has been extended until 5 May 2020¹⁶. Law enforcement interests are represented in the EPDP and in the ICANN multistakeholder model, generally through the Governmental Advisory Committee (GAC). GAC members are often designated by a jurisdiction’s telecommunication agency, cybersecurity agency, or similar entities. Customs agencies are able to find out which governmental agency in their jurisdiction serves as a liaison point to the GAC by searching here¹⁷.

MarkMonitor is pleased to represent the IP constituency within ICANN’s multistakeholder model in the EPDP, and to help advocate for our law enforcement partners with whom we share a valued relationship. We welcome any thoughts and input from our global Customs partners, and remain available to discuss the EPDP and other global policy matters.

More information

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¹⁰ <https://www.europol.europa.eu/about-europol/european-cybercrime-centre-ec3>

¹¹ <https://www.ncfta.net/>

¹² <https://www.europol.europa.eu/activities-services/services-support/joint-cybercrime-action-taskforce>

¹³ <https://www.iprcenter.gov/>

¹⁴ <https://www.icann.org/public-comments/epdp-phase-2-initial-2020-02-07-en>

¹⁵ <https://www.icann.org/public-comments/epdp-phase-2-addendum-2020-03-26-en>

¹⁶ <https://www.icann.org/news/blog/epdp-team-publishes-addendum-to-phase-2-initial-report-for-public-comment>

¹⁷ <https://gac.icann.org/about/members>

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