Harmonisation of Customs Formalities for international railway transport

HLEGM on the Harmonization of the Rules and Regulations for Facilitation of International Railway Transport
Ankara, 3-4 May 2018
Introduction to the WCO

➢ Established in 1952 as the Customs Co-operation Council
➢ Independent intergovernmental organization exclusively focused on Customs matters
➢ Member-driven

➢ Headquarters in Brussels
➢ website: www.wcoomd.org
➢ Currently 182 Members from all geographic regions and at different stages of development
➢ Members are responsible for managing > 98% of world trade
➢ Members are grouped in 6 regions supported by regional structures
Key functions of the WCO

- Capability and responsibility for global standard setting for Customs
- Cooperation with other international organizations and other agencies
- Capacity Building / Technical Assistance delivery
- Network of accredited experts from Customs Administrations
- Donor engagement
Standard setting – the WCO Instruments

➢ Conventions
➢ SAFE Framework of Standards
➢ Recommendations
➢ Guidelines, compendia
➢ WCO Data Model
The Revised Kyoto Convention

- The WCO Council adopted the Revised Kyoto Convention in June 1999 as the blueprint for modern and efficient Customs procedures in the 21st century
- Was the basis for the TFA negotiations
- Currently 113 Contracting Parties
- 32 of 53 ESCAP MS are RKC CPs (60% ESCAP MS)
SAFE FoS

SAFE Framework of Standards to Secure and Facilitate Global Trade

- Adopted by the WCO Council in 2005 – 2 pillars: C2C and C2B
- 169 Members expressed intent to implement the SAFE FoS
- 2015 edition of the SAFE FoS – a 3rd pillar added: C2OGA
WCO Transit Guidelines

- Launched at the Global Transit Conference, 10-11 July 2017, WCO Headquarters in Brussels
  - Conference attended by over 200 delegates from more than 80 countries
- Supplement the Transit Handbook released by the WCO in 2014
- The Transit Guidelines contain 150 guiding principles
- Organized in 13 sections
WCO guidelines, compendia and other tools

- Risk Management Compendium
- Post-Clearance Audit Guidelines
- CBM Compendium
- Customs-Business Partnership Guidance
- Time Release Study Guide
- Data Model
- Single Window Compendium
- Globally Networked Customs
- NCTF Guidance
- Transparency and Predictability Guidelines
ESCAP – OSJD Framework for enhancing the efficiency of railway border crossings along the TARN

Recommendations to efficiently complete the Customs and OGA formalities:

➢ Submission of pre-arrival information in a standardized format
➢ Risk assessment and selective controls done jointly by control agencies at the railway border crossings
➢ Use of railway consignment note as a customs declaration
➢ Single electronic window facility for Railway Transport and electronic information exchange among the government agencies
➢ Use of new technologies and non-intrusive inspections to streamline operations at railway border crossings
➢ Simplifications, reduction and harmonization of documents for customs transit formalities for international railway transport
RKC, Standard 3.25

• National legislation shall make provision for the lodging and registering or checking of the Goods declaration and supporting documents prior to the arrival of the goods.
Pre-arrival information

SAFE FoS, Pillar 1, Standard 1 – Integrated Supply Chain management

• The Customs administration should follow integrated Customs control procedures as outlined in the World Customs Organization's (WCO) Customs Guidelines on Integrated Supply Chain Management (ISCM Guidelines).

i. Export Goods declaration

The exporter or his/her agent should submit an advance electronic export Goods declaration to the Customs at export prior to the goods being loaded onto the means of transport or into the container being used for their exportation. For security purposes, the Customs should not require the advance export Goods declaration to contain more than the details listed in the Annex II. The exporters have to confirm to the carrier in writing, preferably electronically, that they have submitted an advance export Goods declaration to Customs. ...
Pre-arrival information

SAFE FoS, Pillar 1, Standard 1 – Integrated Supply Chain management

ii. Import Goods declaration

The importer or his/her agent should submit an advance electronic import Goods declaration to the Customs at import prior to arrival of the means of transport at the first Customs office or, for maritime container shipments, prior to loading. For security purposes, Customs should not require more than the details listed in the Annex II. ...

The Authorized Supply Chain provides the possibility to integrate the export and import information flows into one single declaration for export and import purposes, which is being shared between the Customs administrations concerned.
Pre-arrival information

SAFE FoS, Pillar 1, Standard 1 – Integrated Supply Chain management

iii. Cargo declaration

The carrier or his/her agent should submit an advance electronic cargo declaration to the Customs at export and/or at import. For maritime containerized shipments, the advance electronic cargo declaration should be lodged prior to the goods/container being loaded onto the vessel. For all other modes and shipments, it should be lodged prior to the arrival of the means of transport at the Customs office at export and/or import. For security purposes, Customs should not require more than the details listed in the Annex II.
Pre-arrival information

SAFE FoS, Pillar 1, Standard 1 – Integrated Supply Chain management

ix. Time limit

The exact time at which the Goods and Cargo declarations have to be lodged with the Customs administration at either export or import should be defined by national law after careful analysis of the geographical situation and the business processes applicable for the different modes of transport, and after consultation with the business sector and other Customs administrations concerned. Customs should provide equal access to simplified arrangements to AEOs regardless of the mode of transport. However, in order to ensure a minimum level of consistency and without prejudice to specific situations, Customs should not require the advance declarations to be submitted more than:

...  

Rail

2 hours prior to arrival at the first port in the country of destination.
Pre-arrival information

SAFE FoS, Pillar 1, Standard 1 – Integrated Supply Chain management

WCO Data Model

Customs administrations should ensure that their respective IT systems are interoperable and are based on open standards. To this end, Customs should use the WCO Data Model, which defines a maximum set of data for the accomplishment of export and import formalities. The Data Model also defines the electronic message formats for relevant Cargo and Goods declarations.

The WCO Data Model includes all the data elements listed in the Annex II that may be required by way of advance information for security purposes.
83. Customs administrations and OGAs should encourage the lodgement of transit declarations and supporting documents prior to the arrival of goods by any means of communication.

84. When national legislation obliges transit operators to submit an electronic transit declaration in advance, the time limit and other requirements should follow the standards and technical specifications of the WCO SAFE Framework of Standards.
Risk assessment/management

RKC

Standard 6.3
• In the application of Customs control, the Customs shall use risk management.

Standard 6.4
• The Customs shall use risk analysis to determine which persons and which goods, including means of transport, should be examined and the extent of the examination.

Standard 6.5
• The Customs shall adopt a compliance measurement strategy to support risk management.
Risk assessment/management

SAFE FoS, Pillar 1, Standard 1 – Integrated Supply Chain management

Risk assessment

In the integrated Customs control chain, Customs control and risk assessment for security purposes is an ongoing and shared process commencing at the time when goods are being prepared for export by the exporter and, through ongoing verification of consignment integrity, avoiding unnecessary duplication of controls. To enable such mutual recognition of controls, Customs should agree on consistent control and risk management standards, the sharing of intelligence and risk profiles as well as the exchange of Customs data, taking into account the work which has been carried out within the context of the WCO Global Information and Intelligence Strategy (GIIS). Such agreements should foresee the possibility of joint monitoring or quality control procedures to oversee the adherence to the standards.
Risk assessment/management

SAFE FoS, Pillar 1, Standard 1 – Integrated Supply Chain management

Exchange of information for high-risk consignments

As part of the integrated Customs control chain, Customs administrations along the supply chain must consider **Customs-to-Customs data exchange**, in particular for high-risk consignments, to support risk assessment and facilitate release. Such an electronic messaging system could include the exchange of notifications about the export transaction, including the control results, as well as a corresponding arrival notification.
Risk assessment/management

SAFE FoS, Pillar 1, Standard 4 – Risk Management Systems

- The Customs administration should establish a risk-management system to identify potentially high-risk cargo and/or transport conveyances and automate that system. This management system should include a mechanism for validating threat assessments and targeting decisions and implementing best practices.
Risk assessment/management

SAFE FoS, Pillar 1, Standard 4 – Risk Management Systems

WCO Customs Risk Management Compendium

The Compendium is comprised of two separate but interlinked volumes. **Volume 1** deals with organizational aspects of risk management. It describes the different building blocks of an organizational risk management framework. Embedding risk management as an organizational culture and building risk management capacity in gradual steps are also included in Volume 1.

**Volume 2** deals with operational risk management. It includes “enforcement sensitive” material for “Customs only” purposes, including numerous practical guides and templates for assessing risks in relation to the movement of goods, people, conveyances, economic operators and other parties to international trade. The topics covered in Volume 2 can be categorized into four broad clusters: risk assessment, profiling and targeting; risk indicators; analysis; and information and intelligence.
89. Customs administrations should develop and maintain a risk management system for Customs controls on transit in line with the WCO Risk Management Compendium.

90. Governments are encouraged to set up integrated risks management systems between all border control agencies involved both within a country and between neighbouring countries/countries who are parties to regional integration initiatives.
Joint controls with OGA

RKC

Transitional Standard 3.35

If the goods must be inspected by other competent authorities and the Customs also schedules an examination, the Customs shall ensure that the inspections are co-ordinated and, if possible, carried out at the same time.
Joint controls with OGA

SAFE FoS, Pillar 3, Standard 1 - Mutual Cooperation

• Governments should foster mutual cooperation between their Customs administration and other competent government agencies.

Mutual cooperation is encouraged between Customs and other competent government agencies that regulate the movement of cargo in different modes of transport including intermodal.
Joint controls with OGA

SAFE FoS, Pillar 3, Standard 1 - Mutual Cooperation

Cooperation between Customs and Land Transportation Authorities Customs should establish mutual cooperation with land transportation authorities in relation to transportation by land (including rail). Cooperation may include areas such as the initial security assessment procedure, the exchange of available and appropriate information and where possible alignment of compliance controls and follow-up activities.
Joint controls with OGA

• SAFE FoS, Pillar 3, Standard 4 - Harmonization of national control measures

• Governments should harmonize the supply chain security national control measures of government agencies, including risk management and risk mitigation, in order to limit any negative impact of those measures on legitimate trade and international movement.
127. If the transit goods need to be inspected by multiple border agencies, the inspection should be carried out at the same place and time.

128. Governments are encouraged to give Customs administrations the legal authority to conduct inspections on transit goods on behalf of other border control agencies, when specific expertise is not required.

129. Governments are encouraged to plan joint controls, considering resource sharing and exchange of the intelligence data between Customs administrations and OGAs.

130. Governments should cooperate with the governments of neighbouring countries to conduct joint controls on transit goods. Governments are encouraged to recognize the results of controls and risk management activities carried out by other governments in order to avoid unnecessary multiple inspections on the transit goods.
Joint controls with OGA

Other WCO tools:

➢ CBM Compendium
➢ Single Window Compendium
➢ WCO Data Model
Use of railway consignment note as a customs declaration

RKC, Chapter 1 of Specific Annex E

Standard 6

• Any commercial or transport document setting out clearly the necessary particulars shall be accepted as the descriptive part of the Goods declaration for Customs transit and this acceptance shall be noted on the document.

Recommended Practice 7

• The Customs should accept as the Goods declaration for Customs transit any commercial or transport document for the consignment concerned which meets all the Customs requirements. This acceptance should be noted on the document.
Use of railway consignment note as a customs declaration

WCO Transit Guidelines, Section 5 – Simplification of formalities, sub-section 1.2

77. Customs administrations should accept commercial or transport documents (paper and/or electronic) for the transit declaration if the document meets all the Customs requirements.

78. Customs administrations are encouraged not to require the declarant to submit specific data on the transit declaration if the accompanying commercial or transport documents clearly cover the necessary particulars.

79. Governments are encouraged to work together with all relevant stakeholders to standardize different commercial and transport documents.
Governments should establish and/or maintain Single Window enabling transit operators to submit transit declarations and other required documentation to the participating authorities or agencies **through a single entry point**.

To establish an effective Single Window which includes transit operations, Customs administrations should refer to the **recommendations contained in the WCO Single Window Compendium**.

The Single Window should ensure that the required documentation and/or data that have already been received through the Single Window **should not be requested again** by the participating authorities or agencies except under urgent circumstances.

Exceptional cases when the documentation received through the Single Window are required to be resubmitted should be **specified and made publicly available**.
Single Window

Other WCO tools:

- Single Window Compendium
- CBM Compendium
- WCO Data Model
Use of NII

SAFE FoS, Pillar 1, Standard 3 – Modern Technology in Inspection Equipment

- Non-intrusive inspection equipment and radiation detection equipment should be available and used for conducting inspections, where available and in accordance with risk assessment. This equipment is necessary to inspect high-risk cargo and/or transport conveyances quickly, without disrupting the flow of legitimate trade.
Simplification and harmonisation of documents

RKC

Standard 3.16
• In support of the Goods declaration the Customs shall require only those documents necessary to permit control of the operation and to ensure that all requirements relating to the application of Customs law have been complied with.

Standard 3.17
• Where certain supporting documents cannot be lodged with the Goods declaration for reasons deemed valid by the Customs, they shall allow production of those documents within a specified period.

Transitional Standard 3.18
• The Customs shall permit the lodgement of supporting documents by electronic means.

Standard 3.19
• The Customs shall not require a translation of the particulars of supporting documents except when necessary to permit processing of the Goods declaration.
73. Customs administrations and other governmental agencies (OGAs) should reduce the data required for the transit declaration to the data necessary to identify the goods and means of transportation, and to ensure that the requirements of the Customs administration and OGAs are met.

74. Customs administrations and OGAs should review the formalities and documentary requirements for transit with a view to minimizing their complexity.

75. Customs administrations are encouraged to create special favourable conditions and requirements, including submission of data, and simplified forms for transit operations for small and medium-sized enterprises (SMEs).

76. Customs administrations and OGAs should review the formalities and documentary requirements for transit with a view to harmonizing them with the regional and international requirements.
81. Customs administrations and OGAs should identify and publish the list of required supporting documents that should accompany the transit declaration, and only keep those documents that are essential.

82. Customs administrations and OGAs should accept electronic copies or electronic supporting documents for transit formalities.
Customs – Railways Cooperation

- WCO signed MoUs with OTIF (July 2017) and OSJD (March 2018)
- WCO Permanent Technical Committee discusses Customs - Railways Cooperation (October 2017 and April 2017)
  - Areas to be addressed:
    - Customs transit declaration
    - Pre arrival advance electronic information (AEI)
    - WCO Data Model
    - Passenger control
    - Customs transit procedures in respect of postal items
Thank you for your kind attention!

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