EUROPEAN CONFERENCE ON ICT
3RD 4 TRANSPORT LOGISTICS

B2A systems and collaborative processes‘ interoperability

Frank Verbeeck

Senior Officer

Federal Public Service Finance

General Administration of Customs and Excise

Managementsupport

National & International Collaboration

e-mail : frank.verbeeck@minfin.fed.be

Federale Overheidsdienst FINANCIEN

1. Customs today versus tomorrow

2. Smart CM

3. World Customs Organisation: Globally Networked Customs

1. Customs today versus tomorrow

- Today's organisational model
  - REACTIF CONTROLS
  - BASED ON **DISTRUST**

  Transaction-based **CONTROL** model

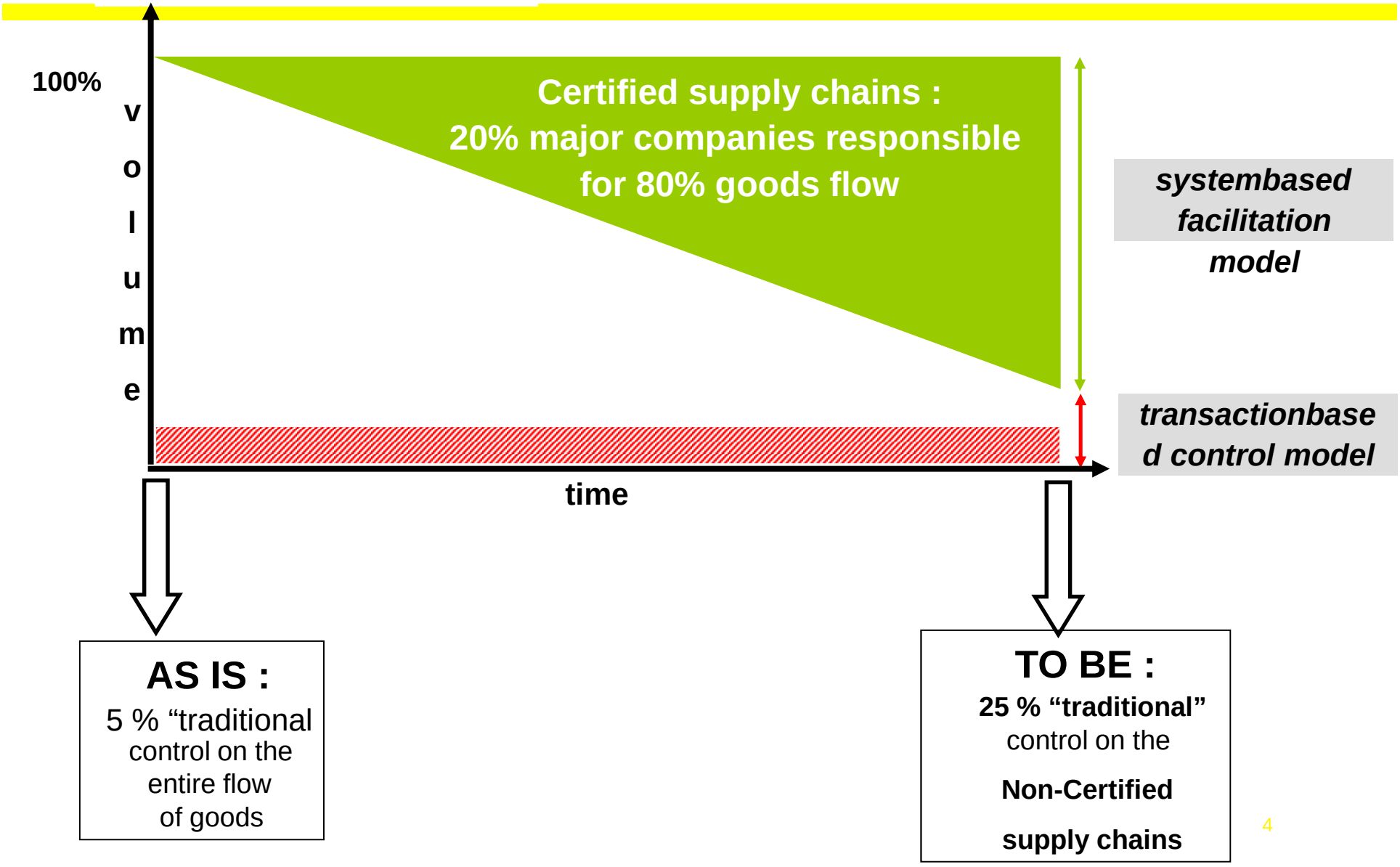
Expand with

- Tomorrow's organisational model
  - PRO ACTIVE
  - BASED ON **CONFIDENCE**

  Sytem-based **FACILITATION** model

EUROPEAN CONFERENCE ON ICT
3RD 4 TRANSPORT LOGISTICS

1. Customs today versus tomorrow



2. Smart CM

- **Smart Container Management (**http://www.smart-cm.eu)
- Project of EU - Framework Programme 7
- Consortium of authorities and private partners: CtoC , BtoC and BtoB
- Smart-CM overall objectives:
  - create a **SMART-CM service platform** for all actors in supply chain
  - designs a concept for "**single-window**" access to container and cargo security independently of the CSD technology used

2. Smart CM

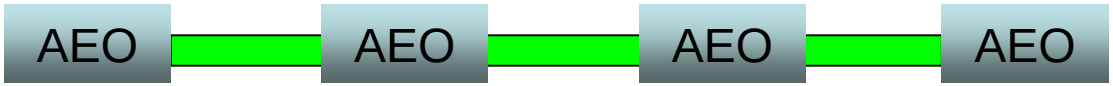
31 partners, 11 countries, broad mix of industrial key actors

(forwarders, port autorities, shipping lines, terminal operators and customs, scientific support of universities and consultants)

Participant organization name	Country
Centre of Research and Technology Hellas/Hellenic Institute of Transport (CERTH/HIT)	Greece
Fraunhofer Institut for Material Flow and Logistics (FhG)	Germany
BPV	Germany
DHL Global Forwarding - DHL Management Ltd. (DHL)	Switzerland
COSCO Network e-logistics	China
COSCO Container Lines	China
EDC	Belgium
TNO	Netherlands
EIA	EU
VTT	Finland
TREDIT SA	Greece
Planet SA	Greece
PTV	Germany
University of Rome	Italy
TIFFA	Thailand

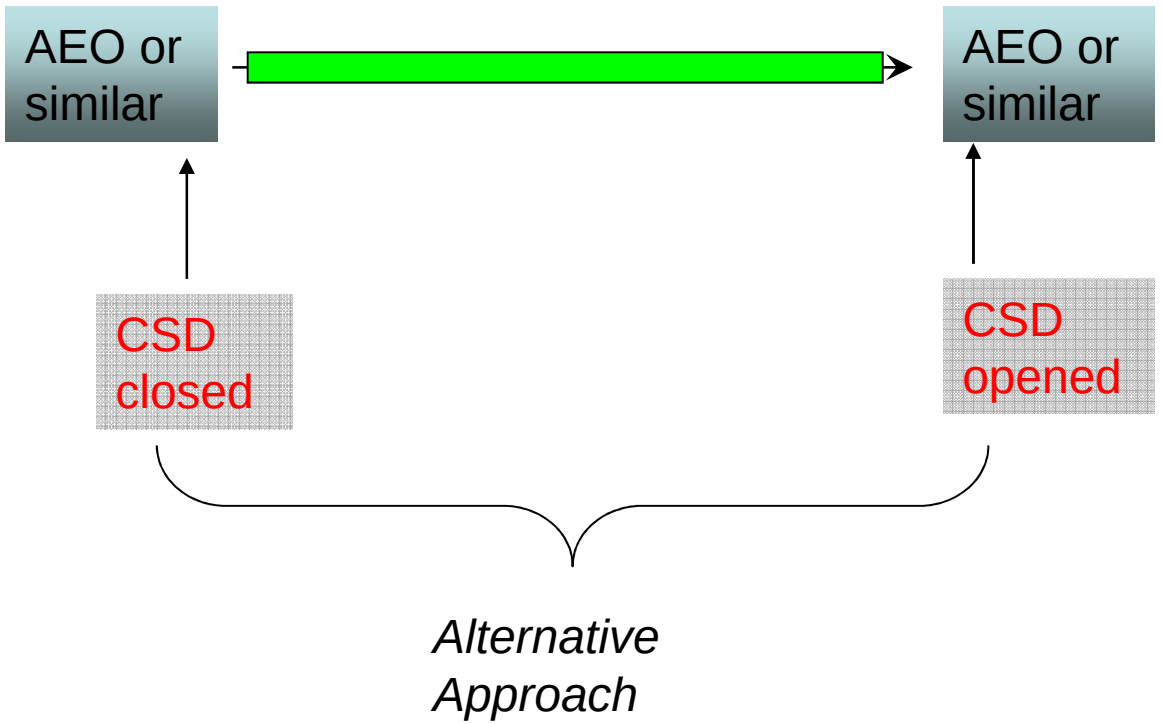
Participant organization name	Country
TIFFA - EDI	Thailand
Ningbo Port Group Information & Communication Ltd (NPIC)	China
Thessaloniki Port Authority	Greece
Kuehne&Nagel	Austria
PSA HNN	Belgium
Belgian customs	Belgium
Port Authority of Antwerp	Belgium
Sequoyah International Restructuring N.V.	Belgium
VIL (Flemish Institute of Logistics)	Belgium
Porthus	Belgium
PROODOS SA	Greece
European Committee for Standardization (CEN)	Belgium
International Cargo Security Association (ICSO)	Belgium
Hellenic Ministry of Finance (Greek Customs)	Greece
The peninsular & OPriental Steam Navigation Company-P&OSNCO (DP World)	England
Maritime Association for Research and Innovation	Italy

Customs' perspective: Test green lane concept



Classic EU approach

Customs participation perspective: Test green lane concept

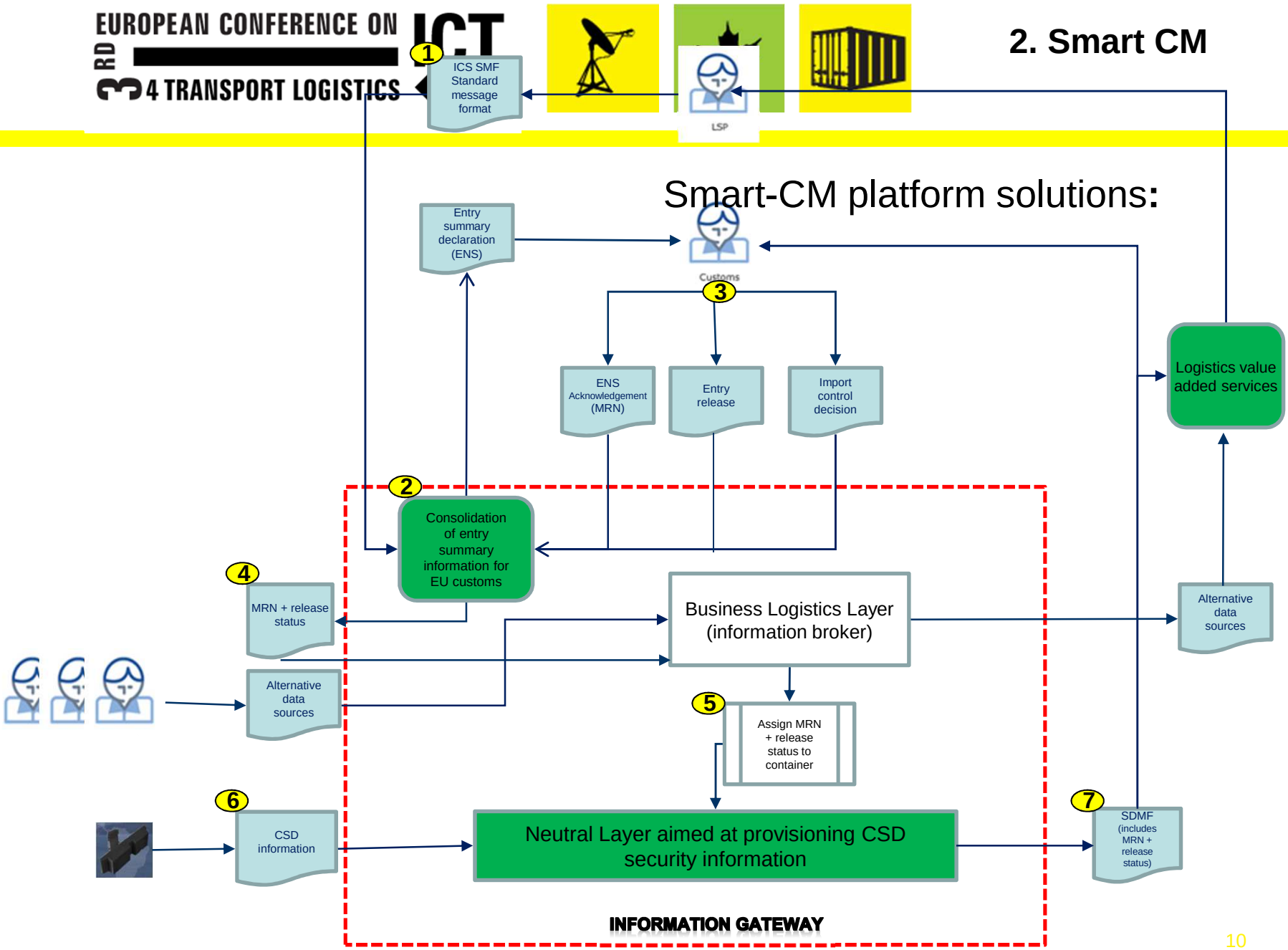


In order to create green lanes: **Customs' main requirements** for Smart-CM platform :

- Container integrity **status information**: Alert message in case of unauthorised opening or "breach"
- Assign **cargo data** (consignment) to container: follow up
- **Authorised opening/closing** procedure for control purposes

2. Smart CM

Smart-CM platform solutions:



Necessary arrangements (non legally binding) with 3rd country customs:

•Facilitate **entry of container security devices** before departure of demonstrator trip : temporary admission and easy re-exportation when attached to container

•Observe stuffing of container before sealing or Authorised Economic Operator status: **container content as declared**

•Consider procedure for **authorised opening** of container by customs

•Give **“green” lane facilities** to containers equipped with CSD so that test is not jeopardised by stopping container for control purposes and that tangible benefits for trade are shown

•Level of **participation** in project depends on possibility of 3rd country customs to invest ressources: from observer status up to setting up green lanes

3. World Customs Organisation: Globally Networked Customs

World Customs Organisation (WCO-OMD) :

•International **intergovernmental** organization that deals with Customs procedures
governing trade between countries

•Improve effectiveness and efficiency of Customs administrations

•Fulfil dual role of **facilitating** trade whilst ensuring its **security**

•Born after Second World War to re-launch world trade, and to provide a platform for Customs issues

•Officially established in **1952** as “Customs Co-operation Council”

- **21 st century policy document** of the WCO defines the role and missions for customs in the 21 st century

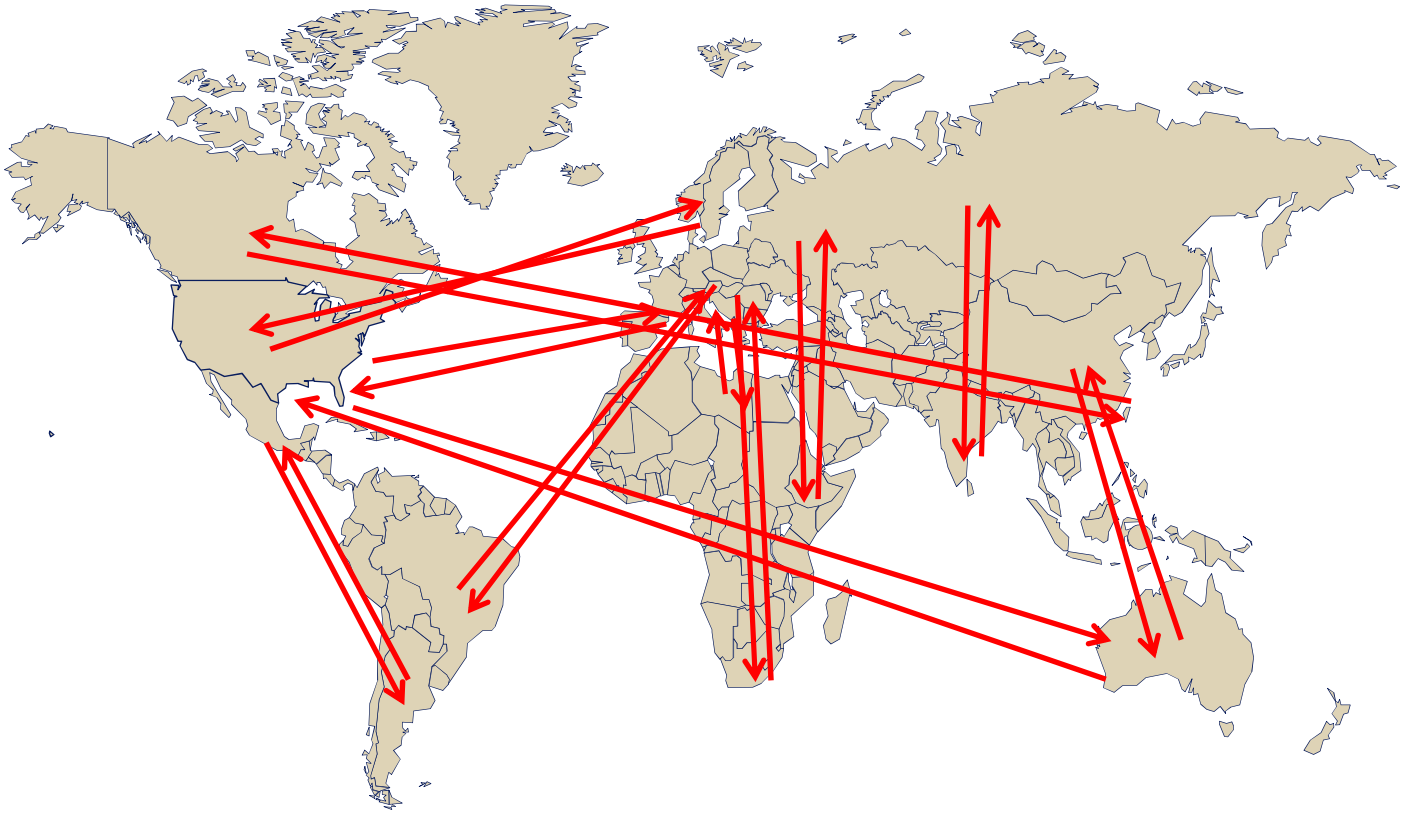
- 10 **building blocks**

- 1st building block is Globally Networked Customs: Need for communication **Customs – Customs & Customs – Business**

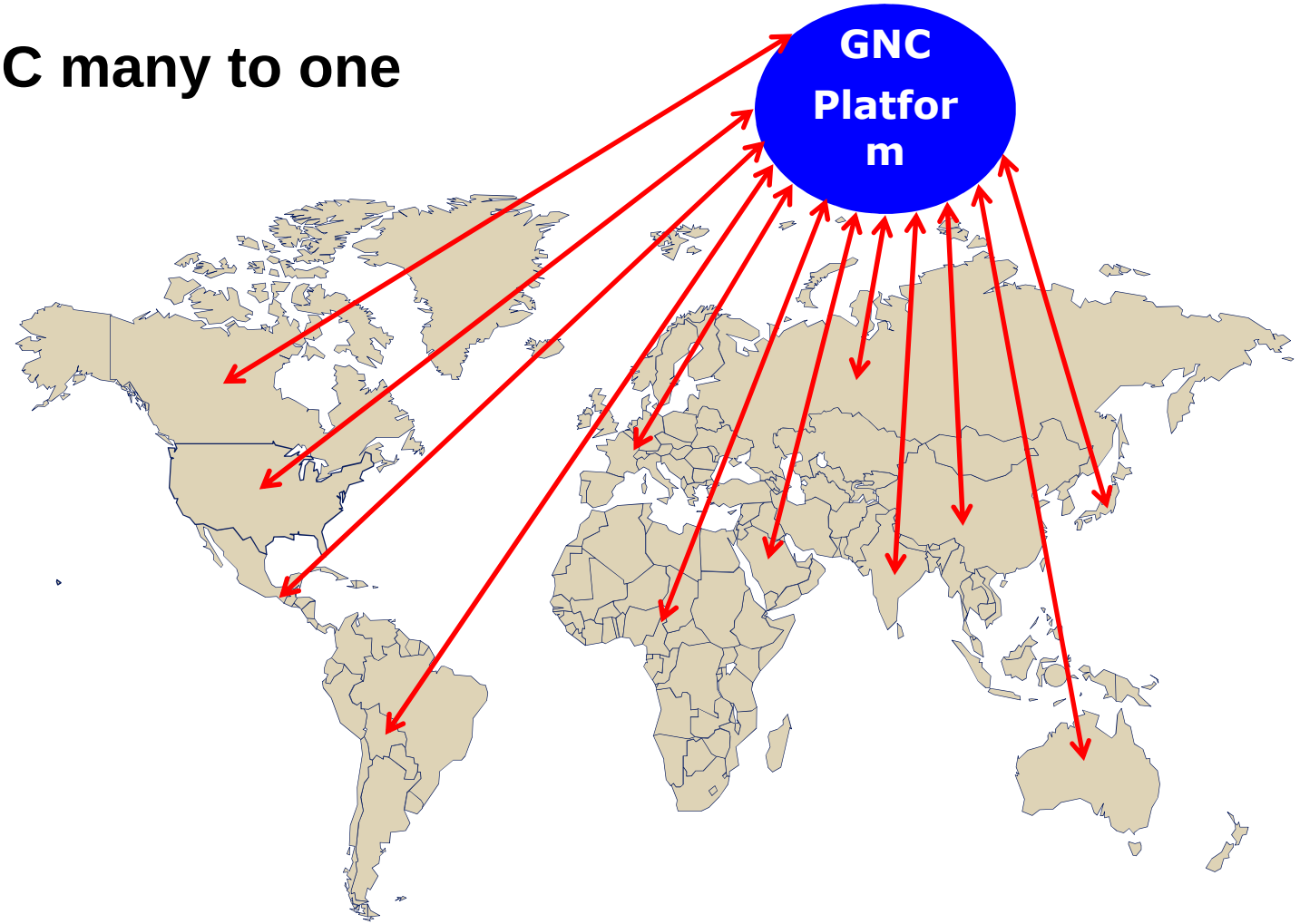
- **Globally networked customs** : enabler of the 9 other building blocks of WCO's "Customs - 21 document"

- Mr. COLPIN, Administrator-General of Belgian Customs is chairman of WCO's **Ad hoc high level working group** on Globally Networked Customs.

Why GNC: C2C many to many



C2C many to one



Benefits For Customs :

- "**one-to-many**" approach ➔ need protocols and standards for interoperability, but once in place : global solution (no need for cumbersome bilateral data exchange) ➔ easier integration with national existing customs systems

- "one single" or "**few" access points** ➔ easier and cheaper to connect to and to maintain

- Worldwide system could be used for **diffusion of risk alerts** or provide consistent risk framework

- All cargo data accessible upon request or rerouted in case of **diversion**.

Benefits For Customs (continued) :

•Availability of data on a **central platform** ➔ allows installation **Performance Measurement** (statistics on inspections) or data mining with respect to risk on an international level

•GNC platform could be used for exchange or diffusion of information on **accredited traders**

•GNC platform could also be used for several **other purposes** (e.g. an electronic export/import license system).

Benefits For Trade :

- A **single access point** to an unlimited number of customs systems
- A **single window** to connect to other governmental organisations
- A supply chain **visibility** on Inspections & release notifications
- A **single submission** of data and multiple filing
- A GNC system is necessary to make the theoretical and so wanted "**green lanes**" really work in practice

Today : customs administrations worldwide have more than 100 different documents and 100 different types of equal data sets.

Imagine : 1 document worldwide, covering import and export, 1 data set, 1 single access point for trade to introduce their declarations. This would be a tremendous saving in costs for both Trade and Customs. This would be the ultimate facilitation.

GNC Feasibility Study

- **Council 2009** : Establishment of Ad hoc Group for steering a GNC feasibility study.
- **Terms of reference**
- **Composition of Group** : 30 members (5 per region x 6 regions).
- **4 meetings :** 11/2009, 01/2010, 03/2010 and 09/2010

Results of feasibility study

Vision :

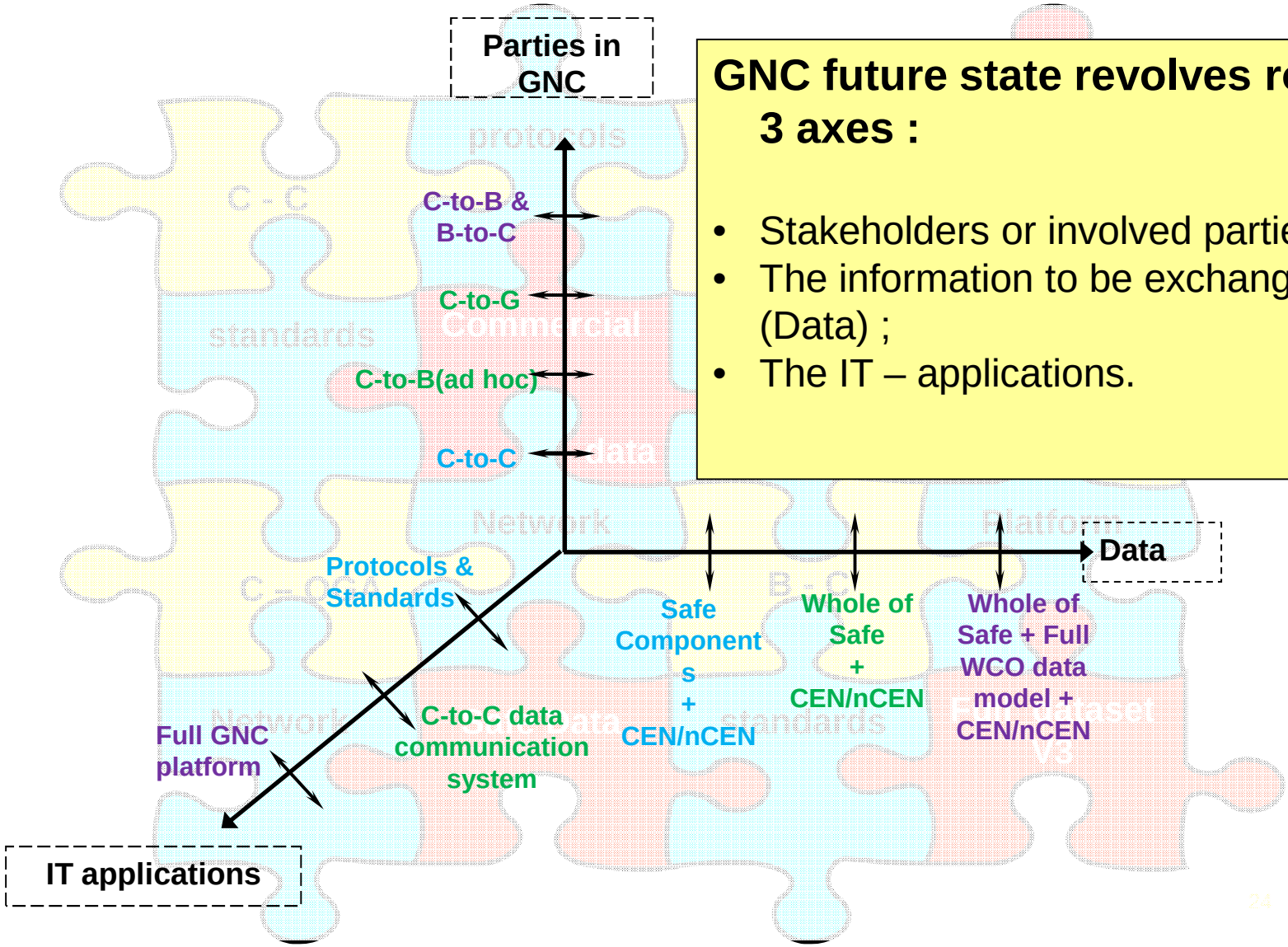
"*A Globally Networked Customs (GNC) is an inclusive, interconnected Customs-to-Customs information-sharing system to support and improve the functioning of the international trading system, national economic performance, and the protection of society and fiscal management. A GNC will support the goals of the ten C21 building blocks, reduce the compliance burden for legitimate traders, and enhance enforcement through the sharing of information and intelligence*."

Strategic objectives :

- *Deeper Customs-to-Customs collaboration to facilitate trade and suppress transnational crime;*
- *Deeper collaboration between Customs and Trade to manage supply chain logistics to further facilitate legitimate trade;*
- *Enhanced real-time communication between Customs administrations to share information and intelligence to suppress illicit activities*

Results of feasibility study

- 2 tracks : enforcement data & commercial data
- Use existing systems
- Based on WCO Data V3, Safe define protocols
- Develop communication systems
- Analyse potential of CEN
- Capacity building



GNC future state revolves round 3 axes :

- Stakeholders or involved parties ;
- The information to be exchanged (Data) ;
- The IT – applications.

Phased approach

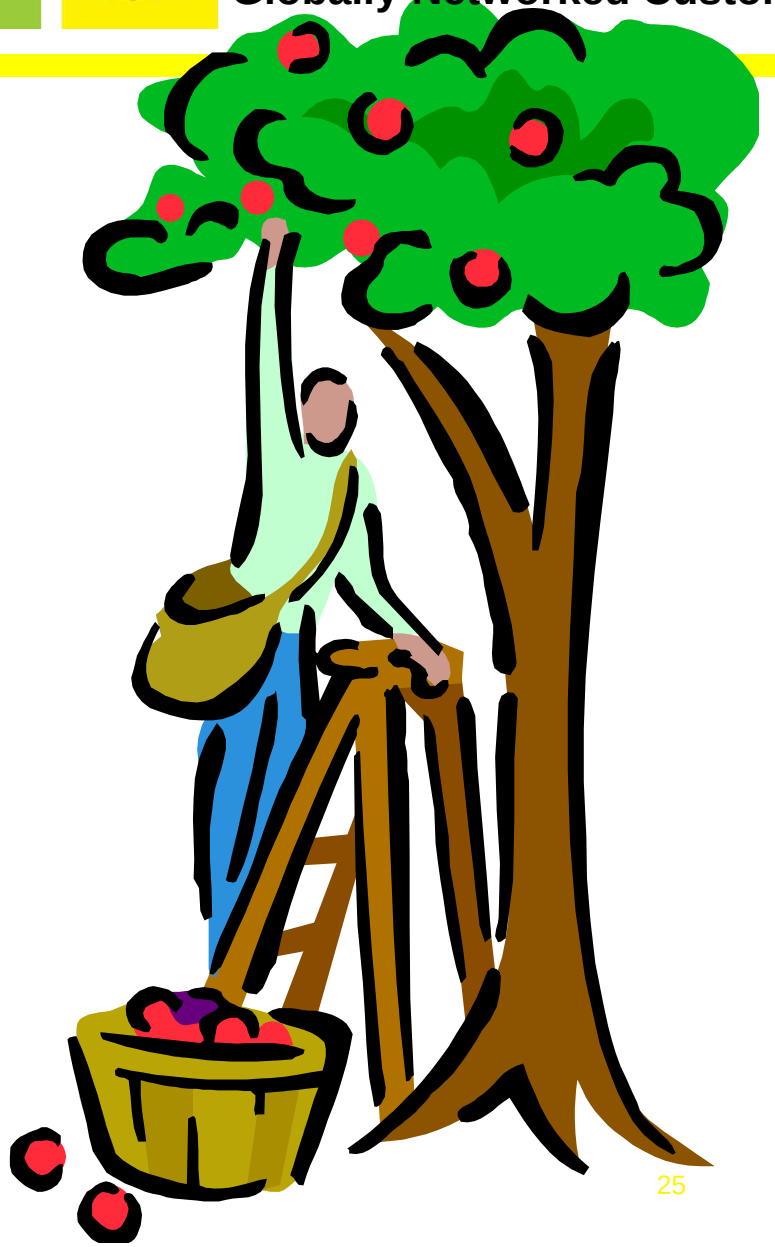
is not

a theoretical model, followed by sequenced implementation of that model

But

Phased approach

is a sequenced implementation of mature pieces



It is still a long way to go and we'll need time

but together a lot is achievable ……