

# Using technology to enhance border management

World Customs Organization, Brussels, Belgium



Today, it is recognised that clearance processes by customs and other agencies are among the most important and problematic links in the global supply chain. High costs and administrative difficulties associated with outdated and excessively bureaucratic border clearance processes are now cited as more important

barriers to trade than tariffs. Inefficient border processing systems, procedures, and infrastructure result in high transaction costs, long delays in the clearance of imports, exports, and transit goods, and present significant opportunities for administrative corruption.

And with the world experiencing a severe economic meltdown as a result of the financial crisis, it is now, more than ever, necessary for countries to do all they can to encourage trade flows and inward investment whilst ensuring that effective enforcement mechanisms are in place at borders to prevent any disruptive, toxic or illicit trade from entering national territory.

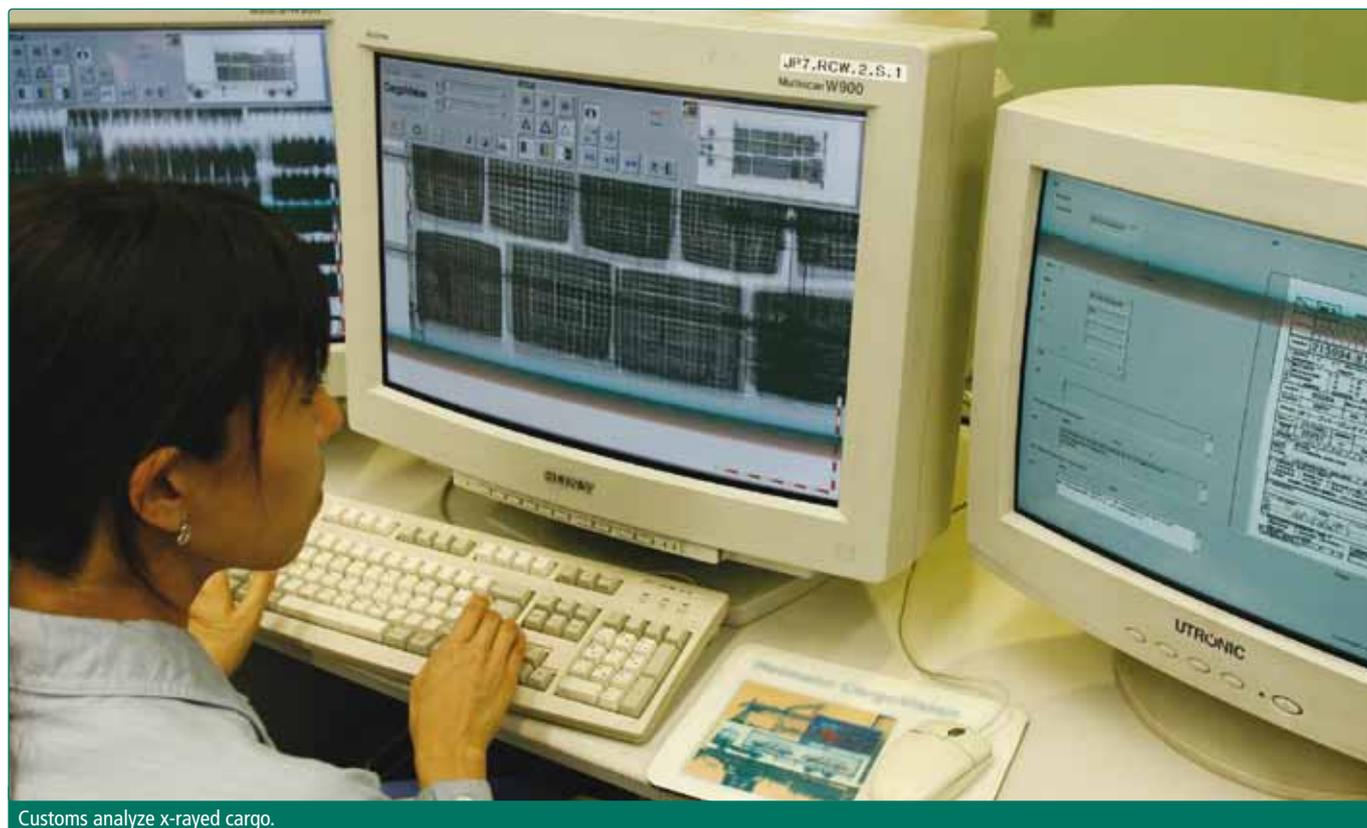
Just as the global financial crisis and its economic impact is colouring world thinking, it is also colouring the way customs does its business both now and in the future, especially the way borders are managed by customs and other border agencies. Smart border management in cooperation with all trade stakeholders is now an imperative to meet the demands of the global trading system.

Clearly, enhancing border management and ensuring that it is coordinated is seen as a critical step for the future. This entails cooperation among the variety of government agencies with a role in the regulation or control of cross border movements. The key challenge is to create an environment based upon trust that allows customs, immigration, quarantine, the police and others to work collaboratively at the border.

Several WCO instruments, tools, and initiatives significantly enhance future border management and incorporate all functions within the customs domain. This body of WCO work plays a vital role in border management and can contribute enormously to efforts aimed at ensuring even better border management based on coordination, collaboration, cooperation and communication.

## WCO Data Model

Information and documentation are key elements in the control of international cross-border trade. In today's interconnected electronic environment these controls increasingly include advance transmission of data to customs as well as customs-to-customs information exchange in order to provide the necessary level of security as well as acceptable release times. In this modern era of single window systems aimed at providing a coordinated means for governments to interact with the international trade and transport industries for all border regulatory data requirements, the WCO Data Model has kept pace with these developments and now incorporates wider business and information needs.



Customs analyze x-rayed cargo.

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Using international standards is the key to effective and efficient exchange and sharing of information amongst a diverse range of parties. The Data Model provides standard and harmonised sets of data and electronic messages to be submitted by the trade to government to accomplish formalities for the arrival, departure, transit and clearance of goods, people, conveyances and transport equipment used in international cross-border trade. The WCO revised Kyoto Convention on the simplification and harmonisation of customs procedures requires customs administrations to request as little data as necessary to ensure compliance with customs laws and that concept too is intrinsic to the Data Model.

The Model enables the various information systems of a customs service, its trading partners as well as other regulatory and border agencies to work together in the most effective way possible. Its many benefits include: promoting safe and secure borders through the establishment of a common platform for regulatory data exchange enabling early sharing of information; facilitating customs-to-customs cooperation by enabling them to offer authorised economic operators end-to-end premium procedures and simple integrated treatment of the total transaction; contributing to rapid release of goods; eliminating redundant and repetitive data submitted by the carrier and the importer; reducing the amount of data required to be presented at time of release; reducing compliance costs; and promoting greater customs co-operation and coordination.

In addition, the Data Model contributes to the security and facilitation of the international trade supply chain and is also a key strategic element of the WCO SAFE Framework of Standards to secure and facilitate global trade. In combination with the WCO Unique Consignment Reference (UCR), the Data Model provides for the most efficient and effective supply chain management possible.

## A single window for trade

The WCO and its partners accept that a 'single window' environment is a cross-border 'intelligent facility' that allows parties involved in trade and transport to lodge standardised information, mainly in an electronic format, via a single entry point to fulfil all import, export and transit related regulatory requirements. Version 3 of the WCO Data Model, which is expected to be released at the end of 2009, extends the single window capacity of the Model as more and more governments view the single window for business as a way to reduce repetition and as a crucial building block to the future expansion of international trade.

Establishing a single window environment for border control procedures is considered by customs administrations as the solution for the complex problems of border automation and information management involving multiple cross-border regulatory agencies. In this regard, the WCO recognises that in



Customs scan a sea container at the Port of Auckland.

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order to establish a single window environment, the policy, legal and administrative framework should be examined first before attention turns to the complex technical issues.

While there are several single window initiatives taking shape all over the world, there are no clear standards or guidelines concerning this area. Customs is increasingly being expected to participate in and take responsibility for the implementation of a single window environment. It is for this reason that the WCO produced a document entitled 'Single Window: Implications for Customs Administrations', which describes the possible impact that developments around a single window environment have on the future of customs' business. To complement this document, the Organization has also developed its 'Single Window Data Harmonization Guidelines' to provide single window environment developers with tools that can be used in order to achieve data harmonisation and to develop internationally standardised data sets.

Additionally, the WCO and its partners are in the process of developing a comprehensive legal guide to the legal implications of implementing a single window and coordinated border management. This guide will benefit both governments and the private sector.

## Ready to meet the challenge

The use of technology to manage 21st century borders more effectively cannot be over-estimated. The WCO and its partners recognise this fact. With this in mind, the WCO will strive to ensure that its members have the necessary capacity and tools at their disposal to meet the challenges of today's global trading system. This approach will provide the ideal vehicle for customs to champion coordinated border management and to ensure better border enforcement.

### ABOUT THE ORGANISATION

The **World Customs Organization (WCO)** is the only intergovernmental organisation exclusively focused on Customs matters. With its worldwide membership, the WCO is now recognised as the voice of the global Customs community. It is particularly noted for its work in areas covering the development of global standards, the simplification and harmonisation of Customs procedures, trade supply chain security, the facilitation of international trade, the enhancement of Customs enforcement and compliance activities, anti-counterfeiting and piracy initiatives, public-private partnerships, integrity promotion, and sustainable global Customs capacity building programmes. The WCO also maintains the international Harmonized System goods nomenclature, and administers the technical aspects of the WTO Agreements on Customs Valuation and Rules of Origin.

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