



# 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](mailto:frank.verbeeck@minfin.fed.be)*





- 1. Customs today versus tomorrow**
- 2. Smart CM**
- 3. World Customs Organisation: Globally Networked Customs**



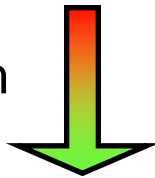
# 1. Customs today versus tomorrow

## •Today's organisational model

- REACTIF CONTROLS
- BASED ON **DISTRUST**

Transaction-based  
**CONTROL** model

Expand with



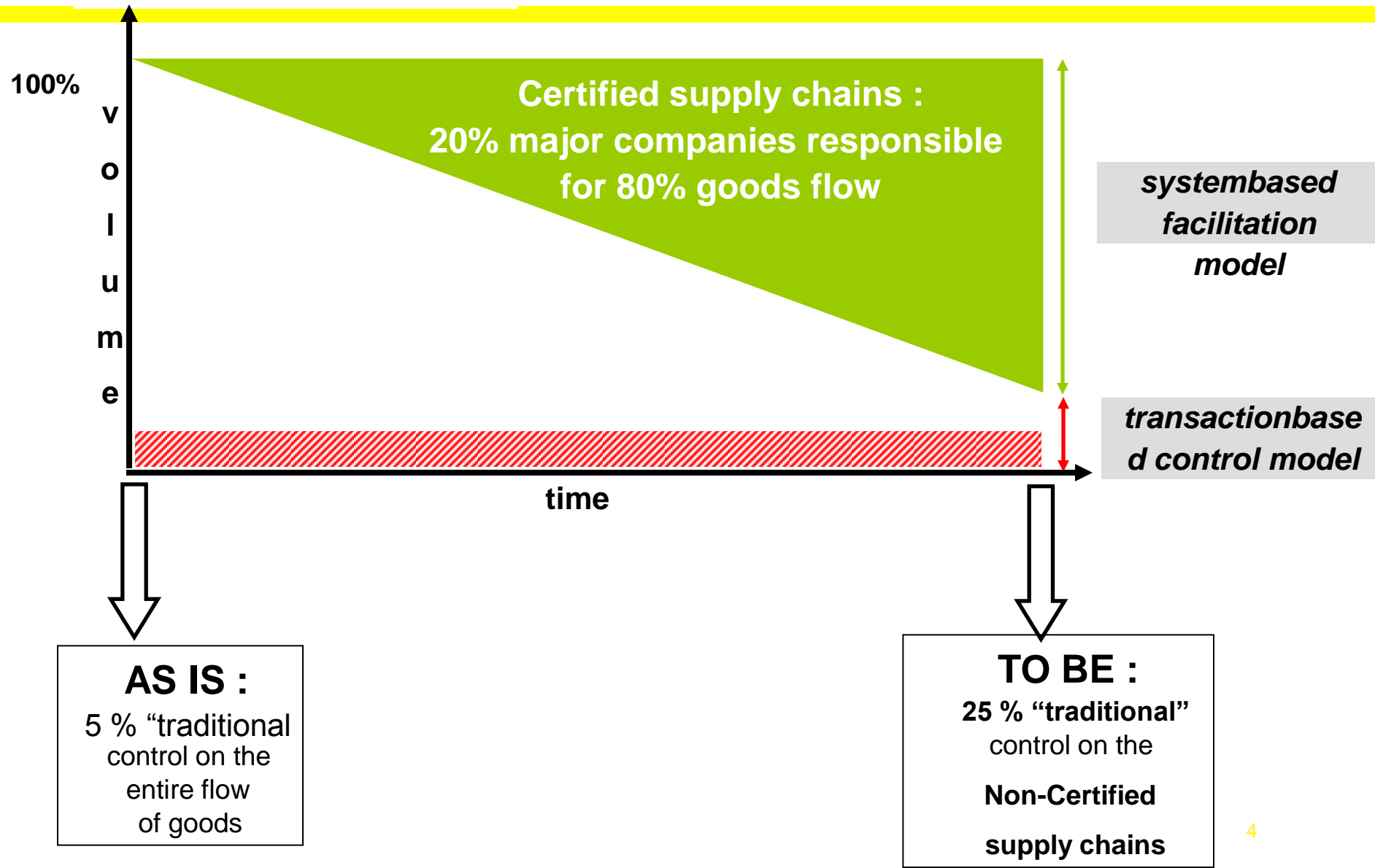
## •Tomorrow's organisational model

- PRO ACTIVE
- BASED ON **CONFIDENCE**

Sytem-based  
**FACILITATION** model



# 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



**31 partners, 11 countries, broad mix of industrial key actors**  
*(forwarders, port authorities, shipping lines, terminal operators and customs, scientific support of universities and consultants )*

	Participant organization name	Country		Participant organization name	Country
	Centre of Research and Technology Hellas/Hellenic Institute of Transport (CERTH/HIT)	Greece		TIFFA - EDI	Thailand
	Fraunhofer Institut for Material Flow and Logistics (FhG)	Germany		Ningbo Port Group Information & Communication Ltd (NPIC)	China
	BPV	Germany		Thessaloniki Port Authority	Greece
	DHL Global Forwarding - DHL Management Ltd. (DHL)	Switzerland		Kuehne&Nagel	Austria
	COSCO Network e-logistics	China		PSA HNN	Belgium
	COSCO Container Lines	China		Belgian customs	Belgium
	EDC	Belgium		Port Authority of Antwerp	Belgium
	TNO	Netherlands		Sequoyah International Restructuring N.V.	Belgium
	EIA	EU		VIL (Flemish Institute of Logistics)	Belgium
	VTT	Finland		Porthus	Belgium
	TREDIT SA	Greece		PROODOS SA	Greece
	Planet SA	Greece		European Committee for Standardization (CEN)	Belgium
	PTV	Germany		International Cargo Security Association (ICSO)	Belgium
	University of Rome	Italy		Hellenic Ministry of Finance (Greek Customs)	Greece
	TIFFA	Thailand		The peninsular & OPiental Steam Navigation Company-P&OSNCO (DP World)	England
				Maritime Association for Research and Innovation	Italy



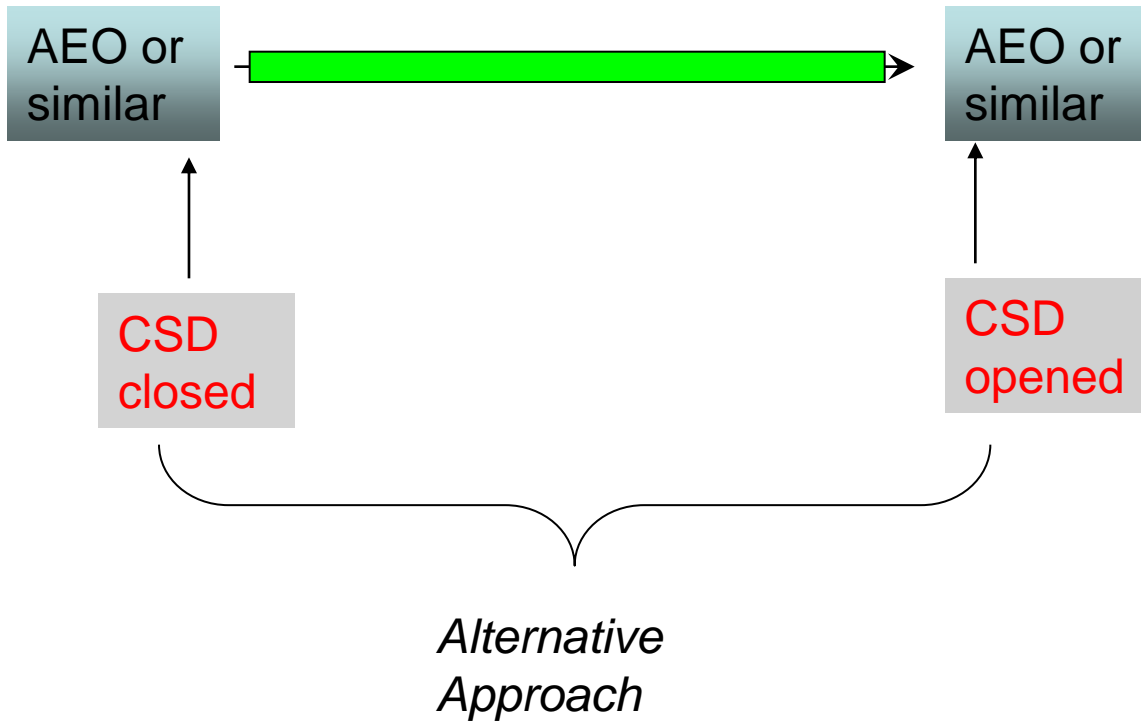
## Customs' perspective: Test green lane concept



*Classic EU approach*



# Customs participation perspective: Test green lane concept







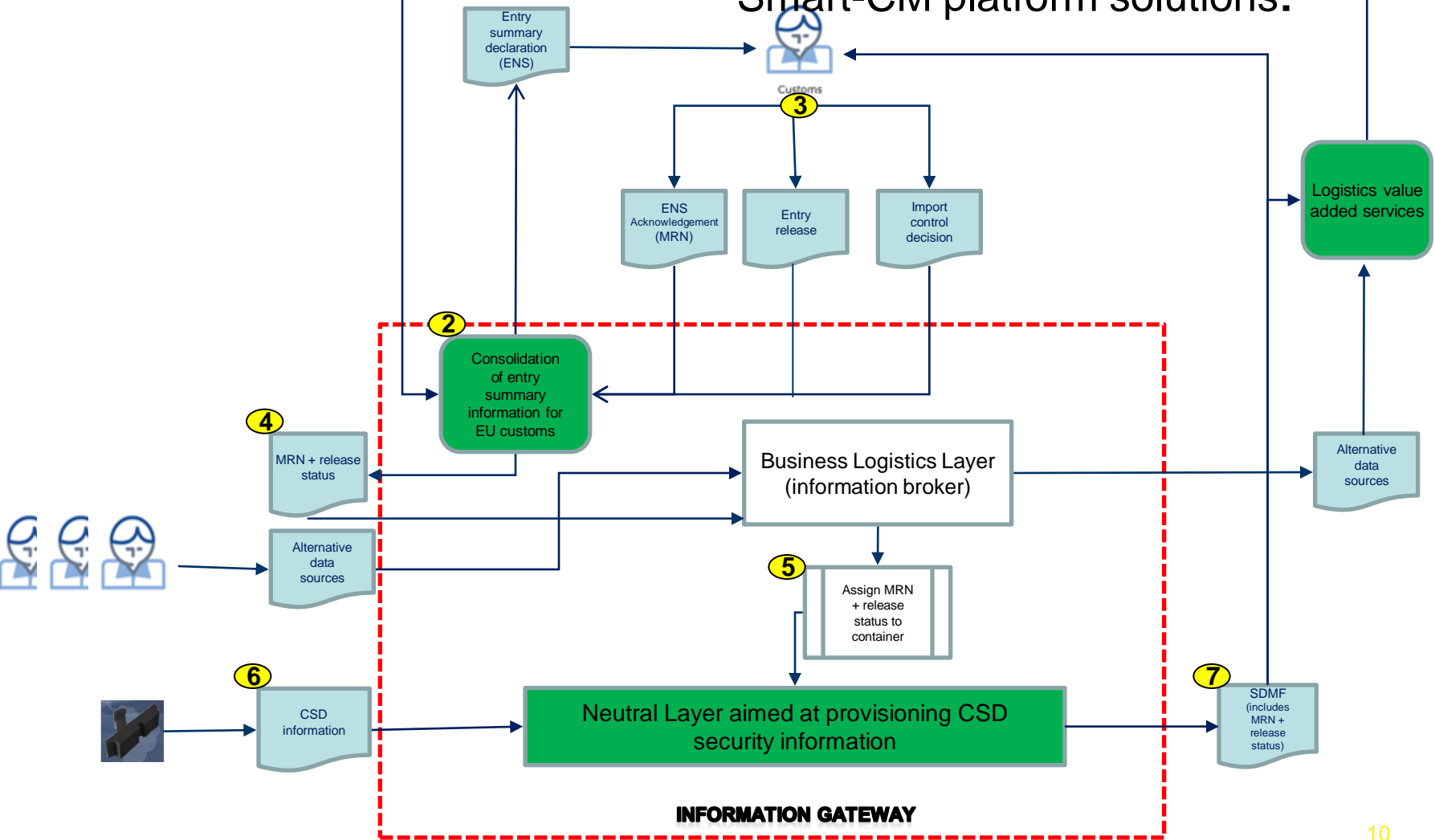
In order to create green lanes: **Customs' main requirements** for Smart-CM platform :

- 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



1 ICS SMF Standard message format

**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 resources: from observer status up to setting up green lanes



### 3. World Customs Organisation: Globally Networked Customs

#### World Customs Organisation (WCO-OMD) :

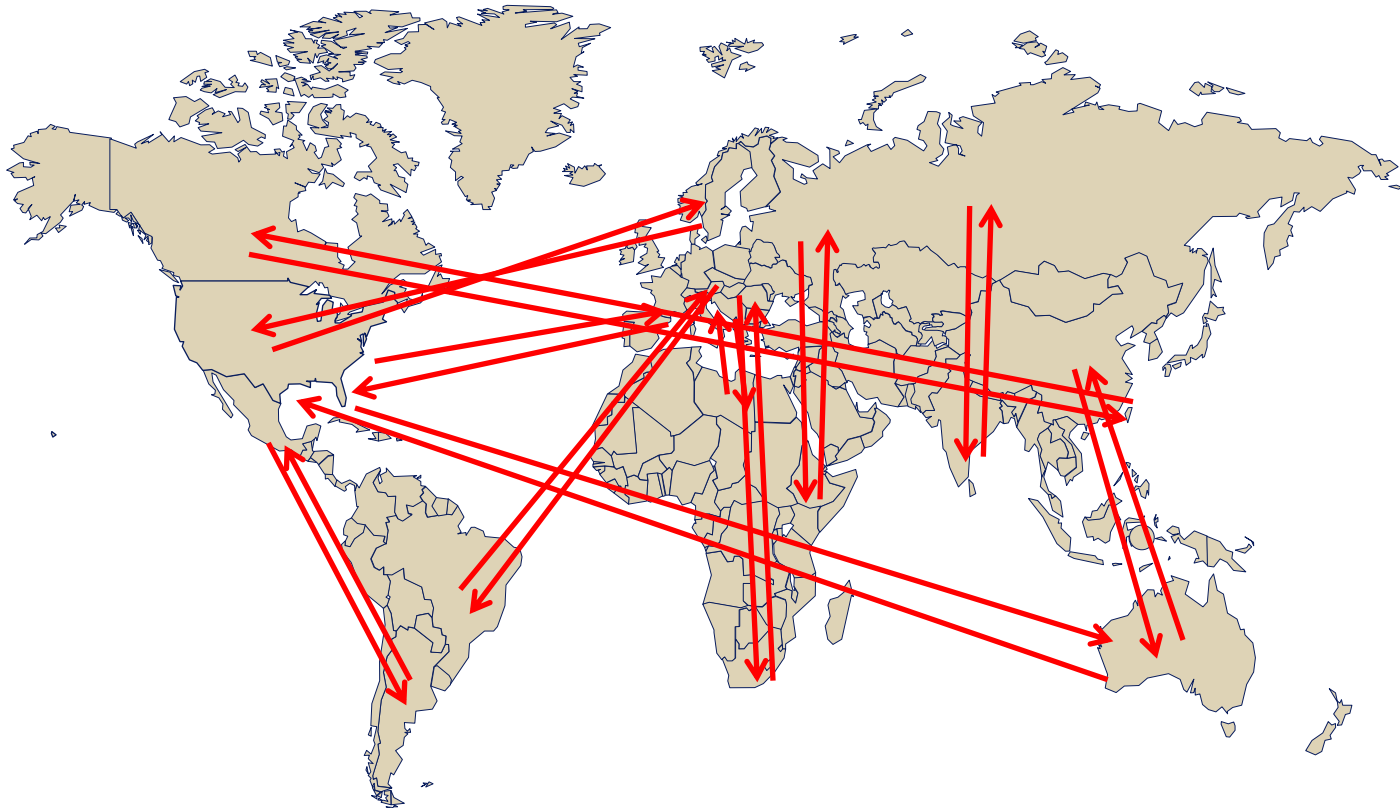
- International **intergovernmental** organization that deals with Customs procedures governing trade between countries
- Improve effectiveness and efficiency of Customs administrations
- Fulfil dual role of **facilitating** trade whilst ensuring its **security**
- Born after Second World War to re-launch 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.

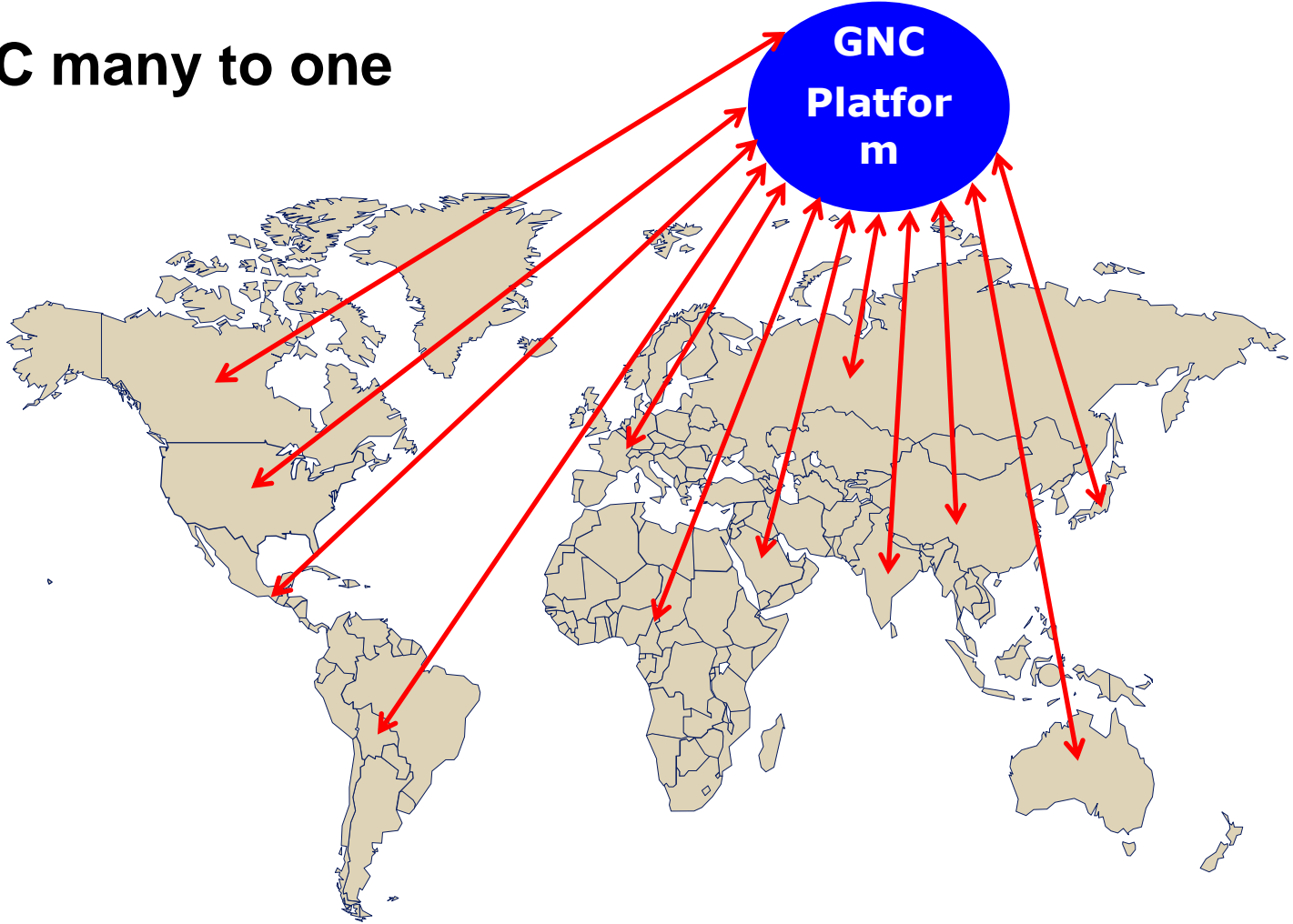


## Why GNC: C2C many to many





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.”*

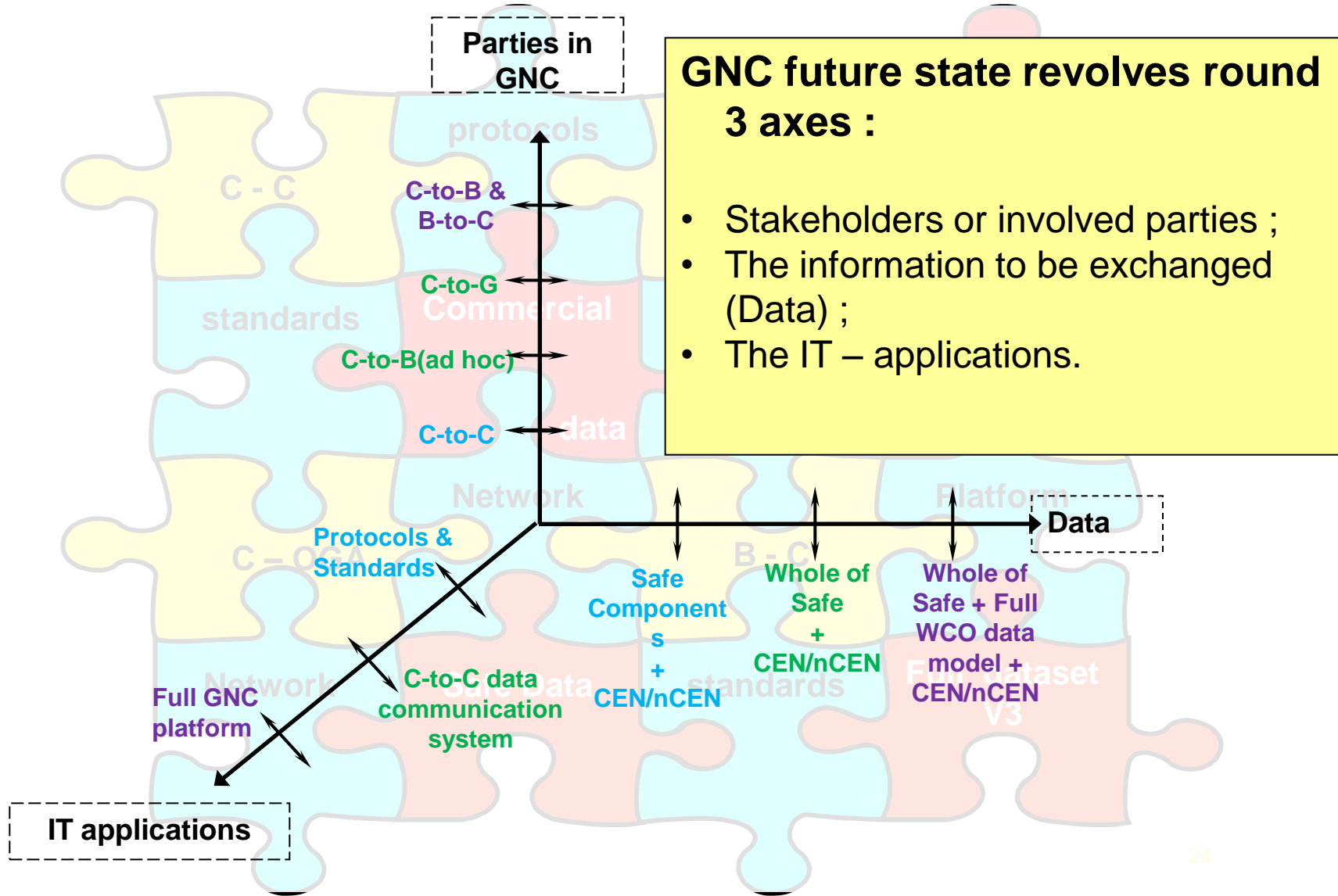
### Strategic objectives :

- *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







Phased approach

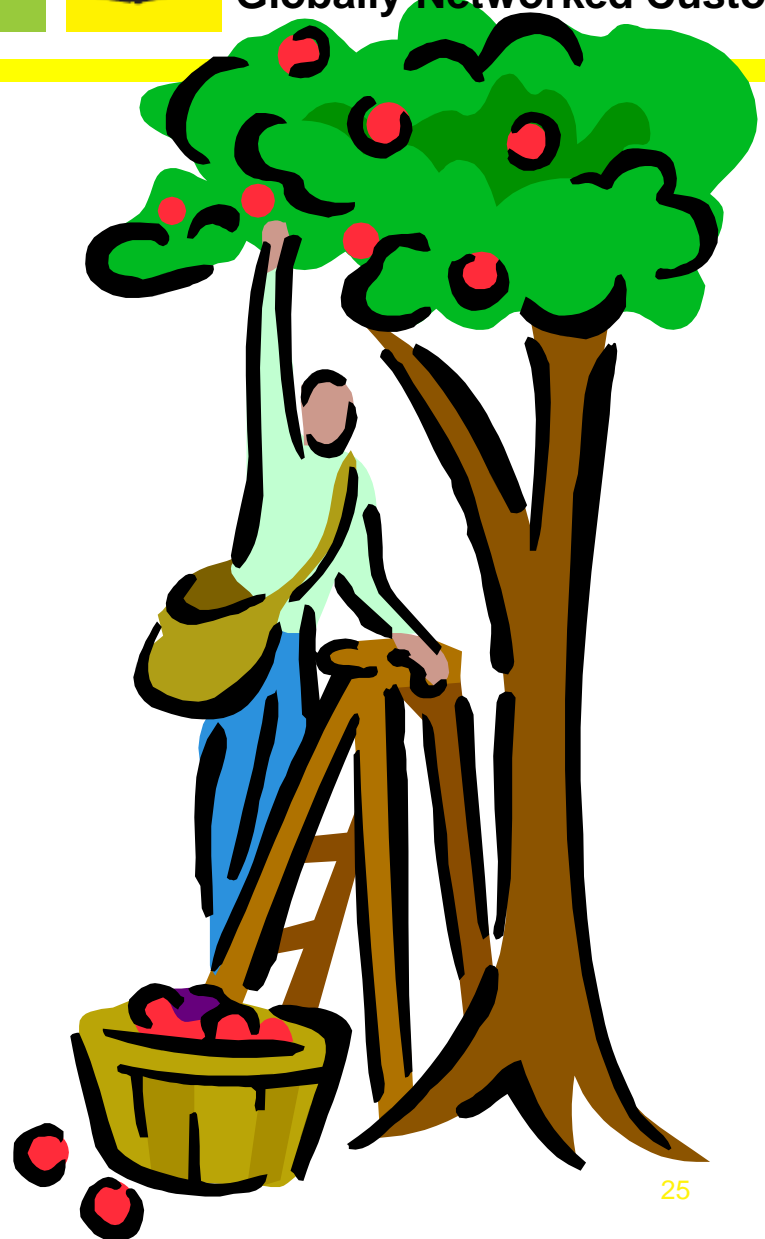
is not

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 .....**