

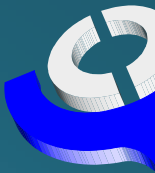
WCO Framework of Standards to Secure and Facilitate Global Trade

7th International Export Control Conference

Stockholm, 20-22 Sept 2005

Jouko Lempiainen

World Customs Organization



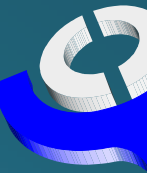
WCO

- ◆ **168 Members**
- ◆ **Enhance Customs Processes**
- ◆ **International Co-operation (UN, IMO, EU, ICC, Interpol etc.)**
- ◆ **Instruments, Capacity Building & Universal Auditorium**



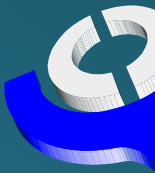
21st Century (Environment)

- ◆ **Globalization of Trade and Crime**
- ◆ **Growth in trade**
- ◆ **Just-In-Time; Just-In-Case; Predictability**
- ◆ **Regional Trade Agreements**
- ◆ **Competition through logistics**



Framework of Standards to Secure and Facilitate Global Trade

- ◆ **17 Standards**
- ◆ **Customs to Customs Pillar**
- ◆ **Customs – Business Pillar**
- ◆ **Authorized Economic Operator**



Strategic objectives:

- ◆ **Security & Facilitation Standards (balance)**
- ◆ **All modes of transport (& types of businesses)**
- ◆ **Challenges of 21st century**
- ◆ **Strengthened Customs co-operation**
- ◆ **Strengthened Customs/Business co-operation**
- ◆ **Entire Supply Chain**



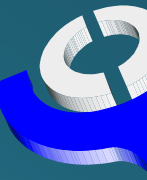
Core Elements :

- ◆ **Advance electronic transmission of Customs (cargo) information**
- ◆ **Risk Management and Assessment**
 - Identification of high-risk consignments based on the data transmitted in customs message
 - 27 Data elements; WCO Data Model; Intelligence Strategy
- ◆ **Outbound inspection - Non-intrusive technology**
 - International Customs Cooperation based on the use of Bilateral or Multilateral Instruments
- ◆ **AEO benefits**



Other components :

- ◆ **Physical Security – Economic Security - All Threats**
- ◆ **Recognition of other standards**
- ◆ **Seal Integrity Programme**
- ◆ **Capacity Building**
- ◆ **Definition of Universal Customs-Trade transaction model**



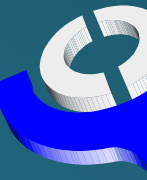
How will it work?

- ◆ Who gives information,
 - ◆ What information,
 - ◆ To whom,
 - ◆ When, and
 - ◆ How?
-
- ◆ **Economic and legal consequences!**



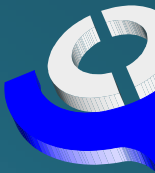
Development :

- ◆ **AEO conditions and benefits**
- ◆ **Accreditation & validation**
- ◆ **Mutual recognition of AEO status**
- ◆ **Mutual recognition of Control results**



Challenges I

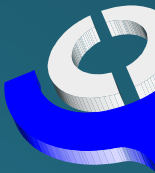
- ◆ **Who do you want to play with**
- ◆ **Infrastructure**
- ◆ **Financial & economic implications**
- ◆ **Knowledge & Technology**
- ◆ **Capacity Building**
- ◆ **National Priority (Protection - Collection)**



Challenges II

- ◆ **Balance between Control and Facilitation**
- ◆ **Different Facilitation and Control Schemes**
- ◆ **Transaction based approach, or**
- ◆ **System authorization**
- ◆ **Export controls?**
- ◆ **Corruption**

- ◆ **DANGER: Illusion of Security**

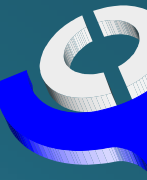


Modern approach

- ◆ Separation of:
- ◆ Security Release, and
- ◆ Fiscal and Trade Policy Clearance

- ◆ Compliant behavior rewarded by facilitation

- ◆ National solutions based on int'l standards



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Thank you!