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Supply Chain Security

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Military and Dual Use Goods

- Military Goods and ammunition
- Dual Use Goods
 - Industrial Goods
 - Chemicals
 - Biological Pathogens
 - Nuclear related materials



The Threat for Customs & International Trade

- The movement of terrorist weapons and materials using the international supply chain
- Illegal diversion of Military and Dual-use goods
- Smuggling of People
- Goods that finance terrorism, eg drugs / counterfeit goods / money



Supply Chain – WCO definition

“The entirety of processes, process steps, organizations and suppliers to get a product moved across international borders from the manufacturer to the point of delivery, as defined by the purchaser.”



Physical Security

- Minimising the risk that cargo in a secure area is not illegally changed.
- Taking measures to guard against smuggling, sabotage, escape, attack, or other crime.
- Preventing weapons or any other dangerous substances and devices intended to harm people, property or the environment from being introduced.
- Preventing theft of or damage to cargo.



International Initiatives

- Container Security Initiative (CSI)
- Pre-arrival/departure information
- Customs/Trade partnerships (C-TPAT)
- EC/US agreement to amend Customs Mutual Assistance Agreement
- EC/US agreement access to Passenger Name Record
- Proliferation Security Initiative (PSI)



WCO Initiatives

- High Level Guidelines for Co-operative Arrangements between Customs and Industry to Increase Supply Chain Security and Facilitate the Flow of International Trade
- Guidelines build on the US version (C-TPAT - Customs-Trade Partnership Against Terrorism)



WCO: Objectives

- Promote increased co-operation between Customs Administrations and the Trade.
- Encourage the active involvement of the Trade in enhancing cargo security in that portion of the supply chain over which it has control.
- Encourage Customs Administrations to facilitate legitimate trade, to the greatest extent possible, consistent with the application of adequate controls.



WCO: Roles & Responsibilities

- ***Trade***: safe and secure management of goods under their control.
- ***Customs***: enforcement of legislation relating to the cross-border movement of persons and goods.
- *Trade should not be asked to act as law enforcers or to contravene any applicable legislation.*



Roles & Responsibilities (2)

- Co-operative agreements should be voluntary, while not removing any existing legal obligations.
- Measures employed may vary from one industry to another and from location to location, according to the nature and extent of the perceived threat.
- Optimum use should be made of existing commercial systems for the provision of cargo information.
- Customs Administrations should use risk management for control and cargo security assessment purposes.



EU Initiatives

Amendments to Community Customs Code

- Pre arrival/departure information
- Common data set
- Minimum risk assessment criteria
- Increased exchange of information between customs authorities
- Security criteria for authorising Economic Operators



EU Initiatives (2)

- Strengthening *External Frontier*
- Regulation implementing IMO requirements - ship and port security
- Consultation paper on security of intra-EU freight movements



UK Customs Initiatives

- 5 UK ports in CSI
- Radiation Detection Portals at all points of entry - extra officers
- Freight x -ray machines
- Closer co-operation between LE agencies/trade
 - Border Agencies Working Group (BAWG)
 - BAWG aviation and maritime industry Consultation Groups



Principles

- All parties, both commercial and official, can contribute towards enhancing the security of the supply chain.
- Supply chain security is among the highest corporate priorities for those involved in the international movement of goods.
- Communication with internal and external interested parties needs to be established and maintained.



Principles (2)

- All parties in the supply chain must meet relevant legislative requirements, including those deriving from international treaties and conventions.
- All parties should maintain the highest levels of integrity.
- Management & employee commitment to security, with clear accountability and responsibility.
- Appropriate & sufficient resources & training to achieve the required security levels.



Aims

- Limit changes to commercial systems
- Limit increase in trade costs
- Keep delays to minimum
- More effective policing through greater data access and sharing
- Make International Trade more secure



Conclusion

- The threat is international and threatens us all
- International co-operation is essential if we are to successfully fight the threat
- Customs can play an important part (not exclusive) in making the movement of terrorist materials more difficult
- Trade co-operation is essential

