



RISK ASSESSMENT, PROFILING & TARGETING

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TURKISH CUSTOMS: FIGURES



There are 18 Regional Directorates and 167 Customs Authorities
under the Undersecretariat for Customs

TURKISH CUSTOMS: FIGURES



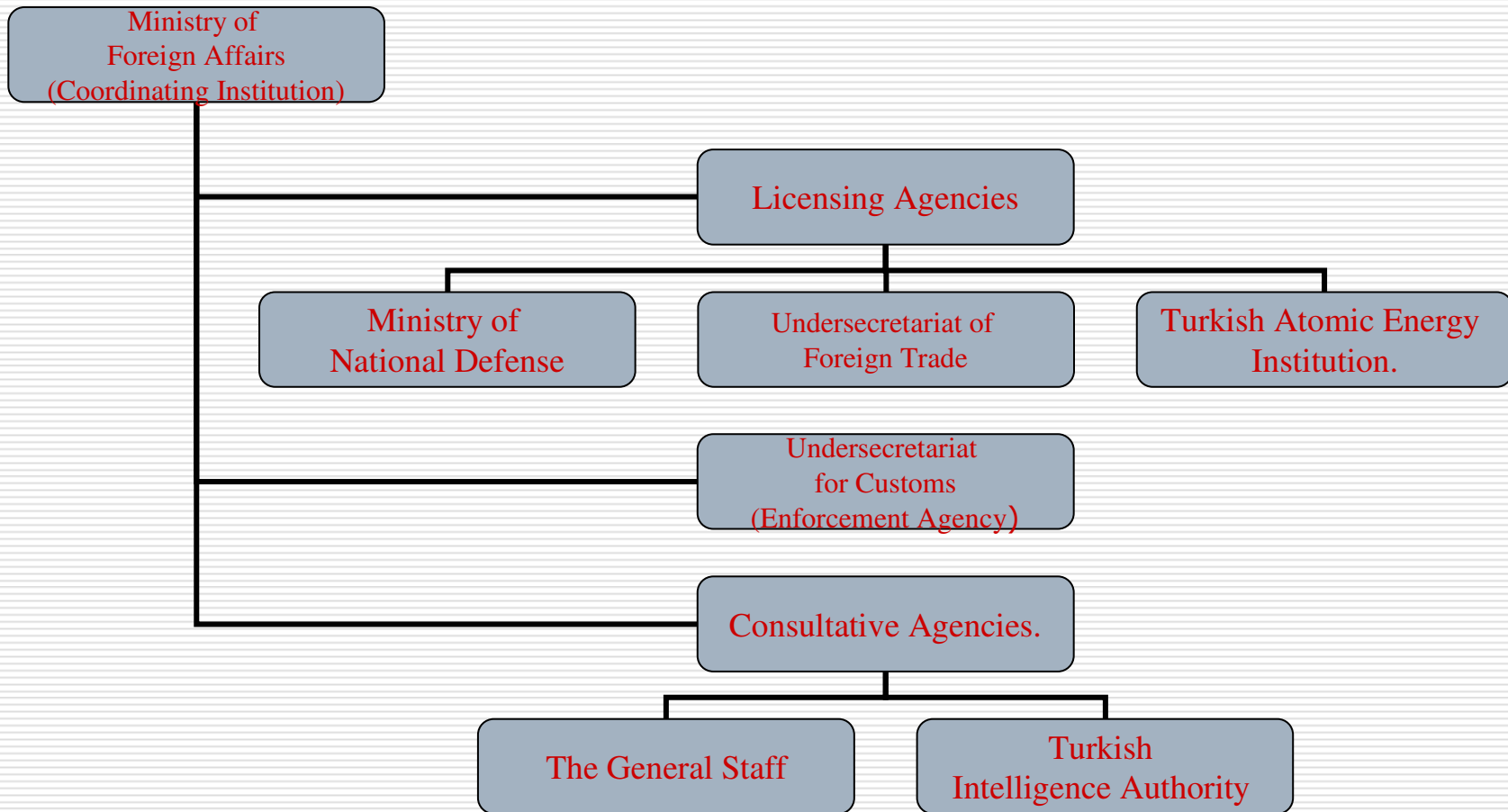
Personnel

	2009
Headquarters	1.439
Local Administrations	7.319
Grand Total	8.758

Workload

Million \$	2008
Import	201.960
Export	132.003
Grand Total	333.963

EXPORT CONTROLS-TURKEY: RELEVANT INSTITUTIONS



Interagency cooperation have an utmost importance in export controls procedures. 4



RISK MANAGEMENT: SCOPE

- What is risk
- Why must we manage risk
- Risk Management Process
- Risk Analysis
- Risk Assessment
- Profiling
- Targeting

RISK MANAGEMENT: DEFINITION



- “It is a systematic application of management policies, procedures & practices to the task of identifying, analyzing, assessing, treating and monitoring risks”



RISK

- “ The **likelihood** of an event occurring that will lead to a breach of the law/regulation and as a **consequence** exposes to the possibility of a loss in revenue or threatens national/global security”
- In terms of customs, risk is the potential for the noncompliance with customs and/or other laws.



RISK

- Risk is characterized by the following :

It is at least partially unknown

It changes with time

It is manageable



RISK

The concept of Risk has two elements, ie.

- a) The likelihood of something happening, and
- b) The consequence if it happens

> IMPACT OF RISK = Likelihood X Consequence



RISK

To understand Risk from the customs perspective, consider what risks would be involved in clearing import/export consignments based solely on traders' declaration. The trader may :

- Evade or attempt to evade payment of duties on movements of goods
- Evade or attempt to evade any prohibitions or restrictions applicable to goods



RISK AREAS

Risk Areas of the system/process in question have to be determined before Risk Assessment can be carried out effectively.

In the case of importation/exportation, the Risk Areas would cover :

- i. Revenue – customs duties/tax, internal taxes, quota, tariff, preferences etc
- ii. Non-revenue - Narcotic drugs, firearms, WMD, CITES, etc.

RISK MANAGEMENT: PROCESS



- 1- Data Collection to Establish The Context
2. Risk Identification
3. Risk Analysis
4. Risk Assessment
5. Risk Treatment
6. Risk Monitoring and Review

RISK MANAGEMENT: PROCESS



Each stage of the risk management process should be documented. The reasons being:

- It provides a record of risks ~ database
- It demonstrates that the process was properly undertaken
- Enhances accountability
- Allows risk information to be shared and communicated

1. DATA COLLECTION~ ESTABLISH THE CONTEXT



- It is necessary to look at the ‘Big Picture’ while commencing a risk management exercise
- Conduct an environmental scan to examine the following areas:

Geographic
Economic
Political
Environmental
Social
Technological



2. RISK IDENTIFICATION

- What is risk? (*covered earlier*)
- Risk areas have to be known.
- All possible risks have to be included



3. RISK ANALYSIS

□ The purpose of risk analysis is to separate the minor risks (acceptable) from the major risks and to further provide data to assist in the assessment and treatment of risk

□ Commonly a 3x3 matrix is considered whereby:

LIKELIHOOD : *What is the probability that the event will happen*

CONSEQUENCE: *If it happens then what damage will result*



3. RISK ANALYSIS

LIKELIHOOD	OCCURANCE
HIGH	The event <u>is expected</u> to occur
MEDIUM	The event <u>could be expected</u> to occur
LOW	The event <u>may occur</u> but infrequently



3. RISK ANALYSIS

CONSEQUENCE	RESULT
HIGH	An event leading to <u>serious</u> damage or disruption
MEDIUM	An event leading to <u>some</u> damage or disruption
LOW	An event leading to <u>minimal</u> damage or disruption



3. RISK ANALYSIS

LEVEL OF RISK	RESULT
HIGH	Highly likely to cause serious damage
MEDIUM	Likely to cause some damage
LOW	Unlikely to cause any damage



4. RISK ASSESSMENT

Risk Assessment can be defined as :

“ A methodical approach to determine the possibility of smuggling / customs fraud.

It is an assessment on the probability that goods being processed through customs control have been not declared/ not correctly declared .



4. RISK ASSESSMENT

- ❑ The purpose is to assess risks as being **acceptable or not acceptable**
 - ❑ Prioritize the unacceptable risks:
 - i. Priority ranking of each risk taken from its score on the “Risk Matrix”
 - ii. The term **High, Medium, Low** etc. can be given numerical values for convenience
 - iii. First determine the rating scores of likelihood and consequence and then add the two ratings together to give the cumulative rating score.
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5. RISK TREATMENT

Having identified, analysed and prioritized various risks, the next step is to treat the risks by:

- Avoiding or
- Accepting.
- Reducing the likelihood/ consequence or both



5. RISK TREATMENT

In this step also risk profiling and targeting is made.

Risk profiling is making the combination of risk indicators.

Targeting is focusing on the most priority and the highest level of risk groups by using risk profiling and other datas.



6.RISK MONITORING & REVIEW

Risk monitoring is the last major element of risk management - *but certainly not the least important!*.

Monitoring risk means to **review** and **update** continuously.



THANK YOU FOR YOUR
ATTENTION