# Customs Declaration System

Requirements

Why electronic pre-advice for postal items ?

- **Legal requirements and regulatory requirements**

  - US (Stop Act), China, EU (UCC, ICS-2), Russia
  - ITMATT mandatory from 2021

- **Security requirements**

  - Pre-advice to be sent before item leaves country of origin (PLACI)
  - Provide possibility for security alerts back to origin

- **Reduce / maintain customs processing time**

  - Customs decision making while item is on route
  - Possibility for « automated » Customs decisions for low-risk items
  - Postal volume increasing but not Customs staff
  - Direct inject possible from shippers/online shops

Channel: The UPU Electronic Message Network POST*Net

New in 2019: possibility to connect Airlines and **Customs** directly!
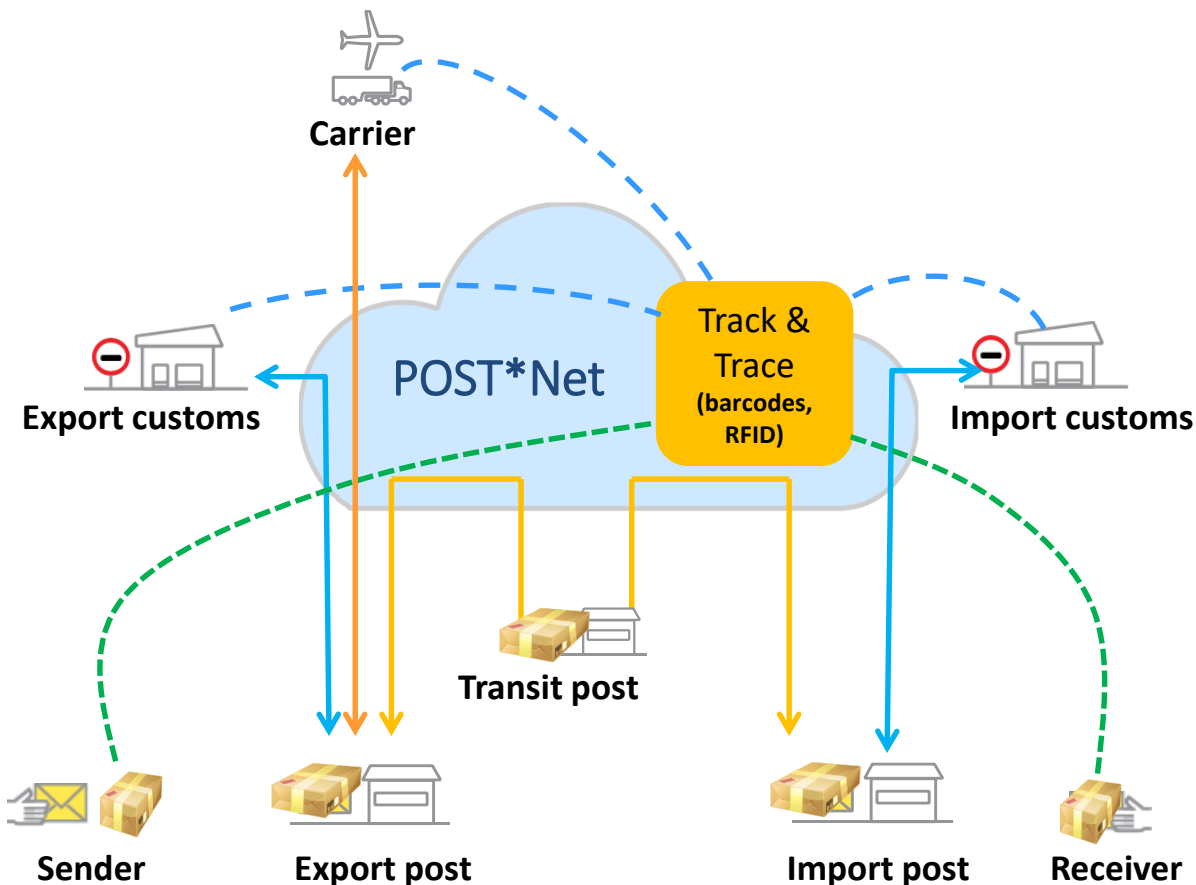
- Secured (VPN, SSL) Standard EDI network (POST*Net) operated by UPU, **Since 1996**
- 24*7 - 100% availability
- Business continuity
- Performant (0-5 min processing)
- Monitoring & alerting service
- Used by 170 postal operators
- Very affordable (cost-based)

Level of detail:
- Item, bag, dispatch consignment
- Consignment
- Item (declaration)
- Item (query)
- Item-receptacle-transport link (query)

Paperless Customs clearance using CDS
Objectives

– **Provide a standard out-of-the-box IT system**

  • To exchange electronic customs declaration data pre-advice

– **Implement interfaces**

  • Using the global WCO-UPU standards ITMATT, CUSITM, CUSRSP

  • Interfacing with UNCTAD's Asycuda World system

– **Link Customs Systems (or: Customs can use CDS directly when they don't have a system adapted to mail flows)**

– **Ensure affordable pricing**

  • Enabling all countries regardless of their development status

– **Create a multilateral/global solution**

  • Efficient Post/Customs cooperation for postal item clearance

Paperless Customs clearance using CDS
Benefits

– **Reducing Handling times and increasing throughput**

– **Enabling risk management**

– **Making mail flows more efficient**

– **<u>Improving communications between posts and customs</u>**

– **<u>Enhancing the customs clearance process</u>**

  • Up to 30% performance increase (reduction of end-to-end times measured on items sent to Canada and the USA).

– **Providing a framework for security/other alerts**

– **Supporting integration with e-commerce systems**

CDS – Customs Declaration System

Description

CDS is a web application divided in two independent modules

Post	Customs
- Capture of the customs declarations (CN23) - Exchange of electronic customs declarations with other operators (ITMATT) and with the customs (CUSITM) - Interface of mail management systems (IPS…)	- Exchange of decisions on electronic customs declarations with the posts (CUSRSP) - Tax module - Targeting module - Interface with external systems (tax calculation, targeting…)

Export process:
CN23 customs declaration data capture workflow
Entry points

Customer **Post office** **Office of exchange** **Interfaces with other systems...**

CDS.Kiosk   Mobile app   CDS.Web   CDS.API   CUSITM   Flat files

CDS
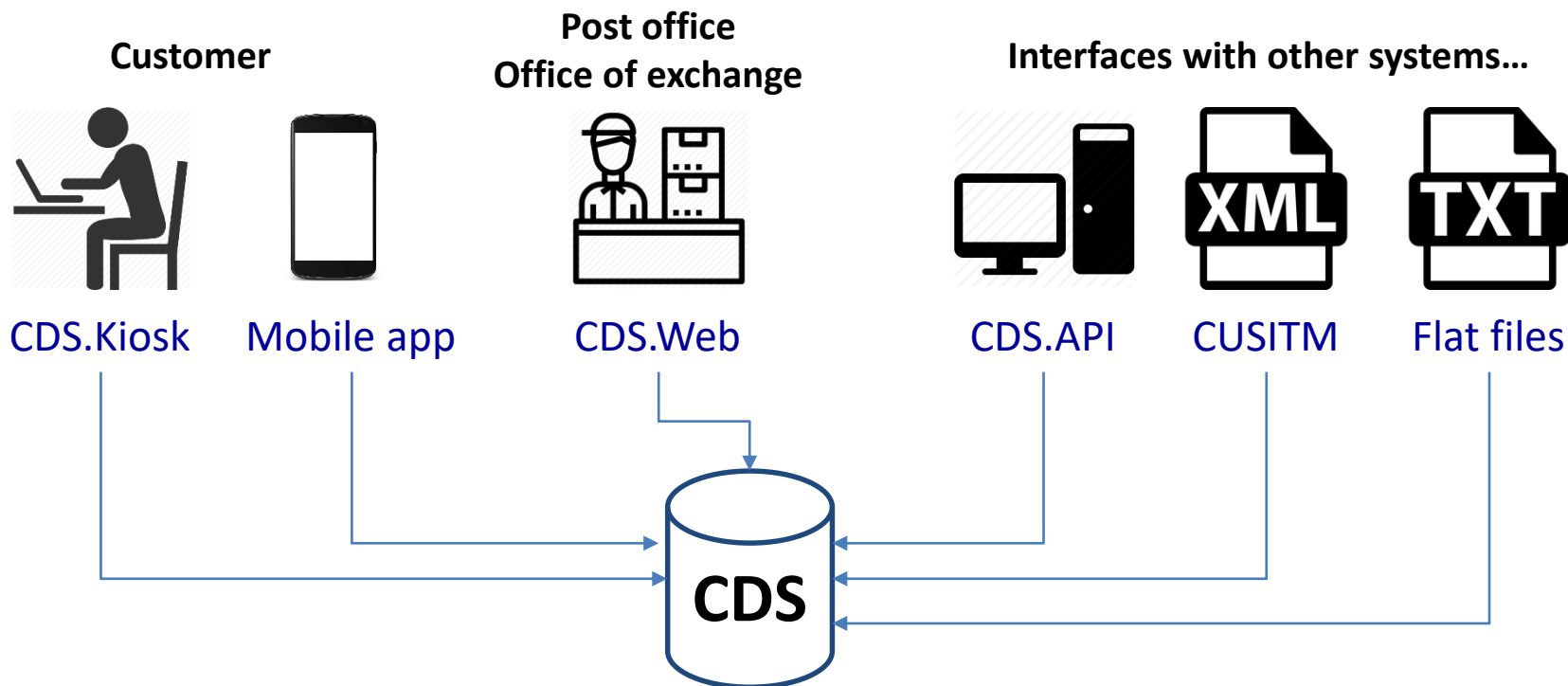
Export process:
CN23 customs declaration data capture workflow
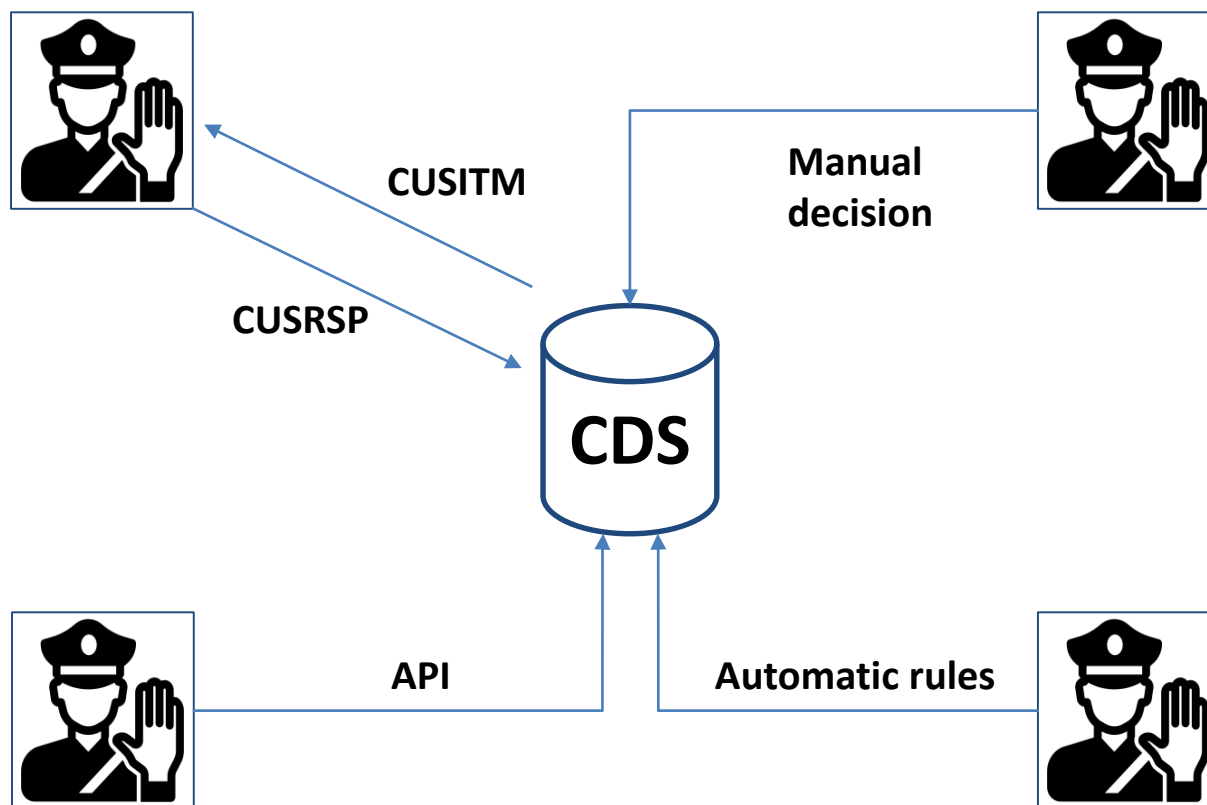**Technologies: Web, Kiosk and Mobile App**

Modular approach

External module for tax calculations

Customs taxes API

EDI

CDS.DB

External module for selectivity

API Selectivity

API, XML

CN23 capture (CDS.Kiosk, CDS.Web)

External module to capture the CN23
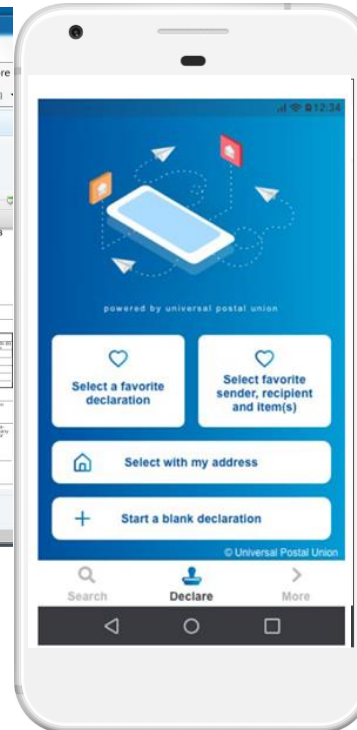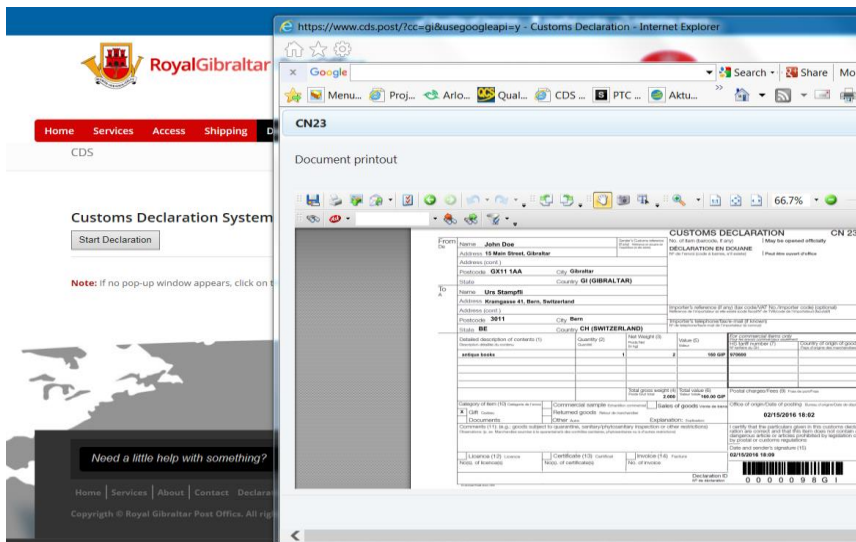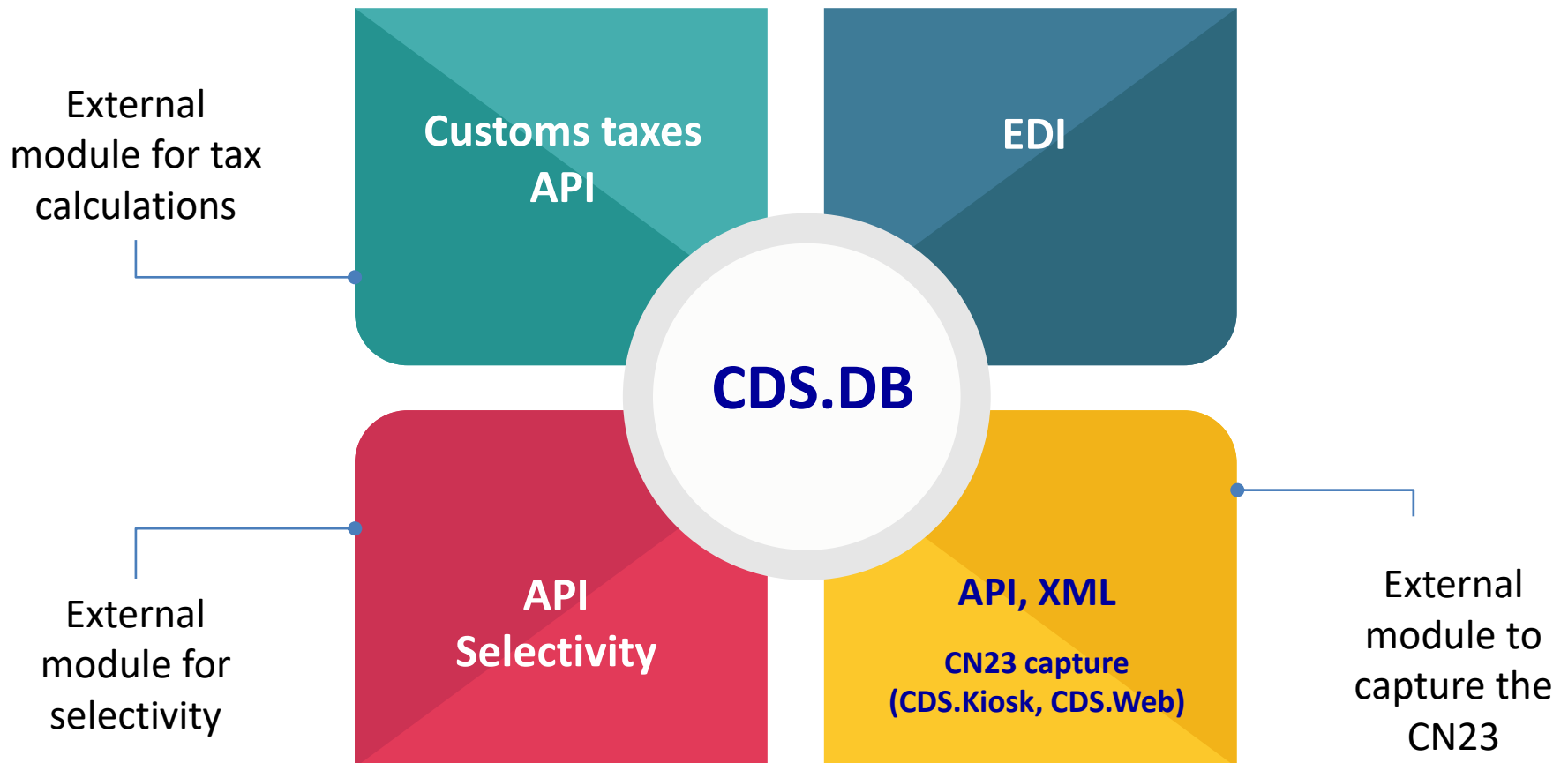
Import/Export: Customs decision

Options for customs decision in CDS:

Decisions can be made:

CUSITM

Manual decision

CUSRSP

CDS

API

Automatic rules

- **Directly in the system** (configure automatic rules, decision by Customs agent)

- **From another system** used by Customs and interfaced with EDI standard messages or API

- **Can be combined,** ex: CDS automatic rules for automatic clearance of small value goods, followed by manual decision for the rest
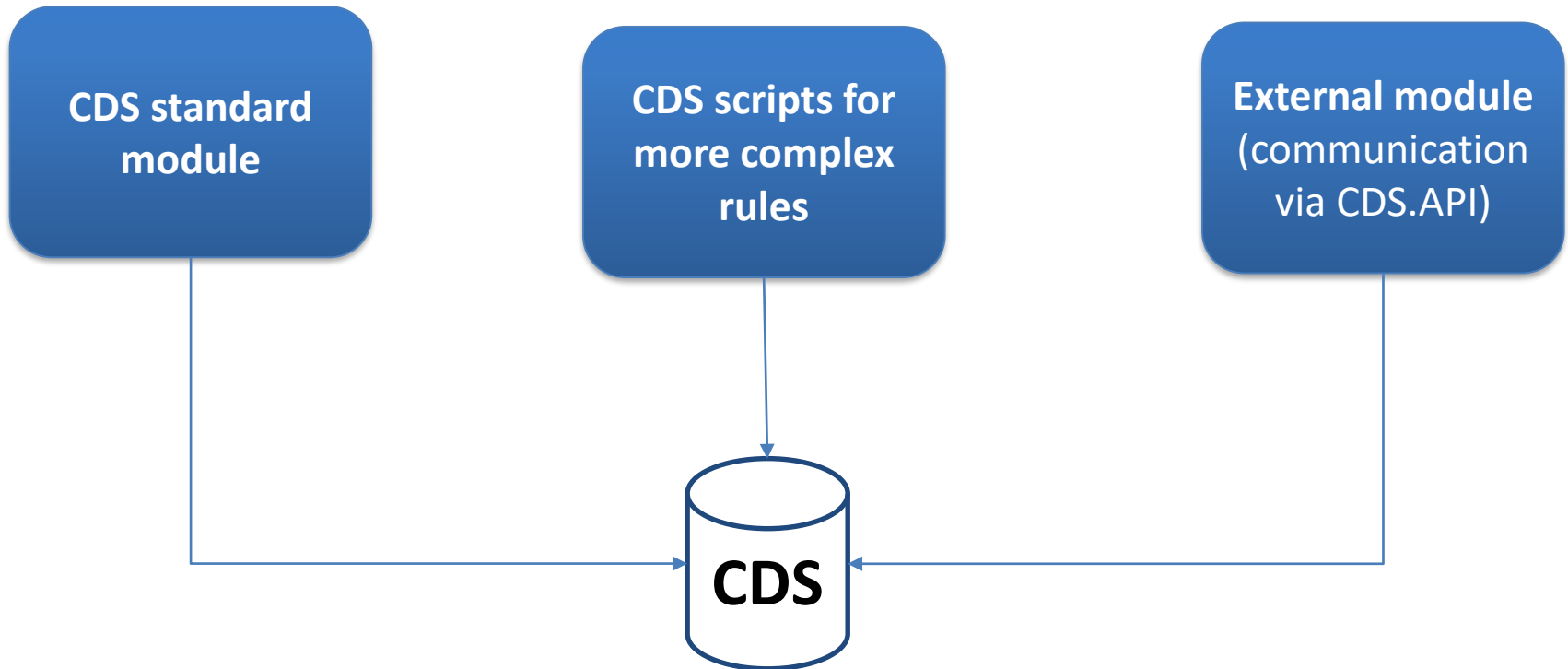
Import/Export: Customs decision

The auto responses rules can be used in addition to an external selectivity / targeting system

Import/Export: Customs taxes

CDS standard module

CDS scripts for more complex rules

External module (communication via CDS.API)

CDS

Import/Export: Customs taxes

CDS standard module

Versions

CDS
- Application hosted by the posts

CDS.POST
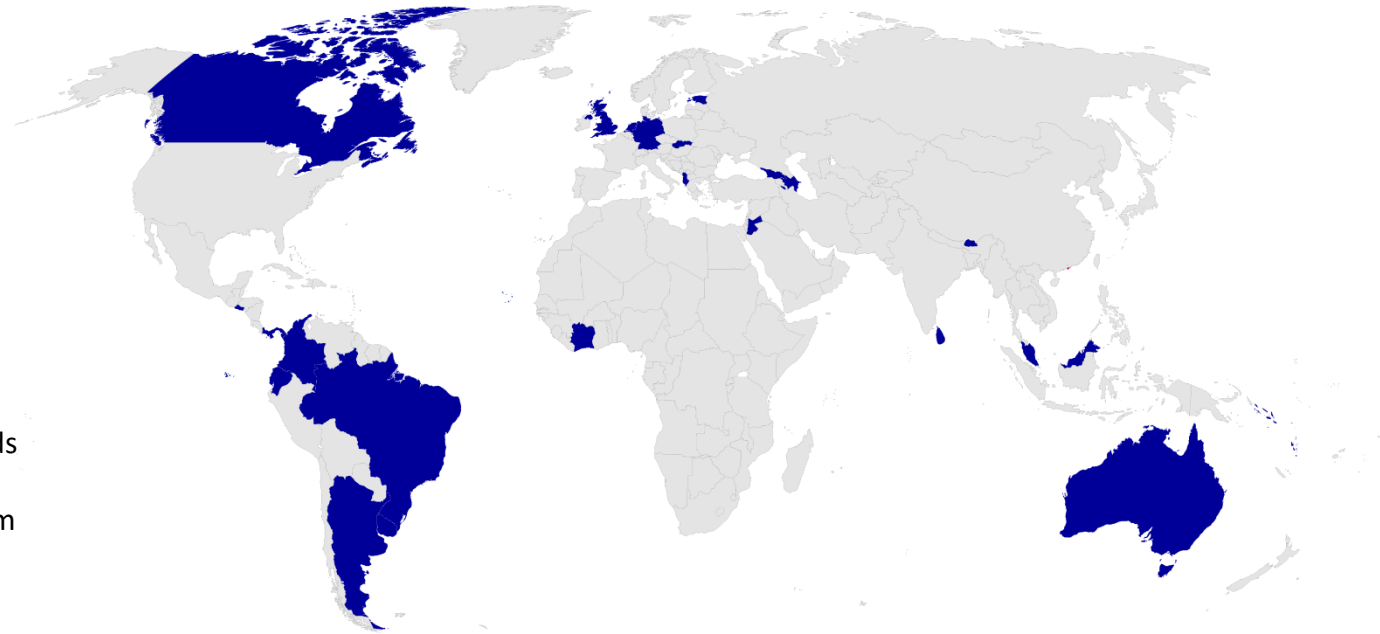- Application hosted by the UPU in a shared environment with other posts

CDS Cloud
- Application hosted by the UPU in a dedicated environment
- SaaS

Implementation status

30 production users

Albania
Argentina
Aruba
Australia
Azerbaijan
Barbados
Bhutan
Brazil
British Indian
    Ocean Territory
Canada
Cayman Islands
Colombia
Côte d'Ivoire
Curacao
Ecuador

El Salvador
Estonia
Georgia
Germany
Gibraltar
Jordan
Malaysia
Netherlands
Panama
Slovakia
Solomon Islands
Sri Lanka
United Kingdom
Uruguay
Vanuatu

- Ongoing regional or local projects with 50 additional countries

- Including, when applicable, interfacing with Asycuda World for the 90+ Customs that are equipped

Next steps

- **Meet 2021 timelines** (USA STOP Act, EU ICS-2, China, Russia, ITMATT mandatory)

- **ASYCUDA World** (AW) **–CDS interface production rollout** (Uganda, Georgia, Vanuatu)

- **Further enhance export data capture** (mobile app)

- **Explore the feasibility of setting up Compliance hubs**

- **Regional expansion projects** (+50 countries involved)

- **WCO-UPU capacity building project to counter the transportation of dangerous contraband, including synthetic Opioids** (starting)

- **Prohibitions search tool** (developed)

https://cds.preprod.upu.org/CDS.Web/Management/SearchRestrProhib.aspx

Thank you!

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