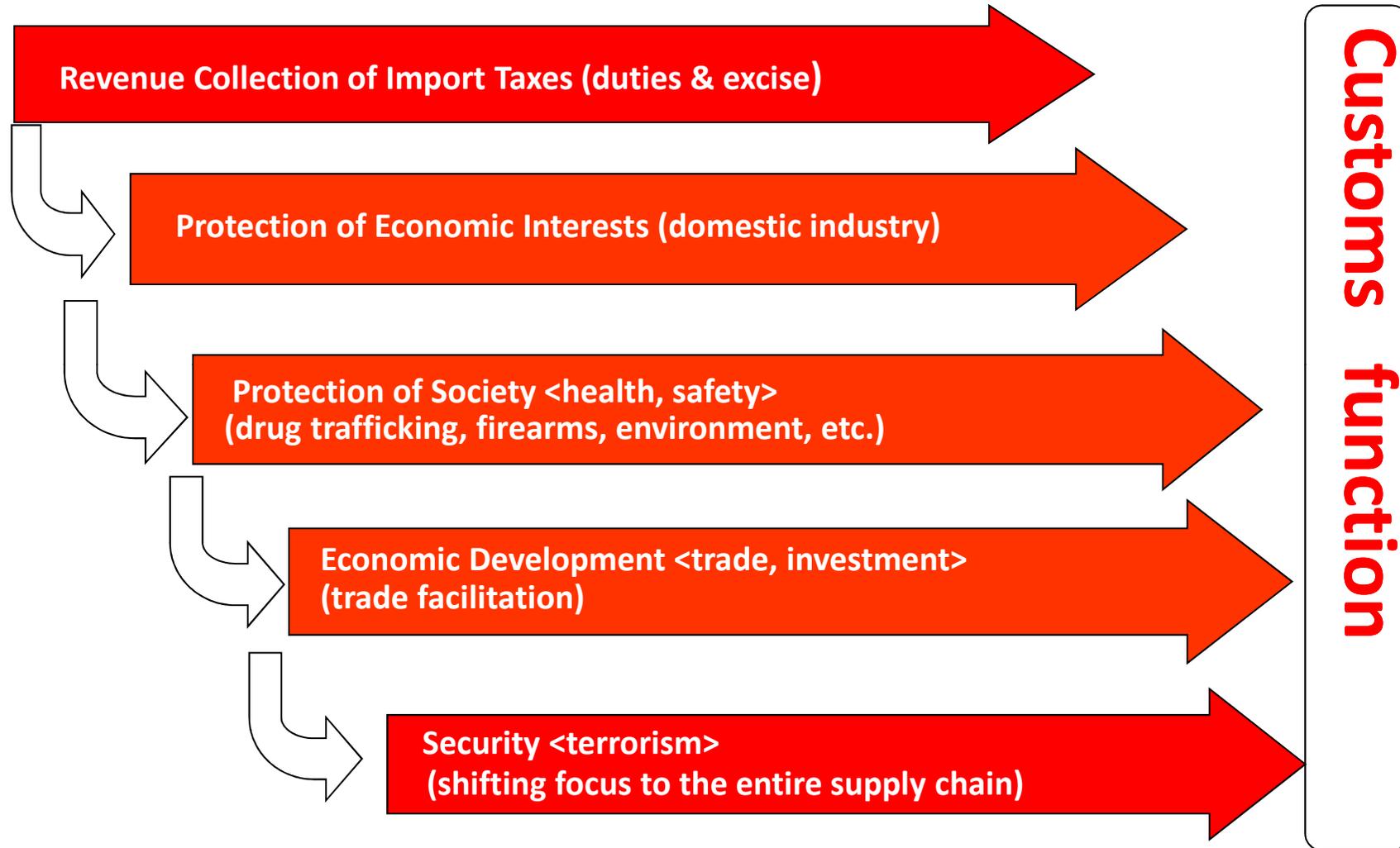




SAFE Framework of Standards



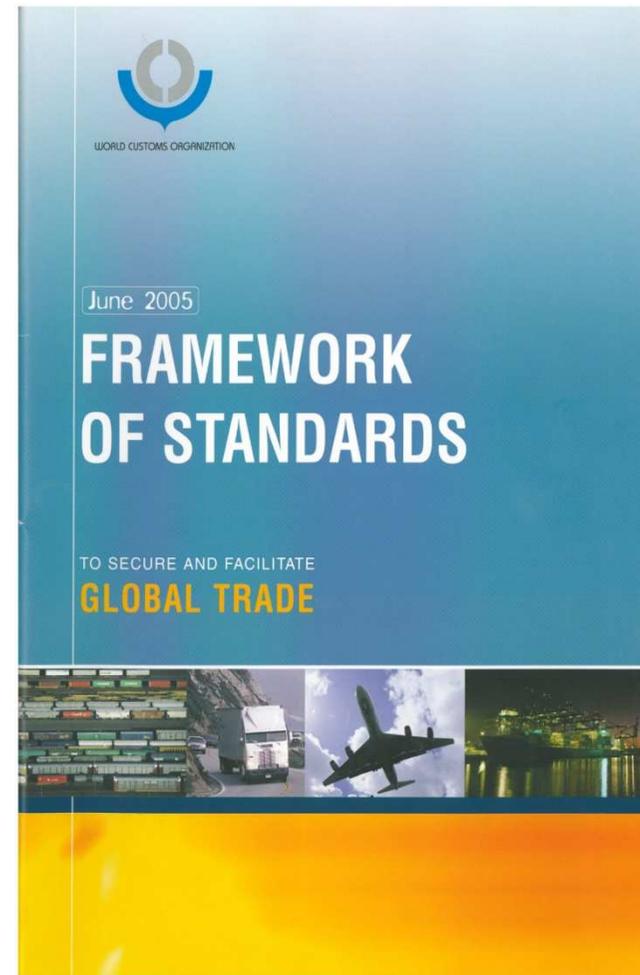
Evolution of Customs role



WCO SAFE Framework



- After September 2001, recognition of risks to the security and facilitation of the international trade supply chain led the WCO to take bold action.
- The WCO Council has adopted at its 2005 Session the SAFE Framework of Standards ("SAFE Framework") which designed standards to secure and to facilitate the ever-growing flow of goods in international commerce.



Objectives



- Certainty and predictability at a global level
- Integrated supply chain management for all transport modes
- Allow Customs to meet the challenges and opportunities of the 21st Century
- Closer cooperation among Customs administrations
- Stronger Customs-to-Business cooperation
- Tangible benefits for businesses
- Seamless movement of goods

FOUR CORE PRINCIPLES



| | | | |
|---|---|---|--|
| | | | |
| <p>Advance electronic information</p> | <p>Risk Management</p> | <p>Outbound inspection</p> | <p>Business partnerships</p> |
| <p>Harmonise the advance electronic information requirement on inbound, outbound and transit shipments.</p> | <p>Commit to employing a consistent risk management approach to address security threats.</p> | <p>Outbound inspection of high-risk consignments being exported, preferably using non-intrusive inspection methods.</p> | <p>Customs will provide benefits to businesses that meet minimal supply chain security standards and best practices.</p> |

FRAMEWORK STRUCTURE: TWO PILLARS and 17 Standards



Pillar 1: Customs-to-Customs Cooperation;
Using Commonly Accepted Standards to both
Secure and Facilitate Trade (11 Standards).

Pillar 2: Customs and Business Partnership;
Identify Secure Business Partners and
Offer Benefits (6 Standards).

Pillar 1 of SAFE

Customs-to-Customs

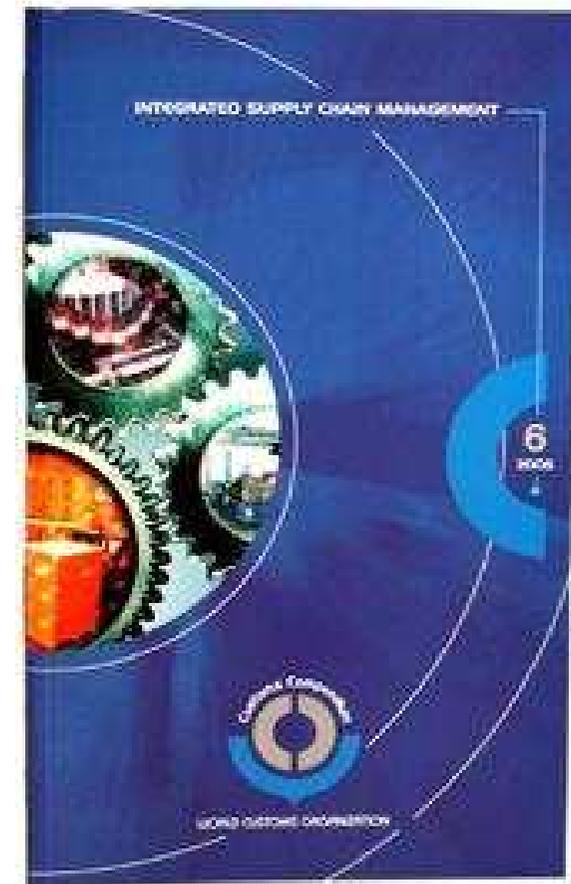


- Standard 1 : Integrated Supply Chain Management (ISCM)
- Standard 2 : Cargo Inspection Authority
- Standard 3: Modern technology in Inspection Equipment
- Standard 4: Risk-Management Systems
- Standard 5 : High Risk Cargo or Container
- Standard 6 : Advance Electronic Information
- Standard 7 : Targeting and Communication
- Standard 8 : Performance Measures
- Standard 9: Security Assessments
- Standard 10: Employee Integrity
- Standard 11 : Outbound Security Inspection

Pillar 1, Standard 1: Integrated Supply Chain Management



The Customs administration should follow integrated Customs control procedures as outlined in the WCO Customs Guidelines on Integrated Supply Chain Management (ISCM Guidelines).



Pillar 1, Standard 2: Cargo Inspection Authority



The Customs administration should have the authority to inspect cargo originating, exiting, transiting (including remaining on board), or being transshipped through a country



Pillar 1, Standard 3: Modern Technology in Inspection Equipment



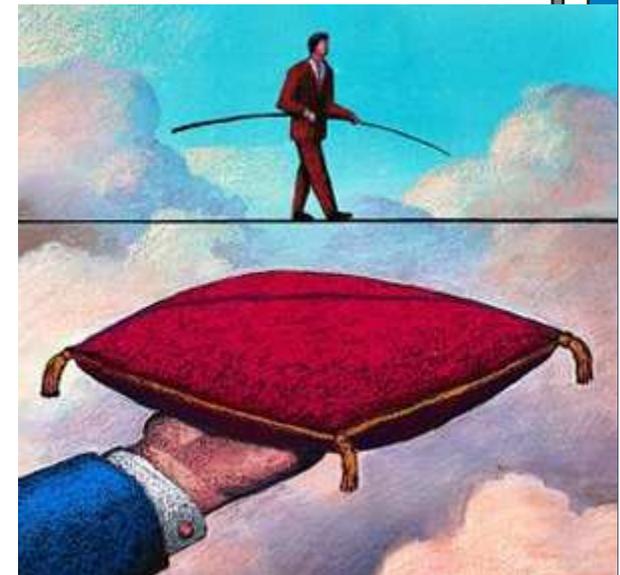
Non-intrusive inspection (NII) equipment and radiation detection equipment should be available and used for conducting inspections, where available and in accordance with risk assessment. This equipment is necessary to inspect high-risk containers or cargo quickly, without disrupting the flow of legitimate trade.



Pillar 1, Standard 4: Risk-Management Systems



The Customs administration should establish a risk-management system to identify potentially high-risk shipments and automate that system. The system should include a mechanism for validating threat assessments and targeting decisions and identifying best practices.



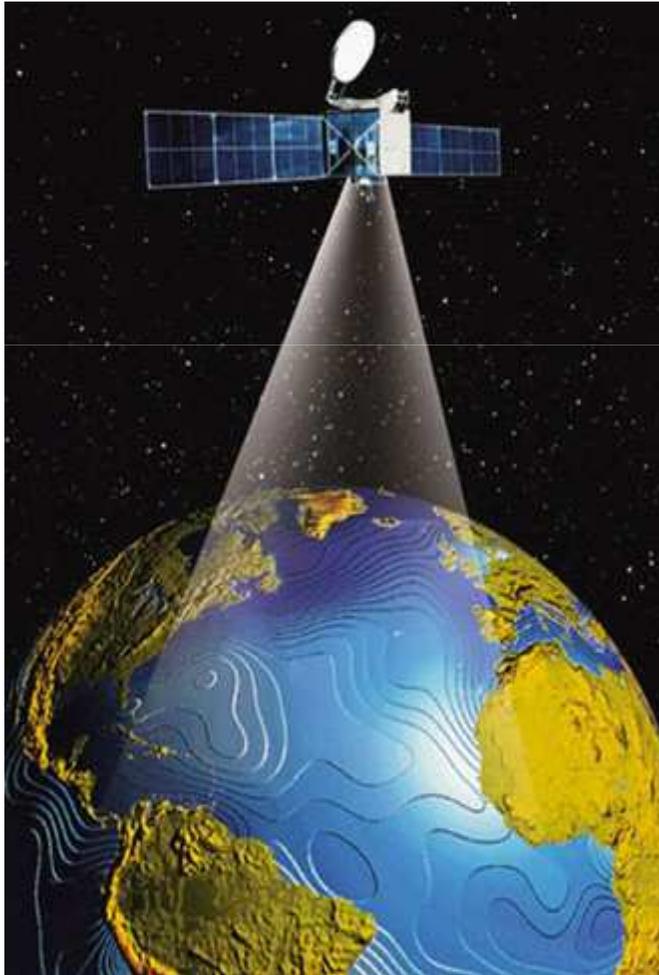
Pillar 1, Standard 5: Selectivity, profiling and targeting



Customs should use sophisticated methods to identify and target potentially high-risk cargo, including - but not limited to - advance electronic information about cargo shipments to and from a country before they depart or arrive; strategic intelligence; automated trade data; anomaly analysis; and the relative security of a trader's supply chain. For e.g, the Customs-Business Pillar certification and validation of point-of-origin security reduces the risk, and therefore, the targeting score.



Pillar 1, Standard 6: Advance Electronic Information

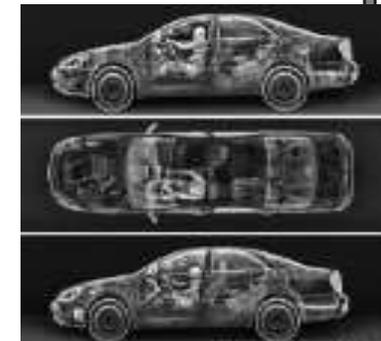


The Customs administration should require advance electronic information on cargo and container shipments in time for adequate risk assessment to take place



Pillar 1, Standard 7: Targeting and Communication

Customs administrations should provide for joint targeting and screening, the use of standardized sets of targeting criteria, and compatible communication and/or information exchange mechanisms; these elements will assist in the future development of a system of mutual recognition of controls.



Pillar 1, Standard 8: Performance Measures



The Customs administration should maintain statistical reports that contain performance measures including, but not limited to, the number of shipments reviewed, the subset of high-risk shipments, examinations of high-risk shipments conducted, examinations of high-risk shipments by NII technology, examinations of high-risk shipments by NII and physical means, examinations of high-risk shipments by physical means only, Customs clearance times and positive and negative results. Those reports should be consolidated by the WCO.



Pillar 1, Standard 9: Security Assessments



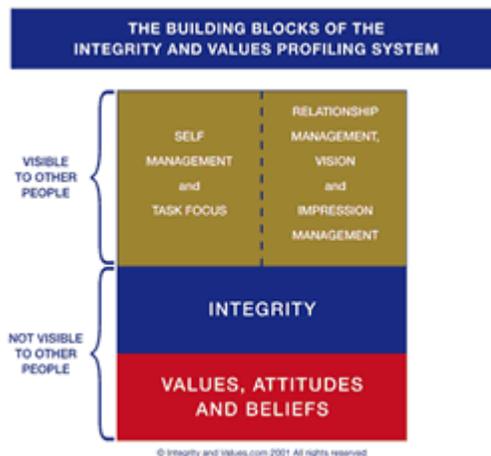
The Customs administration should work with other competent authorities to conduct security assessments involving the movement of goods in the international supply chain and to commit to resolving identified gaps expeditiously.



Pillar 1, Standard 10: Employee Integrity



The Customs administration and other competent authorities should be encouraged to require programs to prevent lapses in employee integrity and to identify and combat breaches in integrity.



Pillar 1, Standard 11: Outbound Security Inspections



The Customs administration should conduct outbound security inspection of high-risk containers and cargo at the reasonable request of the importing country.



Background



- The trade asks for quicker release of goods.
- The citizens fear the threats.
- The consumers want safe products.
- Against this background, Customs are confronted with apparently contradictory objectives: the facilitation of trade, calling for faster control of merchandise flows, and the security of our citizens calling for more effective controls.
- The challenge is to strike the right balance between the two!
- Customs has a long history of recognizing reliable traders and providing simplified procedures for them
- Similarly we have longstanding traditions of collaboration with trade
- It is a win/win - we could not perform our jobs without this partnership deal



Pillar 2: Customs and Business Partnership; Identify Secure Business Partners and Offer Benefits (6 Standards).

6 Standards: Partnership, security, authorization, technology, communication, facilitation

Authorized Economic Operator in the SAFE Programme



AEO is a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards. AEOs may include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders."



◆ **Standard 1 - Partnership**

➤ a self-assessment process measured against pre-determined security standards and best practices to ensure adequate safeguards against the compromise of their shipments and containers until they are released from Customs control at destination.

◆ **Standard 2 - Security**

➤ AEO will incorporate pre-determined security best practices into their existing business practices.

◆ **Standard 3 - Authorization**

➤ The Customs administration, and the trade community, will design validation processes or quality accreditation procedures that offer incentives to businesses through their status as AEO.



◆ **Standard 4 - Technology**

➤ All parties will maintain cargo and container integrity by facilitating the use of modern technology.

◆ **Standard 5 - Communication**

➤ The Customs administration will regularly update Customs-Business partnership programs to promote minimum security standards and supply chain security best practices.

◆ **Standard 6 - Facilitation**

➤ The Customs administration will work co-operatively with AEO to maximize security and facilitation of the international trade supply chain originating in or moving through its Customs territory.

Public-Private Partnership



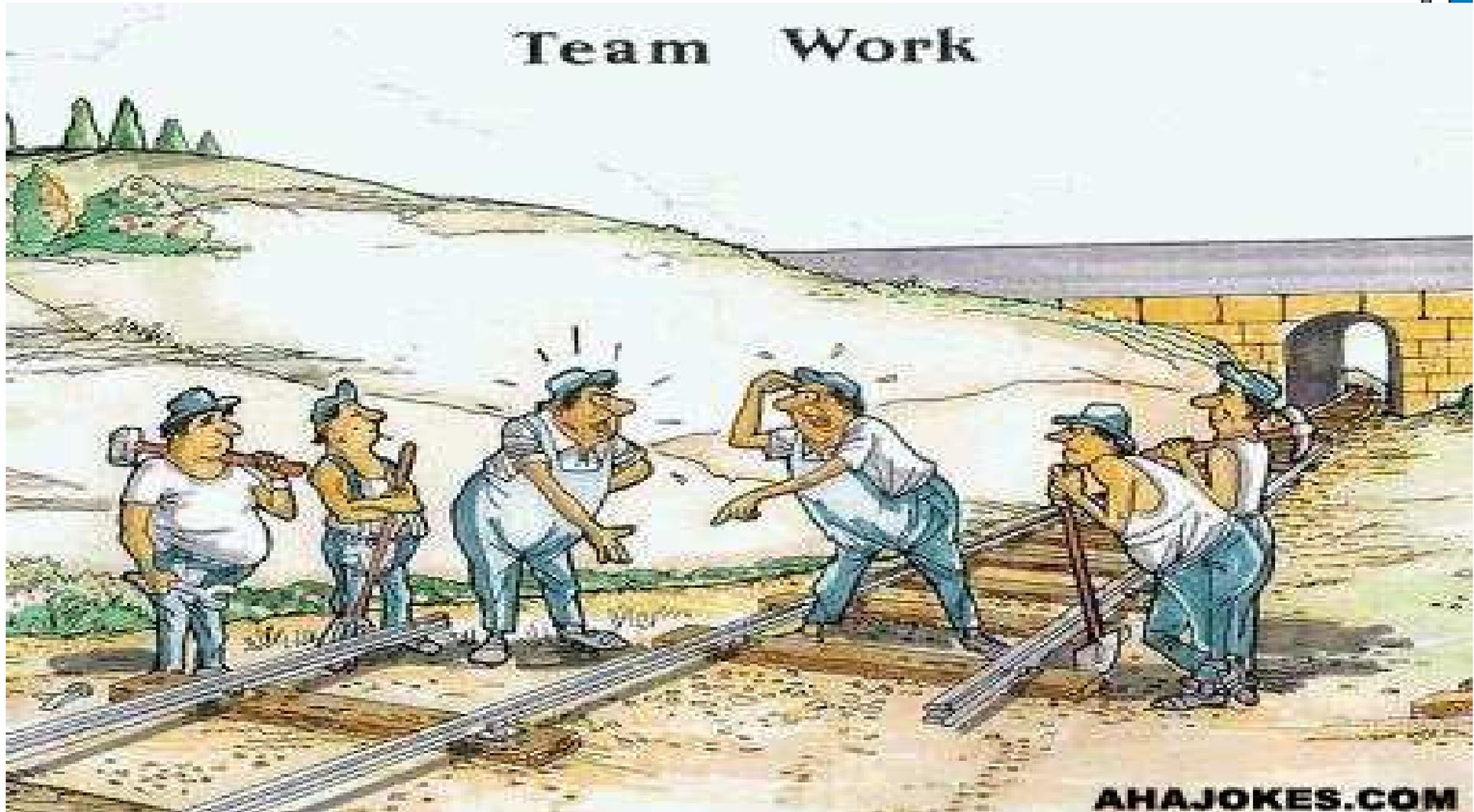
TEAMWORK

**Coming Together Is Beginning. Keeping Together
Is Progress. Working Together Is Success.**

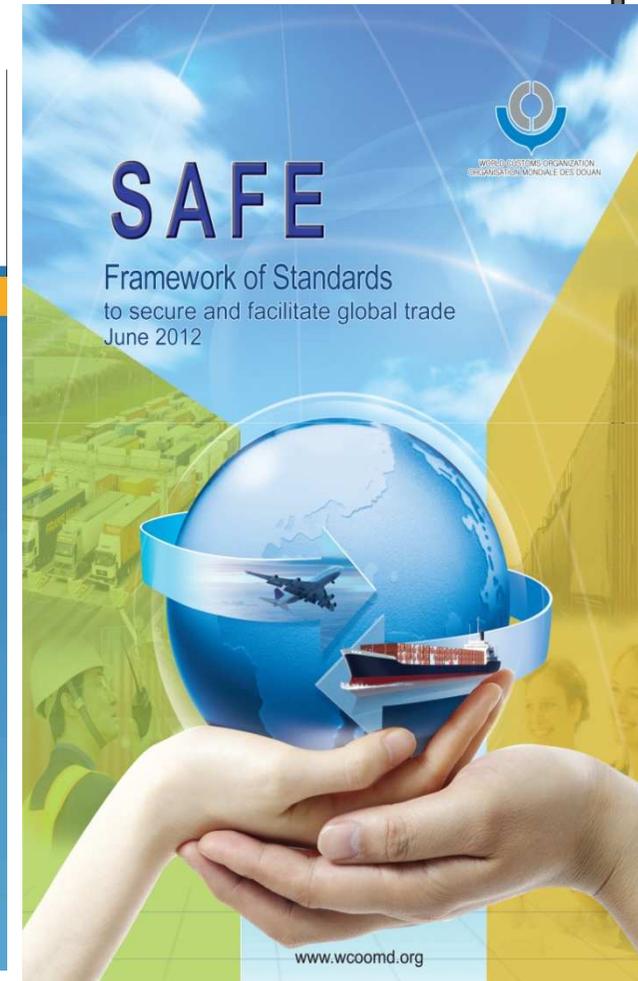
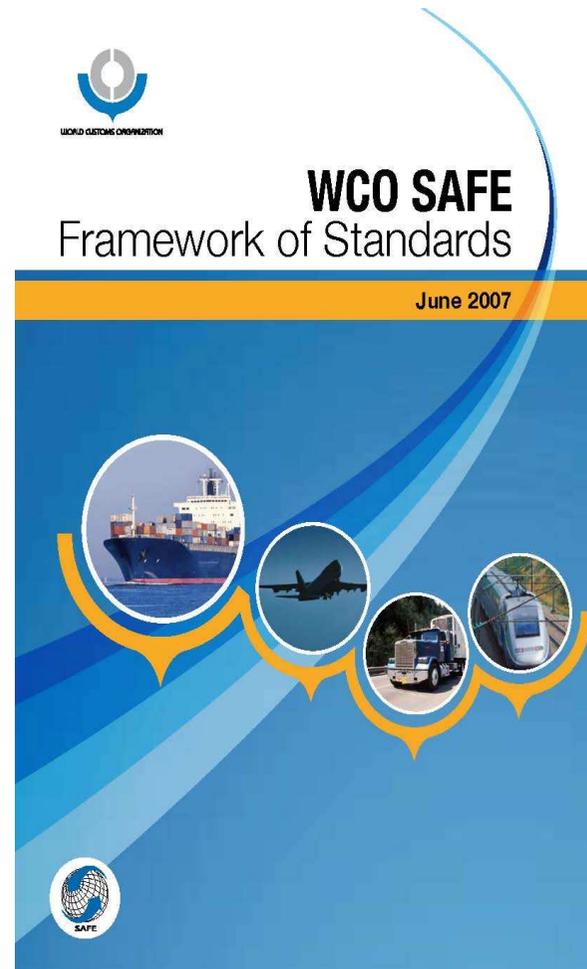
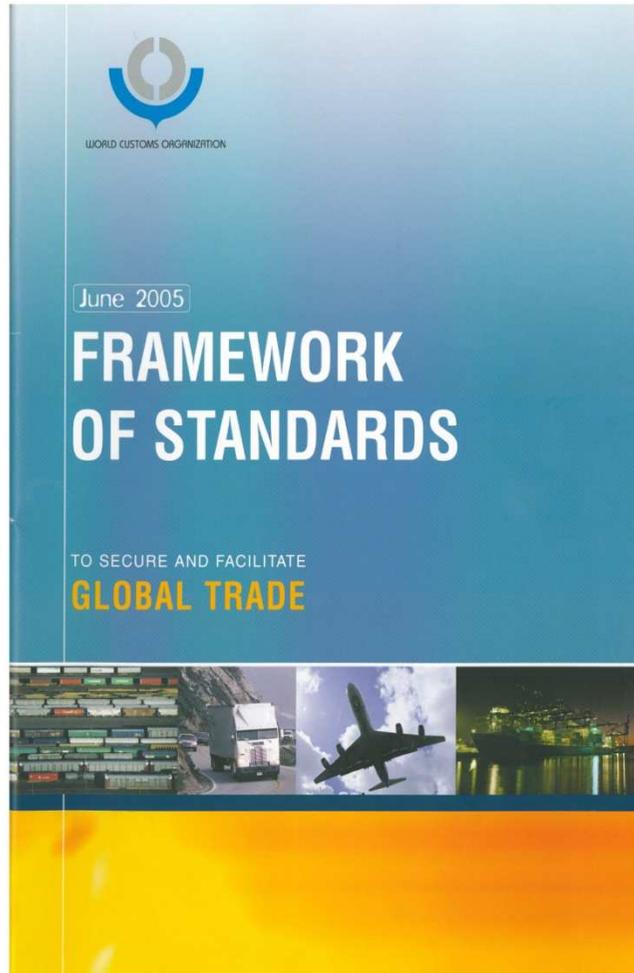
Lack of Public-Private Partnership



Team Work



WCO SAFE Framework





SAFE Review

SAFE 2015:

- Existing/new proposals
- Restructure - user friendly
- Toolkit - for Pillar 1
- Third Pillar - CBM
- Provision for 'pre-loading' and the definition

Contacts



Website

<http://www.wcoomd.org>

<http://members.wcoomd.org>

E-mail

Asha Menon
Senior Technical Officer
asha.menon@wcoomd.org