SMART Borders
- Concept and application

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Global Strategic Imperatives and drivers

- Growing volumes
  - 7.3 billion travellers by 2034
  - Cargo to quadruple by 2030
  - 2020 World Cup

- Global Value Chains
  - Globalization 4.0
  - Increasing complexities
  - Made in World
  - With increasing globalisation of trade – increased transnational crimes
  - Increasing interconnectivity and interdependency of societies/countries - Increasing Border Security Threats

- Trade Facilitation
  - WCO Revised Kyoto Convention
  - WTO Agreement on Trade Facilitation
    - ICT Driven
    - Regional Approach

- Security
  - Exchange of information on goods, passengers and conveyances
  - Partnerships
  - Mutual Recognition
Global Strategic Imperatives and drivers

- **Regional Integration**
  - Customs and Economic Unions
  - RECs
  - FTAs

- **Digitalization**
  - Paperless Trade
  - E-Commerce
  - Digital Trade – electronic transmissions
  - Single Window

- **Transformative Technologies**
  - Internet of Things
  - Industry 4.0
  - 3D Printing
  - Big Data – Data Analytics
  - Cloud – secure storage
  - Blockchain – digital trust
WCO Theme for the Year 2019

“SMART borders for seamless Trade, Travel and Transport.”

SMART refers to: Secure, Measurable, Automated, Risk Management-based and Technology-driven.

At a time when the number of passengers and the volume of freight crossing borders is expected to increase exponentially, and technology has transformed the economic landscape in which Customs is evolving, WCO Members are encouraged to look at how they can best ensure the swift and smooth cross-border movement of goods, people and means of transport.

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- **S**: Secure
- **M**: Measurable
- **A**: Automated, 
- **R**: Risk Management-based
- **T**: Technology-driven
SMART Borders

SMART borders

- Measurable
- Automated
- Secure
- Technology-driven
- Risk Management-based
SMART Borders

» **Secure**: refers to the objective of border control to safeguard international travel against the inherent risk of transnational crime and other Customs offences, while facilitating legitimate travel.

» **Measurable**: refers to a performance-based culture that rests on self-evaluation and objective measurement, aiming at obtaining well-conceived decisions that can easily be implemented and evaluated.

» **Automated**: refers to the pursuit of a less cumbersome border environment that takes full advantage of automated processes to mine, share and effectively analyse data.

» **Risk Management-based**: refers to a key approach to modern Customs processes, involving risk profiling methods using data analytics.

» **Technology-driven** refers to the pursuit of further studies and “proof of concept” exercises to explore the use of emerging technologies.
SMART Borders

» support the UN 2030 Agenda for Sustainable Development
» ensure timely delivery of raw materials to industry,
» reduce unfair competition in local communities,
» open up opportunities for marginalized communities to access new markets
» create transparent and predictable conditions for trade, and facilitating legitimate business that will in turn contribute to economic growth and job opportunities.

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- This innovative approach has twofolds:
  - reengineering business processes while applying new technologies, and
  - working “smartly” to achieve an interconnected and secure global value chain that fosters economic growth in an inclusive manner.
- Use of social, mobile, analytics and cloud (SMAC) solutions to transform Customs into a digital organization in their pursuit of paper-free Single Window environment.
- Leverage multiple data sources using powerful data analysis tools, artificial intelligence, machine learning tools could support Advance Knowledge Discovery (AKD) to identify and mitigate emerging threats.
SMART Borders – key considerations

» Integrated risk management based on advance electronic information
» Pre-arrival processing
» Account-based border management
» Trusted traders programmes
» API/PNR system
» Seamless passenger journey with the biometric-based passport and visa system, fingerprints, facial recognition, and iris scanning
» Efficient data exchange between and among Customs administrations and other government agencies
SMART Borders – key considerations

» Whole-of-government endeavour to facilitate trade and travel, and mitigate threats inherent in the cross-border flows of goods, people and means of transport
» Paper-free Single Window environment
» Enhanced customized e-services
» Interfaced digital platforms: convergence of regulatory and commercial Single Windows and interoperability of Single Windows
» Smart security devices (e-seals, smart containers)
» Mobile applications
» NII equipment and interoperability of images
» Data analytics: AI, ML
» Empowering workforce
» Skills and capabilities of workforce
Where am I?
» Revised Kyoto Convention
» SAFE Framework of Standards
» WTO Agreement on Trade Facilitation
» AEO Programme
» API/PNR Programme;
» WCO Data Model;
» Single Window Environment;
» Globally Networked Customs – Utility Block;
Case study: Brazil

Single Window

Project Management

Local Facilitation Committee
- Customs
- Agriculture
- Health
- Importers
- Exporters
- Warehouses

AEO

AEO Security (AEO-S)
Certification based on SECURITY requirements

AEO Compliance (AEO-C)
Certification based on compliance with TAX and CUSTOMS legislation

AEO Integrated
COOPERATION between Customs and other government agencies

Main Module

Complementary Module

Other Control Agencies

Coordinated inspection Risk Based

Certification based on SECURITY requirements

Regional Security (RSE)

Certification based on compliance with TAX and CUSTOMS legislation

COOPERATION between Customs and other government agencies

Main Module

Complementary Module

Other Control Agencies

Coordinated inspection Risk Based
Case study: Brazil

Traveler Customs Control
Case study: Brazil

Key Challenges
» Customs leadership
» Human, IT and financial resources
» Capacity building
» Engagement of all the agencies
» Timely and quality IT development
» Permanent partnership with the private sector.
» Global and fluid information exchange
» Digital forensics
Case study by Italian Customs
Smart Border Necessary Components

- Mapping of processes
- Data Integration and Harmonization
- Developing new processes
Trying to streamline the initiatives

- AEO programs
- Single Window
- RIFD Sealing
- Clearance in the sea
- Internet of Things
- Artificial Intelligence

SMART BORDER
The Italian AEO Program

1400 AEOs

44% AEOC
Simplification field

2% AEOS
Security field

54% AEOF
Both fields

AEO Authorizations’ distribution
The necessity to link Customs and the other Cross border regulatory agencies
Lodge the eManifest & request for sea customs clearance

Customs authority request Coast Guard monitoring

Coast Guard confirm monitoring

3. ship enters the port. Information on selectivity controls available for the economic operator

1 - the ship leaves the last port before the final destination

2 – Customs & Port Authority Systems start monitoring of the vessel

sea customs clearance authorized

Implementation

Sea freight customs clearance pilot project
Directly to the inland terminal - pilot project

RFID Sealing

Monitored corridors
Integration with other trade facilitation measures

Directly to the inland terminal - pilot project

- Pre-arrival information
- Surveillance by / Coast Guard & Customs
- Paperless Customs Clearance
- Single window
- Simplified procedure – local clearance

Agenzia delle Dogane e dei Monopoli
Thank you for your kind attention!