

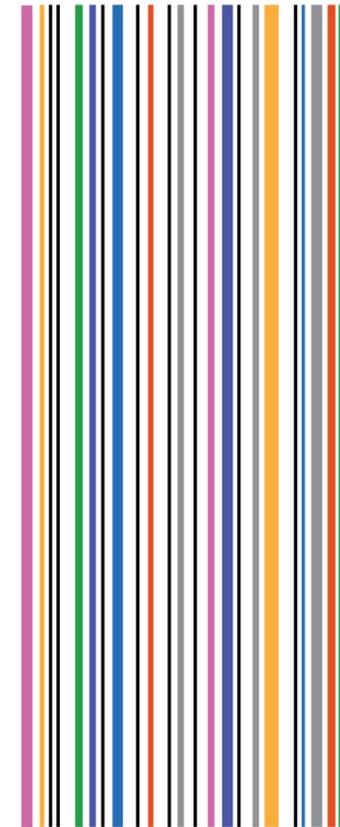
Integrating Risk Management in Trade Facilitation

Risk Management in Regulatory Systems

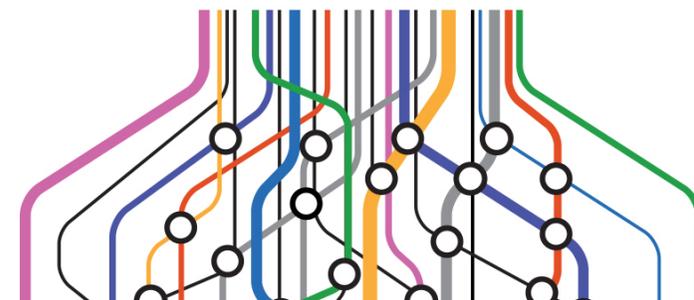
UNECE Working Party on Regulatory Cooperation and Standardization Policies

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UN Economic Commission for Europe (UNECE)

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UN / CEFAC



WTO Trade Facilitation Agreement

Article 7: Release and Clearance of Goods

“4 Risk Management

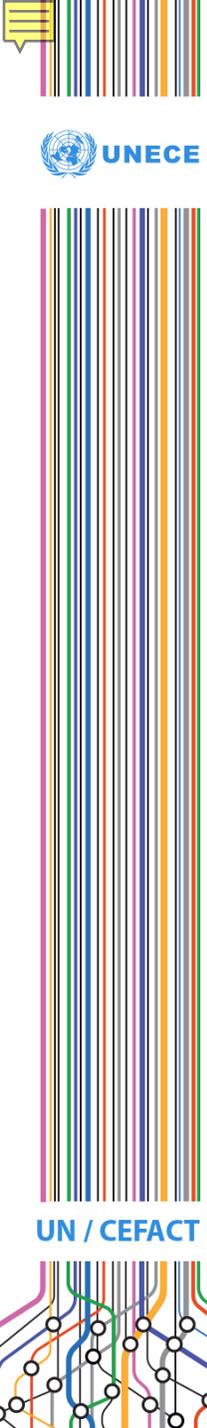
- 4.1 Each Member shall, to the extent possible, **adopt or maintain a risk management system for customs control.**
- 4.2 Each Member shall design and **apply risk management** in a manner as **to avoid arbitrary or unjustifiable discrimination, or a disguised restriction on international trade.**
- 4.3 Each Member shall concentrate customs control and, to the extent possible other relevant border controls, **on high-risk consignments and expedite the release of low-risk consignments.** A Member also may select, on a random basis, consignments for such controls as part of its risk management.
- 4.4 Each Member shall base risk management on an assessment of risk through appropriate selectivity criteria. Such selectivity criteria may include, *inter alia*, the Harmonized System code, nature and description of the goods, country of origin, country from which the goods were shipped, value of the goods, compliance record of traders, and type of means of transport.”



United Nations Global Survey on Digital and Sustainable Trade Facilitation

A tool to assess implementation
and review
progress of trade facilitation
performance

untfsurvey.org



Question on Risk Management for trade facilitation

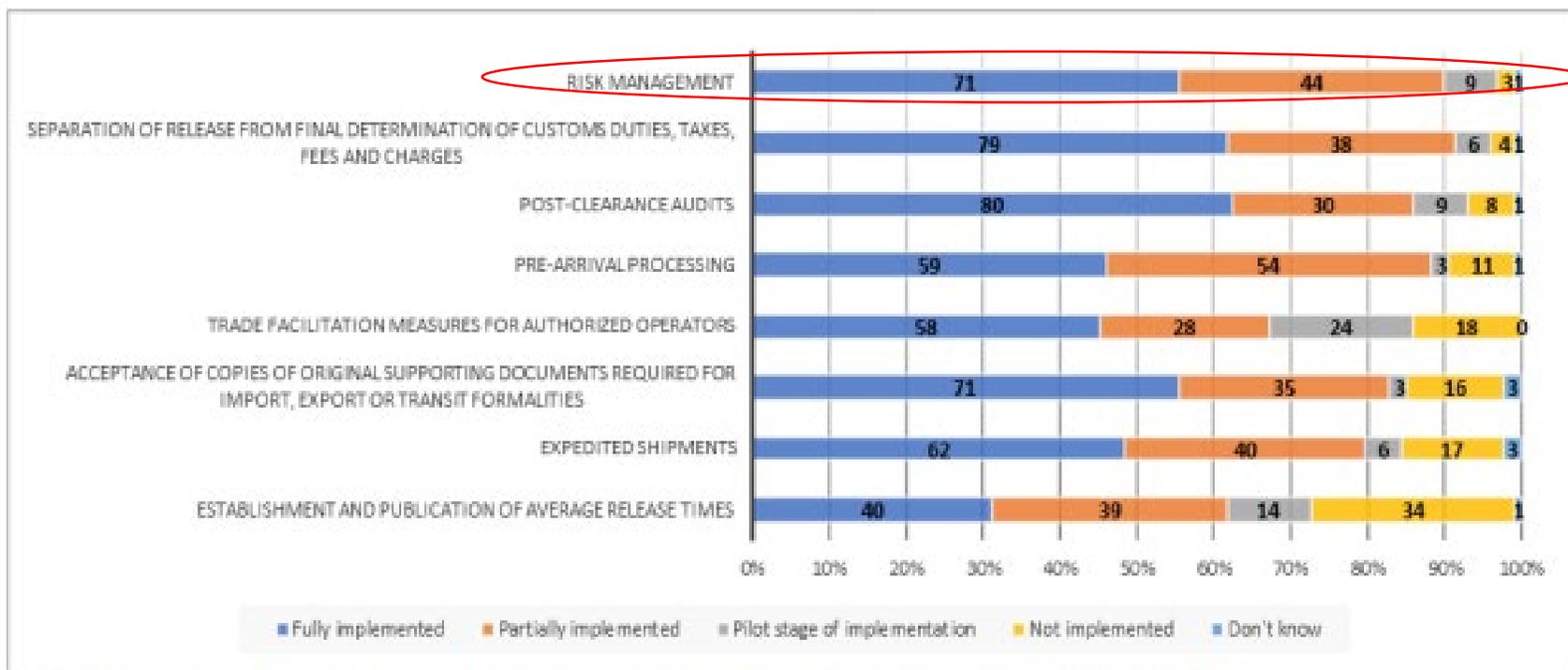
- **Does your border agency use risk management as a basis for deciding whether a shipment will be or not physically inspected?**

(Fully Implemented, Partially Implemented, Pilot Stage, Not Implemented)

- ▶ 6.1 Are less than 50% of imported non-food shipments physically inspected?
[] Yes [] No [] Don't know
- ▶ 6.2. Are policies/procedures established to ensure that risk information (e.g., profiles and related control instructions) are disseminated to all relevant Customs offices and used in customs declaration processing?
[] Yes [] No [] Don't know
- ▶ 6.3. Do other border agencies besides customs use risk management?
[] Yes [] No [] Don't know

Global Response: Risk Management

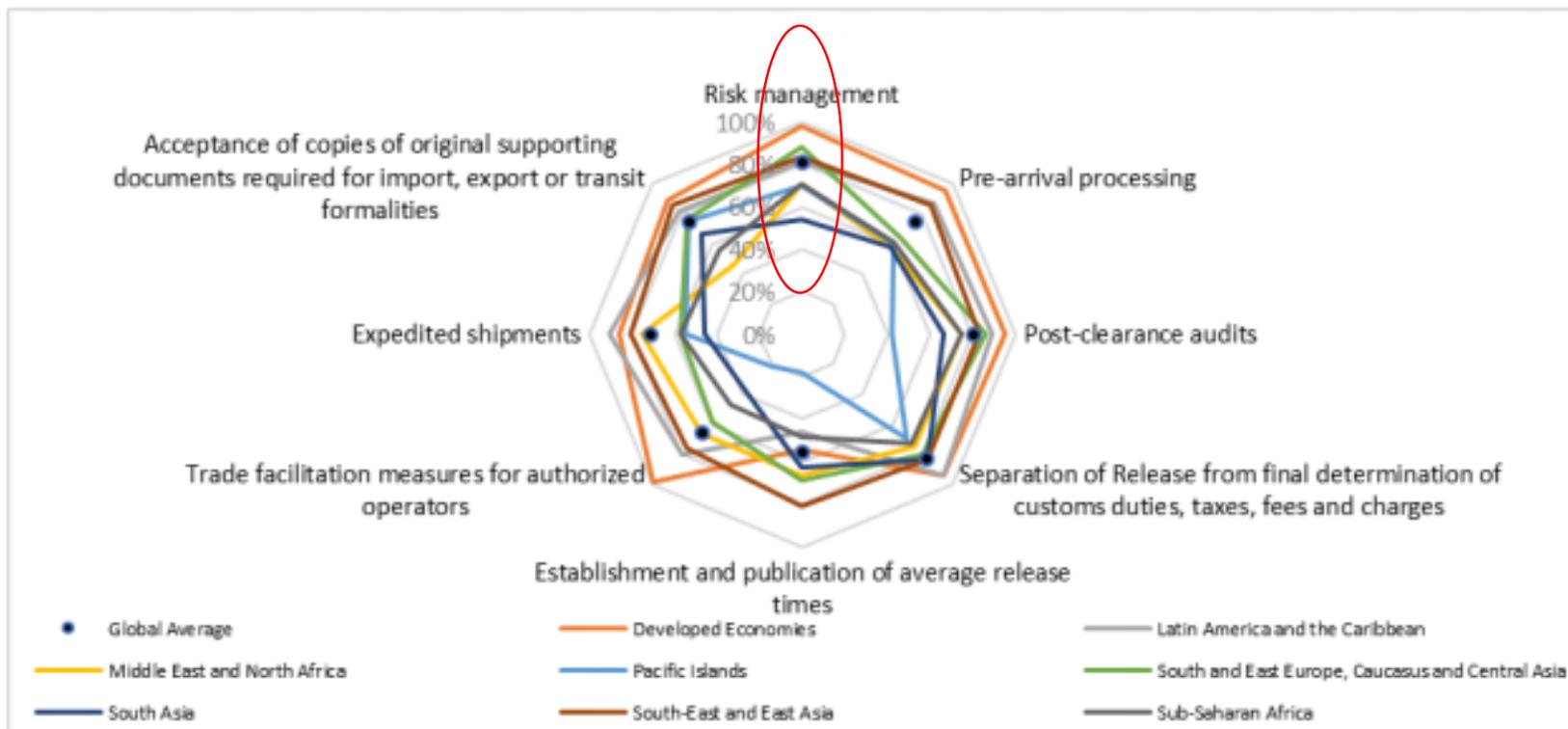
Figure 11: State of implementation of 'Formalities' measures globally



Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019

Global Response: Risk Management

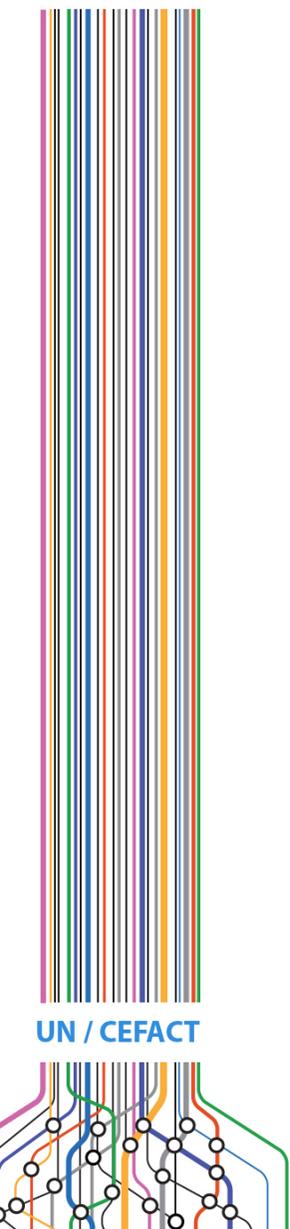
Figure 10: Global implementation of 'Formalities' measures in various regions



Source: The UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2019

Risk management at the borders

- Risk management and the use of risk-based selectivity allows Customs to allocate its scarce resources to the high-risk areas while increasing the efficiency of the clearance process for low-risk shipments.
- Analysing and measuring the level of compliance related to individual traders, commodities or trading countries, decision for further scrutiny or physical checks could be carried out.
- Incentives are created by developing Authorized Economic Operators programmes for those who have good track record.
- Pre-arrival processing can be undertaken to reduce time taken for enabling immediate release of goods upon arrival.
- **Regulation and its proper implementation is important**



Why trade facilitation matter?



Greater demand **for predictability**, speed and cost minimisation – especially in international supply chains



Competitiveness – more efficient and **effective use of resources**

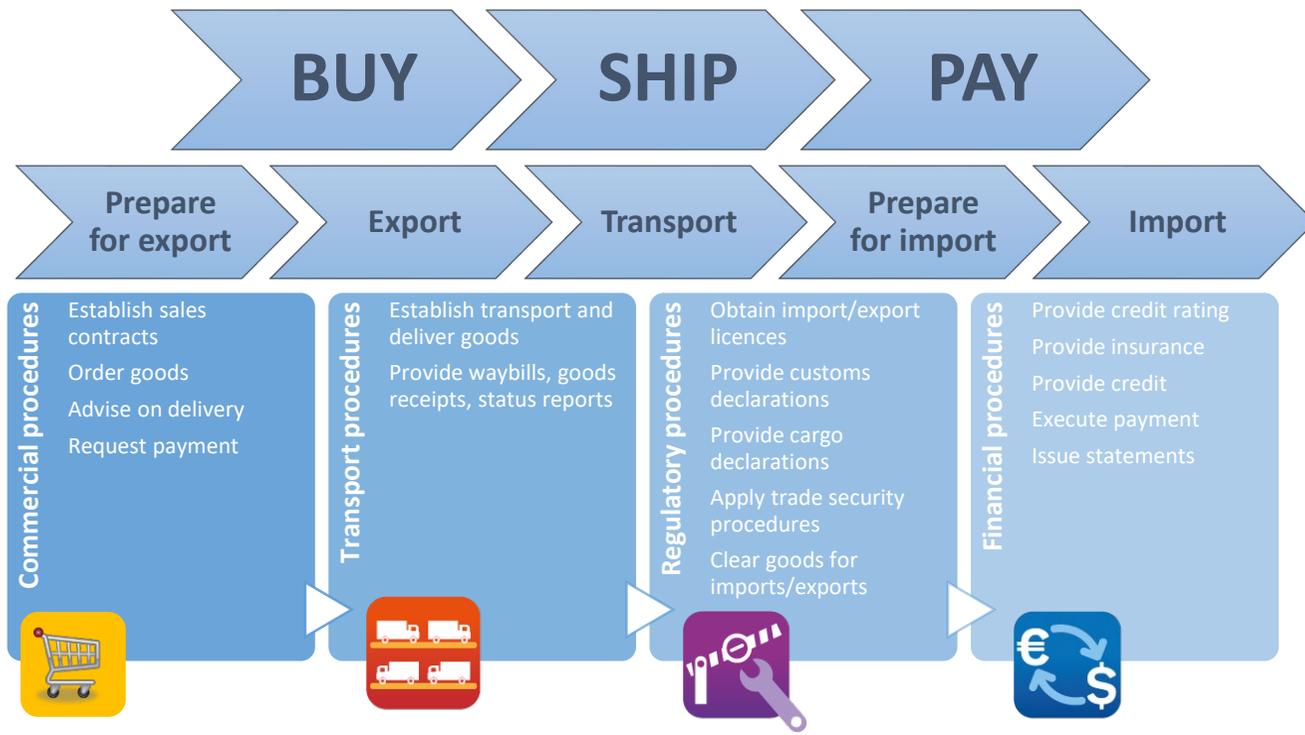


Trade facilitation and **security issues** – create advanced information requirements



Opportunities provided by ICT

The supply chain perspective

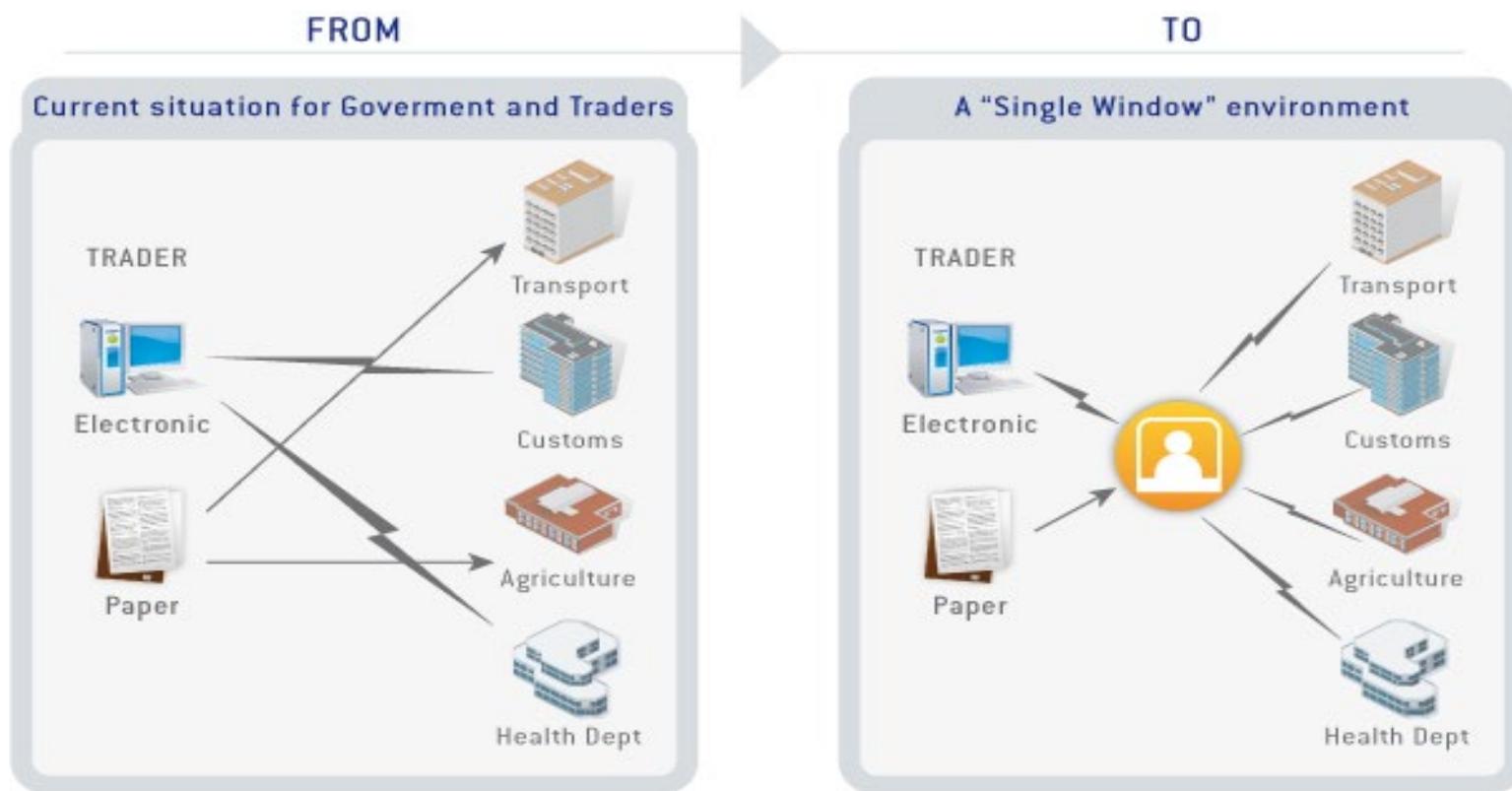


The UN/CEFACT Buy Ship Pay Model (Source: UN/CEFACT International Supply Chain Reference Model)

Information is KEY for Risk Management

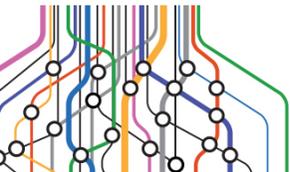
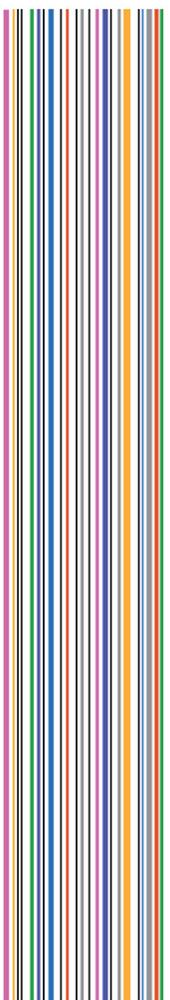
Single Window

- Establish a platform for collaboration between stakeholders
- Use eBusiness technology as a tool



UNECE Trade Facilitation Recommendations

Rec1 – UN Layout Key for Trade Documents	Rec4 – National Trade Facilitation Bodies Rec6 – Aligned Invoice Layout Key for International Trade	Rec8 – Unique Identification Code Methodology – UNIC	Rec11 – Documentary Aspects of the Transport of Dangerous Goods
Rec12 – Measures to Facilitate Maritime Transport Documents Procedures	Rec13 – Facilitation of Identified Legal Problems in Import Clearance Procedures	Rec14 – Authentication of Trade Documents	Rec15 – Simpler Shipping Marks
Rec16 – LOCODE Code for Trade and Transport Locations	Rec18 – Facilitation Measures Related to International Trade Procedures	Rec22 – Layout Key for Standard Consignment Instructions	Rec25 – Use of the UN Electronic Data Interchange for Administration, Commerce and Transport Standard (UN/EDIFACT)
Rec26 – The Commercial Use of Interchange Agreements for Electronic Data Interchange	Rec27 – Pre-shipment Inspection	Rec33 – Single Window Development	Rec40 – Consultation Approaches



UN/CEFACT eBusiness standards

eSPS

- **Electronic Management and Exchange of Sanitary and Phytosanitary Certificates**
- Main outcomes: Safe and legal imports and/or exports, less fraud
- Goal: Improved trade

FLUX

- **Electronic Management and Exchange of Fishery Information**
- Main outcomes: Better control of fish resource, better stock assessment, legal fishing
- Goal: Sustainable marine resources

T&T

- **Track and Trace for Animal and Fish**
- Main outcomes: Reduced risk, better statistics
- Goal: Safe food production, healthy animals and fish

eLAB

- **Electronic Management and Exchange of Laboratory Analysis Information**
- Main outcomes: increased safety of agricultural goods, increased efficiency of laboratory analysis process, statistics
- Goal: Safer food, healthier plants and animals

eCITES

- **Electronic Management and Exchange of CITES permits and certificates**
- Main outcomes: Safe and legal imports and exports, less fraud
- Goal: Improved trade

Home

Domains

Suggested Itineraries

Instruments

Organizations

Contact



Welcome to the
Trade Facilitation Implementation Guide



Domains



Itineraries



Instruments



Organizations

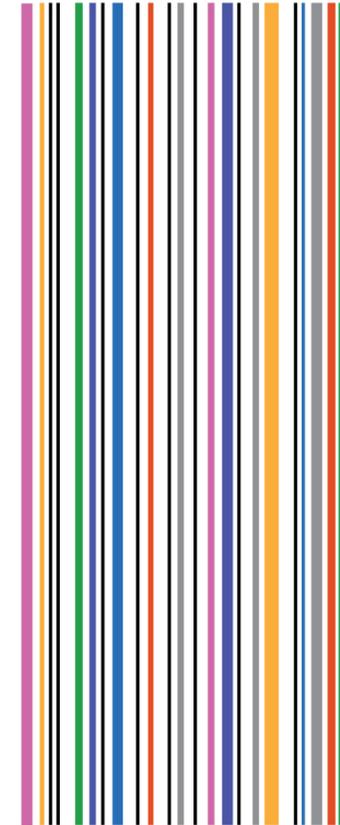


Thank you

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