Keynote: Frank Heijmann and David Hesketh

"The Pipeline Interface, Follow Up; Improving Compliance in International Trade, Research in the CASSANDRA Project: Risk Assessment by Trade, Serving Government Authorities' Needs"

The trade supply chain has grown in complexity to a point where clear visibility is masked from those who need to know what is going on. International conventions cover the transport of goods between seller and buyer but concentrate more on limiting liabilities than they do in ensuring the accurate description of the goods. The person who knows what is being sent into the supply chain is the person who packed the box or consigned the goods. If the packing list is wrong, not used or hidden from view then the transport documents such as waybills and the manifest are likely to be inaccurate.

This poses safety, security, legal compliance and commercial risks. Information required by border enforcement agencies is being asked for further upstream in the supply chain, prior to the goods being loaded. But the consignor, who holds the key to the majority of that information, is outside the jurisdiction of the importing country's authorities so they turn to the carrier and the importer instead. Unfortunately information held by the carrier is not always accurate and Customs hold the importer accountable for goods they have probably never seen. In these days of information management rather than the physical control of the goods the role of export data is increasingly important. The consignor and the true packing list play a key role. A web-based, seamless, electronic data 'pipeline' needs to link the seller/consignor and the buyer/consignee and the interested economic operators in-between. Real-time, accurate data must be assured from the beginning, updated as the goods move and shared in a risk based, layered approach.

The pipeline covers the principle that all the data relating to the goods, the buyer and the seller that Customs and other regulatory agencies require for a declaration, could be provided electronically at the Consignment Completion Point to Customs in the exporting country. It could also be provided simultaneously to Customs in any transiting or importing countries and the country of final destination through the concept of a seamless, integrated web-based data pipeline, designed to capture data upstream in the supply chain and as the goods move towards their final destination and consignee.

Next, Customs and commercial businesses can adopt a framework of risk management. Cassandra is a vehicle to deliver that concept. Establishing the strategic, organisational and risk management context including an understanding of the environment within which organisations are operating. Identify the risks drawing on quantitative and qualitative data including experience and intelligence from a number of sources in a comprehensive manner so that areas of risk are not overlooked. Make sense of the data, ensure completeness, assess the credibility of the source and the accuracy of the data, consider the probability and impact of the risk materialising and weight its importance against the level and timing of control. Recycle the proven accuracy and credibility back into the system. Decide if, how and when to carry out any control.

Continuously manage the situation and monitor both the emergence of the risk and the systems surrounding the management of the risk. Ensure clear and regular communication against the risks identified and assessed to enable management to intervene on a timely basis.
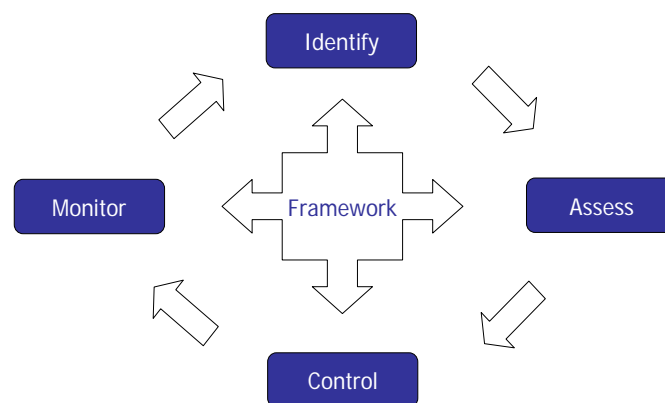
About the authors:

Frank Heijmann studied International Customs Law, International Business Administration and Strategic Development and holds, besides degrees on those topics, a master degree in Fiscal Affairs. He has been working with the Tax and Customs Administration of the Netherlands since 1986. From 1995 until 2000 he worked as legal

advisor / customs coordinator for the Candidate Member States for Eurocustoms on behalf of the Dutch Customs Administration. From 2000 until 2007, he was strategic policy advisor at the Customs Administration of the Netherlands and chaired the national Codex Expert Group, responsible for explanation and implementation of EU-Customs Legislation in the Netherlands. Also he chaired in 2005 and 2006 the EU-working group on improving Inquiries in Transit. Since the end of 2007, Frank was working as Counselor Customs & International Affairs at the Dutch Ministry of Finance. His fields of attention were Customs Cooperation in Law Enforcement, Tax and Customs Relations with the Netherlands Antilles, the modernization of the EU Customs Code and the evolution of supervision and monitoring supply chains / logistics. Since October 2010 Frank is Head of National and International Trade Relations for the Customs Administration of the Netherlands.

David Hesketh has been in UK Customs since 1975 and is now a Senior Business Manager working on research and development programmes within HM Revenue and Customs, International Relations. David has extensive knowledge and experience of organisation reform in Customs having worked for the WCO as an attaché based in London, as a Project Manager for the Department for International Development in the Caribbean and on missions for the International Monetary Fund, the United Nations and the Commonwealth Secretariat. From 2006 to 2008 David was the Revenue Business Development Director with Crown Agents before returning to UK Customs. Since 2008, together with Dutch Customs, David has been involved in supply chain visibility research including the EU, FP7 projects of Integrity and Cassandra. David has a Masters degree in International Customs Law and Administration from the University of Canberra, Australia.