



**ROCB**  
Asia/Pacific

# E-Newsletter No.72

**World Customs Organization**



## In this issue;

- 📌 Establishment of RTC Indonesia by Harry Mulya
- 📌 Next step as a new WCO A/P Regional Customs Laboratory (RCL)

# FOREWORD

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Dear Readers,

The first quarter of 2021 has passed and face-to-face meetings and workshops are still extremely limited because international movement mostly remains restricted and social distance requirements are still present in many places.

Given the current situation, for the time being, ROCB A/P will make the utmost efforts to engage in the activities that we can do given COVID-19 restrictions, such as continuing providing online WS and utilizing ROCB's publication functions. I would like to sincerely ask all Asia Pacific members for their understanding and cooperation for ROCB A/P activities.

At the same time, I have heard many comments from Asia Pacific members noting that they have missed face-to-face WS because they reaffirmed the effectiveness and usefulness of face-to-face WS. In addition, I have witnessed strong intentions from the members to support holding physical workshops. Increasing the number of Regional Entities (RTC, RCL and RDTC) in the AP region is the one of the clear messages. Needless to say, ROCB A/P sincerely look forward to the early resumption of face-to-face workshops as well.

This E-Newsletter features our activities undertaken by Asia Pacific members in the first quarter of 2021, i.e. January through March 2021. In this E-Newsletter, we present two special articles from Asia Pacific members, namely (1) Establishment of RTC Indonesia and (2) Next step as a new WCO A/P Regional Customs Laboratory (RCL) by Indonesia Customs respectively. I really appreciate being able to share this message.

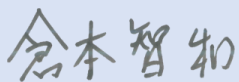
In addition, ROCB A/P is now more focused on publication and information sharing which is one of the main functions of ROCB A/P. In this ROCB A/P E-Newsletter, we present several special essays that explain WCO tools and hot topics in a user-friendly and easy-to-understand manner. There are three special essays by the Program Managers of ROCB A/P in this No 72 E-Newsletter. Namely, (1) How to be innovative in Post Clearance Audit (PCA) in the digital era by Mr. Ilkwon Han (2) Customs Support to COVID-19 Vaccines Distributions Across Borders by Ms. Pavida Boonmun, and (3) Challenges and Benefits of SME to be AEO members by Ms. Sherman YU. We sincerely hope that ROCB A/P publications will be good reference materials for policy officials as well as field officers.

As for ROCB A/P's activities articles, I would like to briefly touch on the deep-moving articles for us, namely farewell messages from Mr. Tong Hua, CCF/China Operational Manager and Program Manager and Ms. Chloe AU, Program Manager of ROCB A/P. I would like to express my deepest appreciation for my dear colleagues, Mr. Tong Hua and Ms. Chloe AU for their tremendous efforts and great contributions for ROCB A/P activities while working with the ROCB A/P. They always made excellent and sincere work and brought good ideas for our activities. I would really appreciate it if you could join me to thank for Mr. Tong and Ms. Chloe for everything what they did during staying ROCB A/P respectively. But I don't want to say "SAYONARA" in here, because I strongly believe that Members of the Asia Pacific region and ROCB A/P will have opportunities to work together in the near future. Taking this opportunity, I would like to express my deepest appreciation to China Customs and Hong Kong Customs for generous support of ROCB A/P.

On the other hand, I am pleased to be able to welcome Ms. Sherman YU, Program Manager as a secondment official from Hong Kong Customs. I would like to extend my warm welcome to Ms. Sherman YU in joining the ROCB A/P. On behalf of our office, I would like to express my highest appreciation to Hong Kong Customs for continuously seconding experienced official to ROCB A/P.

The ROCB A/P is always keen to hear any of your constructive comments and suggestions/inputs to our activities, including our communication and public relations activities, with a view to better servicing regional member Customs administrations. I would like to continue to convey not only ROCB A/P's activities but also members' interesting activities through our E-Newsletters.

Kind regards,

A handwritten signature in black ink, reading "Norikazu Kuramoto" in Japanese characters (倉本智和).

Norikazu Kuramoto (Mr.)

Head of the ROCB A/P

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# Establishment of RTC Indonesia

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by Harry Mulya, Director of RTC Indonesia

Indonesian Customs and Excise Education and Training Centre (CETC) had finally been established as WCO Asia/Pacific Regional Training Centre. The signing of Memorandum of Understanding on the Establishment of a World Customs Organization Regional Training Centre in Jakarta, Republic of Indonesia between Secretary General of WCO and the Chairman of Financial Education and Training Agency of the Ministry of Finance of the Republic of Indonesia was conducted virtually on 29 January 2021.



I would like to take this opportunity to thank the Vice Chair and all member of WCO Asia/Pacific Region for your trust in our capability to serve our region in term of conducting capacity building. I would also like to convey my gratitude and highest appreciation to the Head, Managers, and Coordinators at the WCO ROCB A/P for your continuous cooperation and support along our journey to become RTC Indonesia.

The establishment is a stepping stone for CETC to improve contribution to the region. Asia/Pacific region is the most dynamic region in the world, and also the most strategic one. Asia/Pacific countries accounted for more than 33% of global gross domestic products. A/P region has been an engine of the global economic growth, with a growth of more than 5% annually (before pandemic), and also the centre of economic integration. As of February 2021, this region involved in more than a hundred regional trade agreements. In the other hand, the challenge we faced as an individual country and also the region as a whole is not even an easy one. Our border is prone to cross-border crimes as they evolve in parallel with the development of the information and communication technologies. We have witnessed an escalating threat from transnational organized crimes in recent years, from drug trafficking, arms trafficking, human trafficking and migrant smuggling, to terrorism and money laundering.

Customs plays an important role in both facilitating cross-border trade and secure the border from transnational crimes. Coordination, cooperation, and collaboration among countries has never been as important and needed as today. To achieve a sustainable growth and realize a secure environment, we have to level the capacity of our officers. Our officers need to have an equal understanding on various instruments and tools provided by the WCO to be able to coordinate one another closely and smoothly.

In connection with the above, both ROCB and RTC play a central role. RTC Indonesia commit to contribute to the agenda of improving the capacity of both, customs administration and customs officer, primarily in customs enforcement-related capacity building activities. I strongly believe that our experience in providing various training of customs enforcement-related expertise for Indonesian Directorate General of Customs and Excise will be beneficial for the region. I expect that RTC Indonesia will be given more opportunity to organize regional-level capacity building activities in the future.

The pandemic of COVID-19 didn't stop us to deliver capacity building activities. Conversely, it stirred us to explore various new ways and methods of conducting capacity building. The pandemic push innovations and as a result, we are now capable of conducting capacity building through e-learning, distance learning, webinar, web-conference, and many other methods and variations.

To conclude, I humbly persuade members of Asia/Pacific region to enhance our cooperation, especially during this hard time caused by COVID-19 pandemic, in order to achieve our goals **"Customs bolstering Recovery, Renewal and Resilience for a sustainable supply chain"**.

Jakarta, 28 February 2021

# Next step as a new WCO A/P Regional Customs Laboratory (RCL)

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After going through a long process since 2019, ICEL finally became the WCO A/P Regional Customs Laboratory. The commencement of RCL Indonesia is marked with the signing of Memorandum of Understanding between WCO and Ministry of Finance of the Republic of Indonesia regarding the Establishment of a WCO Regional Customs Laboratory in Indonesia during International Customs Day 2021 Virtual Gathering on 29 January 2021.

Being recognized as one of the WCO Regional Customs Laboratories in the Asia/Pacific region is such a great honor for Indonesia Customs and Excise Laboratory (ICEL). As a new RCL, ICEL is ready to support Customs activities at the global level, particularly in the Asia/Pacific region. We are looking forward to the new collaboration with other WCO members. We believe that together we can overcome the global challenges and turn them into a new opportunity to improve our roles in supporting Customs inspection.

With regards to our new role as WCO A/P RCL, there are some expectations for the coming years as mentioned below:

## Strengthened collaboration

Cooperation and great communication among customs laboratories are extremely important to tackle the global issues in the customs inspection. Therefore, ICEL would like to take part in joint research with other customs laboratories to support the customs analysis and standardization of customs analytical methods which hopefully can lead to the HS agreement for goods with different HS opinions among the members. Furthermore, a collaboration in other activities is also expected, such as establishment of a joint database for narcotics and other psychoactive substances.

## Contribution in the capacity building and information-sharing



*ICEL buildings in Medan, Jakarta, and Surabaya*

ICEL wishes to contribute more to the capacity building of Customs Laboratories in the Asia/Pacific region. We are planning to share the best practice for the identification of goods in ICEL, with specialties in new psychoactive substances, mineral products, crude palm oil and its derivative products, gemstones, and other goods. Information-sharing about those commodities is presumed to enhance the knowledge of customs officers in other developing countries, particularly for the detection of fraud, either in export or import. Therefore, active participation and support from other WCO members for sharing any experience in the customs inspection are kindly expected.

Finally, with the support from WCO A/P members, we will strive our best to perform our new role as a WCO A/P RCL. On top of that, we are also eagerly waiting for our encounter and collaboration in the future.

# How to be the innovative Post Clearance Audit (PCA) in the digital era<sup>1</sup>

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**Mr. Ilkwon Han<sup>2</sup>**

Program Manager, ROCB/AP

## I . Introduction

We live in the 4<sup>th</sup> Industrial Revolution where great changes will take place in every sector in our societies. There have been dynamic evolutions and challenges in the Customs environment internally and externally, such as the use of new technologies, transformation of trade standards, constant trade vulnerabilities and global crises, etc. In this regard, the digitalization of Customs administrations' activities has been a hot topic in recent years.

In March this year, I had the opportunity to speak as a PCA expert at the International Conference on Digital Transformation in Customs Webinar hosted by Indonesian Customs on the behalf of ROCB A/P. Since this webinar focused on the digital approach in Customs, I shared my insights in the PCA operations in the digital era with two Customs cases namely Korea Customs as my home Customs and Indonesia Customs as the host country. I would like to share the content of the presentation at the Webinar with the AP Members.

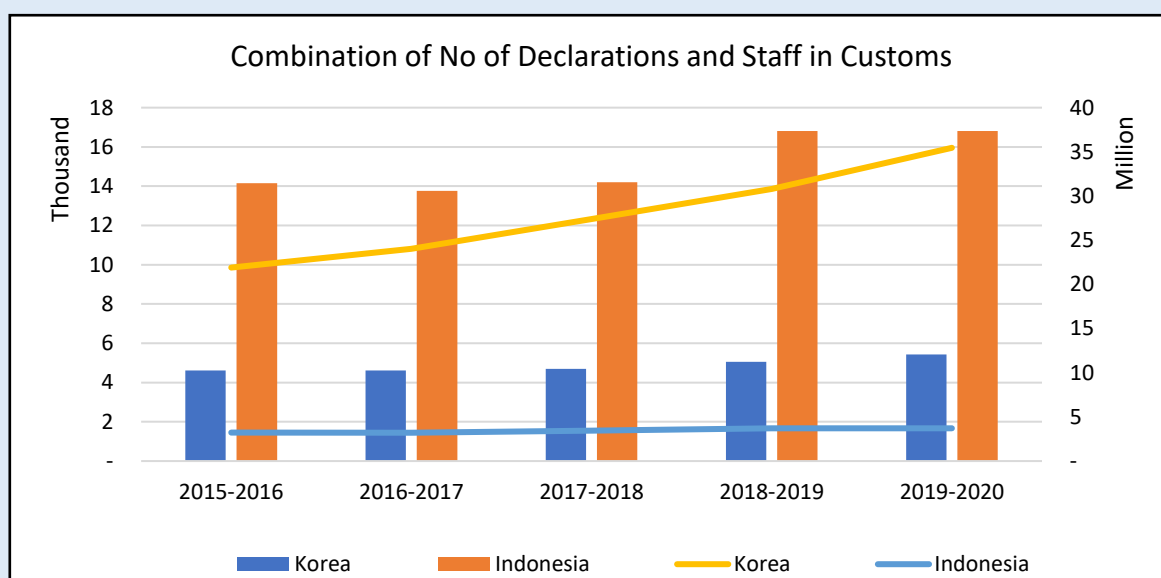
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<sup>1</sup> I presented this article for International Conference on Digital Transformation in Customs by Indonesian Customs and Excise Education and Training Center (RTC Indonesia) on March 18, 2021 as a main speaker.

<sup>2</sup> I had been an adjunct professor as a PCA and CV specialist in the CBCTI (RTC in Korea) from 2012 to 2019. I had many teaching experiences on PCA and Customs Valuation for the training center, WCO EPCBA and KOICA program. In addition, I was a virtual tutor in WCO VCOA (Virtual Customs Orientation Academy) from 2014 to 2016 and attended two times of WCO Sub-regional PCA workshop for ASEAN and Pacific Islands as an expert in November 2020.

Specifically, I would like to review the WCO Customs data<sup>3</sup> and UN Global survey on Digital and Sustainable Trade Facilitation<sup>4</sup> of two members which are Republic of Korea and Indonesia for consideration.

Two members could be contrasted in the No of Declaration and Staff. Because Korea has increasing trend in the graph, but Indonesia is stable over the last 5 years. On the other hand, In 2019 the UN survey on Digital Trade facilitation score, Korea marked 94.6% as the first place in the world<sup>5</sup>. But Indonesia marked 79.5%.



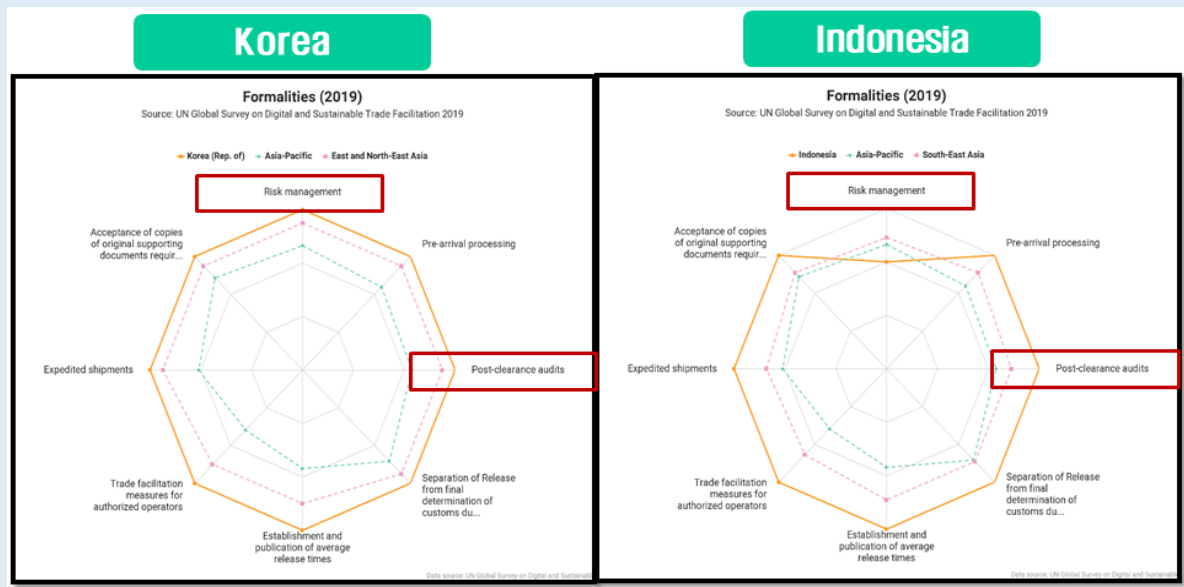
Digitalization is essential in the trade facilitation to reduce the trade cost. Interestingly, In the UN survey we could compare the formalities<sup>6</sup> between two Members. We could see the Post Clearance Audit is fully implemented in both. However, the level of Risk Management in Indonesia is lower than average. Risk Management is compulsory in PCA to get a better performance in the targeting the auditees. In this context, I would like to suggest innovative measure in the Selection process in the PCA.

<sup>3</sup> I referred the Customs Clearance data (Importation and Exportation) from WCO annual report.

<sup>4</sup> The survey covers 128 economies from 8 regions, with a key focus on four main areas : “General Trade Facilitation” in relation to the implementation of selected measures under the WTO Trade Facilitation Agreement (TFA); “Digital Trade Facilitation” regarding the implementation of innovative, technology-driven measures aimed at enabling the use and exchange of electronic trade data and documents; “Sustainable Trade Facilitation” with regards to trade facilitation for SMEs, agricultural sector and women; and “Trade Finance” .

<sup>5</sup> Australia and Korea (94.6%) tie for first place as the best overall performers, followed by Belgium, the Netherlands, Japan and Singapore, each with an implementation rate of 93.6%.

<sup>6</sup> There are 8 factors, which are the PCA, Risk management, Pre-arrival processing, Acceptance of copies of original supporting documents, Expedited shipments, Trade facilitation measures for authorized operators, Establishment and publication of average release times, Separation of Release from determination of customs duties and tax.



In fact, the concept of PCA<sup>7</sup> is already an innovative enforcement tool in Customs. Because before setting up the system, Traditional Customs would not think to visit an importer's premises to verify the importation of goods after clearing it.

As a PCA expert, I have thought how to apply the new trends in PCA, especially for Digital Transformation in a Customs perspective. In this paper, I have set up several ideas based on collaborative knowledges between PCA expertise and Data Science.<sup>8</sup>

## II . Review of the PCA and Challenges

To start to know where we could find innovative actions needed, we should review the process of the PCA first, and think about what kinds of challenges that we face now.

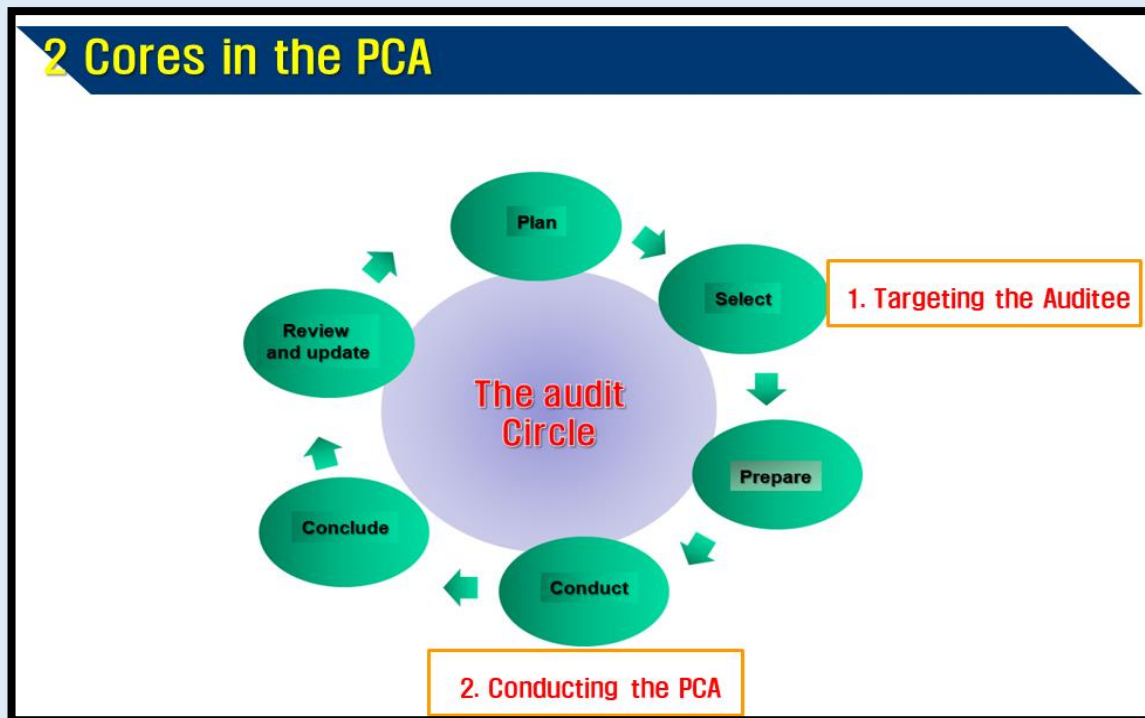
### 1. Two Cores in the PCA

There are six phases in the PCA circle that are Plan, Select, Prepare, Conduct, Conclude, Review and Update from the WCO Guideline on PCA. Even though there are six steps in the circle, I can stress two cores in the PCA, which are Targeting and Conducting the Audit in terms of performance measurement. Targeting the Auditee encompasses the three steps in the original

<sup>7</sup> The Post-Clearance Audit(PCA) process can be defined as the structured examination of a business' relevant commercial systems, sales contracts, financial and non-financial records, physical stock and other assets as a means to measure and improve compliance (WCO Guideline for PCA)

<sup>8</sup> In fact, I am not good at the Data Science. However, I have written one article which topic is "Data Analytics in Customs" last year at the ROCB AP e-newsletter (issue No 69) and reviewed several articles and programming languages, such as R and Python.

circle, which are Plan, Select and Prepare. In addition, conducting the Audit encompasses the rest of the three steps, which are Conduct, Conclude and Review and update. To get a good result of the PCA, we should focus on the two cores that I pointed out.



### 1.1. Targeting the Auditee.

There is a maxim, garbage in- garbage out. If we select a company that is not so risky, then we could not guarantee that we would detect anything at the field Audit. In the same way, if we select a company that is quite risky, then we could get certain results in tackling infringements.

In this respect, it is necessary to select the auditees through a Risk Management system. There are many angles to setting up the system based on the PCA risk. According to the WCO commercial Fraud Typologies summary, there are 5 types of risk in the PCA as below

- 1) Evasion of Duty/Tax payment<sup>9</sup>
- 2) Evasion of Prohibition, Restriction or Requirement for import/export<sup>10</sup>
- 3) Unauthorized receipt of repayment, subsidy, disbursement<sup>11</sup>

<sup>9</sup> Under/Over-valuation, Misdescription, smuggling, Falsification of Origin, False declaration of quality and quantity, Off-record transaction, End-use

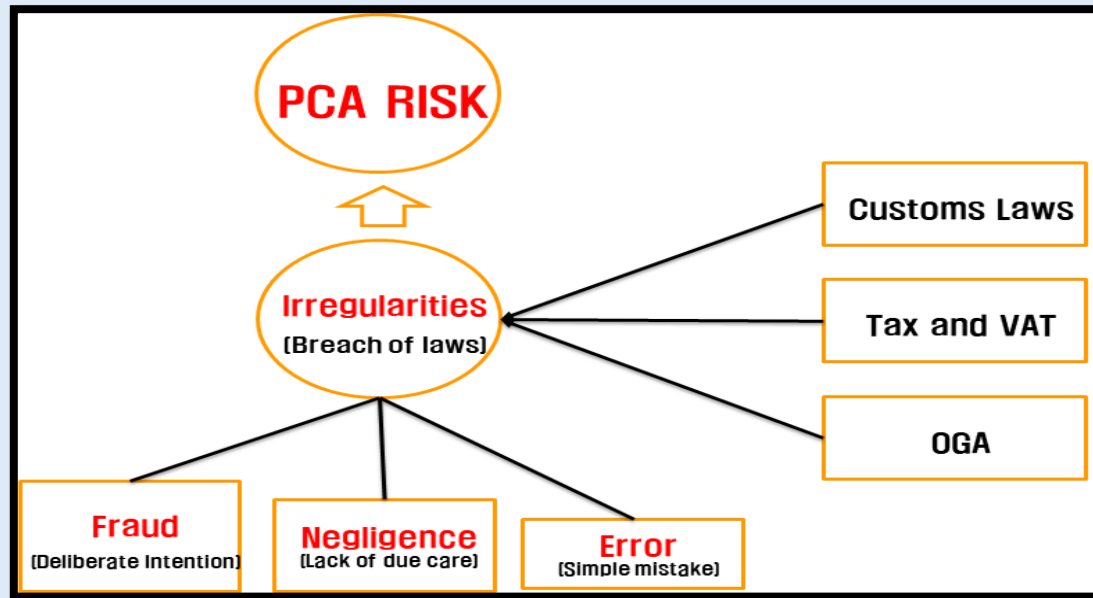
<sup>10</sup> Smuggling, Misdescription, Falsification of Origin, Falsification of trade license, Violation of consumer protection requirement

<sup>11</sup> Over value of exported goods, False export by forging Customs stamp, Fictitious Export

4) Gaining Illegal Advantage<sup>12</sup>

5) Transfer of Proceeds of crime using import/export of goods (TBML)<sup>13</sup>

To tackle the 5 types of infringement, PCA team should know where the risk is in the clearance procedure by matching several risk indicators from not only clearance data but also external data, such as Tax authority, Bank, Other Government Agencies, etc.



#### 1-1-1. Challenges in the targeting the auditees.

As we can see above, there are many avenues to detect the infringements. It has been done through risk management by human resource so far. However, it is impossible to manually analyze digitalized big data as this is above the capacity of a human .

So, PCA needs Data Science<sup>14</sup> to overcome this challenge.

<sup>12</sup> Falsification of Origin (Re-labelling), Abuse of inward/outward processing relief

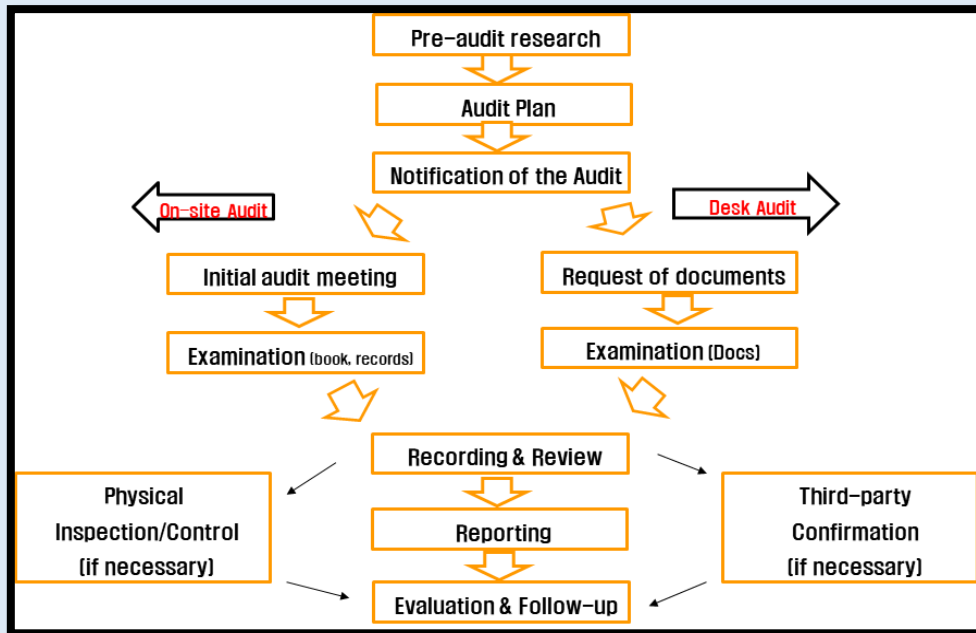
<sup>13</sup> Under-valuation of imported goods, Over-valuation of exported goods,

<sup>14</sup> Data science is an inter-disciplinary field that uses scientific methods, processes, algorithms and systems to extract knowledge and insights from many structural and unstructured data. Data science is related to data mining, deep learning and big data.

## 1-2. Conducting the Audit

After successful selection of Auditees, there should be best performance in the Conducting the Audit to finalize the case. There are two types of style in implementing the PCA, which are documentary Audit and field(on-site) Audit.

Depending on the case, PCA team can decide the types of PCA.



### 1-2-1. Challenges in the conducting the audit

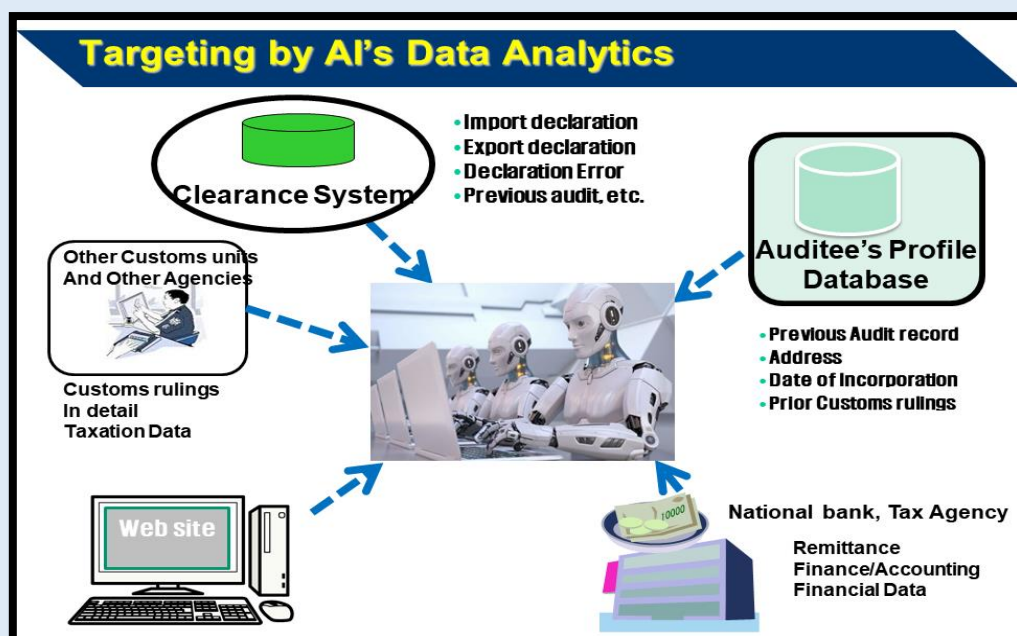
Most of the PCA has been done by field audit. However, COVID-19 has jeopardized this. In addition, there are budgetary and resource limitations on the implementation of field audits.<sup>15</sup> In this regard, PCA needs more flexible methods to establish the purpose of the PCA.

<sup>15</sup> As for Customs, it should be paid for PCA officers to implement the field audit, such as travel and meal cost etc. As for the auditees, they should arrange the certain venue for the PCA team.

### III. Suggestions for resolution of the challenges

#### 1. Adoption of Artificial Intelligence (AI)<sup>16</sup> for targeting the Auditee

As I mention earlier, there are many risk indicators to select the auditees. If the PCA adopts the AI based algorithm<sup>17</sup>, we could guarantee more reliable and accountable selection from Customs big data.



##### 1-1. Lessons from WCO and members' experience

It is not easy to adopt the AI system to the PCA. However, we can benchmark lessons from WCO and Members' experience. I will present BACUDA project from WCO and AI trade-finance fraud Monitoring system from Korea Customs Service (KCS)<sup>18</sup>.

<sup>16</sup> In computer science, artificial intelligence (AI), sometimes called machine intelligence, is intelligence demonstrated by machines, in contrast to the natural intelligence displayed by humans and animals.

<sup>17</sup> In mathematics and computer science, an algorithm is a finite sequence of well-defined, computer-implementable instructions, typically to solve a class of problems or to perform a computation. Algorithms are always unambiguous and are used as specifications for performing calculations, data processing, automated reasoning, and other tasks.

<sup>18</sup> Apart from KCS, there are several Data Analytics experiences in AP Members, such as Big data Analytics System for online IPR crime in Hongkong Customs, Data Analytics team in Australian Border Force, etc.

### 1-1-1. BACUDA project

The WCO BACUDA project was launched in September 2019 as a collaborative research platform focused on data analytics. The project aims to develop data analytics methodologies (algorithms) in open-source languages so that all the members can employ them with their own data. It should be necessary to know programming language, such as Python, R to understand the outcomes of the projects, because the algorithms are based on these languages.

In this regard, it should be necessary to illustrate cross-institutional collaborative efforts to develop the analytical capabilities of the members; the WCO will continue working on the BACUDA project in collaborative research with members and external experts. So far, 13 series of the project were done like below, these are good methodologies that our members could use these in their work.

#### The series of BACUDA project<sup>19</sup>

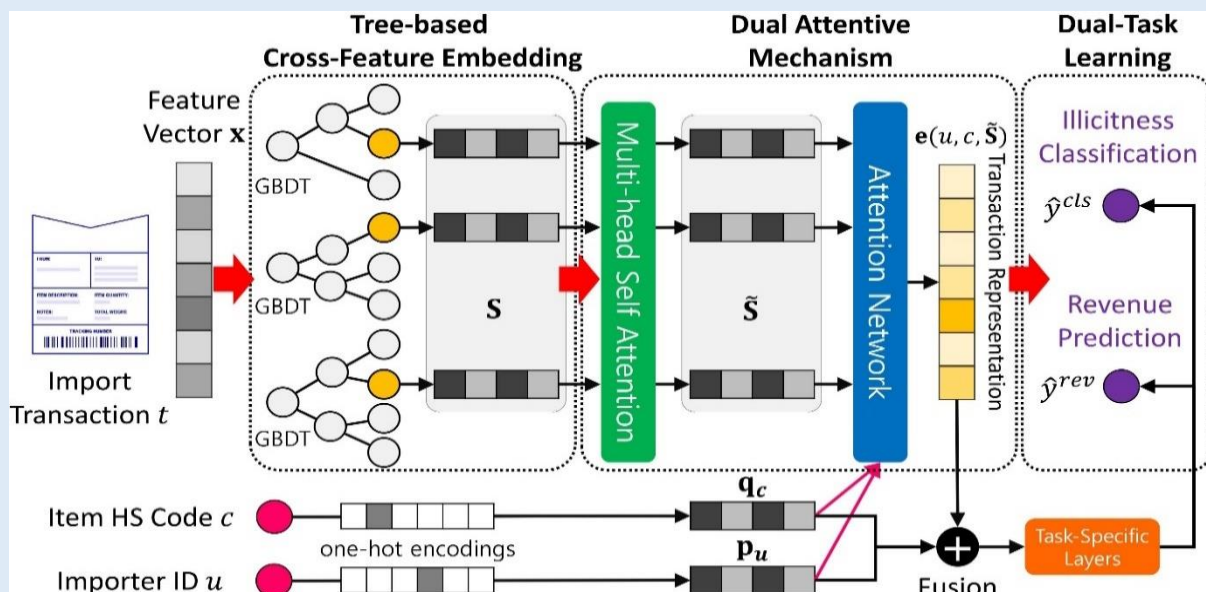
1. Mirror Data Analysis: To analyze discrepancies between the two statistics, which are import and export data between two countries.
2. Forecasting Customs Revenues & Trade flow: How to conduct forecasting the Customs Revenues and Trade flow by using an open source software which is R.
3. Revenue GAP Analysis: To estimate the revenue gap which could be used in an aggregated manner and also can be done for specific item or specific origin country.
4. Web Scraping of price data: To present a way of automatically collecting price data of a selected product from multiple online shopping malls.
5. Fraud Detection by Machine Learning: To explore the potential of machine learning in Customs fraud detection.
6. Customs Fraud Detection with Python: How to design predictive modeling using open source libraries of Python.
7. Release Time Measurement: how to measure the overall import & export release time.
8. Evidence-based Customs Policy Analysis: To introduce evidence-based criteria to select the most efficient policy.
9. Extracting machine's fraud detection Rules: To present all the steps for applying a XGBoost model in Customs fraud detection.
10. Virtual Fraud Map: To visualize fraudulent imports against non-fraudulent ones.

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<sup>19</sup> Apart from the series, BACUDA experts will launch new projects, such as synthetic data generation for WCO training programs in data analytics, semi-supervised model for fraud detection etc.

11. Interactive visualisation of WCO Annual Survey Data: To present the easiest way to make an interactive world data map.
12. Fraud Detection with Kmeans clustering: To apply the most basic clustering algorithm, "kmeans" in detecting fraudulent (e.g. under-valued) imports.
13. A neural network model to assist Customs to detect potential fraudulent transactions as called DATE

For brief understanding of the project, I introduce the latest developed “DATE” model architecture from the series No 13. As you can see below, DATE consists of three stages. The first stage pre-trains a tree-based classifier to generate cross features of each transaction. The second stage is a dual attentive mechanism that learns both the interactions among cross features and the interactions among importers, HS codes, and cross features. The third stage is the dual-task learning by jointly optimizing illicitness classification and revenue prediction.



When we see each finding of the project, we could categorize the merit of the Data Analytics outcomes that might be one of the four categories like following

- i. **Descriptive** – What happened and/or what is happening now based on historical and incoming data. To mine the analytics, real-time dashboard and/or email reports are used.
- ii. **Diagnostic** – A look at past performance to determine why it happened. The result of the analysis is often an analytic dashboard.

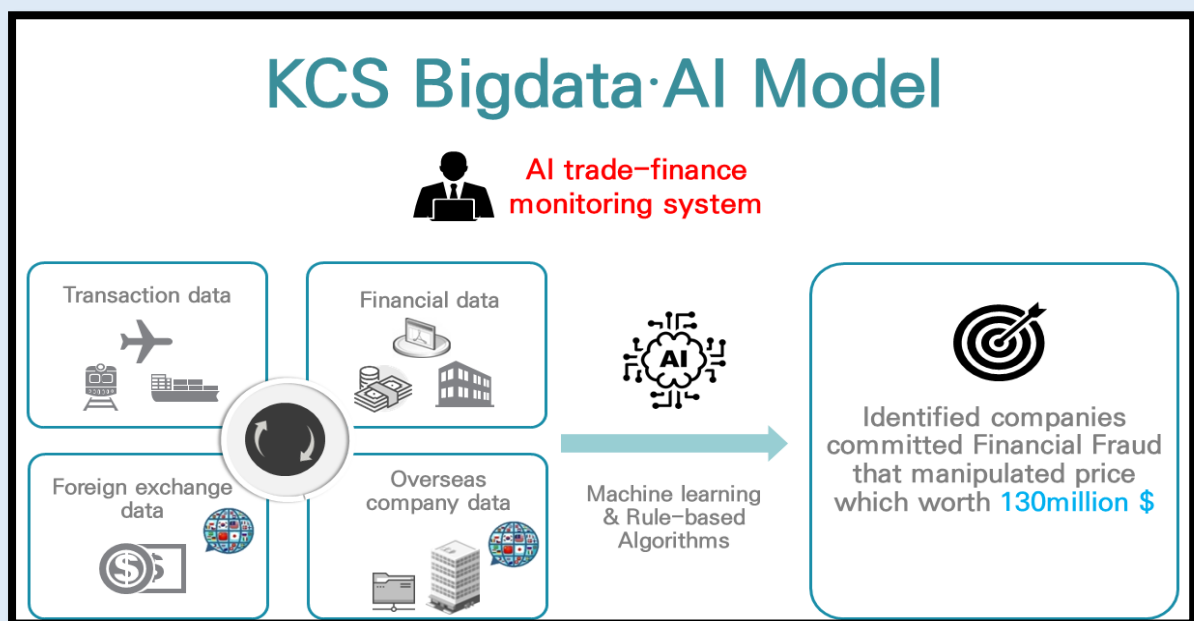
iii. Predictive – An analysis of likely scenarios of what might happen. The deliverables are usually a predictive forecast.

iv. Prescriptive – This type of analysis reveals what should be done. This is the most valuable kind of analysis and usually results in rules and recommendations for next steps. Recommendations based on multiple predictive models and complex analytical evaluations as to what options (pros/cons) to choose.

### 1-1-2. AI trade-finance monitoring system

KCS has developed this system to tackle the trade related money laundering crime by using big data analysis among transaction data, financial data, foreign exchange data and overseas company data in 2020.

During the validation test KCS confirmed that 4 importers were detected to commit the financial fraud by manipulating price of goods which worth 130 million US\$.



## 2. Adoption of Virtual style in the conducting the Audit.

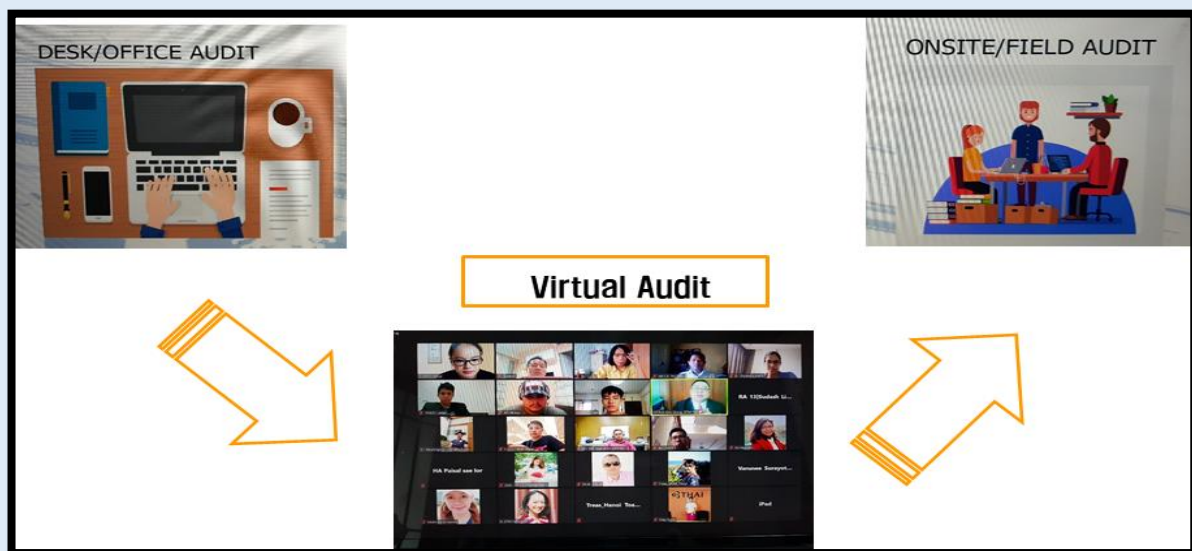
Due to the COVID-19 Pandemic, big changes are necessary in PCA, especially in Conducting the Audit, because most of the PCA should be done by field Audit.

As I mentioned earlier, there are two types of Audit which are documentary and field audit. The type of audit is quite strict to implement the PCA. It might be understandable from previous norms. However, if our data is fully digitalized, then we could check and verify the declaration


digital. It means that we don't need to visit an importer's premises to acquire the related documents.

In fact, I don't ignore the usage of field audit. The field audit is compulsory in certain situations, such as the importer is deemed to commit serious crime or fraud. However, the main purpose of the PCA is to enforce voluntary compliance. So, we need more flexibility in conducting the PCA.

In this perspective, I propose to adopt the virtual style Audit between documentary and field audit as below.



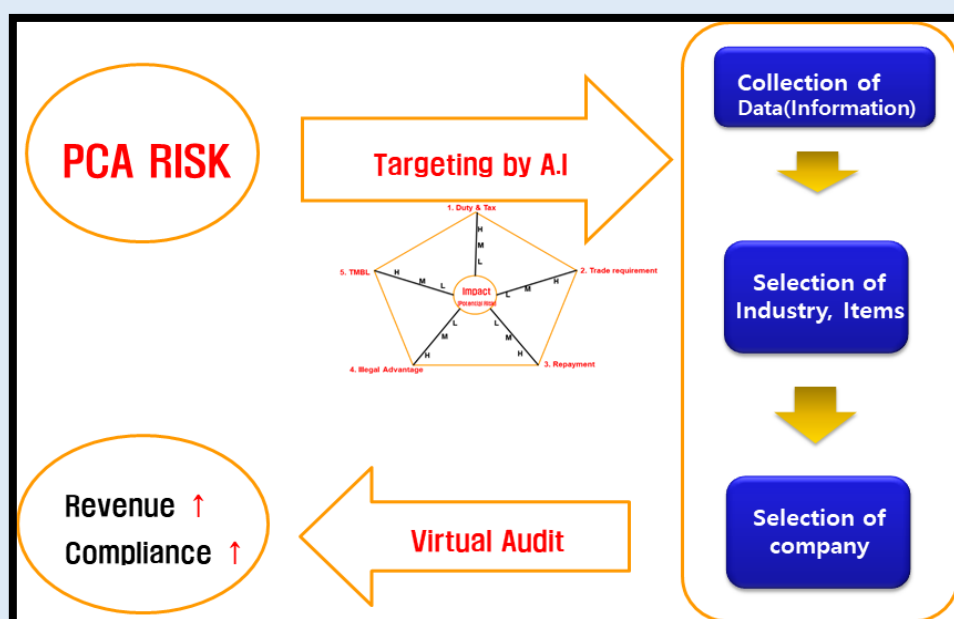
During the pandemic situation, many members already tried to use virtual platform to implement the PCA. However, it was an alternative way to acquire the information from the auditees temporarily. As we can see below, Indonesian Customs adopted the virtual meeting in the PCA process, but not fully implemented by the virtual platform and the duration of the audit is about 4 ~ 7 months, that is quite long to close the case.

 <b>IMPLEMENTATION AUDIT PROCEDURE UNDER THE PANDEMIC SITUATION</b>		
Opening	submit a letter of assignment	e mail
	explains the purpose of the audit	VM
	listen to the auditee explanations : company profile, accounting and information system	VM
	submit a letter of assignment (HC)	auditee location )*
	signed the integrity pact	
Implementation	interviews with departements related to the audit	VM
	determine the required data	office / internal VM
	submit and explain the data request list	e mail / VM
	physical checking (if needed)	auditee location )*
	data processing	office / WFH
	team discussion	office / internal VM
	compile an audit working paper	office / WFH
	compile a list of Temporary audit findings	office / WFH
Finalization	submit and explain the list of Temporary audit findings	e mail / VM
	closing conference (if not approved by auditee)	VM
	signed the minute of closing conference	office / auditee location )*
	compile an audit report	office / WFH
Average audit time during the pandemic : 4 - 7 month		
* by adhere to health protocols		

My point is that let's make a virtual audit not supplementary tool for field audit, but an official PCA tool. Furthermore, extra merit of the virtual audit is a cost saving factor to Customs and Auditees. Compared to the field audit, it may not be necessary to allocate the budget to implement the virtual audit.

#### IV. Conclusion

Digital transformation is essential in the trade facilitation framework. The COVID-19 Pandemic has accelerated this trend. In this context, I could summarize two suggestions in the Digitalization of PCA as below.



First, PCA needs to adopt the AI technology to select the auditees from digitalized big data. We could set up PCA risk assessment algorithms by using five commercial typologies as risk index.

Second, a virtual style of audit should officially be introduced as an option in conducting the PCA. When we adopt a certain tool in Customs law, there should be prerequisite in many areas, such as legal framework, administrative procedures, public awareness program, etc. In addition, we have seen the merits of virtual Audit in terms of cost and time.

In this respect, if Customs target the auditee by collaborating with AI and human, the quality of the selection would be better than before. It means PCA teams could focus on high risk areas and companies. Furthermore, if we use the virtual Audit as a main PCA type, then we could guarantee win-win situation between Customs and Private sectors. My suggestions on innovative actions in the PCA are not easy to accomplish, but we should go for it to responds to the 4<sup>th</sup> industrial era. Thanks.



# Challenges & benefits of SME to be AEO



Ms. Sherman YU

Program Manager

for the South East Asia of ROCB A/P

## Summary

Most leaders here already know about Authorized Economic Operator (AEO) as an icon of the Business and Customs cooperative framework. WCO members all over the world are being introduced and/or promoting and working on its initiatives and challenges. One of the key challenges is incorporating SMEs into the AEO program. I have an AEO professional background as an AEO expert, so this essay focuses on this challenge based on WCO related documents with my experience.

### I) Introduction

#### SAFE Framework of Standards

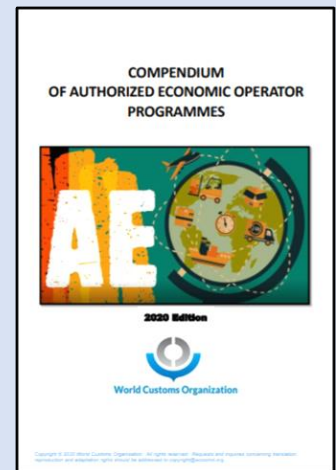
With the aim to strike a balance between upholding global supply chain security management and facilitating legitimate trade, during the Council Sessions in Brussels in June 2005, WCO members adopted the SAFE Framework of Standards to Secure and Facilitate Global Trade (hereafter referred to as the SAFE Framework).



Since the roll-out of the SAFE framework, the WCO has endeavored to update the content<sup>1</sup>, incorporate new elements to address the latest development and organize various workshops and working groups<sup>2</sup> to promote the framework. To put these developments into practice, one of the actions is through implementation of Authorized Economic Operator programme (AEO).

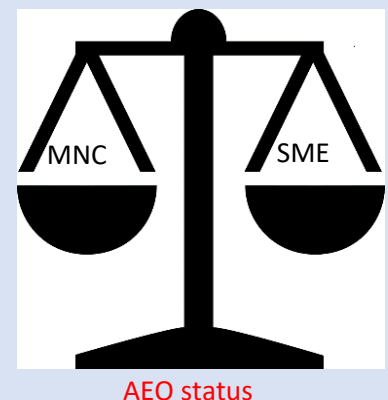
## Implementation of AEO programmes worldwide

According to the *AEO Compendium 2020*, there are **97** operational AEO programmes and **20** AEO programmes under development<sup>3</sup>. To speed up the implementation of fully-fledged AEO programmes, it was stated in the *SAFE framework 2018* that the Customs-to-business partnership, inter-agency and intergovernmental cooperation, solid political will and effective capacity building were indispensable elements.



## Inclusion of Small and Medium Enterprises (SMEs) in AEO programmes and why is it so important

In *Authorized Economic Operator and Small and Medium Enterprise FAQ (May 2010)*, WCO ascertained the importance of including and encouraging SMEs to be AEOs as they are key players in supply chain management. Also, according to studies and research conducted by international organizations<sup>4</sup>, SME accounted for over 95% percent of imports and exports in some major economies e.g. EU. Therefore, the inclusion of SMEs as AEO would be a necessary global trend.



<sup>1</sup> The SAFE framework content will be regularly reviewed and discussed. The latest version is 2018 whereas a more updated one should be released in 2022.

<sup>2</sup> To incorporate the voice of private sector or other organizations, Private Sector Consultative Group (PSCG) was established in 2005. The members of PSCG are mainly from businesses/ manufacturers and business association. They are observers in the Council Sessions and give views and comments concerning the policies and programmes put forward by WCO

<sup>3</sup> In Asia Pacific region, there are 17 AEO programmes in operation and 5 under development (as of 2020 data)

<sup>4</sup> See International trade in goods by enterprise size, EUROSTAT, European Commission (Source: [https://ec.europa.eu/eurostat/statistics-explained/index.php/International\\_trade\\_in\\_goods\\_by\\_enterprise\\_size#Overview](https://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods_by_enterprise_size#Overview))

## **II) Challenges and benefits of SME to be AEO**

### **Challenges**

Compared to multinational corporations (MNCs), SMEs do not have the resources and know-how to fulfil the security requirement laid down in AEO programmes. The reasons can be highlighted a few as follows:

#### **i) Lack of finance and resources in implementing the security programme**

By nature, the scale and organization structure of SMEs is simple. The AEO company has to fulfil regular internal monitoring or auditing which requires quite a number of manpower and resources. To certain extend, it would be burdensome for the company to implement AEO programme.

#### **ii) No rigid or formal procedures/ SoPs in daily work**

SMEs is flexible and straightforward in their operation. We observed that minimal documentation or records were common in their working culture or practice. To evaluate whether the company can uphold cargo security, clear procedures with solid documentation is necessary and this may hinder SMEs to be AEOs.

#### **iii) Lack of supply chain security culture**

SMEs are regarded as important players in supply chain security as they are responsible for the major share of total exports and imports in some countries/ regions as aforementioned. However, SMEs do not have large individual trade volumes. Coupled with the fact that they need to invest time and resources which may not directly yield tangible benefits to their business, the incentive to join the cargo security programme is low and therefore, it would be difficult to foster a strong awareness in supply chain security in SMEs.

### **Benefits**

After discussing the challenges faced by SMEs, we should elaborate how AEO status will benefit SMEs and how to assist them to be AEO in future.

#### **i) Customs administrations can provide assistance in optimizing and tightening the cargo security control in SMEs through the accreditation and validation.**

By joining the AEO programme, validators of respective customs administrations will give advice to the SMEs by examining their internal procedures and documents<sup>5</sup>. Throughout the process, SMEs can take the opportunity to review their existing business model and see if there are any loopholes. Instead of investing abundant time or resources, AEO validators in Customs administration bore the role as facilitator and offered assistance to SMEs when applying to be AEO.

ii) Flexibility in handling SMEs' application to be AEO

Echoing the difficulties of the lack of resources and small scale in nature, when respective Customs administration assessing and considering the application from SMEs' as AEO, they can adopt a more flexible and lenient approach. For example, Hong Kong Customs<sup>6</sup> and Indian Customs<sup>7</sup> both adopted 'tier system' AEO programmes. The design of a tiered system is to cater for the uniqueness of SMEs so that the companies can apply to the respective tier according to their preparation and readiness in joining AEO.



iii) AEO status as a quality assurance in cargo security fulfilment (trustworthy business partner in supply chain security)

If becoming AEO becomes a global trend and companies prefer their business partners to obtain this qualification, then SMEs will see AEO status as a standard, rather than a hurdle in doing their business<sup>8</sup>. In fact, with more and more AEO programmes being implemented worldwide, no matter if you are MNCs or SMEs, AEOs would become one of the considering factors on doing business as cooperating with trustworthy business partners will give more predictability and confidence in goods handling in the long-run.

<sup>5</sup> See AEO Validator Guide (June 2018)

<sup>6</sup> Hong Kong Customs implemented the AEO programme in 2010. The 2 tier system address the needs of SMEs by allowing them to apply the tier 1 status (ie fulfil 10 security and safety criteria) first and gradually prepared and proceeded to tier 2 subject to their readiness. (Source: [https://www.customs.gov.hk/en/trade\\_facilitation/aeo/aeo/index.html](https://www.customs.gov.hk/en/trade_facilitation/aeo/aeo/index.html))

<sup>7</sup> Indian Customs finalized and rolled out their AEO programme in 2012. In their revamp in 2016, Indian Customs modified their programme into 3 tier structure. The three tiers are AEO T1, AEO T2, AEO T3, where AEO T3 is the highest level of accreditation and with most benefits. (Source: [https://www.cbic.gov.in/resources//htdocs-cbec/edited\\_Fact%20Sheet\\_05122018.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/edited_Fact%20Sheet_05122018.pdf))

<sup>8</sup> See *Authorized Economic Operator and Small and Medium Enterprise FAQ (May 2010)*

### III) Suggestions and way forward

With the increasing awareness of the supply chain security and the ever-changing environment in global trade, including more and more stakeholders being compliant with the programme is one of our primary goals. The aim of SAFE Framework is try to include and generalize the essential elements concerning supply chain security as far as practicable and the most challenging part is how to put the ideas into practice, especially when different roles in the chain have their own unique functions and challenges.

In view of the challenges faced by SMEs, the following measure can be considered:

- i) Organize outreach programme and training workshops for SMEs or relevant business associations.
- ii) Adopt a flexible and lenient approach in handling SMEs' application as AEO.

As customs administrations, we have to be cautious to exercise discretion and avoid being too flexible as after all AEO status will be recognized reciprocally under the Mutual Recognition Arrangement (MRAs) signed by the contracted customs authorities. Being flexible do not equate to lower the benchmark as it will have adverse impact on the supply chain security. Rather, it would be desirable for the validators of AEO programme to assist SMEs to level up their standards with reference to their available resources. The balancing point between flexibility/ leniency and quality assurance needed to be handled tactfully.

- iii) Foster a close customs-business collaboration

Being an AEO is an ongoing journey of which Customs and SMEs have to go hand in hand. Post-accreditation audit and monitoring are of vital importance so that SMEs will feel supported as well as kept updated about the AEO programme. Due to a lack of resources or professionalism, designated officers in Customs administrations can be assigned to handle the enquiries and needs of SMEs.



In fact, the WCO has been formulating strategies, drafting guidelines and using e-learning platforms to promote the SAFE framework as well as AEO programmes. The content and channels are not only available for members but also reachable by the business sector. ROCB AP will continue to support the work of WCO and provide as well as organize capacity building activities so as to keep the AP members abreast of the latest developments and information. For further enquiries on the article, please contact me at [shermanyu@rocbap.org](mailto:shermanyu@rocbap.org).

# Customs Support to COVID-19 Vaccines Distributions Across Borders

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Ms. Pavida Boonmun

Assistant Program Manager, ROCB A/P

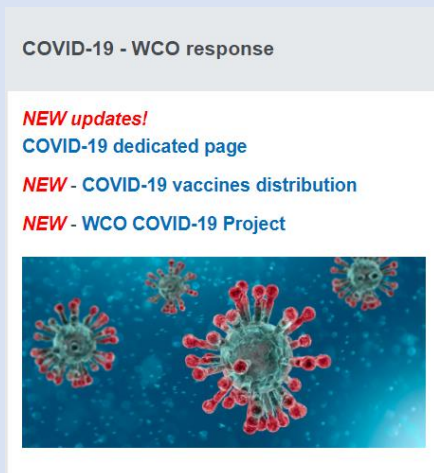
## Introduction

Since the first announcement that COVID-19 vaccine candidates were ready for supply in last November, the international vaccine conversations have increased as this is one of the possible solutions to the COVID-19 crisis. In this context, from the perspective of smooth, prompt, and appropriate Customs clearance of the vaccine, Customs' cooperation and contributions are highly expected, as we already acknowledge, WCO has been supportive of these areas with its members, relevant international organizations, and stakeholders.

Following this situation and for ease access for its members, the WCO created a dedicated information site regarding COVID-19 vaccine distribution on the WCO website.

Taking this opportunity, in my essay, I would like to highlight the key points of the WCOs contribution regarding vaccines distributions introduced on the website.

## Purpose and outline of the website



The WCO shows its effort to the situation through the dedicated section on the WCO website, which is easily visible to visitors under the section “COVID-19 – WCO response”. The section aims to give useful information to readers on the COVID-19 dedicated page, COVID-19 vaccines distributions and the WCO COVID-19 Project. However, in this essay, I will highlight ‘the COVID-19 vaccines distribution’ part, which was designed to compile information about the tools, guidance materials, and best practices submitted by members which

support WCO members and stakeholders worldwide on the vaccine distribution issue. This will also help members to facilitate the cross-border movement of vaccines and other critical medicines while protecting their citizens from dangerous, sub-standard, or counterfeit medicines and vaccines.

Clicking on this section, you will learn not only WCO tools and guidance materials such as HS classification reference for vaccines and related supplies and equipment, but also tools and guidance materials of partner international organizations and industry associations to assist WCO members distributing COVID-19 vaccines across borders effectively namely WHO, WTO, IATA, GEA, and FIATA.

It also provides information on WCO communication regarding COVID-19 vaccines distribution, including ICAO/WCO Joint Statement on the global transportation and distribution of COVID-19 vaccine and associated medical supplies.

Furthermore, on 14<sup>th</sup> January 2021, the WCO Secretary General invited members to share information and good practices on facilitating the cross-border movement of COVID-19 vaccines based on the template created by the WCO. As a result, WCO member’s best practices from 24 countries were compiled and uploaded to the WCO website to share members’ experiences on the topic to others.

## **Highlight of WCO tools and guidance materials.**

To assist WCO member Customs administrations on vaccine distribution across borders effectively and safely, the WCO also compiled information on WCO tools and guidance materials on the website under “WCO Tools and Guidance Materials” section. The section consists of informative documents as follows.

1. Resolution on the role of Customs in facilitating the Cross Border movement of situationally critical medicines and vaccines.
2. WCO secretariate note: Role of Customs in Facilitating and Securing the cross-border movement of situationally critical medicines and vaccines.
3. HS Classification reference for vaccines and related supplies and equipment

### **1. Resolution on the role of Customs in facilitating the cross-border movement of situationally critical medicines and vaccines.**

In December 2020, the WCO released the resolution document on the role of Customs in facilitating the cross-border movement of this situationally critical medicines and vaccines.

Under the global pandemic, the WCO believes that implementation standards, customs procedure, and cooperation between Customs administrations and supply chain stakeholders are needed.

The resolution contains 12 measures to be implemented by Member Customs Administrations which can be categorized into 4 types of measures as follow.

1. *Coordination* with other government agencies and stakeholders.
2. Measure to *Prioritize and facilitate the clearance* of situationally critical medicines and vaccines.
3. Measure related to *the Customs treatment and handling of specialized containers, devices, and goods used for the distribution* of situationally critical medicines and vaccines.
4. Measures related to *the control* of situationally critical medicines and vaccines.
5. *Role of Customs* regarding trade measures introduced by governments.

Furthermore, four measures to be implemented by the Secretariat are also provided in this document. For more information, Members can find the full issue of the Resolution, which is available in English, French, Arabic, Chinese, Portuguese, Russian, and Spanish languages in WCO website.

2. WCO Secretariat Note: Role of Customs in Facilitating and Securing the cross-border movement of situationally critical medicines and vaccines.

The WCO Secretariat Note on role of Customs in facilitating and securing the cross-border movement of situationally critical medicines and vaccines aims to provide guidance regarding the implementation by members of the 12 measures outlined in the WCO Resolution which I mentioned in 1., as well as WCO tools that can support the implementation of the Resolution.

The Secretariat note provide explanations regarding the measures outlined in the Resolution, WCO instruments and tools that support the implementation of the measures, practical ways to implement the measures, and members' case studies.

It is designed to be a living document that will enhance members' practices. Also, taking this opportunity, WCO members can gain experiences and share information with the WCO Secretariat on the Customs clearance of COVID-19 vaccines, related supplies, and equipment.

3. HS Classification reference for vaccines and related supplies and equipment

The HS Classification is one of WCO tools which serves effectively as the basis for Customs tariffs and for the compilation of international trade statistics worldwide. Therefore, under the COVID-19 pandemic situation, the secretariat has been instructed by the Customs Co-operation Council to develop guidance materials to facilitate the cross-border movement of situationally critical medicines and vaccines and to highlight existing HS classifications (Current international HS – HS 2017 edition).

WCO classification reference for vaccines and related supplies are as follows.

**Table 1: COVID-19 Vaccines, test kits/ Instruments and apparatus used in Diagnostic Testing.**

Product	Additional information	HS 2017 Classification
COVID-19 Vaccines <sup>1,2</sup>	All vaccines for human medicine, including COVID-19 vaccines, are classified in the same 6-digit subheading	3002.20
COVID-19 Test kits	Diagnostic reagents based on polymerase chain reaction (PCR) nucleic acid test.	3822.00
COVID-19 Test kits	Diagnostic reagents based on immunological reactions	3002.15
Swab and Viral transport medium set	A vial containing a culture media for the maintenance of a viral sample and a cotton tipped swab to collect the sample put up together	3821.00
Glass containers for vaccines	Ampoules	7010.10
	Vials or phials	7010.90

Source: “HS classification reference for vaccines and related supplies and equipment”, WCO Prepared jointly with the World Health Organization (WHO)

Apart from the COVID-19 vaccines, the document also provides HS 2017 classification and related additional information of disinfectants, medical consumables and equipment related to vaccines which is very useful for members to facilitate their activities related to vaccines distributions across borders successfully.

## **Way Forward**

As a point of interest, please go through the WCO site. In addition to the high-lighted points, tools and guidance materials of partner international organizations and industry associations, WCO communication, joint statement with partner organizations, and WCO members’ Good Practice are also posted.

In line with these efforts, the WCO has launched the COVID-19 Project funded by the Government of Japan, which supports building the capacity of developing countries’ Customs administrations response to COVID-19. As the training dedicated regional body, ROCB A/P very much appreciated and welcomed the WCO and its efforts on their support and guidance on the vaccine distribution by its members. ROCB A/P sincerely hopes that this information will contribute and support the Asia Pacific member’s resilient efforts and mitigation efforts from the impact of the COVID-19. For more information, please contact me at [maypavida@rocbap.org](mailto:maypavida@rocbap.org)

# Workshops and Meetings

## WCO First Online Regional Workshop on E-Commerce for the Asia-Pacific Region

12-15 January 2021, Online Workshop hosted by WCO



The first WCO Online Workshop on E-Commerce for the Asia-Pacific Region was held from 12 to 15 January 2021. The Workshop was organized by the WCO under the sponsorship of the China Customs Cooperation Fund (CCF/China). Together with the experts on E-Commerce from the WCO, Mr. Norikazu Kuramoto, Head of the ROCB A/P, Dr. Hua Tong, Program Manager of the ROCB A/P and Ms. Pavida Boonmun, Assistant Program Manager of the ROCB A/P also joined as facilitators/coordinators for the Workshop.

The workshop was attended by 38 formal participants and 37 observers from 25 member administrations of the region and other international and regional organization representatives from OECD, UPU, GEA, OCO Secretariat and RILO A/P contributed to the workshop as guest speakers. The WCO experts provided detailed information and explanations on international and regional developments within the Asia-Pacific region. This included opportunities, challenges and potential solutions in the area of the implementation of the WCO Framework of Standards on Cross-Border E-commerce (FoS), and presented related WCO tools and instruments, country examples, case studies and the WCO's ongoing and future work plan.

Participants had the opportunity to share their national experiences and initiatives concerning effective risk management and efficient revenue collection models on low-value shipments. They also shared their respective practices relating to the implementation of blockchain, national single window, Customs and Postal data sharing platform, AI system to automatically select high-risk postal items, protection of society methods under COVID-19 and the Customs-business partnership. This workshop also contributed to further strengthening the network between the Customs administrations of the Region through an enhanced understanding of issues of mutual interest at the regional level. The Workshop was very well received by participants and raised a lot of interest and heated discussions. The participants expressed their appreciation to the WCO, the ROCB A/P and the Experts for their great support to the workshop.

## The WCO/JICA Joint Sub-Regional Master Trainer Programme (MTP) Preparatory Meeting for the Pacific Islands

26 January 2021, Online Workshop hosted by ROCB A/P



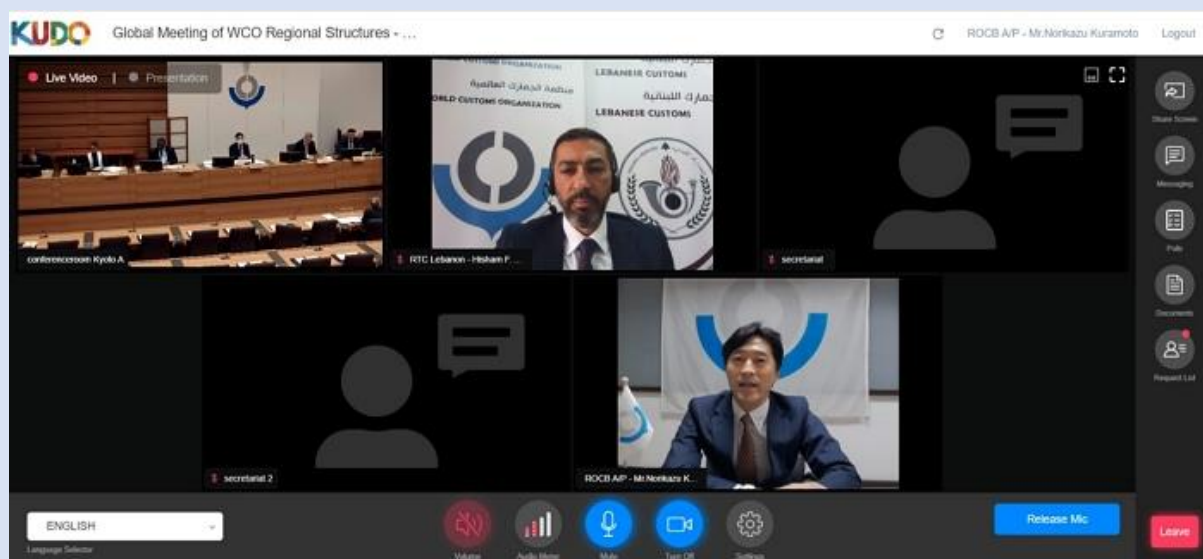
The WCO/JICA Joint Sub-Regional Master Trainer Programme (MTP) Preparatory Meeting for the Pacific Islands was held online on 26 January 2021. The meeting was organized by the WCO, JICA and ROCB A/P. The six Customs administrations in the Pacific region, namely Fiji, Papua New Guinea, Samoa, Timor-Leste, Tonga, Vanuatu as well as the representatives from Oceania Customs Organization (OCO) Secretariat and Japan Customs attended the meeting. Mr. Noriakzu Kuramoto, Head, Ms. Yuko Mamiya, Program Manager, Ms. Jate-arpa Benjaphong, Program Coordinator, and Ms. Vareemon Chairungsrilert, Program Coordinator of the ROCB A/P, also attended as facilitators/coordinators for the meeting.

This meeting is the second series of the MTP for the Pacific Islands which is expected to contribute to sustainable capacity building in those islands while responding to their unique needs and priorities. During the meeting, the priority topic(s) which will be launched in the MTP for the Pacific Islands were actively discussed and agreed upon. Besides, the Members in the Pacific Islands and the OCO Secretariat expressed their strong intention to support the launching of the MTP which supports the development of a pool of capable experts and regionally focused training materials and programmes on the agreed topic(s).

The active contribution of the participants resulted in a successful meeting as it also strengthened the cooperation among the participants and facilitators to work towards prosperity in the Pacific Islands. The participants and the OCO Secretariat expressed their appreciation to the WCO, the JICA, Japan Customs and the ROCB A/P.

# 16th Global Meeting of the WCO Regional Structures

18-19 February 2021

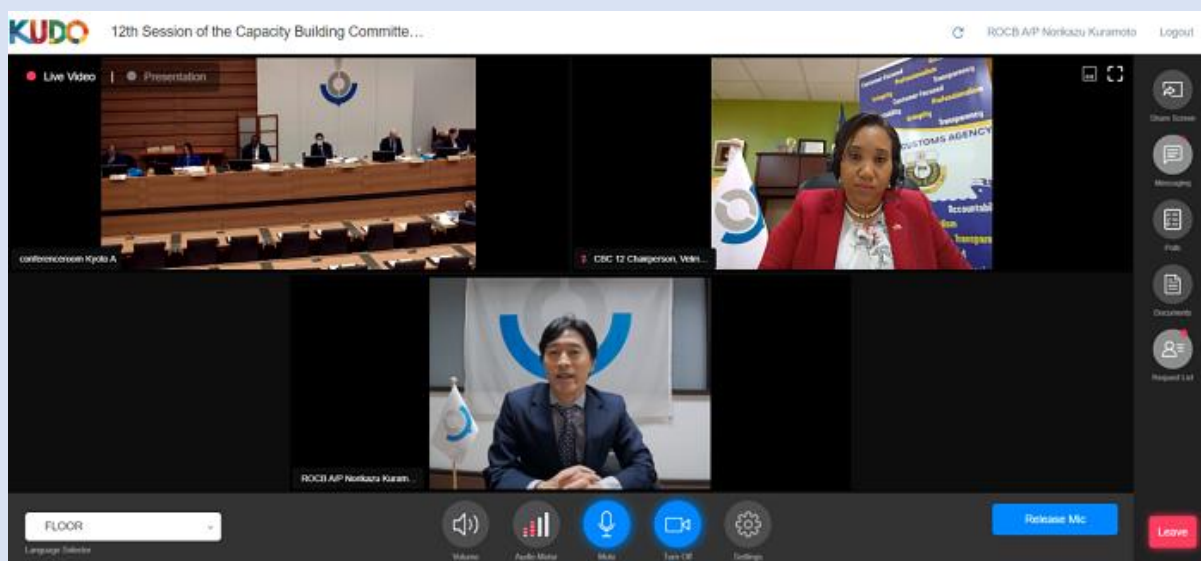


Given the severe impact of COVID-19, the 16<sup>th</sup> Global meeting of the WCO Regional Structures convened virtually on 18-19 February 2021, based at the WCO Headquarters in Brussels, Belgium. Following on from last year, delegates from the Vice Chair's Office, Regional Office for Capacity Building (ROCB), Regional Intelligence Liaison Office (RILO), Regional Training Centre (RTC), Regional Customs Laboratory (RCL) and Regional Dog Training Centre (RDTC) in the six WCO regions were all invited to attend. Mr. Norikazu Kuramoto, Head of ROCB A/P, led his team, Ms. Chloe Au, Program Manager of ROCB A/P and Ms. Pattarapak Nopnakeepong, Program Coordinator of ROCB A/P, to represent the office in the Meeting.

The meeting aimed to align and strengthen the cooperation and collaboration between the Vice Chair's Offices and all other regional entities. Following the opening remarks by Mr. Taeil Kang, Director of WCO Capacity Building Directorate, and emphasizing the importance of delivering online training support under the "new normal", delegates discussed and shared experiences on various developing capacity issues, e.g. virtual training models and job competency in HRM. At the meeting, Mr. Kuramoto shared our good practice on collecting A/P Members' capacity building needs and devising technical assistance plans by referring to the Annual Capacity Building Needs Survey, in collaboration with Japan Customs. Mr. Kuramoto also reported to the delegates about the capacity building activities and development in the A/P region which included, the online hosting of the 18<sup>th</sup> Meeting of Heads of WCO Asia/Pacific Regional Training Center, the growth in numbers of the regional entities, the organization of the virtual workshops for the A/P Members and the enhancement on regional communication via enriched ROCB A/P e-Newsletter. Delegates were also updated on the latest progress of different WCO Directorates.

## ROCB A/P joined the 12th Capacity Building Committee

22 - 24 February 2021



The 12<sup>th</sup> Capacity Building Committee (CBC) was held virtually between 22 to 24 February 2021. Approximately 300 delegates from member administrations including other international organizations participated. From ROCB A/P, Mr. Norikazu Kuramoto, Head, Ms. Yuko Mamiya, Program Manager, Ms. Pavida Boonmun, Assistant Program Manager and Ms. Vareemon Chairungsrilert, Program Coordinator also attended.

The meeting kicked off with the opening address of Dr. Kunio Mikuriya, the WCO Secretary General. During the CBC virtual meeting, participants discussed issues such as new guidance documents and updated information on capacity building activity.

Mr. Kuramoto expressed appreciation to the WCO's efforts on capacity building especially after the outbreak of the COVID-19. He mentioned that the time zone difference is one of the big challenges of the virtual workshops and appreciated the WCO's efforts on organizing regional workshops in the AP region so far despite the large time difference between the AP region and Brussels. Also, he expressed the ROCB A/P's commitment to assist the WCO in organizing the regional workshop in the AP region.

Due to the COVID-19 pandemic, the 12<sup>th</sup> CBC was held in two phases. Phase I was a 2-week document-based meeting that took place between 25 January 2021 to 8 February 2021. The CBC group was hosted on the WCO CLiKC! platform where delegates submitted their comments on the documents of the CBC's agenda. ROCB A/P also participated and gave comments on the

drafted new guidance document for virtual training named “People Management and Learning in Time of Crisis” from our experience.

Also, phase II was a web-conference meeting held between 22 to 24 January 2021, which consolidated the inputs provided in Phase I and discussed among delegates.

## **ROCB A/P attends the Maritime Stakeholder Meeting “Countering wildlife trafficking and other illicit trade through Thai seaports and maritime supply chains”**

9-10 March 2021, Bangkok, Thailand



At the invitation of the Royal Thai Customs, Mr. Norikazu Kuramoto, Head, and Ms. Yuko Mamiya, Program Manager of ROCB A/P attended the Maritime Stakeholder Meeting “Countering wildlife trafficking and other illicit trade through Thai seaports and maritime supply chains” held from 9 to 10 March 2021 in Bangkok, Thailand. This meeting was jointly organized by the Royal Thai Customs Department, the United Nations Office on Drugs and Crime (UNODC), United States Agency for International Development (USAID) Wildlife Asia, TRAFFIC and the World Wild Fund for Nature (WWF) with the financial contribution of USAID Wildlife Asia, WWF and UNODC. Over 70 representatives from Royal Thai Customs, other government departments,

international organizations and the private sector entities, mainly from shipping and freight companies, participated in this meeting.

This meeting aims to deepen the participants' understanding of the risks and impacts brought to maritime supply chains by wildlife trafficking as well as share best practices and identifying interventions which will address existing gaps in systems and processes that are exposing the industry to transnational traffickers' nefarious operations.

In his opening remarks, Mr. Chaiyut Kumkun, Principal Advisor on Customs Control Development for Director-General of Thai Customs, underlined that governments cannot win the battle against wildlife trafficking alone and Public-Private Partnerships are the only way to seriously tackle the traffickers that move wildlife products across borders and jurisdictions.

During the meeting, important issues such as perspectives on the future of ending maritime illicit trade and possible vulnerabilities to the illicit trade in export, transit and import chains were actively discussed among the participants. Mr. Kuramoto and Ms. Mamiya introduced the WCO CENcomm Customs communication platform which promotes information and data exchange as well as the WCO instruments and tools which can be utilized to fight against illicit trade including wildlife trafficking through discussions.

For more information about USAID Wildlife Asia at [usaidwildlifeasia.org](https://usaidwildlifeasia.org).

For more information about TRAFFIC at [traffic.org](https://traffic.org).

For more information about WWF at [www.worldwildlife.org](https://www.worldwildlife.org).

For more information about UNODC at [UNODC Global Programme for Combating Wildlife and Forest Crime](https://www.unodc.org/en/programmes/wildlife-and-forest-crime/).

## ROCB A/P celebrate opening new building of Thai Customs Academy

16 March 2021, Bangkok, Thailand

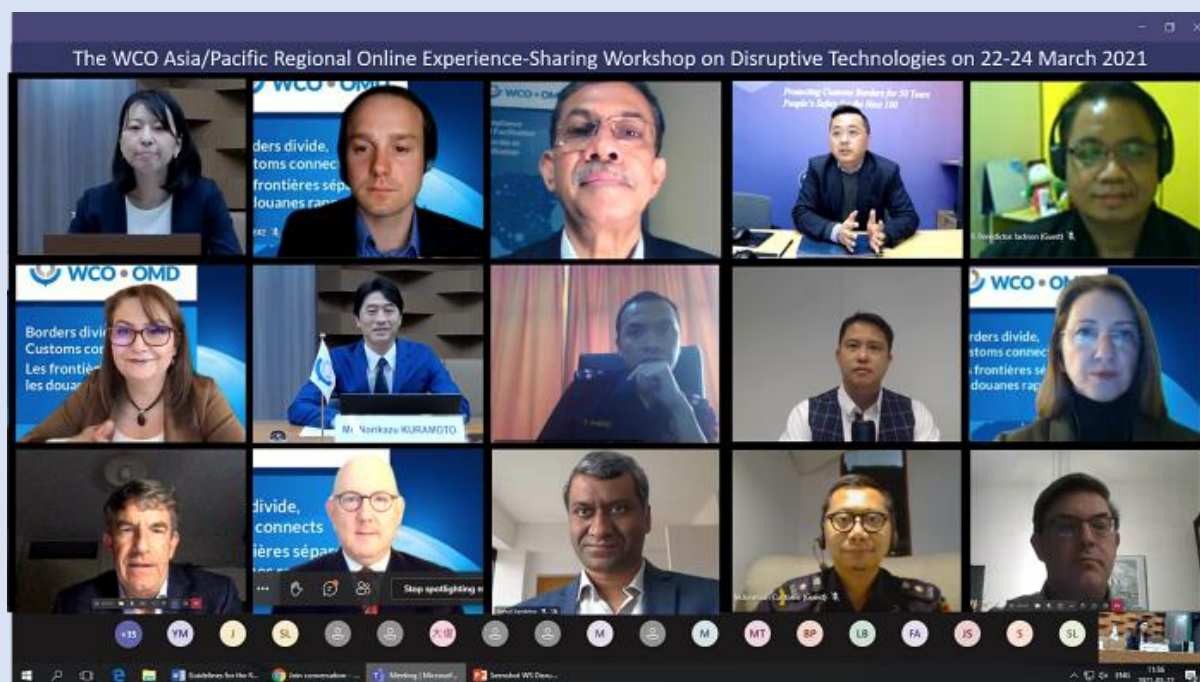


At the invitation of the Director-General of Thai Customs Department, Mr. Norikazu Kuramoto, Head of the ROCB A/P and his colleagues attended the opening ceremony of the newly built Customs Academy. Mr. Kuramoto conveyed his warmest congratulation to Mr. Patchara Anuntasilpa, Director-General of Thai Customs Department on behalf of the WCO.

At the beginning of the ceremony, Mr. Patchara Anuntasilpa, Director-General of Thai Customs Department, expressed his intention for the Customs Academy to be accredited as a WCO Regional Training Center (RTC) in the Asia Pacific region in the near future. The academy aims to contribute and enhance Customs officials' competency with the high-technology training equipment and facilities and accommodation. On this occasion, many representatives from embassies and international organizations were invited to celebrate the ceremony.

# WCO Asia/Pacific Regional Online Experience-Sharing Workshop on Disruptive Technologies

22-24 March 2021, Online Workshop



The WCO Asia/Pacific (AP) Regional Online Experience-Sharing Workshop on Disruptive Technologies was held from 22 to 24 March 2021. The workshop was organized by the WCO under the sponsorship of the China Customs Cooperation Fund (CCF/China). Together with the experts on Disruptive Technologies from the WCO, Mr. Norikazu Kuramoto, Head of the ROCB A/P, Ms. Yuko Mamiya, Program Manager of the ROCB A/P, Ms. Grace YE, Program Manager of the ROCB A/P, Ms. Pavida Boonmun, Assistant Program Manager of the ROCB A/P, Ms. Jate-arpa Benjaphong, Program Coordinator, and Ms. Pattarapak Nopnakeepong, Program Coordinator of the ROCB A/P, also joined as facilitators/coordinators for the Workshop.

The workshop brought together more than 50 participants from 17 AP Member administrations and speakers from Customs, the private sector, international organizations and academia to engage virtually and introduced the use of blockchain, artificial intelligence, machine learning, and the internet of things by exploring use cases and innovation projects.

Participants spent 3 days in discussing the issues including the role of public-private partnership, ways of supporting the data pipeline concept, use of technologies for enhanced risk management capabilities and automated threat detection, tracking solutions, and governance requirements. Discussions also focused on the usefulness of Blockchain technology, which

potentially improves transparency throughout the supply chain, and reduces transaction costs. Participants also had an opportunity to contribute with their views and suggestions to polls and break-out sessions, the results of which will feed into the update of the WCO Study Report on Disruptive Technologies. Moreover, this workshop provided a unique opportunity for information-sharing and cooperation between the public and private sectors with regard to disruptive technologies and innovations used by Customs administrations and other border agencies.

With an objective of sharing experiences and gathering input for the update of the WCO Study Report on Disruptive Technologies, the workshop was very well received by participants and raised a lot of interest and heated discussions. The participants expressed their appreciation to the WCO, the ROCB A/P and the Experts for their great support to the workshop.

## The WCO Regional Virtual Workshop on Data Analytics for AP

30 March – 1 April 2021, Online workshop hosted by ROCB AP



The WCO regional Virtual Workshop on Data Analytics for AP region was held from 30 March to 1 April 2021. The Workshop was hosted by the ROCB A/P in close cooperation with the WCO under the sponsorship of the Korea Customs Cooperation Fund (CCF/Korea). The 21

Customs administrations in the Asia and Pacific region attended the Workshop. Together with the Data Analytics experts from the WCO and Mr. Norikazu Kuramoto, Head of the ROCB A/P, Mr. Ilkwon HAN, Program Manager of the ROCB A/P, and Ms. Pavida Boonmun, Assistant Program Manager of the ROCB A/P also attended as facilitators/coordinators for the Workshop.

In order to deepen the knowledge on the basic concept of Data Analytics, the Workshop covered WCO framework for Data Analytics and BACUDA project. Through a series of presentations and discussions, the participants understood that Data Analytics is the tool to leverage the Customs big data to reinforce the role of Customs.

During the workshop, Experiences from 6 AP members, namely Indonesia, Japan, China, Korea, Hongkong China and Australia were shared through the country presentations and the participants actively participated in the discussion of methodology for benchmarking, facilitated by experts. Also, the participants exchanged their experiences to address the challenges on how to implement Data Analytics under the COVID-19 pandemic. Mr. Ilkwon HAN introduced the capacity building activities in the A/P region.

The active contribution of the participants resulted in a successful workshop and this workshop supported enhancing communication and information sharing among member administrations even during this pandemic situation. The participants expressed their appreciation to the Korea Customs Service, the WCO, the ROCB A/P and the Experts for their support to the workshop.

# Staff Update

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## Farewell Message from Dr. Hua TONG

Dear colleagues and friends,

Time really flies! Suddenly I became the “oldest” Program Manager in terms of the working time in the ROCB A/P which also shows my leaving day is closer. I am very happy to complete my four years term in this professional and innovative organization. The working experience here is indeed a great treasure for my future career development.



During the four years, I conducted lots of successful missions on behalf of the ROCB A/P globally. Moreover, I made great development from a new staff working in the international organization to a WCO accredited expert on HRM & HRD and a capable international officer doing presentation in front of 1500 participants. I explored lots of professional areas as a speaker, such as Integrity, E-Commence, Environmental issues, Risk Management and targeting, Academia and Customs etc. Those topics really enhance my competence as a quick learner, good researcher and professional expert. I can be very proud to say that I realized my goal working aboard and did work hard for the A/P region.

I met lots of smart, experienced, knowledgeable and super kind people in the ROCB A/P as a team and family. I made some lifelong trustful friends not only from the office, but also from Thailand and the Customs Family globally. I will remember those cherished days and happy moments together with you forever!

I believe we have the destiny to meet again in the future. So it is actually not the time to say “goodbye”, but to say “see you soon”. Dear friends, please keep in touch and stay healthy. I think I will keep working as a capacity builder and researcher. Please feel free to contact me via: [tonghua@vip.sina.com](mailto:tonghua@vip.sina.com); [22237904@qq.com](mailto:22237904@qq.com) If you visit Shanghai my hometown or China, please let me know, I am more than happier to meet you in the near future.

## Farewell message from Ms. Chloe Au

Do you agree time flies when you are engaged in something you enjoy? I am 100% in support of this! I am glad to have accomplished my two-year term of work in the WCO ROCB A/P and now it's the time for me to bid farewell to you all.

Acted as the Program Manager of ROCB A/P, I had organized and arranged a number of regional and sub-regional meetings and workshops on various WCO topics, such as Intellectual Property Right and Post Audit Clearance, for Members in the Asia/Pacific region. I am a person who is thirsty for sharing and learning. Through convening and participating in these regional capacity building activities, I am pleased to have the occasions to share my expertise with the participants and also very thankful to learn from the experts in the WCO and other international organizations. These experiences are vital and invaluable for the future of my career. Taking this opportunity, I would like to express my gratefulness to those fellow colleagues for your generous and selfless contributions and sharing of your knowledge. Together we had completed a page for building the capacity in A/P region.

Working in the ROCB A/P had not only enriched my resume but also expanded my networking. During my stay in Bangkok, Thailand, I enjoyed meeting the Customs colleagues from different Member administrations. These new friends are kind, helpful, energetic and full of passion, especially the ROCB team and Thai Customs colleagues. We worked closely together and we also looked after each other thoroughly. During the lock down period in pandemic in particular, though I was thousand miles away from my family, I was around with care and concerns given by my friends here. Please allow me to convey my heartfelt thanks to all my dearest partners and friends. I will always remember our precious moments and never forget the time we overcame the difficulties.

Although it is sad to say goodbye but still, I have no choice. However, I am sure this farewell is not the end of our relationship, especially in this unprecedented period of time. The “new normal” practice of virtual meeting enables us to see each other more easily, hassle free from boundary and time constraints. I look forward to meeting you all in the near future for another fruitful and insightful sharing.



## Welcome Message from Ms. Sherman Yu

I am Sherman Yu from Hong Kong Customs. It is an honor and my pleasure to join the ROCB AP family.

Before I joined Customs, I obtained my Bachelor degree in Geography and Master degree in Sustainable Development in The University of Hong Kong. Also, to better equip myself for taking up the enforcement duty, I studied Bachelor of Laws in University of London after I joined Customs.

I started my career in Customs in 2005. In my early years in Customs, my exposures were mainly on enforcement, i.e. working as frontline officer in processing Container Cargo, stationing in Control Points in Border as well as Passenger Processing Unit in Airport. In the last 6 years, I was posted to Trade Facilitation and administration aspects. My duties were to promote and explain the AEO programme to the business sector and organize training workshops for them. Also, I was assigned to assist in monitoring the implementation of the Mutual Recognition Arrangement (MRA) in e.g. keep track on the recognition rate of AEO in the customs clearance as well as organizing review meetings. After the AEO office, I was assigned to the Project Team to prepare for commissioning of a new border control point, namely Heung Yuen Wai Control Point. Throughout the time in Project Team, I gained valuable experiences in Project Management. I sincerely hope that my working experience, particularly on AEO and MRA aspects can contribute and promote the works of ROCB AP. Being the Programme Manager, I would shoulder the responsibility to promote the initiatives, strategies and tools put forward by WCO not only to the AP members but also to other stakeholders.

Last but not the least, I am sure I will learn a lot from my colleagues in ROCB AP and AP members and create synergy in our daily work. Looking forward to cooperating with you all!



# WORLD CUSTOMS ORGANIZATION

Asia/Pacific Regional Office for Capacity Building (ROCB A/P)

Address: 1, Thai Customs Department, G Floor of 120 Years Building,

Sunthornkosa Rd., Khlongtoey, Bangkok 10110 Thailand

Telephone: +66-2-667-6777

E-mail: [rocb@rocbap.org](mailto:rocb@rocbap.org)

website: <http://www.rocb-ap.org>

Mr. Norikazu KURAMOTO, Head, WCO ROCB A/P

Ms. Yuko MAMIYA

Ms. Sherman YU

Ms. Grace YE

Mr. Ilkwon HAN

Ms. Pavida BOONMUN

Ms. Jate-Arpa BENJAPHONG

Ms. Vareemon CHAIRUNGSRILERT

Ms. Pattarapak NOPNAKEEPON

Regular Supporters: Mr. Daniel BRUNT and Mr. Wayne MORAN

