Revised Kyoto Convention Management Committee
20th Meeting, 17-18 June 2019

(Item VII of the Agenda – Update of the RKC ICT Guidelines)

«DIGITAL CUSTOMS. WCO Experience»

Mozer Sergei, Ph.D.
Deputy Head of the Division of Advanced Customs Technologies,
Department of Customs Legislation
Eurasian Economic Commission

June 18, 2019, Brussels
Digital Customs: WCO Working Bodies

Council
- Policy Commission
- Permanent Technical Committee
- Information Management Sub-Committee
- Capacity Building Committee
- Enforcement Committee
- E-Commerce Working Group
### Actual issues of Digital Customs

<table>
<thead>
<tr>
<th>Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a need of effective scientific and methodological support</td>
</tr>
<tr>
<td>for the project on the development of the digital customs</td>
</tr>
<tr>
<td>There is no fundamental classical concept of digital customs</td>
</tr>
<tr>
<td>The competencies of digital customs are not defined</td>
</tr>
<tr>
<td>There is no Reference model for digital customs</td>
</tr>
<tr>
<td>The scope of digital customs is not defined</td>
</tr>
<tr>
<td>There is no unified understanding of the digital customs management</td>
</tr>
<tr>
<td>There is no unified system of the WCO indicators for digital customs</td>
</tr>
<tr>
<td>There are no methods for evaluating the key performance for digital</td>
</tr>
<tr>
<td>customs</td>
</tr>
<tr>
<td>There are no scientific studies regarding the correlation of digital</td>
</tr>
<tr>
<td>customs and ICT, technological solutions for economic operators</td>
</tr>
<tr>
<td>The place of «electronic», «digital» customs is not determined</td>
</tr>
<tr>
<td>in conjunction with the «single window» mechanism, customs operations</td>
</tr>
<tr>
<td>and business processes</td>
</tr>
</tbody>
</table>
## Topical issues of Digital customs (Policy Commission)

<table>
<thead>
<tr>
<th>Conceptual apparatus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitization of customs</td>
</tr>
<tr>
<td>Customs regulation (administration) and digital customs</td>
</tr>
<tr>
<td>Management mechanism, customs regulation</td>
</tr>
<tr>
<td>Customs operations (business processes) in the framework of digital customs</td>
</tr>
<tr>
<td>Risk Management System (RMS) and digital customs</td>
</tr>
<tr>
<td>Subject composition of legal relations and digital customs</td>
</tr>
<tr>
<td>Instruments used to ensure the operation of digital customs</td>
</tr>
<tr>
<td>Technologies promoting the development of digital customs</td>
</tr>
<tr>
<td>Single window and digital customs, their relationship and correlation</td>
</tr>
<tr>
<td>Security Supply Chain and AEO</td>
</tr>
<tr>
<td>Regional integration and digital customs</td>
</tr>
<tr>
<td>Legal issues ; Capacity building and personnel issues</td>
</tr>
</tbody>
</table>
Digital customs is a mean, not an end in itself, and the goal should not be to digitize existing bureaucratic processes, but first of all to analyze them in order to achieve the best possible result.

Digital customs can be shaped as a strategic approach to supporting customs and cross-border reform in the field of ICT using WCO instruments, tools and guidelines.

Digital Customs - a way to organize customs in the digital age.

Digital Customs is identified with information communication technologies.

Digital customs refers to any automated or electronic activity that contributes to the efficiency, effectiveness and coordination of customs activities (such as automated customs clearance systems, the «single window» concept, electronic information exchange, websites for information transfer and transparency promotion, and the use of smartphones.
Digital customs can be formed as: a strategic approach to supporting customs and cross-border reform in the field of ICT using the WCO instruments, tools and guidelines.

Digital Customs is a technical tool to support broad political objectives.

Digital Customs is a way of organizing customs in the digital age.

Digital customs is a comprehensive, future-oriented concept.
Digital Customs: WCO Working Directions

- Digital Customs Concept
- Information Communication Technology
- Digital Customs Maturity Model
- Work Program
- Customs operations (business processes)
Digital customs set of key characteristics

Maturity levels of Digital Customs Maturity Model should feature a different set of key characteristics
**Maturity: Theory**

**company maturity** is one of the stages of the company life cycle.

**maturity of the processes** shows how the activity is defined, controlled and effective, and the maturity model itself provides the basic management principles necessary for improving maturity.

**technological maturity of a company** is the potential for further growth of technology excellence, criteria for evaluating potential suppliers by customers and a instrument for improving suppliers' processes.

**maturity** is a measure of reliability, efficiency and effectiveness of a process, function, organization.

**maturity of a process** is its ability to solve a given problem (task).

The term **maturity** is also applied to the **information technologies of a company, to software development processes**.
formalization, which provides an unambiguous description of the structure of the Digital Customs Maturity Model

understandability by the Customs administrations of the WCO Member states based on the use of graphic means of displaying the model

feasibility, implying the availability of means for the physical implementation of Digital Customs Maturity Model

providing an assessment of the effectiveness of the implementation of the Digital Customs Maturity Model based on certain methods and calculated indicators

Requirements for Digital Customs Maturity Model
Digitization of customs

- Application of breakthrough (digital) technologies
- Transformation of operational processes (customs operations)
- Optimization of business processes (customs operations)
- Business models
- Advanced analytics
- Artificial Intelligence
- Mobile and wearable devices
- Automation
- Robotization
- Integration technology platforms
- Digital Customs Model and its variants
Digital Customs: Progressive Engagement
(Characteristics of digital customs)

- Automated activity
- Electronic activity
- Electronic solutions
- Automated customs clearance systems
- Information and communication technologies
- Digital technologies
- «Single window» mechanism
- Use of the smartphone
- Big data
- Telematics
- Cloud
- Advanced analysis tools and information management
- Mobile technologies
The following model tools can be important for the WCO Customs administrations:

1. The WCO Digital Customs Guide, in which the conceptual apparatus is formed, considered organizational, legal, technical and technological solutions aimed at developing the institution of digital customs as well as ensuring customs regulation based on end-to-end digital technologies, which are based on data.


3. The fundamental Concept of digital customs, which allows WCO Members to get a holistic picture of all the possibilities offered by such customs as well as get acquainted with the competence of digital customs.

4. Digital Customs Model including the model of its development (maturity model).

5. The Digital Customs Reference Model; the main characteristics of digital customs.

6. Methodology for evaluating the effectiveness of digital customs activities.

   System of WCO indicators for digital customs, etc.
The monograph can be read at the following link on the «Russian Customs Academy: SCIENCE»:

http://customs-academy.net/?page_id=10398
Mozer Sergei, Ph.D.

Deputy Head of the Division of Advanced Customs Technologies, Department of Customs Legislation
Eurasian Economic Commission

moser@eecommission.org
www.eurasiancommission.org

Other publications of the author:
http://customs-academy.net/?page_id=10398