



Customs Reforms Directions and Measures

**Overview of main streams of customs related reform
efforts prepared for the donors' community**



CUSTOMS infrastructure



158

check points



26

regional
customs offices

36

international
checkpoints
on EU border
(out of 158)



customs
clearance points

191

8

check points with
joint border control
on EU border
(out of 36)

241

services areas
for customs
clearance



CUSTOMS In brief

292.3 bn

customs revenues
2015

2.779 m

2015 -1stQ 2016

processed customs
declarations:
1.8 m - import
1.048 - export
502.000 - transit

86%

of customs applicants are
evaluated on a commercial
invoice basis

Circa 10,000

staff number of customs
related personnel after 30%
reduction effort

260

senior customs officers were
reappointed in the last year
during reform process

13 928

EUR 1 certificates
issued since Jan 1st, 2016
(EU Association Agreement)



CUSTOMS REFORMS OVERVIEW



GOALS

1. Trade facilitation
2. Security
1. Integrity



TOOLS

1. Identify 12 'streams' for customs reform
2. Create working groups dedicated to each stream
3. Work simultaneously on each stream
4. Differentiate between quick wins and long term reformation efforts



KEY REFORM STREAMS

- I. Procedures and processes
- II. Systematization of legislation
- III. System of customs valuation
- IV. IT and risk analysis systems
- V. New equipment and inventory
- VI. Coordination btw authorities
- VII. Institutional reform
- VIII. International cooperation
- VIII. New HR/anti corruption policy
- X. Infrastructure policy
- XI. Public relations policy
- XII. Customs data security



PROCEDURES AND PROCESSES

- A set of standardized procedures and guidelines should be adopted
- Automation and reduction of human factor by implementing new technologies and detailed regulations
- Implementation of the efficient monitoring and control system, where removal of human factor is impossible
- Integration of all processes in order for them to function as a single mechanism



SYSTEMATIZATION OF LEGISLATION

- Creation of comprehensive single set of unified legal regulations on the secondary law level (not within the Customs Code)
- Clear, accessible and transparent structure and revised (where necessary) content
- Establishing a detailed roadmap for harmonization of the Ukrainian and EU customs legislation
- Practical launch of AEO regime



CUSTOMS VALUATION

- Setting up Customs Centre for Price Information
- Building up customs capacities via applying best practices in accordance with Customs Valuation Compendium (EU) and Customs Valuation Encyclopedia (USA)
- New comprehensive guidelines on customs valuation shall be adopted and new permanent monitoring unit established



IT AND RISK ANALYSIS

- Comprehensive audit of all processes, equipment and software used by SFSU and customs offices
- Modernization of the system based on audit results
- Integration into international customs system (NCTS and CTS)
- Modernization of the automated risk analysis and management system



NEW EQUIPMENT AND INVENTORY

- Development and introduction of equipment and hardware standards for SFSU
- Focus is on customs capacity – building, automation of the customs procedures, build-up of control mechanisms and prevention of corruption
- Combining available customs infrastructure into a new analytical system, which shall become source of information for risk analysis
- Efficient allocation of available resources



COORDINATION BTW AUTHORITIES

- Implementation of ‘single window’ principle, electronic information exchange between customs and other authorities
- Development of the risk analysis systems of the customs and other state authorities
- The road map for “Free Export” should be adopted
- Systemic coordination and communication between various state entities



INSTITUTIONAL REFORM

- Comprising all tasks and processes of customs control, customs clearance, security, personnel and information policy
- Introduction of the inter-agency Targeting Center
- Implementation of the concept of front and back-offices



INTERNATIONAL COOPERATION

- Implementation of best international practices in customs control and customs clearance
- Set up of full scale information exchange between customs authorities of Ukraine and those of other countries
- Integration into the global security systems
- Cooperation between border customs offices and checkpoints



HR/ANTI CORRUPTION POLICY

- Increase of the basic salary for customs officers
- Systemic enforcement of zero tolerance to all forms of corruption and illegal activities
- Establishment of new rewards and promotion systems
- The police reform in Ukraine can serve as a proper example of attracting new professional and well motivated staff



INFRASTRUCTURE POLICY

- Implementing standards for customs infrastructure items in order for them to be compatible with the goals of customs and border protection requirements
- Following best practices in regulating and managing customs infrastructure
- Introduction of transparent rules for functioning of the privately owned types of infrastructure in order to attract investments



PUBLIC RELATIONS POLICY

- The goal of the new policy would be to create positive image of the reformed customs authority
- Promotion program needs to be developed and adopted
- Communication Center shall be set up that would monitor the pace of customs reforms, report progress to citizens and channel their feedback



CUSTOMS DATA SECURITY

- Comprehensive security audit of customs data is required
- After the audit – adoption of a complex roadmap to prevent unauthorized intervention into the customs IT systems, data leaks and implement new steps for data protection
- Further development of electronic services and electronic document exchange



FINAL REMARKS

- Any feedback from donor community is welcome – we will consider your comments, proposals and concerns
- We invite everyone to apply their competences within specific working groups within the discussed streams
- The proposed streams may be subject to change as a result of interactive dialogue that we hope to open via this discussion