

## **WORKSHOP ON “CUSTOMS DATA EXCHANGE”**

**Kyiv, 15 October 2009**

### **Summary Proceedings**

**1.** The Workshop on “Customs Data Exchange” was held in Kyiv, Ukraine, on 15 October 2009. It was jointly organized by the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS) and the State Customs Service of Ukraine.

**2.** Welcoming statements were delivered by Mr. Oleksandr FEDOROV, Deputy Head of the State Customs Service of Ukraine; and Mr. Alexei NISTREAN, Executive Manager of BSEC PERMIS.

**2.1.** Mr. O. FEDOROV, in his statement, reiterated the main tasks of customs services aimed at smoothing flow of trade among the BSEC countries. He pointed out that the customs, fiscal and other institutions of the Member States are obstacles to trade, as they are concerned also to counter terrorist activities, smuggling and other illegal movement of goods through state borders. The establishment of preliminary exchange mechanism of customs data would reduce the obstacles in the movement of goods and would speed up the process of export operations by the economic agents.

Mr. FEDOROV informed the participants of the Workshop of the achievements of the Customs Service of Ukraine, among them, a functioning model of exchange of preliminary information between Ukraine and Moldova (model approved and co-financed by the European Commission); the agreement between Ukraine and Belarus on exchange of preliminary information; exchange of customs information with Russia at the points of crossing; cooperation between customs administrations of Ukraine, Poland and the Slovak Republic.

**2.2.** Mr. A. NISTREAN welcomed the participants of the Workshop on behalf of BSEC PERMIS. He recalled that the Meeting of the Heads of Customs Administrations of the BSEC Member States held in Kyiv, Ukraine, on 18 March 2008 adopted the “Statement of the Heads of Customs Administrations of the BSEC Member States” as a programme of cooperation among the Customs Administrations of the BSEC Member States. In accordance with the provisions of the Statement, the Heads of Customs Administrations of the BSEC Member States agreed on taking appropriate measures to explore the possibilities for feasible and practical approach to further trade facilitation, eventually through concluding legal instruments that would lead to the gradual harmonization of customs procedures in the BSEC region. He also informed the participants of the activities of the BSEC Working Group on Customs Matters which considered feasible to establish a preliminary information exchange

mechanism among the interested BSEC Member States and other interested Observer States and international organizations, and concluded that bilateral agreements on exchange of preliminary information of customs data, mutual assistance on customs matters and other bilateral agreements signed between the customs administrations of the BSEC Member States and third parties could serve as the legal basis for the exchange of preliminary information.

Mr. NISTREAN made reference to the white-paper “Customs in the 21<sup>st</sup> century” outlines the responsibilities to develop a new strategic perspective and policies that will shape the role of Customs in the future. This perspective requires a new approach to managing the movement of goods through international trade supply chains and across borders. To manage this increased movement of goods there is a need for closer real-time collaboration between Customs Administrations and between Customs and Business. The idea of creating an “e-Customs” network is to ensure real-time and paperless two-way flow of information.

The statement of Mr. NISTREAN is attached as Annex I.

**2.3.** Ms. Suzanne HEINDRYCKX, the representative of the European Commission, Directorate General for Taxation and Customs Union, made an intervention. In her intervention, she reiterated the position of the European Commission concerning the issue of establishing a preliminary exchange mechanism among the interested BSEC Member States, in particular that EC shows a positive approach towards the establishment of a preliminary information exchange mechanism of customs data among the non EU BSEC Member States.

Ms. HEINDRYCKX also pointed out that within the EU the EC is the sole spokesman on the issue of exchange of information and that the three EU Member States that are also Member States of the BSEC cannot participate in such an arrangement, the European Commission being the entity which can conclude bilateral agreements with third countries in this respect.

**3.** The Workshop was co-chaired in rotation by Mr. Sergiy KOPOSOV, Head of the Regional Information Technologies Customs House, the State Customs Service of Ukraine; and Mr. NISTREAN.

**4.** The Workshop was attended by the representatives of the following BSEC Member States:

Republic of Armenia  
Republic of Azerbaijan  
Republic of Moldova  
Romania  
Russian Federation  
Republic of Serbia  
Ukraine

5. The representative of the European Commission participated in the Workshop as an Observer.
6. The representative of the European Union Border Assistance Mission (EUBAM) to Moldova and Ukraine participated in the Workshop as a Guest.

The list of participants is attached as Annex II and the Program of the Workshop is attached as Annex III.

7. The following presentations were made during the Workshop:

**7.1.** Mr. Sergiy KOPOSOV made a presentation on “The concept of a multifunctional complex system “Electronic Customs”. He made a reference to the document “Customs in the 21<sup>st</sup> Century” which outlines the exchange of information between customs in realtime and the reduction of paper in the customs activities. Mr. KOPOSOV briefly presented the structure of the State Customs Service of Ukraine, its objectives and responsibilities. Telecommunication network (land and satellite) established by the State Customs Service of Ukraine allows to control the movement of goods of the territory of Ukraine. The aim of the complex system “Electronic Customs” is to control the movement of goods, vehicles and persons and to exchange electronic documents among the institutions of the State Customs Service of Ukraine. This project is to be implemented by 2013.

Mr. KOPOSOV also informed about the system of customs declaration “Inspector 2006” adopted in 2006, which allows to electronically declare the goods for customs clearance. He briefly mentioned the exchange of information between Ukraine and Russia (certain points of crossing) and between Ukraine and Moldova (on-line realtime exchange of preliminary customs data).

**7.2.** Mr. Valentyn SHULYAK, Deputy Head of the Regional Information Technologies Customs House, State Customs Service of Ukraine, delivered a presentation on “Proposals for typical requirements for information security in its exchange between the customs administrations of the BSEC Member States” and on “Typical technical formats requirements during informational exchange between the customs administrations of the BSEC Member States”. He informed the participants on the requirements for securing the exchange of information and the established formats that might be used in the exchange process.

**7.3.** Mr. Sergey DEMCHENKO, Deputy Head of the Risk Analysis Department, State Customs Service of Ukraine, delivered a presentation on “The control system of risk analysis in the State Customs Service of Ukraine”. He informed about the main tasks of the control system of risk analysis, its functioning and implementation within the Customs Service of Ukraine. The chain of identifying the risks and the ways and means of their assessment has been presented. Mr. DEMCHENKO pointed out that the system allows the decision making customs officials to approve or disapprove the declaration and movement of goods in their

way from economic agents to the crossing of border. He revealed the format of the methods of control in order to assess the risks.

**7.4.** Mr. Pavlo PISNOY, Deputy Head of the Regional Information Technologies Customs House, State Customs Service of Ukraine, made a presentation on “Strategy for modernization of information technology of customs control on the basis of risk analysis resulted from customs declarations”. He informed the participants of the Workshop on the measures undertaken by the State Customs Service of Ukraine in order to widen the process of risk analysis and apply it during all procedures of movement of goods from business agents to the border. Also he pointed out that this process is accompanied by the verifications by other relevant Ministries and State Departments of Ukraine.

**7.5.** Mr. Rosario de BLASIO, Customs Fiscal Specialist, EUBAM to Moldova and Ukraine, made a presentation on “EUBAM Assistance on the Implementation of Pre Arrival Information Exchange System (PAIES) between the UA and MD Customs Services”. This system has been established between the State Customs Service of Ukraine and Customs Service of the Republic of Moldova. The aim of PAIES is to ensure the cooperation between the two Customs Services, prevent and combat customs fraud, speed up the procedures of customs clearance of goods and vehicles crossing the Ukrainian and Moldovan borders. The PAIES System is fully operational since 1 April 2008. Mr. BLASIO also presented the advisory activity of EUBAM in order to improve the PAIES system. He mentioned the benefits of PAIES, including strengthening the border customs control, increasing transparency at the border, facilitating trade and combating customs fraud. The presentation of Mr. BLASIO is attached as Annex IV.

Question and answer session was held after each presentation.

**8.** On the second part of the Workshop, the participants had the opportunity to pay a study visit to the “Regional Information Technologies Customs House”.

### **Final Conclusions and Recommendations**

**9.** The following conclusions and recommendations were made at the Workshop:

**9.1.** Exchange of preliminary information aims at facilitating trade, reducing waiting time at the borders and combating fraud and smuggling.

**9.2.** Real-time exchange of information among the customs administrations would help both the customs and business to speed up the process of declaration and clearing of imported/exported goods.

**9.3.** The experience of Ukraine and Moldova, with the assistance of EUBAM, of exchange of preliminary information may be used for developing such systems among the customs administrations of other BSEC Member States.

**9.4.** The participants recommended to the BSEC Working Group on Customs Matters to consider at its next meeting the Summary Proceedings of the Workshop.

**10.** The participants expressed their sincere thanks and gratitude to the BSEC Organization and the State Customs Service of Ukraine for the contribution to and organization of the Workshop, as well as for the hospitality extended to the Participants during their stay in Kyiv.

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