



BUSINESS CONTINUITY PLANNING

GUIDANCE FOR CUSTOMS AND BORDER CLEARANCE





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Adapted to Indian conditions by Mr. Samir J Shah – Vice Chairman CAI-FIATA & Advisor FFFAI; Hon. Sec. ACAAI

FIATA INTERNATIONAL FEDERATION OF FREIGHT FORWARDERS ASSOCIATIONS

- FIATA is a
 - nongovernmental, membership-based organization.
 - representing freight forwarders in some 150 countries.
- FIATA is a reference source on
 - international policies and regulations governing the freight forwarding and logistics industry.
- FIATA works at the international level to represent
 - service providers who operate in trade logistics and supply chain management.
- Through its FIATA documents and forms, congress, training and publications, and engagement with relevant international organisations, it promotes trade facilitation and best practices among the freight forwarding community.
- Founded in Vienna, Austria, on 1926, FIATA owes its name to its French acronym (*Federation Internationale des Associations de Transitaires et Assimiles*) and is known as 'the global voice of freight logistics'. FIATA is headquartered in Geneva, Switzerland.



Preamble

- FIATA is working with its Customs Affairs Institute (CAI) to *ensure future preparedness for Customs procedures.*
- FIATA continues to be actively *represented at the World Customs Organization and the Private Sector Consultative Group (PSCG)* to further facilitate these discussions.

Preamble

- A central tenet of this work is advocating for the need to ensure
 - *close dialogue and collaboration between Customs and the private sector.*
 - to ensure *effective and harmonized responses.*
 - and for systems to be able to work together seamlessly in an *interoperable manner for companies of different sizes and in different local contexts.*

DISCLAIMER

- It should be borne in mind that this document is **NOT to be construed as providing any legal advice.**
- FIATA recommends that
 - readers seek independent legal advice if they have any questions on dealing with their specific circumstances.
- This best practice guide provides general considerations that are of relevance on a global, risk-management basis, and does not include technical advice. It is recommended that readers adjust and implement the recommended measures in accordance with the applicable laws and regulations in their jurisdiction, its corporate structure, business model and risk control requirements in the country or geographic areas where it is operating.
- FIATA accepts no responsibility for the consequences of the use of the information contained in this document.
 - For further information about the activities of the FIATA Customs Affairs Institute or to make comments about this guide, please contact the FIATA Headquarters at legal@fiata.org

Definition of Freight Forwarder as per FIATA

Freight Forwarding and Logistic Services" means services of any kind relating to

- *the carriage (performed by single mode or multimodal transport means),*
- *consolidation,*
- *storage,*
- *handling,*
- *packing or*
- *distribution of the Goods*



as well as ancillary and advisory services in connection therewith, including but not limited to

- *customs and fiscal matters,*
- *declaring the Goods for official purposes,*
- *procuring insurance of the Goods and*
- *collecting or procuring payment or documents relating to the Goods.*

Freight Forwarding Services also include logistical services with

- *modern information and*
- *communication technology in connection with the*
- *carriage,*
- *handling or*
- *storage of the Goods, and*
- *de facto total supply chain management.*

These services can be tailored to meet the flexible application of the services provided.



Who is a Forwarder

**Customs
Broker**

IATA Agent

MTO

Transporter

Similar

CONTENTS

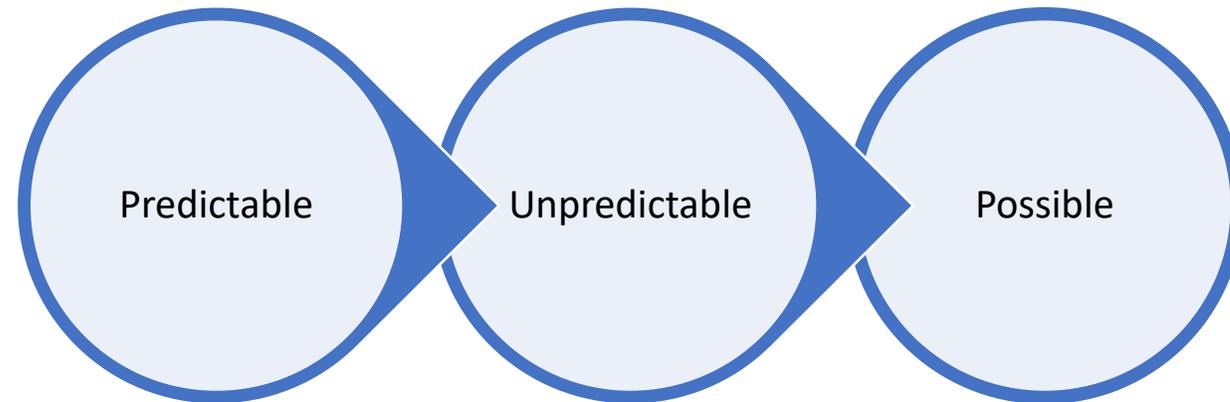
- Background
- Best practices for business continuity planning:
 1. Digital Customs Clearance
 2. Coordinated and collaborative approach
 3. Authorized Economic Operator programmes
 4. Cooperation of Customs authorities and private sector
 5. Conclusion

BACKGROUND

- Events such as
 - COVID-19,
 - unstable geopolitics,
 - mass labour shortages, and evolving government regulations.
- clearly indicate fundamental changes across all industries and the necessity for being prepared for the unexpected.
- The possible supply chain disruptions and wider economic consequences such events bring demonstrate the need for business contingency planning and a crisis management system for future resilience, especially for customs procedures.

BACKGROUND

- Events such as
 - COVID-19,
 - unstable geopolitics,
 - mass labour shortages, and evolving government regulations.



BACKGROUND

- FIATA encourages the Freight Forwarding community and Customs authorities to
 - take stock of lessons learned and put in place business continuity procedures that incorporate best practices.
- such as
 - *digitalization,*
 - *streamlined regulation,*
 - *accessible Authorized Economic Operator (AEO) programmes with tangible benefits, and*
 - *other trade facilitation measures.*
- The development of such procedures will ensure better preparedness and resilience, and will help freight forwarders and other supply chain actors around the world to shield themselves from future unplanned disruptions in the interests of the continuity of international trade.



Best practices for business continuity planning:

1. Digital Customs Clearance
2. Coordinated and collaborative approach
3. Authorized Economic Operator programmes
4. Cooperation of Customs authorities and private sector
5. Conclusion

BEST PRACTICES FOR BUSINESS CONTINUITY PLANNING

1. Digital Customs Clearance

- The pandemic accelerated the adoption of digital processes by businesses and border agencies.
- This increased efficiency and operational performance, enhancing interconnectivity with stakeholders within the customs process.
- The rapid deployment of such processes demonstrates the opportunities for customs to further harness technology for greater trade facilitation and as part of their risk management frameworks.
- *The maintenance of such processes should be maintained and strengthened, to provide a more seamless, efficient and sustainable customs clearance procedure that facilitates trade.*

Recommendations for Customs Authorities

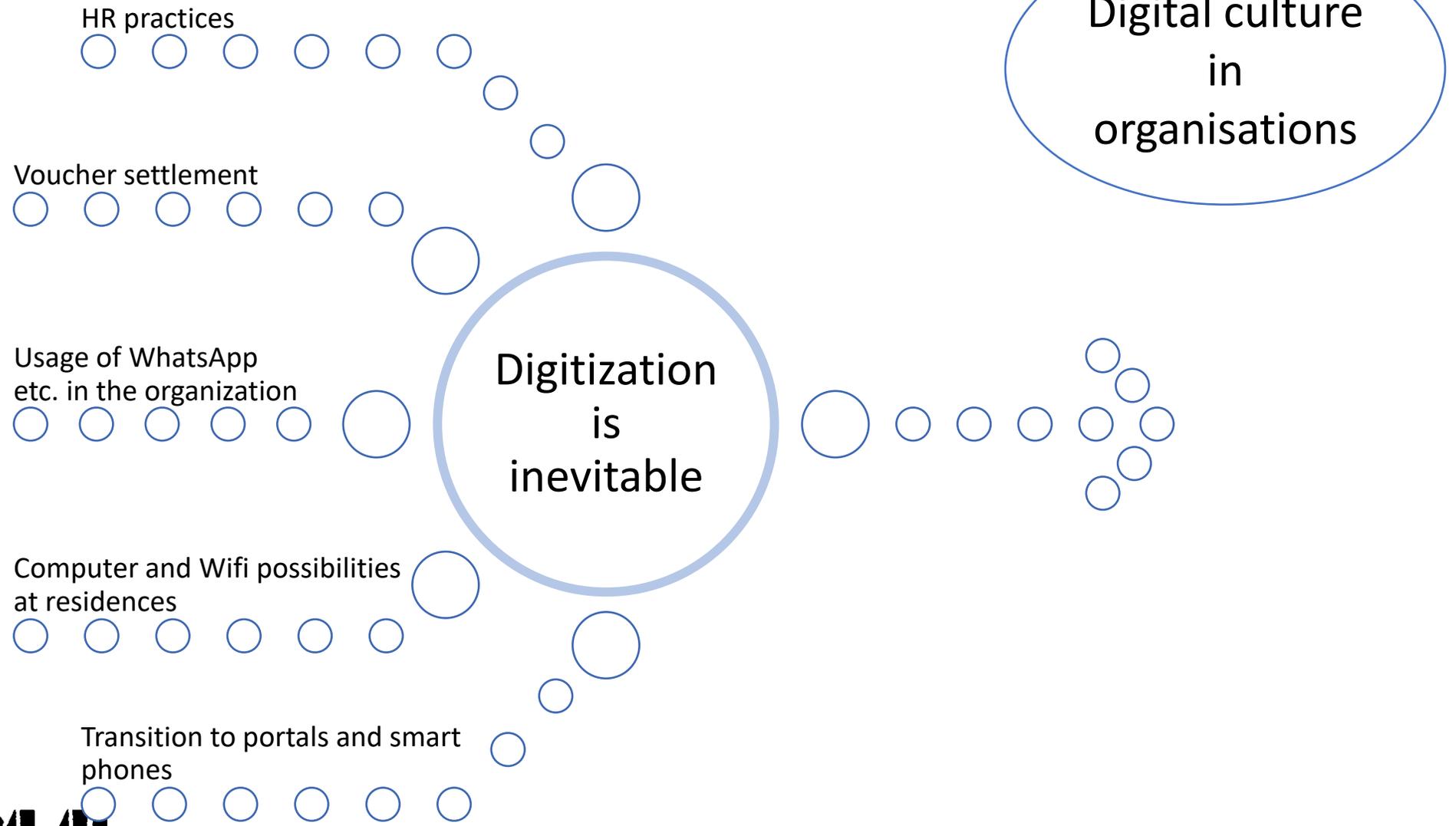
- Replace or minimize paper processes as far as possible throughout the clearance process, and facilitate the submission and processing of data by electronic means.
- Allow the electronic submission of data as early as possible in the process by all relevant supply chain actors prior to the arrival of goods.
- Ensure a risk assessment framework in conjunction with advance submission of electronic data is in place, providing for the *possibility to swiftly release priority and low-risk shipments upon arrival, and to limit physical inspections to shipments identified as high risk.*

Recommendations for Customs Authorities

- Where possible, give *“fast track” priority* and *cargo prioritisation to AEO operators.*
- Accept electronic signatures or digital stamps in place of wet ink signatures.
- Ensure the possibility for all stakeholders across the supply chain to submit data to ensure quality, secure data at every stage.
- *Develop a digital mindset within the culture of the Customs agency at every level.*

Recommendations for Freight Forwarders

- Adopt *appropriate cybersecurity practices* to ensure the protection of data.
 - Relevant information can be found in FIATA / FFFAI / ACAAI / Local Association Best Practice guide on Cybersecurity.
 - This Best Practice Guide continues to be reviewed and updated on a regular basis so please look out for future versions.
- *Adapt IT systems to allow for the transmission of data by digital means.*
- Develop a *digital mindset within the culture* of the organisation.



Best practices for business continuity planning:

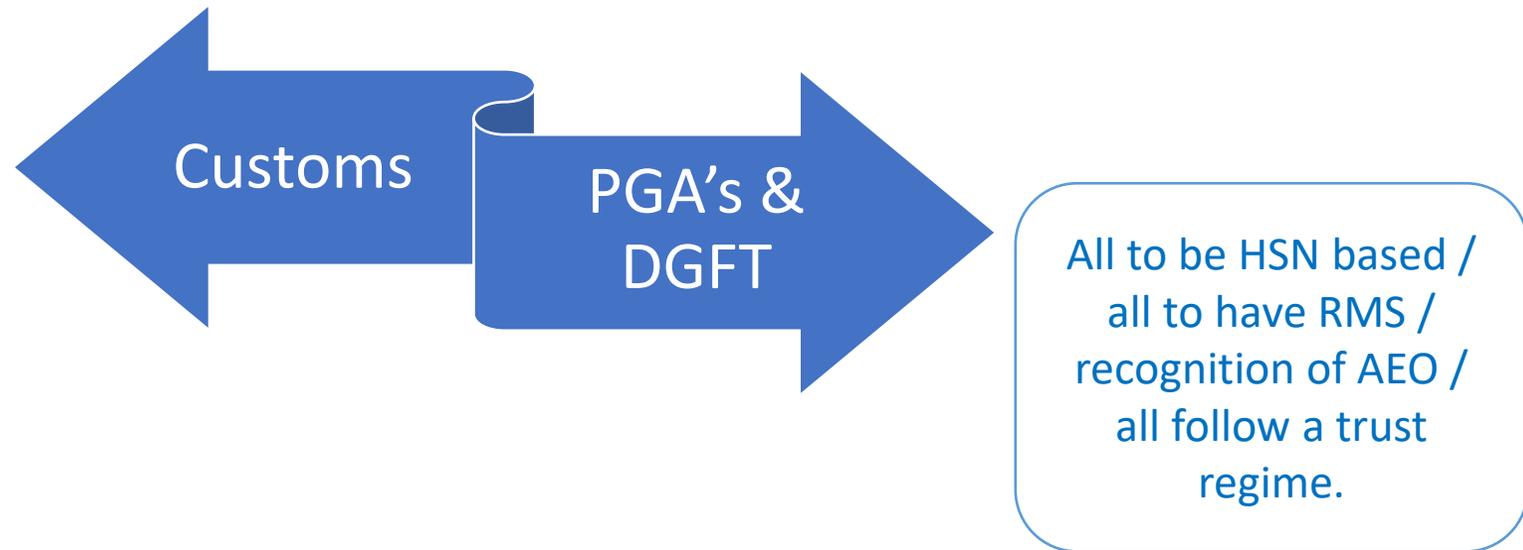
1. Digital Customs Clearance
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2. Develop a coordinated and collaborative approach for more simple and efficient goods clearance

- Cooperation between
 - governmental and
 - border agencies at all levels is crucial to facilitate the smooth clearance of goods whilst meeting legitimate regulatory aims.
- During the pandemic, reports showed that government agencies were collaborating more effectively to facilitate a rapid response to the evolving situation. The pandemic is not the only crisis that will arise in the future, and customs authorities will need to enhance cooperation and collaboration for the purposes of ensuring even more effective responses.

2. Develop a coordinated and collaborative approach for more simple and efficient goods clearance

- Governments and Customs authorities should work together to ensure that
 - ✓ shipments are being cleared rapidly
 - ✓ to avoid border/port congestion as well as
 - ✓ delays and penalties for the freight forwarder.



Recommendations for Customs Authorities

- Promote a coordinated approach by border control agencies (Coordinated Border Management), both domestic and international, for the purposes of ensuring greater efficiency over managing trade and travel flows, while maintaining a balance with compliance requirements;
- **Develop a key point of contact for logistics operators to avoid duplication; Streamline AEO processing where useful, and implement virtual processes for this.**
- Promote regional legal harmonisation.

Recommendations for Freight Forwarders

- Work towards ongoing relationships and dialogue with Customs administrations.
- Work in conjunction with FIATA / FFFAI / ACAAI / Local Association, to lobby for regional legal harmonisation and efficiency and simplification for all clearances.

Best practices for business continuity planning:

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3. Ensure accessible and appropriate AEO programmes

- Authorized Economic Operator (AEO) programmes are a key component for
 - trade facilitation,
 - providing the possibility to develop greater simplification and efficiencies in Customs procedures and,
 - to work more closely with the private sector.
- This close partnership is key for delivering effective responses in times of crises.
- *FIATA highlights the need for more accessible AEO Certification for companies of all sizes, including SMEs, to have the same opportunities to join the programme, and for the application to be standardised.*

Recommendations for Customs Authorities

- Review AEO programmes to ensure they meet the aim of simplifying Customs administration procedures whilst enhancing trading capabilities of the trusted operator.
- Ensure that AEO programmes are accessible to all companies of all sizes, and that the process to apply and maintain the status is not overly challenging.
- Consider how AEO programmes can be enhanced through coordination with other border agencies as regards to harmonisation and mutual recognition;
- Consider whether requirements to obtain and maintain AEO status are transparent, fit-for purpose, and accessible to companies of all sizes operating essential services, including freight forwarding companies

Recommendations for Freight Forwarders

- Find out how to become AEO certified in your territory or region.
- Ensure continuous dialogue with custom authorities to help to further develop tangible programmes with clear benefits.
- Work closely with FIATA / FFFAI / ACAAI / Local Association to provide your feedback so that FIATA / FFFAI can continue to work towards more effective and accessible AEO programmes.

India has only @ 1,026 LO
AEO against an estimated
18,000 eligible entities

Best practices for business continuity planning:

1. Digital Customs Clearance
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4. Closer cooperation of Customs Authorities and private sector

- FIATA promotes the implementation and use of the *WTO's Trade Facilitation Agreement (TFA)*, which was developed in 2017, but which has been implemented in only very few countries since its launch, including realising the full potential of National Trade Facilitation Committees.
- The pandemic showed that countries who have already implemented and adopted such international standards for their border management processes, have experienced fewer disruptions to their supply chains than others.
- *FIATA continues to highlight the importance of developing stronger Customs and private sector collaboration, which is key for all stakeholders to face challenges together in a united and harmonised manner.*



One of the main reasons for a continuity in Customs processes during the pandemic was India's active adoption of TFA.

Joint efforts of
Customs and the
Private sector

4 point
agenda

Digital Customs
Ecosystem

Co-ordinated
Collaboration
approach

Authorised
Economic Operator

Cooperation of
Customs
authorities and
private sector

CONCLUSION

- Lessons learned from past and current crises provide a crucial opportunity to ensure better preparedness and resilience for the future.
- The global pandemic demonstrated key areas
 - where Customs authorities
 - can, and did, build on,
 - and this progress should be maintained and built upon.

CONCLUSION

- Further development of
 - digital processes,
 - collaboration
 - and cooperation as described above
 - is key for business contingency planning and
 - crisis management systems
 - to shield from future unplanned disruptions in the interests of the continuity of business and international trade at large.

Indian scenario

FFFAI/ ACAAI works in very close co-ordination with Customs

Local Associations are not so close to Customs uniformly across the country

FFFAI/ ACAAI and Local Associations need to increase their interaction with other Regulators

FFFAI/ ACAAI and Local Associations need to start a movement to bring in a DIGITAL CULTURE in this area

FFFAI/ ACAAI and Local Associations need to seriously address CAPACITY BUILDING

COMPLAINT should be a way of life

Together we can



WORLD CUSTOMS ORGANIZATION



Best
wishes