

**International Federation of Customs Brokers Associations**

# Customs – Business Partnership

WCO Regional Workshop on  
Strategic Initiatives for  
Trade Facilitation – Mercator Programme

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# Trade Facilitation: Customs – Business Partnership: Overview

- Revenue & Other Regulatory Compliance, Illicit Trade & Smuggling, National Security...
  - Customs Role Beyond Revenue
  - Procedures Often Bigger Challenge Than Rules & Regulations
- Influencing Factors: Global & National Trade Policies and Over-Regulation
- Facilitation: Perceptions, Challenges, Contributions, Economic Competitiveness
- Customs Brokers & IFCBA Participation
- Way Forward

Successes So Far Is Evidence For Scope For Further Improvement

# Policies & Priorities

- Customers: How Borders Work Influences Investment Decisions
  - Transaction Cost Sensitivity In Global Market
  - There Is A High Cost (and Price) For Uncertainty
- Customs Brokers
  - Customer Relations
  - Financial Risks
  - Compliance
- WTO: Bali Package, Economic Growth
  - Multilateral/Bilateral Agreements
- Customs: Revenue, Border Protections, Regulatory Compliance···

*Exporters and Importers May Have Different Concerns and Issues, Even Positions*

# Customs Functions Beyond Revenue

- Traditional
  - Revenue
  - Quantitative Controls / Licences / Protection Of National Industries
- Extended
  - National Security
  - Protection Of Society e.g. Health, Environment
- Newly Emerged
  - IPR, Piracy, Counterfeit
  - Even Exports Sensitive – Wildlife, Antiques

Bali Package: Trade Facilitation Legally Binding

# Challenges For Facilitation

- Illicit Trafficking & Integrity
- Terrorism
- Priorities & Needs
  - Diverse & Diverging
  - Ever Changing
  - Resources Constraints/Priorities
- Border/Last Point Oriented Implementation
- Commensurate Facilitation From Allied Agencies
- Procedural Barriers – lack of transparency, clarity and consistency
- Perfectionist Approach
- Innovation, Lack Of It
- Lack Of Recognition & Incentivisation For Facilitation

Strategic Balance

# Perceptions

- Governments' Assumptions As Perceived By Trade
  - Trade Is Compliance averse
  - Stick Works Better Than Carrot
  - Strong Empowering Regulations & Strong Penalties As Solutions
- Business Feel
  - More Resource Constrained Than Governments
  - Bigger Picture And Perspective Of Future Compromised
  - Growth Compromised Approaches
- Customs Brokers – Middle Ground
- Government Position – Sufficient Checks & Balances

Views Of Senior Officials After Retirement

# Customs Administration

- WCO, National Customs Administrations And Customs Brokers Can Work Together To Deploy, Refine And Target Strategies For Capacity Building & Facilitation
  - Consultative Process Should Not Be Mechanical
  - Continual Process
- Delegate Certain Issues To Customs Brokers\*

*\*Such As Audits Of Accounts Done By CPA,  
Certain Declarations Signed In Front Of Lawyer*

# Customs Broker – Customs Partnership

- Include Customs Brokers In Capacity Building
  - Extended Role For Customs Brokers
  - Trust Based, Non-adversarial / Non-punishing Relation
  - Higher & Increasing Standards
- Attract Talent As Customs Brokers
  - Licensed Customs Brokers, More Customs Oriented Than Trade Oriented – Like In Other Professions
  - Screening
  - Recognition

People Function As Measured



# About Customs Brokers

- Customs brokers handle the vast majority of trade transactions, worldwide – licensed by governments and legally authorized by importers and exporters to act on their behalf.
- Customs brokers' contribution to trade facilitation and economic competitiveness – knowledge base, professionalism, commitment to compliance, development of best practices.
- Customs brokers' contribution to economic competitiveness – we manage data, manage relationships, manage complexity, and make things happen

# IFCBA

- IFCBA Members – National Associations
  - Every region of the world
  - At various stages of development
  - Operate under varying regulatory Regimes
- IFCBA Works Closely With WCO
  - Members Of IFCBA Work Closely With National Administrations
  - IFCBA & IFCBA Members Work Closely With All Other Stakeholders

# Some Final Thoughts

- Globalisation: Same Standards For Domestic & International\* e.g. ISPM
- Complexity and cost of crossing borders influences investment decisions and directly impacts prosperity.
- Trade facilitation today extends beyond traditional role of customs and extends to allied agencies (importance of coordinated border management/single window).
- Trade facilitation requires institutional commitment and predictability. – the importance of political will and sustainable policy.
- The customs brokers can promote trade facilitation if transparent, accountable and consistent licensing regimes are in place, with requirements for knowledge and conduct.
- The WCO Economic Competitiveness Package and action plan supporting extended and effective implementation of WCO instruments – especially the RKC – will directly benefit Facilitation Including of SMEs.

THANK YOU



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