No. 22

ROCB A/P
Customs Good Practices Report
on Building Integrity:
Measures undertaken by Member Administrations in Asia Pacific Region (2011-2020)

August 2020
# Table of Contents

Foreword ................................................................................................................................. 2

Executive Summary .................................................................................................................. 3

1. LEADERSHIP AND COMMITMENT .................................................................................. 10
   Member’s Practices (Afghanistan, Indonesia; Malaysia)

2. REGULATORY FRAMEWORK ......................................................................................... 16
   Member’s Practices (Bangladesh)

3. TRANSPARENCY .............................................................................................................. 17
   Member’s Practices (Australia; Indonesia; Japan)

4. AUTOMATION .................................................................................................................. 23
   Member’s Practices (India)

5. REFORM AND MODERNIZATION .................................................................................. 26
   Member’s Practices (Afghanistan; Australia; Fiji; Philippines; Thailand)

6. AUDIT AND INVESTIGATION ......................................................................................... 40
   Member’s Practices (Australia; China; Indonesia; Philippines)

7. CODE OF CONDUCT ......................................................................................................... 46
   Member’s Practices (Republic of Korea; New Zealand)

8. HUMAN RESOURCE MANAGEMENT .............................................................................. 52
   Member’s Practices (Brunei Darussalam; India; Sri Lanka; Thailand)

9. MORALE AND ORGANIZATIONAL CULTURE ............................................................... 59
   Member’s Practices (Hong Kong, China; Japan; Malaysia; Thailand)

10. RELATIONSHIP WITH THE PRIVATE SECTOR ............................................................... 65
    Member’s Practices (Thailand)

Reference Materials .............................................................................................................. 67
Foreword

The topic of Integrity is of high relevance for the WCO and its Members. Integrity is one of the nine Strategic Priorities for the WCO and is reflected in the current WCO Strategic Plan 2019-2022 as “Integrity: Enhance the integrity and professionalism of Customs officers in cooperation with external stakeholders”. Revenue collection, trade facilitation, enforcement and security, those key Customs tasks can not be successfully accomplished without high levels of Integrity and professional ethics.

The Asia/Pacific Regional Office for Capacity Building (ROCB A/P) has been closely cooperated with the WCO Secretariat and actively participated in the WCO Integrity Programmes, such as: the Integrity Sub-Committee, the WCO second Global Meeting of Integrity Experts and the WCO Virtual Working Group (VWG) on the review of the Integrity Development Guide (IDG). As the regional capacity building hub, it is vital for the ROCB A/P to focus more on those good practices and initiatives on Integrity areas which implemented among Asia Pacific Region members.

With the contribution of Dr. Tong Hua, Program Manager of the ROCB A/P, this Good Practice Report categories the practices of the WCO Member administrations in Asia Pacific Region according to two cornerstone documents: the WCO Revised Arusha Declaration(2003) and the WCO Integrity Development Guide(2014). These documents create a comprehensive understanding of the Integrity in the context of Customs. Ten key factors of the WCO Revised Arusha Declaration were mentioned in this report, namely (1)Leadership and Commitment; (2)Regulatory Framework; (3)Transparency; (4)Automation; (5)Reform and Modernization; (6)Audit and Investigation; (7)Code of Conduct; (8)Human Resource Management; (9)Morale and Organizational Culture; (10)Relationship with the Private Sector.

This report aims to summarize the efforts of the above mentioned WCO Integrity tools and instruments in the Asia Pacific region and promote regional bench-marking studies that may facilitate future improvement of integrity practices among respective administrations.

The ROCB A/P would like to express our sincere appreciation and welcome to Members’ continuous valuable contributions to the report. The ROCB A/P sincerely hopes that this report will be using as a living document and useful analysis tool for promoting integrity-related activities and leading to tangible future outcomes.

August 2020

Norikazu Kuramoto
Head, ROCB A/P
Executive Summary

1. Aim and background of this study report

Integrity is crucial for the WCO and its Members. Revenue collection, trade facilitation, enforcement and security, these key Customs tasks can not be successfully accomplished without the highest levels of Integrity and professional ethics. What this means, needless to say, is that the Customs administration is an organization that plays an important role at the border, hence Customs must be a healthy and trusted organization. Improving and maintaining integrity exactly meets Members’ expectation.

The ROCB A/P’s publication, namely “The ROCB A/P Customs Good Practice Report on Building Integrity: Measures undertaken by Member Administrations in Asia Pacific Region (2011-2020)” aims to summarize the efforts of the Revised WCO Arusha Declaration and the Integrity Development Guide (two fundamental WCO Integrity tools and instruments applied in the Asia Pacific region) and promote regional benchmarking studies that may facilitate future improvement of integrity practices among Members. This is the first comprehensive study on WCO Members’ integrity practices from the A/P Region perspective.

(1) WCO Main Integrity Tools and Instruments

WCO’s strategies reflect the concerted effort of its 183 members and it is evident that integrity underpins the WCO’s work. WCO’s core strategic policy document—<Customs in the 21st Century> emphasizes “Integrity: the fight against corruption remains an important task that should be undertaken over the years to come.” Moreover, the most recent WCO 2019-2022 Strategic Priorities and Emerging Initiatives include “Integrity: Enhance the integrity and professionalism of Customs officers in cooperation with external stakeholders.” Integrity is rated as the one of the nine Strategic Priorities for the WCO. Over the years, the WCO has developed a comprehensive series of instruments and tools on Integrity topics as illustrated in the Figure1.

---

Instruments and Tools

Among those Instruments and tools, the report is to highlight the particular policy documents: the Revised Arusha Declaration and the Integrity Development Guide.

**a. the Revised WCO Arusha Declaration:** In 1993, the WCO Arusha Declaration on Integrity in Customs was officially adopted, showing the willingness of the international customs community to comply with rules governing Integrity in order to reduce and, eventually, eliminate opportunities for corruption. 10 years later, in 2003, the WCO’s Revised Arusha Declaration concerning Good Governance and Integrity in Customs become the WCO’s flagship instrument to prevent corruption and increase the level of integrity in Customs.

The WCO Revised Arusha Declaration provides Customs administrations with a practical approach for anti-corruption policies and practices as stipulated in the United Nations Convention Against Corruption (UNCAC) Article 5. The Declaration also aligns with UNCAC Articles 7 (Public Sector), 8 (Codes of Conduct for Public Officials), 10 (Public reporting), and encompasses elements of a number of other Articles of the Convention relating to transparency and engagement with the private sector. Meanwhile, Article 1 of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) deals with the publication and availability of information, Article 2 concerns the opportunity to comment, information before entry into force and consultations with traders or other stakeholders, and Article 3 relates to advance rulings; the importance of transparency and predictability also underpins

---

3 WCO Integrity Instruments and Tools.  
4 WCO Integrity programme overview.  
transparency as one of the key factors to be addressed by national Customs Integrity programmes under the context of the WCO Revised Arusha Declaration.³

The main feature of this Revised Arusha Declaration is that it contains ten key factors for an effective national Customs Integrity programme, namely (1) Leadership and Commitment; (2) Regulatory Framework; (3) Transparency; (4) Automation; (5) Reform and Modernization; (6) Audit and Investigation; (7) Code of Conduct; (8) Human Resource Management; (9) Morale and Organizational Culture; (10) Relationship with the Private Sector, as illustrated in the Figure 2.

Figure 2. Ten Key Factors of the WCO Revised Arusha Declaration

b. the Integrity Development Guide (IDG): The ten key factors contained in the WCO Revised Arusha Declaration provide the most practical basis for the development and implementation of integrity and anti-corruption strategies relevant to the Customs operating environment. The Declaration is also supported by a number of other WCO tools for promoting integrity and anti-corruption, including the Integrity Development Guide (IDG).

The IDG provides a very useful and informative framework to examine the management, administrative and integrity strategies currently in place and to identify opportunities for further improvement. The IDG is articulated around the Revised Arusha Declaration. It contains a detailed description of each key factor, a checklist and series of questions to conduct a self-assessment exercise and examples of good practices. The IDG is normally used to carry out a self-assessment exercise either during an integrity development workshop or any other type of initiatives.⁶ In short, the IDG is a practical guideline on how to implement the ten key factors of the Revised Arusha Declaration on the ground.

(2) ROCB’s Participation of the WCO Integrity Programmes
The Asia/Pacific Regional Office for Capacity Building (ROCB A/P) has been closely

---

³ WCO Transparency and Predictability Guidelines, March 2017

⁶ Purpose. WCO Integrity Development Guide P1-P2, June 2014.
cooperating with the WCO Secretariat and actively participated in the WCO Integrity Programmes, such as:

**a. the Integrity Sub-Committee (ISC):** The ISC was established in 2001. The ROCB A/P attended the last three year’s ISCs, which are the ISC17 (Security & Integrity: Curbing threats, Leveraging opportunities) in 2018; the ISC18 (Monitoring and Measuring Integrity to Enhance Ethical Climate and Compliance) in 2019 and the ISC19 (Building Trust in the Digital Era) in 2020;

**b. the WCO Second Global Meeting of Integrity Experts:** The ROCB A/P, participated in the WCO second Global Meeting of Integrity Experts from 16 to 19 December 2019 at the WCO Regional Training Center (RTC) in Xiamen, China. The event was sponsored from the Customs Cooperation Fund of China (CCF/China), which brought together all 26 global integrity development experts from 18 Member administrations covering all six WCO regions, as well as three experts from the WCO Secretariat. During the intensive four days programme, participants were divided into groups to review and discuss the WCO’s main integrity tool, the Integrity Development Guide (IDG) based on the WCO Revised Arusha Declaration on Good Governance and Integrity in Customs.7

---

7 Please also see: The WCO holds its 2nd Global Meeting of Integrity Experts http://www.wcoomd.org/en/media/newsroom/2019/december/the-wco-holds-its-2nd-global-meeting-of-integrity-experts.aspx and ROCB A/P attends the WCO second Global Meeting of Integrity Experts http://www.rocb-ap.org/article-detail/524/
c. the WCO Virtual Working Group (VWG) on the Review of the Integrity Development Guide (IDG). Dr. Tong Hua, as the representative of the ROCB A/P, joined the WCO VWG on the review of the IDG for 12 weeks in total between 6 April and 28 June 2020. Dr. Tong worked together with other global integrity experts by using the WCO CLiKC! Platform. The IDG has been used in more than fifty integrity support missions during the last four years by the WCO Secretariat and Members. Therefore, the ISC endorsed the review and update of the IDG based on the lessons learned, identified gaps for improvement, emerging issues, and new best practices that need to be reflected in this important tool. The VWG systematically reviewed and updated the current 2014 version of the IDG based on the lessons learnt, identified gaps for improvement, emerging issues and new best practices in the area of integrity development that need to be reflected in this important tool.8

As a regional capacity building hub, it is important that the ROCB A/P focus on highlighting those good practices and initiatives on Integrity areas which have been implemented amongst Asia Pacific Region members, to promote regional benchmarking studies that may facilitate future improvement of respective integrity practices.

2. Methodology of the Study

Normally, Customs Integrity and anti-corruption issues are quite sensitive topics, especially when related to certain Customs incidents. Therefore, the official and trusted source plays a significant role on this concern. Many thanks to the WCO Secretariat, there are several valuable WCO Publications related to this area, such as: the WCO Integrity Newsletters, WCO Transparency and Predictability Guidelines (2017), WCO Compilation of Integrity Practices (2017), WCO Compilation of Integrity Practices on internal control and relationship with external controls (2019) and the latest WCO Integrity Sub-Committee (ISC) Executive Summary and Draft Report and so on.

It is a very good opportunity to review those documents as well as collect all the relevant practices from individual documents and guidelines. Afterwards, to categorize those cases and practices according to the ten key factors of the WCO Arusha Declaration, which will be efficient to reorganize those cases, prioritizing them from the No.1 Leadership and Commitment to the No.10 Private Sector Relationship. The time span of the case collection is during the decade (2011-2020). For instance, please refer to the Table 1 to obtain more explanation on such methodology.

Table 1. The source categorizing methodology according to the 10 Key Factors of the WCO Revised Arusha Declaration (part)

<table>
<thead>
<tr>
<th>No.</th>
<th>Source</th>
<th>Member in A/P</th>
<th>Title/Main content/Highlights</th>
<th>Categorized in 10 Key Factors of the WCO Revised Arusha Declaration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>WCO Integrity-newsletter 17, 2020</td>
<td>India</td>
<td>Preventive vigilance to reduce corruption in the Indian Customs Administration</td>
<td>8. HRM Part 4. Automation Part 2</td>
</tr>
<tr>
<td>2)</td>
<td>WCO Integrity-newsletter 16, 2019</td>
<td>Indonesia</td>
<td>Indonesian Customs launches a perception-based Integrity Survey</td>
<td>3. Transparency</td>
</tr>
<tr>
<td>3)</td>
<td>WCO Integrity-newsletter 14, 2018</td>
<td>New Zealand</td>
<td>New Zealand Customs promotes a culture of Integrity and ethical conduct</td>
<td>7. Code of Conduct 9. Morale and Organizational Culture</td>
</tr>
<tr>
<td>4)</td>
<td>WCO Integrity-newsletter 14, 2018</td>
<td>Indonesia</td>
<td>Indonesia’s Director General of Customs and Excise, Heri Purwadi, Receives the Bung Hatta Anti-Corruption Award (BHACA)</td>
<td>1. Leadership and Commitment</td>
</tr>
<tr>
<td>5)</td>
<td>WCO Integrity-newsletter 14, 2018</td>
<td>Philippines</td>
<td>Philippines Customs Chief Orders Creation of an Anti-Corruption Unit</td>
<td>6. Audit and Investigation</td>
</tr>
<tr>
<td>6)</td>
<td>WCO Integrity-newsletter 14, 2018</td>
<td>Thailand</td>
<td>A Virtuous Customs Organization: Transparent and Free from Corruption</td>
<td>5. Reform and Modernization 10. Private Sector Relationship</td>
</tr>
<tr>
<td>7)</td>
<td>WCO Integrity-newsletter 14, 2018</td>
<td>Afghanistan</td>
<td>Afghanical Serious about Combating Corruption and Enhancing Integrity in Customs</td>
<td>1. Leadership and Commitment</td>
</tr>
<tr>
<td>8)</td>
<td>WCO Transparency and Predictability Guidelines, March 2017</td>
<td>Japan</td>
<td>Facebook and Twitter: Customs Councillor System</td>
<td>3. Transparency</td>
</tr>
<tr>
<td>9)</td>
<td>WCO Compilation of Integrity Practices on internal control and relationship with external controls, November 2019</td>
<td>Australia</td>
<td>Internal Control Function P12, P20, Annex 1, etc</td>
<td>6. Audit and Investigation</td>
</tr>
<tr>
<td>10)</td>
<td>WCO Compilation of Integrity Practices on internal control and relationship with external controls, November 2019</td>
<td>Indonesia</td>
<td>Internal Control Function P34 etc</td>
<td>6. Audit and Investigation</td>
</tr>
</tbody>
</table>

Please note that some Member’s practices may cover more than one key factor area, in this case, the report will separate relevant part into different key factors. It is worth mentioning that such methodology and framework can be applied in the future contents renewal as well, especially if it would be in line with the WCO Instruments and Tools as well as a mid-term or long-term research product of the ROCB A/P. We, ROCB A/P will continuously focus on integrity areas and produce more valuable researches for Members’ reference.

3. Key findings and way forward

(1) Integrity practices cover cross-cutting areas. The WCO provides a systemic analysis framework on Integrity issues by ten key factors, which ideally should categorize one practice under one key factor. However, it is very difficult to categorize one practice only related to one single key factor. For example, when it comes to key factor: the Reform and Modernization, it is a more comprehensive concept that may cover other key factors as well; it might be related with Automation, Customs new technology, HRM, etc. That is why in this report if it contains lots of new initiatives and projects, the author will put it under the Reform and Modernization. Another good example is the Leadership and Commitment, which is actually a prominent condition for all the other key factors. Without the leadership and commitment, it is impossible to implement all the other integrity reforms, strategic plans and actions. In this regard, this report is trying to conclude the highlights of such member’s practice under the most suitable key factor. Insightful comments, feedback and ideas for better updating or utilizing this report are always welcome.
(2) Keep this report as an evergreen document. It is pleasing to know that A/P region is one of the most dynamic WCO regions, and contributed a lot of good practices on integrity. Since the time span of this report is crossing ten years, some of the cases are the most recent ones, while others need to be updated periodically to reflect the progress and tangible outcomes. Furthermore, the WCO is conducting a review of the current version of the IDG. Some new elements, namely Gender Equality and Diversity, the relationship with other stakeholders (border agencies, national integrity institute), E-Commerce, Environmental Protection, Artificial Intelligence and Big Data, need to be taken into account so as to reinforce the abundant connotation of Integrity. Members are invited to share their experiences of and efforts to promote anti-corruption and Integrity in the light of new Integrity challenges and trends in the new era. Last but not least, some international organizations likely also conducted research on Customs Integrity issues, due to the time limits, this report did not include such materials. However, it is beneficial to listen outside of the WCO scope and search for more valuable information via different channels.

Taking this opportunity, the ROCB A/P would like to express our sincere appreciation and welcome to Members’ continuous valuable contributions to the report. The ROCB A/P sincerely hopes that this report will be using as a living document and useful analysis tool for promoting integrity-related activities and leading to tangible future outcomes.

For comments and inquiries on this publication, please contact Tong hua (Mr.) at tonghua@rocbap.org or rocb@rocbap.org.

August 2020

童話

Dr. Tong Hua
Program Manager, ROCB A/P
1. LEADERSHIP AND COMMITMENT

The <WCO Revised Arusha Declaration> states:

The prime responsibility for corruption prevention must rest with the head of Customs and the executive management team. The need for high levels of integrity must be stressed and commitment to the fight against corruption maintained over the long term. Customs managers and supervisors should adopt a strong leadership role and accept an appropriate level of responsibility and accountability for maintaining high levels of integrity in all aspects of Customs work. Customs managers should demonstrate a clear and unequivocal focus on integrity and be seen to set an example that is consistent with both the letter and spirit of the Code of Conduct.

Members’ practices:

Afghanistan Serious about Combatting Corruption and Enhancing Integrity in Customs

The story of corruption in Afghanistan, especially following the massive inflow of foreign funds beginning in 2001, is a well-known blight on efforts to reform and modernize governance in the country and improve service delivery to citizens. After years of difficult efforts, the current leadership of Afghanistan is taking a firm stance against corruption and, on 28 September 2017, the Afghan High Council on Rule of Law approved the ‘National Anti-Corruption Strategy’ during a meeting chaired by H. E. President Ashraf Ghani. Given that it is responsible for the collection of 42.6% of all domestic revenue, the Afghan Customs Department (ACD) is at the centre of Afghanistan’s renewed efforts to combat corruption. A fresh leadership team within the ACD sees itself as part of a comprehensive national effort to leverage international best practices and reform institutions in a manner that reduces opportunities and incentives for corrupt behavior. With the support of the WCO, the ACD has taken a proactive approach to supporting the national objective by drawing on the WCO Revised Arusha Declaration, the international framework that provides basic principles to promote integrity and combat corruption within Customs administrations. The Revised Arusha Declaration principles, such as the payment of living wages to Customs officers, the development of a Code of Conduct and the automation of procedures, are at various stages of implementation within the ACD.

9 Please note that all Member practices list in alphabet order under each key factor.
10 WCO Integrity-newsletter 14, 2018, P4-5
As a result of recommendations emerging from the WCO Diagnostic Mission to Afghanistan in September 2016 and subsequent exposure to other landlocked developing country perspectives on integrity, the WCO’s Secretary General, Dr. Kunio Mikuriya, and Afghanistan’s Minister of Finance, H. E. Eklil Hakimi, signed the Revised Arusha Declaration in Kabul on 16 July 2017. The pledge of commitment by Minister Hakimi displays the country’s serious intention to fight corruption at the highest political level and introduce high standards of integrity in Customs. The visit also afforded Mr. Mikuriya an opportunity to meet with the President of Afghanistan, H. E. Mr. Ashraf Ghani, who shared his vision of transforming Afghan Customs into a model of governance, recognizing that Customs capacity building was a crucial part of state-building. Dr. Mikuriya suggested that human resource development (HRD) was key to realizing this vision and asked the President for his political support in implementing a HRD policy that would establish career paths within Customs, supported by adequate rotations as well as protection from political interference. President Ghani was eager to move forward in this direction and expressed his strong support for the suggested way ahead.

During the event, Minister Hakimi stated that “Afghanistan’s accession to the Revised Arusha Declaration will help us strengthen the infrastructure and human resource capacity in the Customs Department in order to develop the economy in addition to collecting national revenue. This is the only effective tool for promoting economic development, employment and trade with countries in the region.”

The WCO maintains its commitment to supporting the ACD in implementing practical measures as set out in the Revised Arusha Declaration. Accordingly, it is supporting the ACD in modernizing its Strategic Plan to reflect the Arusha principles while incorporating approaches to modernization and reform inspired by the Revised Kyoto Convention and the WTO Trade Facilitation Agreement, recognizing Afghanistan’s successful accession to the WTO in 2015.

The WCO Capacity Building Directorate and its network of accredited and recognized Customs experts continue to collaborate with the ACD to support its modernization and reform agenda. Acknowledging the critical role played by other development partners in the country, the WCO is also seeking to collaborate with key players, such as the World Bank and the United States Agency for International Development (USAID), while also ensuring that Afghanistan’s unique needs as a WCO Member remain at the forefront of its engagement.

The WCO expresses its sincere appreciation to Her Majesty’s Revenue and Customs of the United Kingdom for providing critical financial and technical assistance in this complex effort to set Afghanistan on new direction towards integrity for the benefit of all Afghan citizens.
Indonesia’s Director General of Customs and Excise, Heru Pambudi, Receives the Bung Hatta Anti-Corruption Award (BHACA)\textsuperscript{11}

On Thursday 14 December 2017 at the Graha CIMB Niaga Financial Hall, in Jakarta, Indonesia, the Bung Hatta Anti-Corruption Award (BHACA) Association hosted the BHACA Awards Night 2017. Since 2003, the BHACA Association has consistently been rewarding individuals who continue to grow and develop effective, corruption-free and responsible governance, as well as inspiring the establishment of corruption eradication efforts in their institutions. Previous BHACA Award recipients include Sri Mulyani (Indonesia’s current Minister of Finance) in 2008 and Joko Widodo (currently the President of the Republic of Indonesia) in 2010. The 2017 BHACA Award was given to the following individuals for showing integrity and successfully bringing about innovations in the public service and government bureaucracy sector, namely Nurdin Abdullah, the Bantaeng Regent, and Heru Pambudi, Director General of Customs and Excise of Indonesia.

The Chairperson of BHACA’s Daily Board, Natalia Soebagjo, conveyed the challenges facing the two awardees in maintain personal integrity and building a good governance system in their respective institutions. She hoped the two could continue to serve as role models and that the systems they had built would form a solid foundation for moving step by step towards a corruption-free Indonesia.

The BHACA 2017 was awarded to the Director General in recognition of his efforts to lead Directorate General of Customs and Excise (DGCE) reforms aimed at providing faster, better and more transparent services to stakeholders in order to achieve good governance. Heru Pambudi nevertheless stressed that the award was not only an individual achievement, but also the result of hard work by all the staff of the DGCE who never stopped fighting for change towards the better. This award also offered public recognition of the changes occurring within the DGCE.

In December 2016, the Minister of Finance of the Republic of Indonesia, Sri Mulyani Indrawati, launched the Customs and Excise Reform Team. Various innovative programmes were created to meet the demands of society and ensure that the DGCE a credible and trustworthy institution. This spirit of reform was also aimed at eradicating illegal trade, developing service practices free from illegal levies and corruption, and improving stakeholder satisfaction.

The Reinforcement Programme of Customs and Excise Reforms (PRKC) contributes greatly towards enhancing integrity as the foundation for developing organizational culture and strengthening the DGCE as an institution, as well as its leadership. Other

\textsuperscript{11} WCO Integrity-newsletter 14, 2018, P6-7
key areas of the DGCE Reform Programme gaining significant attention are optimization of revenue, reinforcement of trade facilitation and services and effectiveness of monitoring. The PRKC Programme comprises 19 strategic initiatives and 88 innovative programmes, with more than 650 action plans being applied simultaneously in 16 Customs Regional Offices and three (3) Customs Main Service Offices.

The DGCE has piloted integrity point controls and spot checks at nine (9) strategic Customs offices, namely Tanjung Priok, Tanjung Emas, Tanjung Perak, SoekarnoHatta, Ngurah Rai, Bogor, Cikarang, Pasuruan, and Malang. In-depth monitoring is conducted based on Automated Monitoring Tools (AMT) and has led to disciplinary measures against 30 employees having committed infringements. To further improve the control programme, the DGCE has conducted training of trainers at officer level in order to pass on coaching, mentoring and counselling.

The DGCE has also developed several systems to improve transparency and integrity among employees, including the Society Complaint System (SIPUMA), Employee’s Integrity Monitoring System (SMIP) and Integrity Map. These efforts have boosted employee integrity levels according to a Corruption Eradication Commission (KPK) survey, and in 2017 the DGCE obtained a score of 82.7 out of 100 for integrity.

The DGCE is currently working together with and gaining support from other government institutions, such as the Corruption Eradication Commission (KPK), the Indonesian National Police (Polri), the Indonesian National Armed Forces (TNI), the Attorney General’s Office, the Presidential Staff Office, the Financial Transaction Reports and Analysis Centre (PPATK), and the Coordinating Ministry for Economic Affairs to conduct the High-Risk Importers Compliance (PIBT) Programme. This Programme is based on the Joint Declaration of 12 July 2017 by the Minister of Finance, Sri Mulyani, and the leaders of some of the government institutions mentioned above.

Following this Joint Declaration there have been improvements in the fiscal domain with a 56% increase in the tax base, while the macro-economic domain has seen 30% growth in small and medium-sized enterprises. In order to speed up registration services, provide proportional treatment to stakeholders based on their compliance level, and improve the ease of doing business, the DGCE and DGT have established a single identity and business profile by unifying the Customs Identity Number (NIK) and Taxpayer Identification Number (NPWP) as of 6 March 2017. This single identity is also expected to form a single business profile which can subsequently be used by other related government institutions to perform data integration.

The PRKC and PIBT Programmes as well as the synergistic cooperation and coordination between the DGCE and DGT have helped generate revenue of 189.14 trillion Indonesian Rupiah, i.e. 101.7% of the target set, in line with the upgrading of Indonesia’s Ease of Doing Business (EODB) ranking. In 2015, Indonesia’s EODB
ranking stood at 106, rising to 91 in 2016 and then 72 in 2017 (source: World Bank). Another positive impact of the PRKC and PIBT is the increasing level of satisfaction among DGCE stakeholders, measured on a scale of 5, and having increased over recent years from 3.8 in 2013 to 3.96 in 2014, 4.06 in 2015, 4.18 in 2016 and 4.38 in 2017.

In addition to the PKRC and PIBT, the DGCE has also built constructive communication networks with various associations and business entities in order to improve DGCE performance and boost the Indonesian economy. Along with the excellent success of the programmes, Heru Pambudi expects all elements of the DGCE, other related agencies and the business community to keep running the programmes with integrity in order to create a healthy Indonesian economy and support the growth of domestic industry, which will in turn lead to improvements in people’s welfare.

“I am deeply aware that the DGCE’s journey to reform is still long, with many challenges and major tasks yet to be faced and resolved. This work will not be easy, requiring consistency and endurance as well as support from various parties. However, I am convinced that the DGCE reforms will succeed in achieving their objectives. This BHACA 2017 Award is an acknowledgment of what the DGCE has done. On the other hand, this Award also provides a mandate for DGCE officers to ensure that the reforms achieve their objectives, i.e. that the DGCE is truly professional, trustworthy and loved by society,” said Heru Pambudi.
On 1 June 2011, the Director General of the Royal Malaysian Customs Department (RMCD), Y Bhg Dato’ Sri Hj. Mohamed Khalid bin Yusuf launched the Blueprint on Enhancing Integrity and Accountability at RMCD Headquarters, as part of its plan to meet Customs challenges in the 21st Century.


RMCD acknowledges the challenges Customs faces in managing integrity and accountability while fulfilling its role of collecting revenue, facilitating trade, improving delivery systems and enhancing stakeholder satisfaction, observing compliance of Customs laws and regulations, as well as contributing to the nation’s economic development. A series of initiatives have been identified to achieve these functions, in accordance with the WCO Revised Arusha Declaration.

This Integrity and Accountability Blueprint will lay the foundation to produce responsible, professional, efficient and dedicated RMCD personnel. The official launching of the Blueprint was broadcasted on the newly introduced RMCD Web TV, thus giving all RMCD officers access to the event.

---

12 WCO Compilation of Integrity Practices 2017, P8
2. REGULATORY FRAMEWORK

The <WCO Revised Arusha Declaration> states:

Customs laws, regulations, administrative guidelines and procedures should be harmonized and simplified to the greatest extent possible so that Customs formalities can proceed without undue burden. This process involves the adoption of internationally agreed conventions, other instruments and accepted standards. Customs practices should be reviewed and redeveloped to eliminate red tape and reduce unnecessary duplication. Duty rates should be moderated where possible and exemptions to standard rules be minimized. Systems and procedures should be in accordance with the revised International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention).

Members’ practices:

Bangladesh Customs improves integrity in the implementation of the TFA

Bangladesh’s Integrity Program is part of the TFA implementation agenda and has been moving in this direction since joining the UNCAC. Bangladesh Government believes that the fight against corruption cannot be won by prosecution alone, but that an inclusive approach based on values, morals, and integrity is necessary.

The strategy involves state and non-state institutions. The government wants to engage not only the state institutions such as the Parliament, executor, judiciary, public services, local government, prosecutor’s office, Public Service Commission, electoral commission, anti-corruption commission and Auditor General, but also non-state institutions, including civil society, political parties, NGOs, the private sector and the media.

13 Mr. Md. Masudul Kabir of the Embassy of Bangladesh in Belgium (Permanent Representative to the WCO), The 17th Session of the Integrity Sub-Committee (ISC), WCO Headquarters, Brussels, 1 and 2 March 2018.
3. TRANSPARENCY

The <WCO Revised Arusha Declaration> states:

Customs clients are entitled to expect a high degree of certainty and predictability in their dealings with Customs. Customs laws, regulations, procedures and administrative guidelines should be made public, be easily accessible and applied in a uniform and consistent manner. The basis upon which discretionary powers can be exercised should be clearly defined. Appeal and administrative review mechanisms should be established to provide a mechanism for clients to challenge or seek review of Customs decisions. Client service charters or performance standards should be established which set out the level of service clients can expect from Customs.

Members’ practices:

Initiatives to support the reform agenda of the Department of Home Affairs of Australia on Integrity

Current reform agenda of the Department of Home Affairs of Australia is focusing on integrity, modernization and human resources for effective security capabilities to protect against sophisticated actors such as organized crime and insider threat. To assist reform objective and manage integrity issue, a number of initiatives had taken place such as compartmentalized audit and analytics capability, enhanced security monitoring and surveillance, an improved cyber security operation centre, improved tools for investigations, tightened control for system access, and establishment of data management division. The frameworks for integrity management which were Integrity Framework both covering employees and service providers, Security Policy Framework which provides procedure and guidance for consistent and systematic approach, and Information Security Framework to protect valuable asset of information and minimize vulnerability.

Mr. Greg Langford, IT Security Advisor, Cyber Security Certification and Advice, ICT Division, Intelligence and Capability Group, Department of Home Affairs of Australia, The 17th Session of the Integrity Sub-Committee (ISC), WCO Headquarters, Brussels, 1 and 2 March 2018.
Indonesian Customs launches a perception-based Integrity Survey

Background

Integrity is the most important corporate value in the Ministry of Finance, of which the Directorate General of Customs and Excise of Indonesia (DGCE) is an integral part. Behaviour by DGCE employees which is lacking in Integrity or which is corrupt harms not only the organization in terms of obstructing the achievement of targets and organizational goals, but also harms the image and trust of the community, and may even decrease the competitiveness of the Indonesian economy.

The effectiveness of efforts to detect and prevent actions that damage the cultural value of Integrity is highly dependent on the commitment by all elements of the organization.

External survey by the Corruption Eradication Commission (KPK) and the Central Bureau of Statistics (BPS)

Integrity assessment aims to measure the DGCE’s level of Integrity. This is useful for identifying areas prone to corruption and increasing public confidence. From 2016 to 2018 the KPK, in collaboration with the BPS, conducted an Integrity Perception Survey with survey subjects including Ministries/Institutions and Local Government. In this case, the Ministry of Finance was represented by the DGCE as a sample unit of the Ministry of Finance.

Internal Survey by the Ministry of Finance

In addition, the KPK encourages each institution to carry out the survey and, since 2017, the Inspectorate General of the Ministry of Finance has administered the Integrity Perception Survey with a survey design that is identical to the KPK version of the Internal Control System. This is based on the results obtained, with the DGCE, as a sample unit at Ministry/Institution level, always ranking top (best Integrity index).

Research methods

The assessment of Integrity perception is carried out by involving internal elements (DGCE officers) and external elements (DGCE stakeholders and expert sources on anti-corruption), with research variables for internal respondents consisting of four components (Integrity Culture, Anti-Corruption System, HR Management, and Budget Management), while the research variables for external respondents consist of two components (Organizational Integrity Culture and Work Integrity Culture).

Data collection activities are conducted across three stages of activity, namely data...
collection through survey questionnaires, focus group discussion (FGD), and field assessments.

Data collection through survey questionnaires is carried out online. Over the course of one month, the internal and external respondents are established by considering the representation of the capacity of the work unit, the amount of revenue managed, and the level of vulnerability/indications of Integrity deviations.

As for the FGD, the steps comprise validation of participants followed by sharing of experiences related to Integrity. In order for participants to obtain balanced information, experiences shared may be both positive/inspirational and negative. The next step is for participants to complete a questionnaire that is expected to provide an overview of Integrity matters.

Research results

Based on the FGD results, the following information has been obtained on the perception of Integrity:

- Prevention and control of conflicts of interest as preventive measures against corruption in Indonesia (Transparency International Indonesia – TII).
- Ministry of Finance’s commitment to remove fraud perpetrators as a deterrent (Inspectorate, Investigation Division).
- Providing services and handling public complaints play an important role (Ombudsman Indonesia).
- The Ministry of Finance was the Ministry with the best recompense control system in the Ministry category in 2018.

In 2018, the Integrity index scored 87.89. This was an increase over the 2017 score of 84.70 (Directorate of Internal Compliance).
Indonesia Customs developed mechanisms and integrity measurement tools

The integrity initiative of the Directorate General of Customs and Excises (DGCE) of Indonesia contains four components, which are Prevention, Performance Management, Quality Assurance, Compliance Monitoring and Internal Investigation. Under the preventive measures, Indonesia Customs has developed various mechanisms and integrity measurement tools to test the integrity level of the Customs officers. Indonesia Customs monitors the performance of the Customs officers based on Balance Scorecard method to assess the integrity level. The role of the Quality Assurance Unit which is in charge of securing the level of service quality and monitoring the integrity level of customs officers. The role of Internal Compliance unit and the type of cooperation with the three aforementioned units. The integrity initiative improved the overall customs performance which contributed to the economic growth of the country.

INTEGRITY MEASURES AND CONTROL

---

[16] Mr. Hendra Prasmono, Director of Internal Compliance at the Directorate General of Customs and Excises (DGCE) of Indonesia. The 17th Session of the Integrity Sub-Committee (ISC), WCO Headquarters, Brussels, 1 and 2 March 2018.
Japan Customs: Facebook and Twitter / Customs Counsellor System

Japan Customs Facebook and Twitter

Japan Customs uses Facebook, YouTube and Twitter channels to communicate, as well as a friendly web mascot (Customs-Kun) to engage the public.

The advantages of using social media include:

- Many users and high visibility
- Access to people with less interest in Customs
- Inviting users to the Customs website
- No service charge, no maintenance fee
- No load to the Customs website

Around 100 video programmes are available on YouTube (Customs channels).

Screen Captured at Official YouTube and Twitter Channel of Japan Customs as of 14 July, 2020

WCO Transparency and Predictability Guidelines, March 2017, P9-10; P11.
Japan Customs Counsellor System

Japan has established a Customs Counsellor System, aimed at facilitating the appropriate and smooth administration of Customs by providing accurate information on import and export procedures to concerned parties, clearing up misunderstandings and, if necessary, revising or improving import and export procedures via consultations or by hearing complaints.

Customs counsellors are allocated at regional Customs headquarters and branches across the country. These counsellors are dealing with a number of inquiries and sometimes addressing certain complaints, and in 2014, more than 170,000 cases were handled. The information provided to importer or exporter is also put on our web-site if the information is considered to be useful for the public.

Number of cases handled by Customs counsellors (2008-2014)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>189,467</td>
<td>190,115</td>
<td>182,231</td>
<td>180,035</td>
<td>174,395</td>
<td>167,103</td>
<td>174,195</td>
</tr>
</tbody>
</table>
4. AUTOMATION

The <WCO Revised Arusha Declaration> states:

Automation or computerization of Customs functions can improve efficiency and effectiveness and remove many opportunities for corruption. Automation can also increase the level of accountability and provide an audit trail for later monitoring and review of administrative decisions and the exercise of official discretion. Where possible, automated systems should be configured in such a way as to minimize the opportunity for the inappropriate exercise of official discretion, face-to-face contact between Customs personnel and clients and the physical handling and transfer of funds.

Members’ practices:

Central Board of Indirect taxes and Customs of India

Automation Approach

Automation in customs processes was one of the crucial aspects of integrity. Respective products were launched by Central Board of Indirect taxes and Customs of India, namely ICES and RMS - Reducing Human Interface; SWIFT - Bringing Performing Governmental Agencies on one Platform; E- SANCHIT- Portal for Document Upload; API - Selective Passenger Checks; RFID and E-Seal - For Tracking and Securing Container Movement.18

---

18 Mr. Ranjan Kumar Sahoo, Director General, DG of Vigilance, Central Board of Indirect taxes and Customs of India. The 18th Session of the Integrity Sub-Committee (ISC), WCO Headquarters, Brussels, 11 and 12 April 2019.
Preventive vigilance to reduce corruption in the Indian Customs Administration (Automation Part)\(^\text{19}\)

**Leveraging Technology to reduce physical interfacing in Customs:** in order to minimize direct interfacing between officers and taxpayers, a large number of services have been made available online.

The Central Board of Indirect Taxes and Customs has consistently and progressively leveraged technology for preventive vigilance. Under its aegis, Indian Customs was one of the first services to use information and communication technology (ICT) to ensure facilitation of legitimate cargo and passengers through effective enforcement. The following are some of the measures/improvements undertaken to reduce interfacing between taxpayers and officers:

- **a. The Indian Customs EDI Gateway (ICEGATE):** introduced 24/7 e-filing, e-payment, electronic message exchange and a helpline. Combined with the Indian Customs EDI System (ICES), it is the engine for effective handling of almost 10 million export and import documents annually, as well as 24/7 cargo clearance.

- **b. Single Window Interface for Facilitating Trade (SWIFT):** the introduction of the Single Window Interface for Facilitating Trade (SWIFT) has provided Indian Customs with a seamless interface connecting six regulatory agencies.

- **c. E-SANCHIT:** E-SANCHIT is an online application that allows a trader to submit all the supporting documents for clearance of consignments electronically, with digital signatures. In this way, the trader does not have to approach the different regulatory agencies with a hard copy of the documents. This consequently makes the entire consignment clearance process faceless and paperless.

- **d. Shift from the focus on gateway controls to post-clearance audit (PCA):** time taken for clearance at ports is related to the risks associated with the consignment, which is further linked to the need for further examination or verification to be conducted by regulatory authorities. In order to address the category of commercial risks, separate audit formations were created by introducing a new Section 99A in the Customs Act, 1962 to give statutory force to audits. Audit formations are engaged in conducting transaction audits, thematic audits and on-site PCA. These audit formations should eventually help in reducing the burden at ports.

- **e. E-sealing:** the e-seal procedure was introduced to replace the earlier practice of supervised sealing by the departmental officers, and to provide for the use of e-seals rather than bottle seals by those previously availing themselves of a self-sealing facility.

\(^\text{19}\) WCO Integrity-newsletter 17, 2020, P17-19
f. **ICETRAK:** this is a light, easy-to-use mobile application aiming to bring together all Customs related services on a single platform. This facility helps importers and exporters to track the processing of import and export declarations and the stage of clearance, thus eliminating information asymmetry and consequently preventing corrupt practices in Customs.

g. **Digital use:** e-procurement/e-tenders/e-auction/e-disposal is being adopted to improve transparency and fairness in accordance with the Government e-Marketing Rules. All e-tenders are placed in the public domain to ensure transparency. E-auctions are carried out to introduce greater transparency into the sale of confiscated goods. The e-payment system has also been adopted for payments to vendors.
5. REFORM AND MODERNIZATION

The <WCO Revised Arusha Declaration> states:

Corruption typically occurs in situations where outdated and inefficient practices are employed and where clients have an incentive to attempt to avoid slow or burdensome procedures by offering bribes and paying facilitation fees. Customs administrations should reform and modernize their systems and procedures to eliminate any perceived advantages which might be obtained through circumventing official requirements. Such reform and modernization initiatives should be comprehensive in nature and focus on all aspects of Customs operations and performance. The Revised Kyoto Convention provides a sound reference point for such initiatives.

Members’ practices:

ACTIVITIES UNDERTAKEN BY THE AFGHAN CUSTOMS DEPARTMENT TO PROMOTE INTEGRITY\(^{20}\)

The Afghan Customs Department (ACD) is uniquely placed to contribute to the government’s efforts to ensure fiscal sustainability and reduce international aid dependence. Accordingly, the ACD has adopted the following policies and procedures which are directly or indirectly linked to integrity aimed at fighting corruption.

Implementation of a Risk Management Module
An important step that should help Afghanistan align with international best practices is the adoption of a risk management-based approach to the examination of cargo and travelers. ACD has already implemented a risk management module within the ASYCUDA \(^*\)system at Hamid Karzai International Airport and other key Customs stations. Risk profiles are defined and coded into the system.

Information and Intelligence Strategy
ACD recognizes the importance of moving towards intelligence-driven interventions. The accurate and timely identification and assessment of high-risk areas and cargo will allow the Department to deploy its limited resources to address those threats and enhance compliance by improving its enforcement activities. The Central Intelligence Unit (CIU) will be strengthened. This Unit will be responsible for providing archival and current information, in a timely manner, on the background, intentions, capabilities and limitations of persons or organizations intending to infringe laws and regulations. This

\(^{20}\) WCO Compilation of Integrity Practices 2017, P14-15
Unit will also act as the Single Point of Contact for the sharing of intelligence with domestic and international agencies.

**Performance results sent automatically via SMS alerts**

It is now possible to receive up-to-date revenue collection information automatically from all 14 Customs sites and to store it in the main ACD server. This enables the Director General and Directors to monitor the daily performance of each branch in terms of revenue collection. In addition, a document has been developed to send revenue data in the form of an SMS alert to senior management, which is then in a better position to monitor Customs operations.

**Implementation of an Exemption Module**

In the past, ACD’s Exemption Section was not computerized, with everything being processed manually and no standardized reporting to control the Exemption Certificates issued. Through the ASYCUDA system, Exemption Certificates are checked against declarations. This system checks the consignee and consignor against declarations and Exemption Certificates and provides accurate reports for statistical purposes. This system is currently in the pilot phase and is only being applied to fuel, although work is underway to extend it to Surface Deployment and Distribution Command (SDDC) goods.

**Merit- and skills-based competitive selection procedure**

Another very important measure taken by ACD is the hiring or appointment of officials following a skills-based competitive selection procedure, as the development of competent and well trained professional officers is considered essential. This should lead to Customs officers being more interchangeable and prepared to carry out different tasks.

**Border Management Model**

In 2011, the Ministry of Finance and the Afghanistan Chamber of Commerce and Industry (ACCI) presented a joint proposal on a Border Management Model to the President of the Islamic Republic of Afghanistan, for approval. Following approval, a series of meetings was held between the Ministry of Finance, represented by ACD, and the Ministry of Interior Affairs, represented by the Afghan Border Police. This culminated in the signing of a Memorandum of Understanding on the Border Management Model by the Minister of Finance and the Minister of Interior Affairs.

**Development of Transparency, Integrity and Anti-Corruption Strategies**

Recognizing the importance of combating corruption in order to provide good governance and accountability, ACD will introduce a clear and comprehensive Customs Integrity Programme (CIP) with a view to reducing the effects of corruption and rent seeking. The measures identified should lead to a more efficient and respected organization.
Electronic payment mechanisms
To enhance trade facilitation, ACD is committed to providing brokers, importers and traders with an electronic payment facility for duties and taxes. This facility will be known as ePay and will provide trade with an option to pay outstanding amounts electronically, either through their commercial bank account or by means of a cash payment over the counter (this latter option will be phased out over time). The ePay facility will be available at all commercial banks operating within Afghanistan.

Implementing the Code of Conduct
ACD will initiate discussions with the Independent Administrative Reform and Civil Service Commission (IARCSC) to have the Code of Conduct, formulated by the Department, accepted as an article in the CSC Regulations for disciplinary purposes. All Customs personnel will be required to sign a copy of the Code of Conduct to demonstrate that they have read, understood and accepted the contents of the Code as governing their behavior as Customs officers. Any breaches of the Code will attract disciplinary action. To that effect, ACD will establish a Disciplinary Committee/Tribunal for Customs linked to and falling within the IARCSC regime.

Afghan National Customs Academy
ACD will continue to harness the capabilities of the Afghan National Customs Academy (ANCA) in order to maximize the capacities and professional skills of its personnel. ANCA will ensure the development of technical skills to meet both individual career and organizational needs and to build an external skills pipeline. This will require ANCA to establish and maintain a Curriculum Development Programme. ANCA will deliver and coordinate all the basic and advanced training programmes for Customs personnel. It will also organize refresher courses on subjects such as Customs valuation, classification, rules of origin, and commercial fraud detection and investigation for the benefit of the field staff working in these areas.

Development of procedures
New Customs procedures will be introduced to reduce discretionary powers and make better use of automation, joint inspections and other technological controls. This will involve greater use of the automated Customs clearance system to increase the effectiveness of Customs controls and limit corruption, and should pave the way towards Afghanistan’s accession to the Revised Kyoto Convention (RKC).
CASE STUDY: AUSTRALIAN CUSTOMS AND BORDER PROTECTION

As a result of a joint investigation between the Australian Commission for Law Enforcement Integrity (ACLEI), the Australian Federal Police and ACBPS, a report on allegations of corruption conduct among officers at Sydney airport was issued in mid-2013. This report identified that a culture had been allowed to develop within the Australian Customs and Border Protection Service (ACBPS or the Service) in Sydney International Airport that accepted poor standards and allowed the flouting of rules and regulations as the norm.

The corrupt conduct occurred as a result of long term collusion between a small number of Customs officers at the airport to facilitate the importation of illicit drugs. They used their inside knowledge to defeat surveillance and interdiction systems including information about law enforcement techniques and systemic vulnerabilities. The officers had privileged access to databases and to the secure border environment. By working together they exploited weaknesses in the supervision system and manipulated rosters and job placements. They used their official positions and exploited friendships and other connections that they had developed in the workplace to gather information, and to cover their tracks.

At the time of these incidents Customs and Border Protection was facing significant challenges, including the growth in volume of cargo and numbers of travelers, increasingly complex trade and travel patterns and increasingly sophisticated organized crime.

The joint investigation identified that opportunities for corrupt conduct had been boosted by introduction of a ‘whole of airport’ operating model to address peak workloads, which had resulted in exposing more staff to sensitive information and created an increase in opportunity for corrupt conduct. Some individuals became compromised because of their use of illicit drugs and links to criminal networks, including outlaw motorcycle gangs. Evidence also suggests there was a risk that any supervisor who took action about misconduct would be open to reprisal from any staff.

Identification of corruption, and a culture conducive to corruption, was a wake-up call to the organization. It highlighted significant vulnerabilities and the challenge now is to address these vulnerabilities.

As the organization implements its reform agenda, focus on the elements of human resource management, morale and organization culture are central. Attention to deployment, rotation and relocation of staff removes opportunities for officers to hold

---

WCO Compilation of Integrity Practices 2017, P16-17
vulnerable positions within sensitive areas for long periods. Allied to this the organization's suitability checking processes have been enhanced, both at the recruitment stage and with ongoing monitoring for links between staff and criminal groups.

Provision of adequate training and professional development throughout officers' careers will continually promote and reinforce the importance of maintaining high levels of ethical and professional standards. The performance appraisal and management systems reinforce sound practices and foster high levels of personal and professional integrity, and link with the need to provide reasonable opportunities for career development and progression.

A robust, multi-faceted and well publicized Reform Program is being undertaken by ACBPS to create a modern, highly effective, collaborative and adaptable agency with a unified end-to-end operating model and a high performance culture to match. The initial focus has been on specific integrity measures to align the ACBPS to the same levels of assurance as other Australian law enforcement agencies and to maintain public confidence in the Service.

New legislation passed by Parliament in 2013 provided stronger powers including the ability to conduct integrity testing of Customs and Border Protection officers, the power for the CEO to make a declaration that an officer’s employment has been terminated as a result of serious misconduct; mandatory reporting requirements under which officers are legally required to report misconduct, corrupt or criminal activity; and workplace drug and alcohol testing for all ACBPS officers. These enhanced powers have significantly strengthened the service’s integrity framework.

Support for officers to meet their integrity obligations is an important element of the programme of integrity reform. An Integrity Support and Referral Network (ISRN) was established to provide a trusted network of officers available to their colleagues to provide support and advice on options regarding reporting obligations, or as another avenue to report concerns regarding serious misconduct, corruption and/or criminal behaviours.

When the call went out across ACBPS for volunteers to be trained as Integrity Support Officers, this was met with an overwhelming response from all levels within the Service and resulted in more officers volunteering than positions available. The thirty selected officers underwent integrity screening and received training for their role, and are now active throughout the organization.

Like other Customs administrations around the world, ACBPS is aware that criminal organizations will seek to avoid the systems and processes in place. Consequently those systems and processes are continually reviewed, and where necessary improved.
A new Division, the Integrity, Security and Assurance Division was created within the Service. The new Division is responsible for management of all disciplinary processes. This furnished a more integrated approach to managing professional conduct in the workplace as well as fighting corruption and criminal infiltration and dealing with misconduct.

The Reform Programme being undertaken will transform ACBPS into a modern, highly effective, collaborative and adaptable agency with a unified end-to-end operating model and a high performance culture to match. The Service will be working closely with partners in the business and trading community in Australia, the Asia Pacific region and through the WCO business engagement forums, to design a vigorous future business model and supporting systems. The four pillars in the WCO Strategic Plan as outlined by Secretary General will also provide an excellent source of information and direction.
FRCA indicates that integrity is more than simply the absence of corruption. It involves developing and maintaining a positive set of attitudes and values which give effect to an organization’s aims and objectives. It is therefore regarded by FRCA as a prerequisite for the proper functioning of Customs administration.

The special position of Customs authorities within the international trade supply chain, both in terms of its regular contact with financial and goods movements, and the application of specific legal powers, requires a high degree of professional integrity on the part of Customs officials.

Integrity in Customs also plays its part from a trade facilitation view. A Customs administration suffering from a lack of integrity will normally be less effective and certainly inefficient resulting in little or no trade facilitation due to mismanagement, bad governance, and thriving corruption. It is thus essential for our administration to fully support a culture of integrity throughout the supply chain process.

The following are some of the measures introduced in year 2013 which have been implemented to have effective integrity management at FRCA.

**Customer Satisfaction Survey**
FRCA strives to improve its services and ensure that the services it provides are satisfactory to its customers. In order to do that it is carrying out a Customer Satisfaction Survey to establish the level of satisfaction of its customers and improve on its services. A Customer Satisfaction Index will be developed from this survey and the Authority will use this as a benchmark to measure improvements of its service delivery in future.

**FRCA Staff Climate Survey**
An employee climate survey enables an organization to operate more efficiently through the use of staff input and satisfaction ratings. It provides an overall picture to staff views/opinions on how the organization is performing, and in this survey FRCA is seeking staff feedback on how we are performing in line with FRCA’s Values - Leadership, Results Focus, Continuous Improvement and Learning, Design Quality and Prevention, Partnership Development, Valuing Employees, One Organization, CEO’s Balance Score Card & participation at the Public Service Excellence Awards (SEA).

The balance score card drives a high performance culture and challenges a “CAN DO”

---

WCO Compilation of Integrity Practices 2017, P22-23
attitude for all of us. “Out-Performance” target achievements will be rewarded with bonuses, with adherence to highest integrity management.

The SEA evaluation team visits FRCA and evaluates FRCA’s performance and FRCA has been this year awarded the highest level Service Excellence Awards being offered by Public Service Commission for Service Excellence. FRCA was able to win this within a record 3 years of entering the international performance benchmarking system.

**Internal Assurance**

The Internal Assurance Section ensures that principles of good governance, transparency and integrity are maintained and promoted at all times by employees and Executive Management by overseeing inter alia, the following functions:

- **Internal Audit**
  Good public sector governance involves internal auditing of the way public resources are managed. Internal audit provides an unbiased, objective assessment to ensure that public resources are responsibly and effectively managed to achieve intended results. Internal auditing is carried out in accordance with an annual internal audit plan. Audits are undertaken on the operational activities of the department as well as the financial resources and information and communication technology (ICT) resources of the Authority.

- **Ethical Standards Unit**
  This Unit develops and implements an ethical code of conduct in compliance with the FRCA Conduct & Discipline Regulations 2002. It also identifies and investigates corrupt activities within the Authority. It responds to complaints registered against employees for non-compliance with the Code of Conduct and conducts special investigations required by the office of the CEO and the Board.

Other than implementing those measures, FRCA has a Code of Conduct which can be obtained from FRCA. It also has established a Zero Tolerance Policy according to which any breaches of fraud, misappropriation or issues relating to honesty and integrity will result in summary dismissal and will apply to all FRCA staff, on all grades/positions irrespective of the amount or person involved.

FRCA has also established a Staff Tax Audit Policy which is effective in managing integrity of officers to be self- tax compliant in order to gain public confidence assurance.
For decades, most Filipinos have believed that the Philippines' Bureau of Customs (BOC) was the most inefficient, inept and corrupt government agency.

As the second-largest revenue collection agency of the government after the Bureau of Internal Revenue, contributing about 22% of the total national government revenue, the BOC is mandated with the triple mission of collecting revenue, facilitating trade and protecting borders. However, because of corruption and inefficiency, the BOC had become virtually irrelevant in fulfilling its mandates. In 2010, the Federation of Philippine Industries, a group of about 800 Philippine companies, reported that smuggling was “costing the Government about 2.8 billion USD in foregone revenues annually. Worse, smuggled goods were unfairly competing with local products thereby resulting to closure of legitimate local businesses and unemployment”. The same group disclosed in another study that the Philippine Government incurred staggering revenue losses of about 30 billion USD from 2002 to 2011 due to the undervaluation, misdeclaration, misclassification and diversion of shipments, or technical smuggling. These losses did not include foregone taxes resulting from outright or pure smuggling operations that took place in isolated parts of the country and did not involve import documents.

In a February 2014 report entitled “Illicit Financial Flows to and from the Philippines: A Study in Dynamic Situation, 1960-2011,” a Washington DC-based research and advocacy group Global Financial Integrity (GFI) said that an estimated 277.6 billion USD was illegally transferred into the country “predominantly through the mis-invoicing of trade transactions.” Mis-invoicing is commonly known as “technical smuggling” or the underdeclaration of imported goods in terms of quantity, quality or value to cheat on Customs duties and taxes.

But beyond cheating on taxes and revenue leakage, corruption and inefficiency at the Bureau of Customs had heightened border control risks, with the possible entry of weapons of mass destruction, contaminated or contraband goods, as well as trafficking of illegal drugs. The root cause of the massive revenue leakage and losses is due to corrupt practices stemming from loose policies, wide discretionary powers and antiquated policies.

**Uproot corruption, reboot BOC**

To remedy this situation, President Aquino initiated a complete reform with a three-fold objective: streamline and revitalize bureaucracy, uproot the culture of corruption, and jump-start a virtuous cycle of integrity and true public service at the Bureau of Customs.

---

23 WCO Compilation of Integrity Practices 2017, P31-33
To set the stage for the Customs Reform Project, two offices were created; the Office of the Revenue Agency Modernization (ORAM), whose role is to implement system and process enhancements, and formulate a Code of Ethics to improve the integrity and performance of revenue generating agencies such as the BOC; and the Customs Policy Research Office (CPR), a specialized agency whose main task is to provide necessary policy and procedural reforms in the internal administration practices and processes, collection, monitoring, and storage of data, documents and records, as well as analysis to improve baseline monitoring and performance measurement of the BOC; and to draft legislation to reform and modernize the BOC.

Changes in the Senior as well as Middle management were made, beginning with the appointment of new Deputy Commissioners. Fifty of the BOC’s senior and middle managers were deployed to the CPR, and employees of ORAM were detailed to take the vacated positions.

This was followed by the stepping down of the serving Commissioner and the appointment of a new Customs chief, an Undersecretary of the Department of Finance and a former investment banker.

The BOC also sought to look into staffing and manpower issues at the BOC. About 60% of the 3,600 employees were not qualified to assume the roles or positions they were given. The new Commissioner ordered all employees of the Bureau to revert to their ‘mother units’ so that all positions could be rationalized.

The new leadership put a stop to the unabated release of shipments without required import permits or proper valuation. While this had caused a drastic change in Customs clearance times, the initiatives were also justified by statistics which showed that eight out of every ten shipments placed on alert or on hold showed findings of discrepancies like misdeclaration or undervaluation. Recognizing the critical role of post-entry audits in improving revenues and enforcing compliance with the rule of law as well as in providing the necessary check and balance mechanism for the BOC, the post-entry audit functions of the BOC was transferred to the Fiscal Intelligence Unit of the Department of Finance.

**Transparent procedures**

Today, the Bureau of Customs is more transparent, thus publishes the list of all importations into the Philippines as well weighted average dutiable values for all imports. All issuances, policies and regulations are published on its website. This allows all stakeholders wide access to information about the Bureau anytime, anywhere.

The Bureau’s efforts at making its data widely available has been recognized by proponents of Open Data, including the Open Data Partnership, a global initiative aimed at improving governance.
New recruitment policies
In order to fill the lack of manpower, BOC has opened job vacancies in first and second level positions in the agency’s various groups, offices, and collection districts. Over 1000 job openings were secured by the Bureau. In the past, job vacancies were practically given to relatives of incumbent officials and employees.

New policies against nepotism were promulgated, reiterating existing anti-nepotism laws. Background checks and notarized application forms ensured that job applicants with relatives in the BOC up to the 4th degree of consanguinity or affinity were disqualified and barred from applying for any position in the Bureau.

Promotions, which were also once highly politicized and disregarded rank or qualifications, are no more automatic for incumbent employees. All open positions are disclosed, allowing both new applicants and incumbent employees to apply for these on equal footing. A rigorous examination is conducted for all applicants, in partnership with the Civil Service Commission. Officials and employees are all made accountable for their actions by mandating signatures and approval levels. The Bureau also files administrative cases against employees for conniving with unscrupulous brokers and importers.

Battles won, but the war is far from over
As a result of all the reforms done by the BOC, from January to September 2014, total revenue collections of the BOC reached about 5.8 billion USD; 18% over the same period last year. Improvements in the Bureau’s system for the valuation of goods, coupled with enhanced enforcement and apprehension efforts, yielded an 18.23% hike in the Customs value for imported products and a 19% increase in the duties and taxes collected, offsetting a slight decrease in the average tariff rate.

Several Philippine companies have openly attributed the growth in their sales to the revitalized anti-smuggling efforts of the Bureau. Publicly-listed food and plastic input manufacturer, D&L Industries grew its nine-month net profit by 24% year-on-year approximately 28.7 million USD as a result of the crackdown on competing smuggled commodities that allowed the company to gain a larger market share for its products.

While these quick wins prove that the reform efforts are coming along, much is left to be done. In 2015, the Bureau hopes to cut down on the processing time of import transactions by setting a goal of clearing 90% of all shipments within four hours of filing import documents. This ambitious goal will entail streamlining processes and operations; automation and a massive culture change in the organization.

But with a reform project touted by many as sweeping, bold and unprecedented already in full swing, the vision of a professional, competent and efficient Philippine Bureau of Customs may just come into fruition.
Corruption is a global problem that all countries, including Thailand, focus on because it is a major obstacle to all dimensions of economic, social and political development and has a huge negative impact on a country. Thailand has been working continuously to solve the problem of corruption at national level by implementing the National Anti-Corruption Strategy rolled out from Phase I (2008-2012) until now, and the National Anti-Corruption Strategy Phase III (2017-2021) which sets out a vision for a "Zero Tolerance & Clean Thailand". The vision aims to transform Thailand, in the next five years, into a country with the moral and ethical high ground where corruption is no longer tolerated by society, and which applies international standards of transparency.

The Ministry of Finance has a policy to promote and develop the move towards becoming a virtuous ministry that is free from corruption, and has implemented the project "Ministry of Finance: Moral, Transparent and Free from Corruption" to that end. The Customs Department is a government agency under the Ministry of Finance with a mission to collect taxes on imports and exports, and prevent and suppress Customs offences. It is an organization that plays an important role in promoting and supporting economic development, and in enhancing Thailand's trade competitiveness. The Ministry of Finance has designated the Customs Department as a "Virtue Customs" pilot agency to serve as a model for creating a transparent and fraud-free organization.

The Director General of the Customs Department, Mr. Kulit Sombatsiri, and all Customs executives are showing a strong will and clear policy of honesty, integrity, transparency and accountability in the administration of the Customs Department. These executives are promoting enhanced moral and ethical standards to all Customs officers, and improving transparency in the workplace, including preventing and suppressing corruption and misconduct by Customs officials in an effective and concrete manner. They intend to build public trust in the Customs Department and, accordingly, have set out the policies, measures, plans and projects that will support and promote the reform of the Customs Department to make it a "Virtue Customs Organization: Transparent and Free From Corruption" in line with the National Anti-Corruption Strategy Phase III (2017 - 2021) and the Ministry of Finance’s policies as follows:

1. Declaration on the integrity and transparency policy
The Declaration is based on the notification by the Customs Department regarding integrity and transparency for the operation of the Customs Department, dated 16 January 2017. This policy encompasses a standard, guideline and shared

---

24 WCO Integrity-newsletter 14, 2018, P14-17
Remarks: The author selected some paragraphs of this article to the ‘10. RELATIONSHIP WITH THE PRIVATE SECTOR’ part.
organizational values to which all Customs officers shall adhere, together with rules and other regulations. It comprises five (5) aspects: transparency, accountability, freedom from corruption, integrity culture and work integrity.

2. Establishment of administrative measures to prevent misconduct by the Customs Department

The administrative measures involve preparing the supervisor’s pledge in accordance with the Customs Directorate’s anti-corruption measures. Supervisors at all levels have to sign a commitments to the Director General of the Customs Department that they will control, supervise and implement preventive measures to deter their subordinates from committing any form of fraud. If they are inattentive to or unable to prevent corruption and misconduct within the unit, they shall be deemed to be ineffective managers and will face unanimous administrative measures.

3. News management to prevent and suppress corruption more effectively

The Customs Department has launched a number of news management activities. Firstly, a Customs Intelligence Centre (CIC) has been set up as a hub to develop a strategic database for the Customs Department. Secondly, a “1322 Hotline” number has been launched to receive complaints. Thirdly, the Customs Bell Project has been initiated as another channel for receiving complaints by the public. This Project enables complainants to coordinate with supervisors to solve problems. Fourthly, implementation of the Local Profile Optimization of Cargo Clearance Customs Bureaus and Customs Houses will serve as a tool for Customs risk management. Finally, the preparation of Key Performance Indicators (KPIs) on offence detection will serve as a measure to make Customs officers conduct strict inspections of ‘Red Line’ imported goods (high-risk shipments) and to intercept leakages of ‘Green Line’ declarations.

4. Enhancing moral and ethical standards for Customs officers

There are many projects to be implemented to enhance moral and ethical standards for Customs officers. Firstly, there is the Moral Customs Programme to standardize the duties of Customs officers at all levels. Secondly, the Good Thinking and Doing, Customs Can Do Project is an activity enabling Customs officers to conduct an integrity self-assessment. Thirdly, the Excellent Customs Officers Project promotes morale among officers who perform their duties with the intention of continuing to serve as a good role model. Fourthly, a clear framework for career advancement among Customs officers has been announced. This framework provides criteria and conditions for appointment, transfer and promotion of government officials to higher levels which are clear, transparent and fair. Fifthly, the project to instruct and disseminate information on disciplinary actions and tort liability of officers is intended to enable all Customs officers to acknowledge acts of malfeasance and tort liability and to avoid such behaviour. Sixthly, the Self-Learning on the Code of Ethics and Conduct is a project to
help Customs officers gain knowledge and comply with the Code of Ethics and Discipline of Civil Servants on an ongoing basis. Finally, the Project of Ethics and Good Governance Initiative for the Prevention of Corruption and Misconduct in the Public Sector is an activity to strengthen and raise awareness among all Customs officers that they should perform their duties and behave in accordance with the principles of morality and integrity expected of government officials. The performance by officers demonstrating integrity and good governance will ensure that Customs Department operates in an efficient, transparent and fair manner.

5. Modifications to increase the transparency of operations

The modifications focus on establishing a balance between trade facilitation and Customs inspection, specifically by implementing a project to modify the inland, seaport, and airport cargo inspection process. The project will involve moving from a single officer to a specialized inspection team for cargo inspections, including the use of advanced technology to optimize the inspection of goods such as X-ray machines, ion scans or CCTV.

These policies, measures, plans, and projects defined as a framework for action are not the only factors affect the success of the Customs Department in achieving its goal of being a "Virtuous Customs Organization: Transparent and Free From Corruption". In addition, the commitment and intent by both Customs and the private sector, along with all stakeholders, is another important factor in helping us reach this goal.

There must be coordination to create transparency and fairness in Customs operations, as well as to jointly monitor and prevent corruption and misconduct in the Customs Department.
6. AUDIT AND INVESTIGATION

The <WCO Revised Arusha Declaration> states:

The prevention and control of corruption in Customs can be assisted by the implementation of a range of appropriate monitoring and control mechanisms such as internal check programmes, internal and external auditing and investigation and prosecution regimes. Such regimes should strike a reasonable balance between positive strategies to encourage high levels of integrity and repressive strategies designed to identify incidences of corruption and to discipline or prosecute those personnel involved. Customs personnel, clients and the general public should be encouraged to report corrupt, unethical or illegal activity and, when such information is provided, it should be investigated in a prompt and thorough manner and sources should be protected. Where large scale or complex investigations are warranted or in administrations where corruption is widespread, there should also be recourse to independent anti-corruption agencies.

Members’ practices:

Australian Border Force Internal Control Function

The internal control function is carried out by the Integrity and Professional Standards Branch, which reports to the Integrity, Security and Assurance Division. The latter is part of the Corporate Group that is accountable to the Secretary of the Department of Immigration and Border Protection.

The Public Service Act 1999 (Commonwealth), Public Service Regulations 1999, Law Enforcement Integrity Commissioner Act 2006, Law Enforcement Integrity Commissioner Regulations 2017 and Australian Border Force Act 2015, are part of the legal framework that defines the responsibilities of Customs with respect to internal control. The Public Service Act 1999 (Commonwealth) establishes the Code of Conduct. That Code sets out the standards of behaviour and conduct required of all employees who work in the Australian public service.

Matters of criminality, serious misconduct and corruption may be referred to the

---

26 WCO Compilation of Integrity Practices on internal control and relationship with external controls June 2019, P12; P28.
Australian Commission for Law Enforcement Integrity, in accordance with the Law Enforcement Integrity Commissioner Act 2006, or at the discretion of the responsible officer for liaison with the Australian Commission for Law Enforcement Integrity.

The Australian Border Force Act 2015 empowers the Secretary of the Department of Immigration and Border Protection to put in place directions that are legally binding on employees.

The Integrity and Professional Standards Branch is responsible for:
• investigating and/or evaluating potential breaches of the Australian Public Service Code of Conduct, deliberate misuse of information systems or resources and corruption or criminality;
• conducting employment suitability assessments;
• assessments of integrity-related information;
• managing the relationship with the Australian Commission for Law Enforcement Integrity and Australian Federal Police;
• development and maintenance of the Department of Immigration and Border Protection’s integrity framework;
• delivery of an employee drug and alcohol management programme;
• management of an active integrity risk detection programme;
• management of compliance with the Australian Commonwealth Fraud Control Policy 2017.

The Integrity and Professional Standards Branch does not have arrest authority. However, it does have investigatory authority in respect of suspected breaches of the Australian Public Service Code of Conduct. It also undertakes serious and complex internal or criminal investigations on behalf of the Department of Immigration and Border Protection and/or jointly with other law enforcement agencies. The relevant competences are included in the detailed Branch overview and position description.

The Secretary (Agency Head) is provided with reports for referral to the Australian Commission for Law Enforcement Integrity, or for referral to other external agencies which will consider investigation. The Integrity and Professional Standards Branch handles both administrative and criminal cases.

The Integrity and Professional Standards Branch has proactive and reactive aspects to its work. Proactive controls include employment suitability screening, education and training, integrity communication activities, fraud and corruption risk assessments, development of policy and procedures and intelligence activity. Reactive activity includes assessment of allegations and investigations.
Under the Public Service Act 1999 (Commonwealth), breaches of the Code of Conduct can result in a range of sanctions. These include:

- termination of employment,
- reduction in classification,
- re-assignment of duties,
- reduction in salary,
- deductions from salary, by way of fine,
- a reprimand.

Where the alleged conduct or behaviour is criminal, serious misconduct, fraud or corruption, it may be referred to other organizations, including:

- Australian Commission for Law Enforcement Integrity,
- Australian Federal Police,
- State and Territory law enforcement bodies.
In 2017, China Customs had introduced a Customs Integrity Risk Control and Management System called HLS 2017. This system consisted of five modules: warning information; monitoring analysis; efficiency evaluation; combination query; and results display. These modules facilitated internal auditing and supervision. The purpose of HLS 2017 was to provide a daily update on the workload of each Customs officer and the status of imported goods and Customs declarations.

It contained over 400 specific functions focused on effectively facilitating internal audit and supervision. The Integrity risks data model was automatically loaded onto the Customs platform every day to obtain the corresponding digital data on Integrity risks. This information was sent to the staff responsible for Integrity management, who thereby obtained risk mapping on potential Integrity risks in terms of Customs officers, positions and departments. The system also provided evidence of Customs violations and smuggling.
The Directorate of Internal Compliance is responsible for preventing and/or prosecuting corruption. Prevention tasks rest with the Prevention Sub-Directorate, while prosecution tasks rest with the Internal Investigation Sub-Directorate. The Directorate of Internal Compliance has an Investigation Unit with limited authority and has no arrest authority.

As to the internal control unit, some reports made to the Head of Administration are top secret. These usually relate to internal investigation. The channels used include “Enclosed Secret Note from Director of Internal Compliance to Director General (Head of Administration)”. For reports not involving internal investigation, a regular Note is used.

The Directorate of Internal Compliance deals both with administrative and criminal cases. Its responsibilities in this regard are discharged by four Sub-Directorates. The Prevention SubDirectorate and the Internal Investigation Sub-Directorate usually perform tasks relating to prevention and prosecution of corruption. The other two Sub-Directorates are responsible for quality assurance of audit reports and performance management. These Sub-Directorates largely deal with administrative tasks.

As mentioned earlier, there are two Sub-Directorates responsible for preventing and prosecuting corruption. The Prevention Sub-Directorate proactively prevents bribery, distortion and corruption in the Directorate General of Customs and Excise (DGCE), while the Internal Investigation Sub-Directorate is responsible for prosecuting corruption.

The Directorate General of Customs and Excise mainly takes administrative action in respect of integrity breaches by staff. For corruption-related integrity breaches, this action is clearly designated severe disciplinary action, the ultimate penalty being staff dismissal.

The Data and Information Analysis Division is part of the Prevention Sub-Directorate and conducts analysis of staff performance, including trend analysis of compliance with Standard Operating Procedures and decisions on imported goods (tariff checks and invoice valuations).

Difficulties in conducting internal controls relate to detection of potential integrity breaches. The Directorate of Internal Compliance is designing an integrity map which aims to mitigate the potential for integrity breaches by measuring staff integrity under certain parameters.

---

27 WCO Compilation of Integrity Practices on internal control and relationship with external controls June 2019, P34.
Philippines Customs Chief Orders Creation of an Anti Corruption Unit

The Chief of the Philippines Bureau of Customs (BOC), Isidro S. Lapeña, has ordered the creation of an Interim Internal Affairs and Integrity Unit (IIAIU), as President Rodrigo Duterte wants all forms of corruption to be stopped.

Corruption issues have been hounding the Bureau for a long time, which is "why we are now facing it head-on," according to Lapeña. The Unit's key mandate is to stop illicit acts by some BOC officials and employees aimed at amassing ill-gotten wealth. It primarily strengthens disciplinary actions against errant BOC personnel and aims to encourage everyone in the Bureau to comply with existing directives and policy guidelines.

In a memorandum issued on 29 December 2017, Lapeña listed the unit's functions: investigating complaints against BOC personnel, receiving and gathering evidence in support of an open investigation; conducting motu proprio investigations on incidents where evidence in the prosecution of smuggling cases was compromised, tampered with, obliterated or lost while in the custody of BOC staff; conducting lifestyle checks on BOC staff; evaluating or recommending the filing of appropriate criminal cases against BOC staff before the court, if warranted by the evidence, and assisting in the prosecution of the case; and undertaking liaison work, coordinating and providing assistance to the Office of the Ombudsman, National Anti-Corruption Commission of the Office of the President, and Revenue Integrity Protection Service of the Department of Finance.

---

28 WCO Integrity-newsletter 14, 2018, P8
7. CODE OF CONDUCT

The <WCO Revised Arusha Declaration> states:

A key element of any effective integrity programme is the development, issue and acceptance of a comprehensive code of conduct which sets out in very practical and unambiguous terms the behaviour expected of all Customs personnel. Penalties for non-compliance should be articulated in the code, calibrated to correspond to the seriousness of the violation and supported by appropriate administrative and legislative provisions.

Members’ practices:

CUSTOMS SERVICE CHARTER and INTEGRITY POLICY OF THE KOREA CUSTOMS SERVICE

THE KOREA CUSTOMS SERVICE CHARTER
The Korea Customs Service (KCS) Charter is based on performance management and was designed to set out (1) standards and a description of the service, (2) methods and procedures for provision of service and (3) correction and compensation procedures in the event of customer dissatisfaction.

The Service Charter was made public to Korean citizens to protect and enhance their rights. The Service Charter was enacted in 1998 and has subsequently been amended four times. It stipulates seven rights for KCS customers:

• Courtesy and Impartiality;
• Uniform Service Information;
• Privacy;
• Immediate Appeal;
• Presumption of Faithfulness.

To ensure that customers’ seven rights are fully respected, KCS conducts Customer Satisfaction Surveys and publishes its results on its official website. The surveys generally take the form of (1) telephone surveys, (2) Customer Satisfaction Surveys conducted twice a year using a random sample of KCS customers and (3) random telephone checks to assess Customs employees’ attitude, made twice a year. What is innovative about this approach is that the survey results directly influence the Customs

WCO Compilation of Integrity Practices 2017, P57-58
employees' salaries. KCS conducts an annual performance evaluation of every official in every division. The results of Customer Satisfaction Surveys, which are a major performance indicator, account for as much as 5% to 15% of the entire performance evaluation. According to the results of the survey, divisions are rated and workers are paid a bonus based on the amount assigned to the division of which they are part. Customs employees are consequently highly committed to respecting the Service Charter, resulting in greater customer satisfaction year after year.

INTEGRITY POLICY OF THE KOREA CUSTOMS SERVICE

Introduction
In Korea every central Government agency and municipality has their own Code of Conduct in place in accordance to an Executive Order which sets out the Code of Conduct for public officials. The Code of Conduct prescribes the standards of conduct to be observed by all public officials in accordance with Article 8 of the Anti Corruption Act.

Regulation
The Korea Customs Service (KCS) has “The KCS Public Officials Code of Conduct” outlining the KCS officials’ conduct and ethical behavior such as restriction of bribery, prohibition of personal use of public property, maintaining dignity, restriction of personal contact with parties involving specific duties.

Penalties for corrupt public officials have been strengthened by setting out the rule separately. An officer who receives money or treats with a market value of more than 4,500 USD will be dismissed or discharged. Also behaviors of embezzlement and receiving gifts or benefit aggregating more than 1,800 million USD will be subject to prosecution.

Organizational Management
In order to monitor and control public officials’ behaviors, the KCS headquarters has an audit team of 10 members. The local Customs Offices also run audit teams at their level, conducting surveillance on officers to ascertain whether they are complying with the rules.

Moreover, an ‘Anti-corruption Taskforce’ has been established by the Office of the Prime Minister in 2014 to fight against corruption.

Human Resource Management
Information on officers convicted of corruption, and potentially problematic employees with corruption issues in their public and private lives are stored into a database called C-Sirens. Such officers are monitored at all times. A whistle-blowing system has also been created to facilitate internal reporting of inappropriate activities by officers. The
system provides for the protection and rewarding of whistle-blowers.

The KCS is also engaged in continuous effort to raise awareness of integrity among officers. Every morning, an ‘integrity news’ window is popped up in the intranet system, and new employees and high-ranking officials are also mandated to take an integrity courses once in a year.

**Planned Activities**

In addition to promoting self-integrity endeavors for KCS officers, the KCS is planning to carry out an integrity campaign for its stakeholders.

This campaign is planned with a view that if the private sector such as importers, transporters, and bonded warehouse operators do not provide causes for corruption, the level of corruption in Customs will be substantially reduced.

The KCS will encourage all relevant stakeholders to join efforts by holding campaigns and conducting surveillance and audit activities to promote and uphold integrity.

Also, the KCS will undertake to identify high risk areas of corruption in the areas of function such as clearance, bonded cargo management, audit, investigation, etc. and develop a corruption risk map. With intense check and system improvement, these risk areas will be significantly eliminated.

**Outcomes**

Based on these constant intensive integrity efforts, the KCS was ranked first among 42 government agencies in the public officials’ service evaluation under the Office of the Prime Minister in 2013, and ranked second among 14 enforcement and investigation agencies in the integrity assessment of the Anti-corruption and Civil Rights Commission.
New Zealand Customs promotes a culture of Integrity and ethical conduct

Transparency International consistently ranks New Zealand as having one of the least corrupt public sectors in the world. There are clear and explicit expectation by State Services that every State servant has a part to play in acting with Integrity to maintain New Zealanders’ confidence in the sector.

Within the New Zealand Customs Service, We Do What’s Right is a key value that underpins how we work- it is fundamental to maintaining the trust and confidence of our stakeholders and customers. Our solid reputation depends on the way we act and the way we use our powers to protect and promote New Zealand.

To maintain the wellbeing of our ethical climate, NZ Customs has adopted a two-pronged approach with both compliance and Integrity aspects. The former involves rules, codes and sanctions, with a focus on preventing poor behaviour. The latter relates to aspects based on the assumption that education, training and role modelling can help improve ethical behaviour. Our range of policies and practices include:

**Code of Conduct**

The NZ Customs Code of Conduct applies to our employees and all those we engage as contractors and consultants. It outlines the expected behaviour under four standards - fair, impartial, responsible and trustworthy.

**Integrity Assessment Committee**

NZ Customs Integrity Assessment Committee (IAC) is chaired by an external representative and provides an independent assessment of alleged Integrity breaches. The IAC comprises eight members consisting of the external chair; Chief Advisor: Risk, Assurance and Integrity (vice chair); Deputy Comptroller Operations; Group Manager People and Capability; and four senior employees from across New Zealand Customs business groups. The Committee members undertake their roles on a strictly confidential basis.

**Integrity investigations capability**

Fact-finding enquiries or formal employee investigations post IAC triage are undertaken by employees from across NZ Customs, in addition to their usual duties. A pool of 38 investigators from across the various business areas and locations with specialist skills and experience has been developed.

---

30 WCO Integrity-newsletter 16, 2019, P15-17
Disciplinary Policy
The NZ Customs Disciplinary Policy sets out the approach to the disciplinary process that applies when dealing with misconduct or serious misconduct or when ongoing poor performance remains unacceptable.

Promoting an ethical working environment
Workshops for staff are routinely delivered across NZ Customs’ port and airport locations. Posters and screensavers are used to reinforce Integrity in the workplace and to highlight options available to report concerns. These also support the public Speak-Up ideals promoted by the New Zealand State Services Commission.

Protected Disclosures - Speaking Up
The New Zealand Protected Disclosures Act 2000 provides protection for employees who, in accordance with the Act, disclose information about serious wrongdoing in or by their organization.

The NZ Customs Protected Disclosures - Speaking Up Policy sets out the processes that: protect employee interests and rights; enable a fair and transparent investigation; and ensure appropriate resolution when serious wrongdoing is disclosed.

Workplace Bullying, Harassment and Discrimination Prevention Policy
The NZ Customs Workplace Bullying, Harassment and Discrimination Prevention Policy states: “We do not tolerate any unacceptable behaviour in the workplace, including bullying, harassment and discrimination and we are committed to proactively addressing these behaviours”.

Alcohol at Work Policy
The NZ Customs Alcohol at Work Policy provides parameters regarding expenditure of Departmental funds on alcohol, pre-approval applications for purchase of alcohol and events where alcohol is available. It also provides guidance around consumption of alcohol in the workplace and it supports our intent to ensure all employees go home safe at the end of their working day.

Use of Systems and Devices and Social Media Policy
The Use of Customs Systems and Devices Policy helps to minimize Integrity, security,
finance, technology, and health and safety risks when using NZ Customs Service systems and devices including e-mail, laptops and mobile phones.

The Social Media Use Policy outlines how employees should protect themselves, their families, colleagues and the organization when engaging with social media in both the work and home contexts.

**Conflict of Interest and Secondary Employment Policies**

The NZ Customs Conflict of Interest Policy is provided to support the business in managing conflicts effectively and with transparency in accordance with the Code of Conduct and the high expectations of the State Sector and public of New Zealand.

The NZ Customs Secondary Employment Policy provides the platform for an open and transparent declaration process for those with secondary employment, without limiting the rights of the employee. The policy provides the tools to manage secondary employment for the best overall outcome.

**Gifts and Hospitality Policy**

The NZ Customs Gifts and Hospitality Policy explains the principles and procedures for any gifts or hospitality offered to or by employees that may be associated with activities in their official capacity. The Policy also establishes guidance for employees to exchange gifts with overseas officials, and details the requirements for recording gifts or hospitality (whether accepted or not) in a central Gift and Hospitality Register.

**Future operating environment**

Customs administrations operate in a dynamic and increasingly complex environment. NZ Customs, like others, must continually refine its Integrity strategies and initiatives to respond to changes in the environment as new challenges emerge.

Constantly measuring effectiveness and identifying areas for improvement reflects a commitment to a sustainable Integrity programme.
8. HUMAN RESOURCE MANAGEMENT

The <WCO Revised Arusha Declaration> states:

The implementation of sound human resource management policies and procedures plays a major role in the fight against corruption in Customs. Human resource management practices, which have proved useful in controlling or eliminating corruption in Customs, include:
- providing sufficient salary, other remuneration and conditions to ensure Customs personnel are able to maintain a decent standard of living;
- recruiting and retaining personnel who have, and are likely to maintain, high standards of integrity;
- ensuring staff selection and promotion procedures are free of bias and favoritism and based on the principle of merit;
- ensuring that decisions on the deployment, rotation and relocation of staff take account of the need to remove opportunities for Customs personnel to hold vulnerable positions for long periods of time;
- providing adequate training and professional development to Customs personnel upon recruitment and throughout their careers to continually promote and reinforce the importance of maintaining high ethical and professional standards; and
- implementing appropriate performance appraisal and management systems which reinforce sound practices and which foster high levels of personal and professional integrity

Members’ practices:

Brunei Darussalam INTEGRITY PROMOTION PROGRAMME\textsuperscript{31}

The Royal Customs and Excise Department Brunei (RCED) is well aware of the threats of corruption that may undermine its mission and vision. With that realization, RCED has made anti-corruption awareness an important component of its human resource development for all its officers and employees. One of the means of achieving this is by promoting a work ethics culture in its service delivery by inculcating noble values such as transparency, honesty and sincerity. With that aim, RCED has been conducting internal lectures and interactive dialogues with its officers and also its

\textsuperscript{31} WCO Compilation of Integrity Practices 2017, P50
business stakeholders on the threats of corruption and the need to instil a high level of integrity as the basis for conducting business.

The RCED also works collaboratively with other government agencies, including the Anti-Corruption Bureau, in raising awareness on the threats of corruption among RCED employees. In a joint effort to curb corruption, RCED has signed a Memorandum of Understanding (MoU) with the Anti-Corruption Bureau. Under the MoU, both departments will work together through a programme designed to improve and enhance capabilities in the fight against corruption and encourage an anti-corruption culture through corruption awareness activities. Both sides have also agreed to share information, expertise, research and other activities aimed at enhancing knowledge.

To complement the efforts described above, and with a view to enhancing its preventive message to the public, Anti-Corruption Bureau badges were distributed to all RCED personnel. This badge carries a message that promotes excellent service towards a nation free of corruption and is worn by all uniformed RCED officers.

RCED also supports the work of the Anti-Corruption Bureau by displaying anti-corruption posters within RCED premises.
Preventive vigilance to reduce corruption in the Indian Customs Administration (HRM Part)\textsuperscript{32}

Comprehensive, strategic and competency-based Human Resource Management (HRM):

comprehensive, strategic and competency-based HRM to promote Integrity in Customs can be achieved through sensitization of officers and educating citizens.  
(i) Interactive sessions are conducted with officers of the field formations on vigilance matters and provisions of the Conduct Rules to sensitize them about the importance of maintaining honesty and Integrity in Customs.  
(ii) National Academy of Customs and Indirect Taxes (NACIN) imparts training on vigilance matters to new officers entering the Service. It also organizes training and workshops on a regular basis for officers already working in the Department, to stress a Model Code of Conduct amongst the officers and promote honesty and Integrity.

Sensitive posts rotation transfer:
(i) As per the Chief Vigilance Commission’s Guidelines, officers are rotated between sensitive and non-sensitive posts on a regular basis.  
(ii) The transfer and posting of Group ‘A’ officers are carried out in terms of the ‘Transfer/Placement Policy’ by the Central Board of Indirect Taxes and Customs (CBIC). Similarly, for Group B, C and D officers the postings are carried out in terms of Ministry of Finance letter No. A-35017/28/92-Ad-IIIB dated 30/06/1994 which sets out the transfer guidelines.

The Chief Commissioners of Customs issue the local transfer policy in terms of the guidelines issued by the Ministry, taking local peculiarities, if any, into consideration. The Chief Commissioners place the officers at the disposal of the Commissionerate and specific posting is carried out by the Commissioners.

In the event of a deviation from the administrative or Commissionerate policy, the Placement Committee/Commissioner has to record the reason for such a deviation in writing in the file, which is then to be approved by the Chief Commissioner of Customs.

\textsuperscript{32} WCO Integrity-newsletter 17, 2020, P17-19
Eligibility Criteria for the post of Assistant Superintendent or Customs

- Every applicant must furnish satisfactory proof to the fact that he/she:
  - (a) Is a citizen of Sri Lanka,
  - (b) is of excellent moral character,
  - (c) Is not less than 22 years and not more than 28 years of age,
- Note: - No person ordained in any religious sect shall be permitted to sit this examination.

Physical requirements

- In the case of males, their height should not be less than 5 feet 5 inches and chest should not be less than 33 inches (when expanded). In the case of females their height should not be less than 5 feet 3 inches.

Educational qualifications

- The candidates must possess the following educational qualifications:-
  - (a) A degree obtained from a recognized University; and
  - (b) At least a credit pass in English language as a subject at the General Certificate of Education (Ordinary Level). Examination (English language as an optional subject is not considered); Or
  - (c) A Simple pass (minimum) in English Language as a subject at the General Certificate of Education (Advanced Level) Examination.

Scheme of Examination

- The Scheme of examination for recruitment is as follows: Marks
  - (01) Aptitude Test (01 Hour) 100
  - (02) English Language (01 1/2 Hours) 100
- Aptitude paper – This paper will consist of 50 multiple choice questions and questions for short answers, to test the language skills, the ability in mathematical and logical reasoning of the candidate. All questions should be answered.
- English Language paper- This paper will test the reading, writing, comprehension and communication skills of the candidates. All questions should be answered.
Evaluation

- Applicants who score 60% or above in each paper will be listed in a priority list based on the aggregate marks. A number of applicants equivalent to the number of vacancies will be called for the structured interview according to merits, starting from the applicant who has obtained the highest aggregate marks. Maximum of 10 marks will be awarded for the sports talents at the structured interview. Subsequently, the successful applicants will be referred to a general interview in which no marks will be awarded and information regarding qualifications of the applicants will be verified at this interview.

Marks Awarding procedure at the structured interview

- Marks for individual sports at the Zonal level: 3 marks for the first place, 2 marks for the second place, and 1 mark for the third place.
- Marks for individual sports at the District level: 4 marks for the first place, 3 marks for the second place, and 2 marks for the third place.
- Marks for individual sports at the National level: 5 marks for the first place, 4 marks for the second place and 3 marks for the third place.
- Marks for a member of a team game at the Zonal level: 3 marks for the first place, 2 marks for the second place, and 1 mark for the third place.
- Marks for member of a team game at the District level: 4 marks for the first place, 3 marks for the second place, and 2 marks for the third place.
- Marks for a member of a team game at the National level: 5 marks for the first place 4 marks for the second place and 3 marks for the third place.

Basis of selection

- Applicants who are successful at the written examination and the interview will be selected for conferment of appointments, subject to the number of vacancies approved by the Ministry of Finance. Not more than 10% of the number of vacancies of the combined cadre will be reserved for female candidates.

Transfer policy

- Generally every two years but, officers attached to ICT directorate are an exception.
Very often when discussing the reasons for corruption reference is made to Customs officers’ insufficient remuneration and in times of financial crisis this argument can become even more relevant.

In the light of the foregoing, in 2004, the Thai government introduced a system called “Customs Formality Processing Fee”. The Customs Formality Processing Fee is a fee business operators are required to pay for Customs services related to Customs formality processing and cargo clearance and for data key in for both import and export declarations. Even though there are certain conditions for exemption or refund, in general all importers and exporters are required to pay a Customs Formality Processing fee to Customs. The actual amounts of the fee are set at 200 baht (about 4 EUR) per declaration for Customs formality processing and 70 baht (about 1.42 EUR) per declaration for data key in.

A special regulation stipulates the rules for distribution of the revenue generated from the fee among the eligible staff. The largest proportion (85%) goes to eligible Customs officers. The exact proportion distributed to different categories of Customs staff government officers, government employed staff, permanent employed staff, temporary employed staff and other staff of Customs, is defined using strict schemes taking into consideration the monthly salaries as compared to a mid-standard level of government officer or the educational levels of the eligible officers, depending on which amount is higher.

Furthermore, 10% of the Customs Formality Processing Fee of each month is accumulated and distributed twice a year as monetary reward to a person eligible to receive such a fee, committees, working groups or other offices under the Thai Customs that demonstrate outstanding performance.

A positive example of investing into the future is the fact that 5% of the Customs Formality Processing Fee is always reserved for the procurement of equipment used for processing Customs formalities and cargo clearance.

Is there any evidence or study that the fee lowers corruption in Customs? Two surveys conducted by Academia in recent years indicated that corruption and misconduct in Royal Thai Customs lowered since the introduction of the Customs Formality Processing Fee scheme.

The first one was conducted in April 2007 and revealed that under table money lowered
by 50.4%. At that time the level of client satisfaction with Customs services was generally estimated at “quite satisfied”.

The second survey was conducted 14 months later and revealed that the situation improved even more as corruption and misconduct levels lowered significantly.

The clients were very satisfied with the performance of Customs officers, transparency in Customs improved and complaints on corruption and misconduct were reduced.

The Thai Customs experience has gained international recognition in the World Bank indices. The World Bank ranked Thailand as 13th in the “2009 Doing Business” rankings while the country occupied the 19th place before. Thailand proves to be not only the 13th most favourable country for business and investment out of the 181 countries around the world included in the survey, but also the 4th most favourable amongst Asian countries. With regard to the index most relevant to Customs—“trade across border”, in 2009 Thailand occupied the 10th position in the world while a year ago they ranked 51st.
9. MORALE AND ORGANIZATIONAL CULTURE

The <WCO Revised Arusha Declaration> states:

Corruption is most likely to occur in organizations where morale or ‘esprit de corps’ is low and where Customs personnel do not have pride in the reputation of their administration. Customs employees are more likely to act with integrity when morale is high, where human resource management practices are fair and where there are reasonable opportunities for career development and progression. Employees at all levels should be actively involved in the anticorruption programme and should be encouraged to accept an appropriate level of responsibility for the integrity of the administration.

Members’ practices:

INTEGRITY AND A HEALTHY LIFESTYLE -HONG KONG, CHINA CUSTOMS

To law enforcement officers, the very basis of healthy living is integrity which has long been recognized as one of the core values of Hong Kong, China Customs in delivering its services and achieving enforcement goals. In today’s world, we also face immense pressure and challenges for change as the community expects better services. In this process, Customs staff members inevitably encounter some degree of stress at work. It is widely recognized that promoting healthy living and a healthy lifestyle not only improves work performance, but also improves staff members’ health so that they are better able to cope with the stress arising from the ever-changing work environment and thus provide quality services.

Promoting the importance of integrity and a healthy lifestyle
Over the years, Hong Kong, China Customs has launched a series of publicity and educational campaigns on staff integrity and a healthy lifestyle. An Integrity Steering Committee headed by the Deputy Commissioner has been set up to formulate and review its long-term strategy on staff integrity. Under the Integrity Steering Committee, a Working Group on Promotion of Healthy Lifestyle and Staff Integrity has been established to promote the awareness of all staff members on the importance of a healthy lifestyle and staff integrity. The working group also co-ordinates resources in

WCO Compilation of Integrity Practices 2017, P66-67
support of a healthy lifestyle and integrity promotion activities.

**Communication**

Hong Kong, China Customs publishes a quarterly newsletter, “The Pine”, to instil the concept of a healthy lifestyle in staff by widely covering stories on the following areas:

- Experience sharing on proper work-life balance;
- Participation in volunteer work and community services;
- Various events/activities organized by clubs and teams;
- Balanced diet and physical training tips;
- Positive work-life attitude; and
- Care and love to colleagues, family members and society

To heighten staff awareness of the importance of upholding integrity, “The Pine” has devoted a column to publishing articles and sketches on the content of the “Code on Conduct and Discipline”. It also includes articles on proper handling of conflict of interest situations. Real-life examples are used to illustrate the concept of conflict of interest so as to foster staff’s awareness of this issue.

Being a departmental periodical, “The Pine” also provides a forum for staff to share their experience with colleagues on their interests and hobbies, and promotes a caring culture in the Department through reporting of periodic welfare visits.

Personal financial problems of individual staff members can compromise the integrity of the staff as well as the culture of integrity in the organization. Efforts to raise staff’s awareness of prudent financial management are therefore ongoing. From time to time, “The Pine” publishes articles from different organizations and interviews professionals to share their views on prudent financial management.

**Departmental Sports and Recreation Club**

Promotion of physical health can increase the efficiency and productivity of staff. Sports may not only help staff improve their physical fitness, but also relieve the stress from their work pressure and build up their resilience. The Departmental Sports and Recreation Club was formed to promote diversified sports and recreational activities among staff. Currently, there are 21 clubs and interest groups affiliated to the Departmental Sports and Recreation Club. In 2011, over 200 sports and recreational events including charitable activities, training classes, performances and inter-command competitions were organized for staff and their families.

**Promoting a caring culture among our colleagues**

Excessive and continuous stress at work will lower productivity. It also poses a threat to the mental and physical health of staff. Realizing that some staff, despite suffering from emotional problems, have been too self-conscious to seek assistance from others, Hong Kong, China Customs has launched a Caring Colleague Culture Campaign aiming at building and nurturing a culture that generates a heightened sense of
solidarity and comradeship among colleagues. It is hoped that through mutual care in daily work life, some kind of assistance and support can be rendered to those reserved and out of sight staff.

On the education front, Hong Kong, China Customs works hand-in-hand with professional institutions with a view to arousing staff’s awareness of mental health issues. Seven series of Mental Health Courses were organized in 2011. They help participants understand sources of stress and their impact, introduce stress management skills as well as encourage participants to cultivate a positive attitude towards life.

To give closer attention to staff welfare needs and to promote a caring culture among our colleagues, Hong Kong, China Customs has appointed 82 officers as Health and Welfare Managers in various offices. To facilitate them performing their job effectively, these officers are provided with job-related training in areas such as mental health, first aid, dealing with pathological gamblers, and counselling skills. In addition to conducting periodic welfare visits, they act as contact points for officers seeking assistance in matters related to welfare, health and work.

Apart from in-house assistance, Hong Kong, China Customs also commissions professional organizations to provide counselling services for individual officers and their family members, including a 24-hour telephone hotline for instant counselling and face-to-face counselling by professional social workers.

Way forward
Through these integrity-raising and healthy lifestyle-promoting initiatives, Hong Kong, China Customs has built up a healthy Customs work force that helps secure the confidence of the Hong Kong, China community as well as international law enforcement agencies.

However, sustained endeavours are required to entrench a clean and honest culture. As such, Hong Kong, China Customs will continue its education and publicity to fortify the core values of integrity and a healthy lifestyle. Despite the challenges ahead, with the presence of an appropriate system and enthusiastic support of staff, we trust that these efforts will pay off.
Japan Customs has been recognized as one of the institutions with the highest levels of integrity in the country throughout its 140 year history. Japan Customs nevertheless continues to make efforts to maintain and guarantee integrity through a series of initiatives. Amongst those initiatives, Japan Customs has developed a comprehensive training system, conducted at the Customs Training Institute (CTI), which is regarded as one of the essential elements in its integrity development programme. All Japan Customs staff begin their professional life with an induction course at the CTI, delivered in April each year. Trainees benefit from lectures on Customs subjects as well as numerous activities such as sports, the traditional martial arts of Judo/Kendo and social events.

In addition to the induction course, the CTI also provides more advanced courses, namely an intermediate course (officer level), an advanced course (unit chief level) and a professional course (assistant supervisor level) in response to the needs of staff at each stage of the career ladder. These training courses include integrity-related programmes. Accordingly, trainees learn about subjects related to the National Public Service Act, service disciplines and public service ethics in a more intensive and practical manner. These subjects are aimed at ensuring integrity and ethics.

The most striking feature of the Japan Customs Integrity Development Programme is a Mentor System that is part of the induction course. Every year, some senior officers (section chief class with 10 to 15 years’ experience) from regional Customs are appointed as mentors. They are assigned to spend 3 to 6 months with the new recruits at the CTI and the Customs dormitory. The mentors are expected to lead new recruits to their goals by demonstrating professionalism in an “elder sister” or “elder brother” capacity throughout the training course.

This system was introduced for the purpose of looking after new officials. The main tasks of mentors are:
• To give guidance to trainees about life in the Customs dormitory and the training course;
• To check on the health and mental condition of trainees;
• To become a liaison between trainees and the CTI or regional Customs; and
• To plan and implement various activities.

The mentor system has contributed to fostering a sense of belonging to the organization and to promoting integrity. At the end of the new recruit course, life-long relationships between the trainees and the mentors may be developed based on mutual trust, which fosters a traditional atmosphere of a “Customs family”.

36 WCO Compilation of Integrity Practices 2017, P67-68
In an effort to alleviate the financial problems faced by Customs personnel, the Sarawak** Customs Cooperative Limited (SCCL) has created several loan schemes for the benefit of its members. There are general loans, furniture loans, multi-media loans and education loans. Education loans granted to members by the SCCL were initiated by the Cooperative Society to reduce the financial burden on its members at the start of the new school year.

Education in Malaysia is practically free of charge (primary to secondary level), but school uniforms and stationery still need to be bought. This loan is repayable within 12 months and is interest free. Loans granted by the SCCL are meant to discourage members from obtaining loans from illegal money lenders. Except for education loans, which are interest-free, loans granted by the SCCL have a very low interest rate (4% per annum). Repayment periods range from 12 to 60 months. Loan amounts are between RM 1,000 to RM 10,000. (100 RM = 24.30 euro).

The SCCL hopes that, as pointed out during the Regional Integrity Awareness Workshop (ASEAN Region) held in Brunei, addressing the financial woes faced by Customs personnel will help to instil integrity within the Customs fraternity.

** Sarawak is a state within the Federation of Malaysia and Sarawak Customs is an entity within the Royal

---

37 WCO Compilation of Integrity Practices 2017, P68
Thai Customs DONATION OF SCHOOL EQUIPMENT AND SCHOLARSHIPS

On 28 August 2011, Thai Customs and business partners donated sport equipment and stationery. In addition, a total of 206 scholarships were also awarded to three schools in Phetchaburi Province in Thailand. The students performed some traditional dances during the event. This initiative not only assists in school activities, but also strengthens the relationship between local schools and the Customs-business partnership.

Thai Customs also provides assistance to orphans. For example, in August 2011, an orphanage in the Chiangmai province in the northern part of Thailand giving a home to 150 boys received a donation and scholarships. Thai Customs officers also provided the boys with a wonderful dinner.
10. RELATIONSHIP WITH THE PRIVATE SECTOR

The <WCO Revised Arusha Declaration> states:

Customs administrations should foster an open, transparent and productive relationship with the private sector. Client groups should be encouraged to accept an appropriate level of responsibility and accountability for the problem and the identification and implementation of practical solutions. The establishment of Memoranda of Understanding between Customs and industry bodies can be useful in this regard. Likewise, the development of codes of conduct for the private sector, which clearly set out standards of professional behaviour, can be useful. Penalties associated with engaging in corrupt behaviour must be sufficient to deter client groups from paying bribes or facilitation fees to obtain preferential treatment.

Members’ practices:

Thai Customs builds good relationship with the private sector

Permission for outsiders or stakeholders to comment on and monitor the operation of the Customs Department

This permission has been granted through two major projects. The first project is the Customs Alliance which will help create a network of private sector participation to prevent corruption. It will also strengthen corporate governance for Customs officers in order to discourage corruption and misconduct. The other project is Cooperation between the Customs Department and the Private Sector which will provide opportunities for those involved in imports and exports to play a role or participate in the exchange of ideas and suggestions for developing imports and exports. These opportunities include coordinating and resolving import/export issues together.

Supervision and examination by external experts

The Customs Department intends to instil public confidence in the fact that Customs officials will be effective, transparent and fair when performing their duties. Accordingly,

39 The author selected these parts from the Article of A Virtuous Customs Organization: Transparent and Free From Corruption, WCO Integrity-newsletter 14, 2018, P14-17
it has invited qualified and honest external experts to control, supervise and inspect the performance of the Customs Department. One of the experts is Mr. Wichai Mahakun, who in 2016 was awarded a Renaissance Needle medallion in the field of Law by His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun. He is the Chairman of the Customs Department’s Ethics Committee.

**Corporate governance**

This project is a Customs measure against Customs brokers or agents who commit corruption or act fraudulently. The measures will help to elevate the Customs broker profession to acceptable standards. It will also create transparency in the operations of the Customs Department and enhance the effectiveness of measures to combat corruption and misconduct in the public sector.
Reference Materials

[1] WCO Revised Arusha Declaration June 2003


[5] WCO Compilation of Integrity Practices on internal control and relationship with external controls, June 2019

http://www.wcoomd.org/en/topics/integrity/resources/newsletter.aspx

[7] WCO Integrity Sub-Committee (ISC) 2018, 2019, 2020, EXECUTIVE SUMMARY and DRAFT REPORT
