

# WCO Revenue Package Phase II

“  
...the pathway towards fair and  
efficient revenue collection  
”

## *OVERVIEW of* Tools And Instruments In The Revenue Package

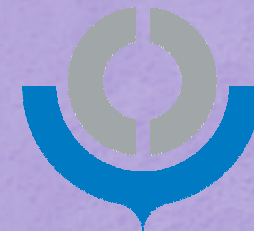


**TAUFIK ISMAIL**

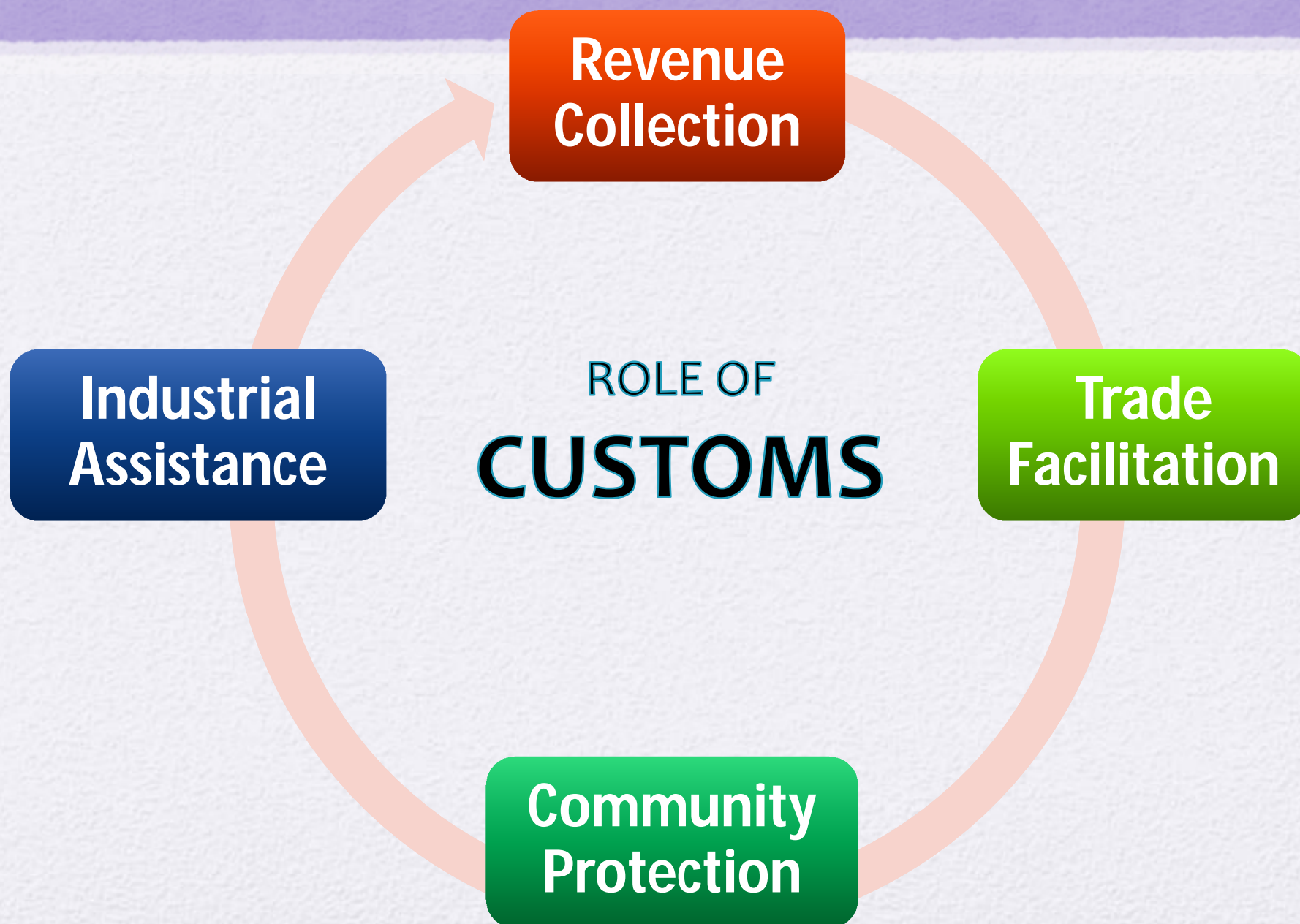
WCO Expert on Harmonized System

WCO Advisor on Revenue Package

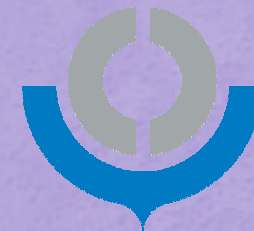
Head of Classification Section IV Indonesia Customs



# Role of Customs



# Three pillars of duty liability



Classification



Valuation

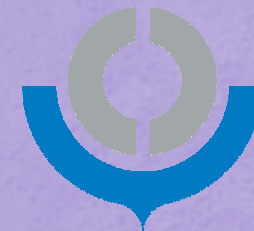


Origin

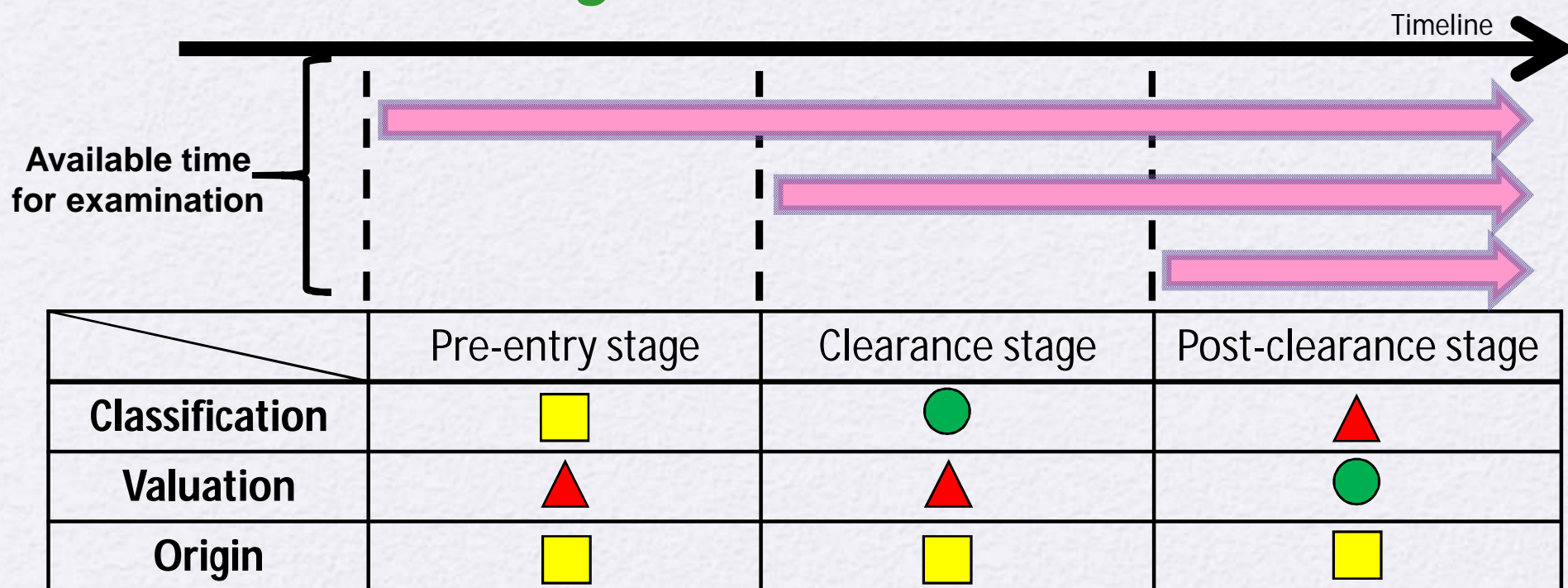




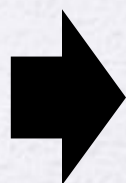
# Customs Examination



## *Effective stage for Customs examination*

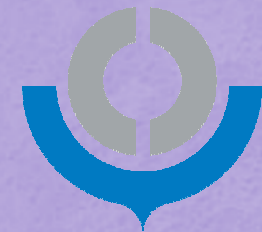


● : Most effective    ■ : Effective, depending on conditions    ▲ : Difficult to examine



*Customs administrations can choose the stage to be focused on, taking into account the nature of the area (e.g., classification, valuation, origin) and their own infrastructure (physical and non-physical).*



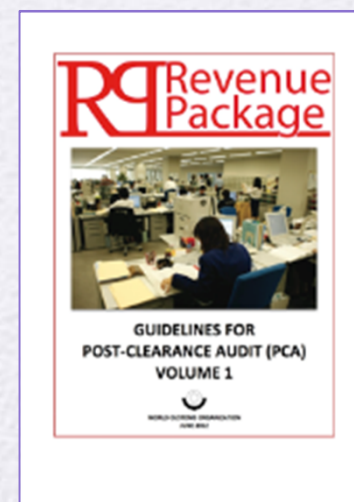


# Background

- Established in 2009 as response to Members' concerns regarding falling revenue returns in the context of the global financial crisis and declining duty rates
- *Challenge* : to strengthen Customs' capacity to collect duties legally due
- Phase I Action Plan conducted between 2009 and 2012

# Phase I

- Series of new materials launched in 2012 covering:
  - ✓ Valuation controls
  - ✓ Origin verification
  - ✓ Tariff Infrastructure
  - ✓ Post Clearance Audit







## *Part 1 – Implementation of tools developed in Phase I*

- **Conducting workshop, diagnostic mission and other capacity building in the area of :**
  - Valuation
  - Classification
  - Origin
- **Dissemination of Revenue Package Materials to WCO members**



## Part 1 – Implementation of tools developed in Phase I

- **Review and expand accredited expert network as necessary**
  - *CBD conducting full review of network*
- **Prepare accredited experts to deliver Revenue Package training**
  - *Two workshops conducted (Asia Pacific and WCA/ESA Regions)*





## Part 2 - Further initiatives

New diagnostic tools for :

a. **Control of classification, valuation and origin**  
- Supported by **Guidelines on infrastructure**

b. **Establishing a PCA infrastructure**

- Based on WCO Diagnostic Framework
- Provide a route map and self-assessment mechanism
- Help assess current level and identify weaknesses to strengthen infrastructures



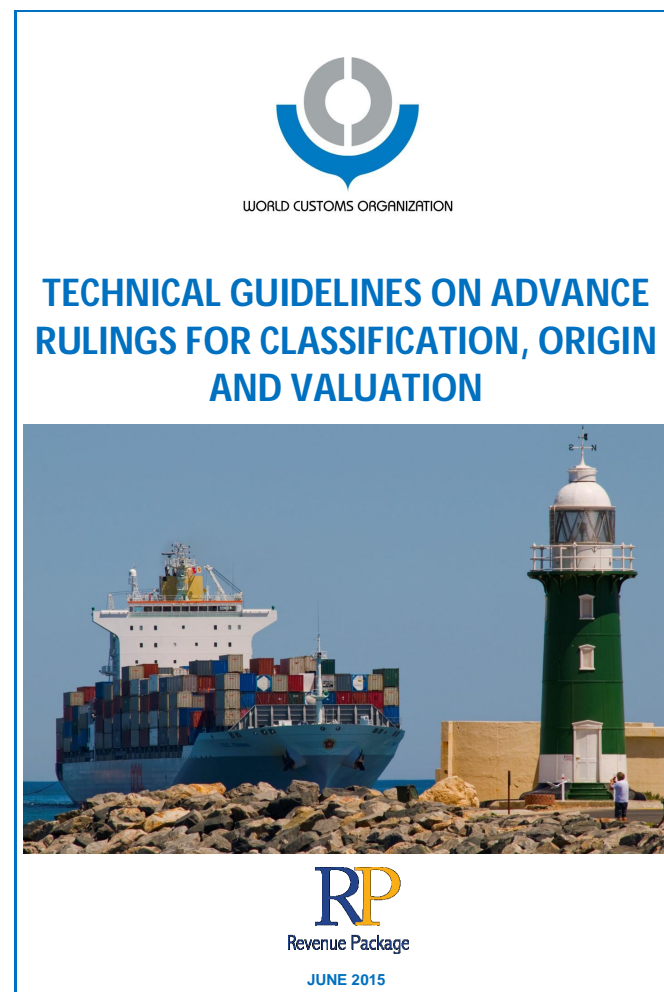




## Part 2 - Further initiatives

### Technical Guidelines on Advance Rulings For Classification, Origin and Valuation

- Consolidates current WCO texts
- Aligns to Article 3 of WTO Trade Facilitation Agreement







## Part 2 - Further initiatives

### Origin tools :

- Origin Irregularity Typology Study
- Guide to Counter Origin Irregularities, including case studies
  - Australia
  - Japan
  - Kenya
  - Korea
  - Mexico
- Comparative Study on Certification of Origin
- Guidelines on Certification of Origin

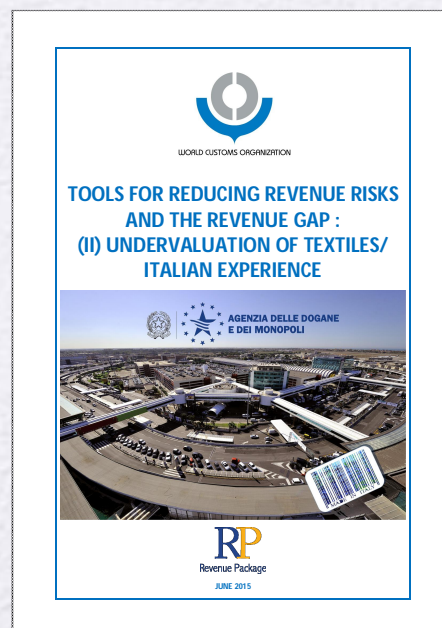
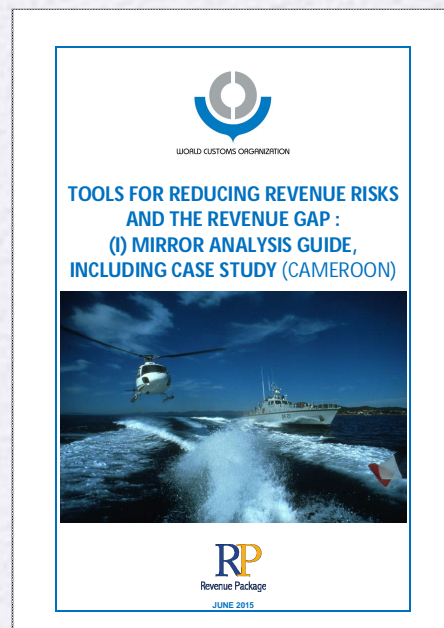




## Part 2 - Further initiatives

### Tools for reducing revenue risks and the revenue gap :

- Mirror analysis guide, including case studies (Cameroon), Ecuador in preparation
- Undervaluation of textiles/ Italian experience



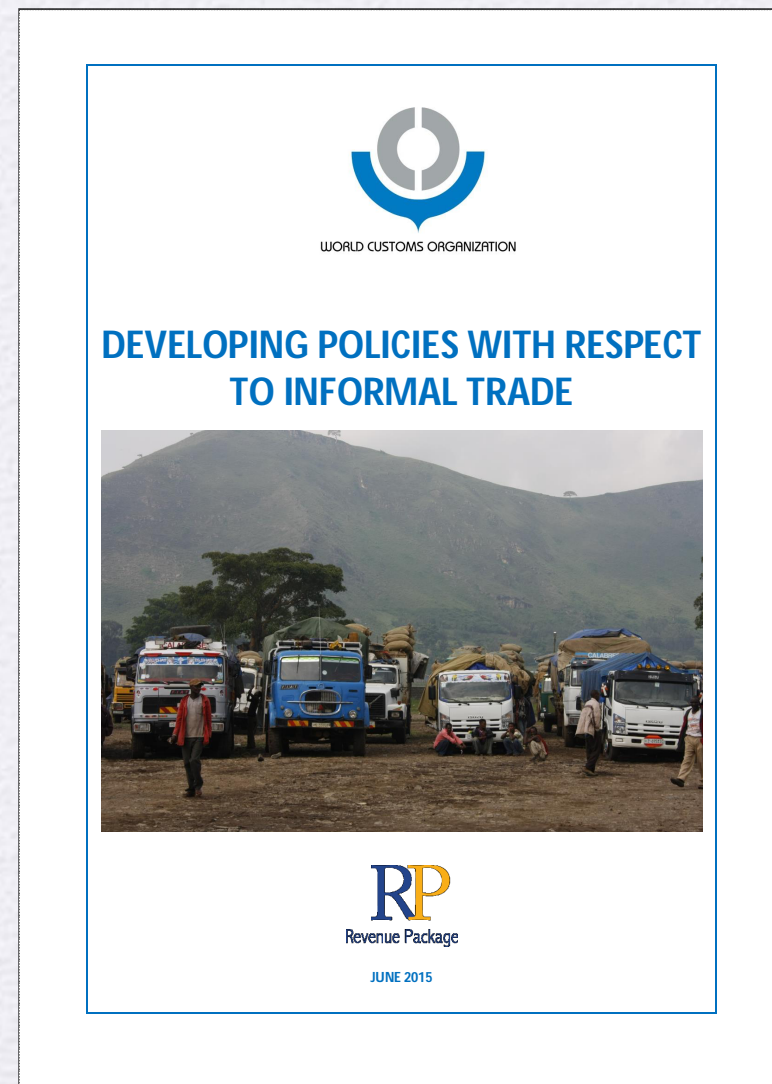




## Part 2 - Further initiatives

### Developing policies with respect to informal trade:

- Good practices guide
- *Case studies*
  - Mexico
  - Uganda



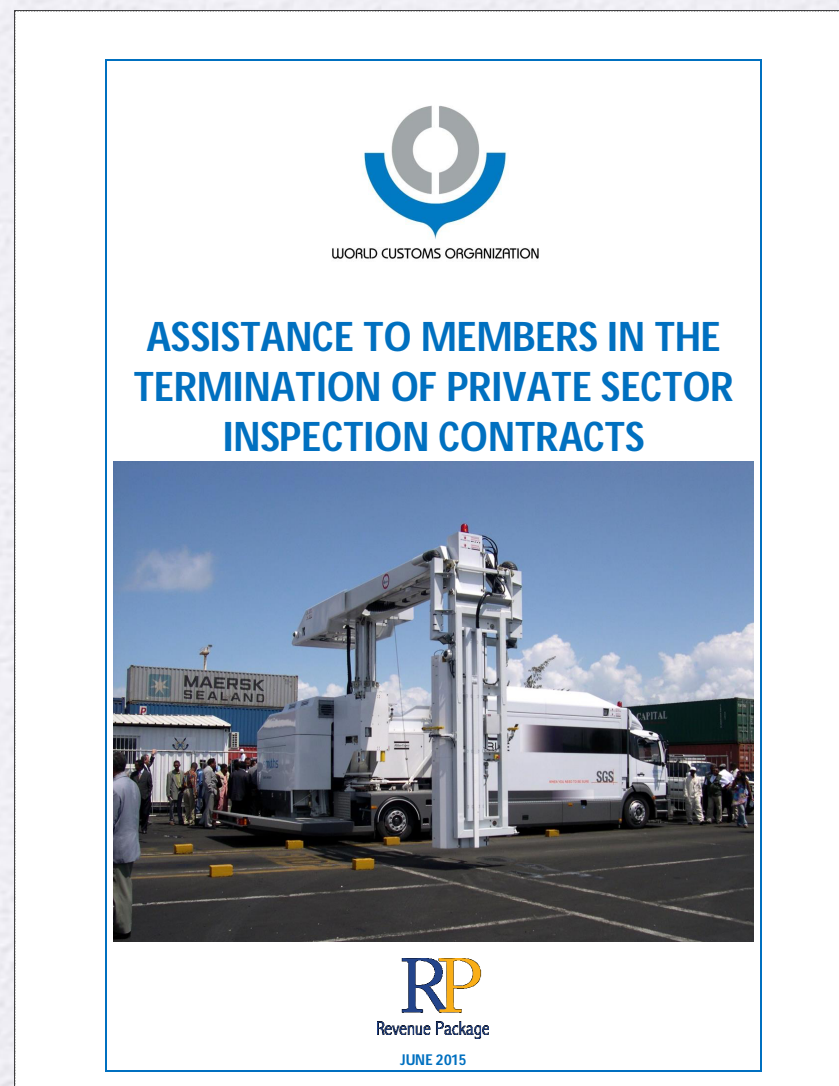




## Part 2 - Further initiatives

### Assistance to Members in the termination of private sector inspection contracts:

- Good practices guide
- *Case studies:*
  - Ecuador
  - Kenya
  - Nigeria

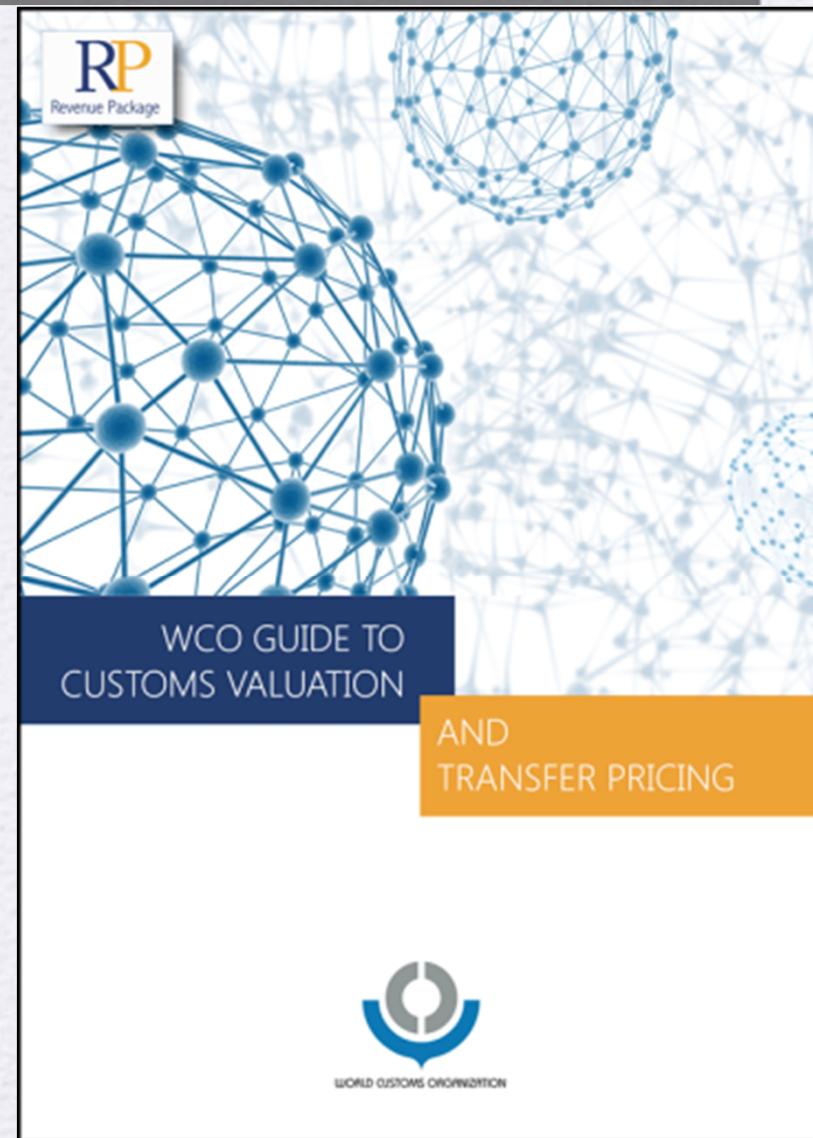




## Part 2 - Further initiatives

### **Customs Valuation and Transfer Pricing :**

- WCO Guide to Customs Valuation and Transfer Pricing
- Updated e-learning module
- Technical discussions continuing in TCCV



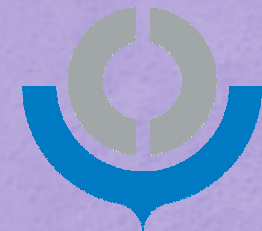


# Phase III

## ***Part 1 – Assisting Members in effective use of Revenue Package tools developed under Phase I and II***

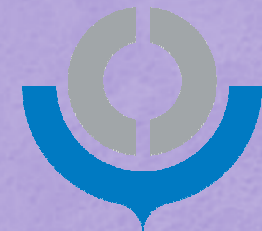
- All opportunities will be used to promote the Revenue Package tools and make them available to Members
- On request, and subject to available resources and donor funding, the Secretariat will work with Members in the application of these tools via diagnostic missions, technical assistance and capacity building programmes
- Further case studies will be solicited from Members to supplement tools developed under Phase I and II





## *Part 2 – New materials and initiatives*

- **Customs – tax cooperation**
  - Identify good national practices for Customs – tax cooperation. Take into account results of Member questionnaire
  - Identify good national practices for exchange of information, for example, on transfer pricing-related matters
  - Produce guidelines for strengthening cooperation and exchange of information between Customs and Tax administrations at the national level

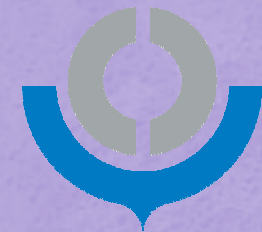


- **Origin**

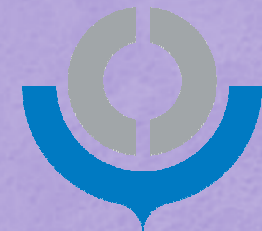
- **Identify good national practices for the implementation of origin provisions, including the implementation of certification schemes (focusing on the transition from traditional paper certificates to different models of self-certification)**
- **Develop guidance material showing how to update preferential rules of origin to the latest version of the HS, in order to assist Members avoid misapplication of preferential rules of origin (complete)**
- **Development of e-learning module**



# Phase III

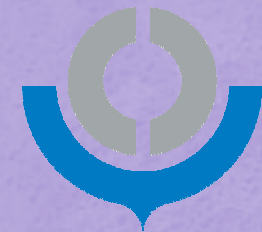


- **PCA**
  - **Develop new tool that identifies good national practices for PCA legislation, organisation and operation (Implementation Guidance on PCA)**
  - **Identify good audit techniques for field auditors**



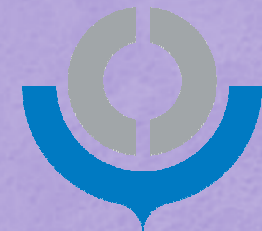
- **Re-establishing Customs in the Post-Conflict Environment**
  - Identifying challenges through case studies (with a focus on revenue collection)
  - Study the role of Customs in the border management of post-conflict zones
  - Study the role of Customs in tackling informal governance in border cities





- **Customs Laboratories**
  - **Promote regional approach using the regional WCO network, including Regional Customs Laboratories**

# Thank You



*visit us*  
**<http://www.wcoomd.org/>**

**Taufik Ismail**

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