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Background & Usefulness to PCA



The Key Objectives of PCA

- ✓ To assure that Customs declarations have been completed in compliance with Customs requirements;
- ✓ To verify that the amount of revenue legally due has been identified and paid;
- ✓ To facilitate international trade movements of the compliant trade sector;
- ✓ To ensure goods liable to specific import/export controls are properly declared
- ✓ To ensure conditions relating to specific approvals and authorizations are being observed.



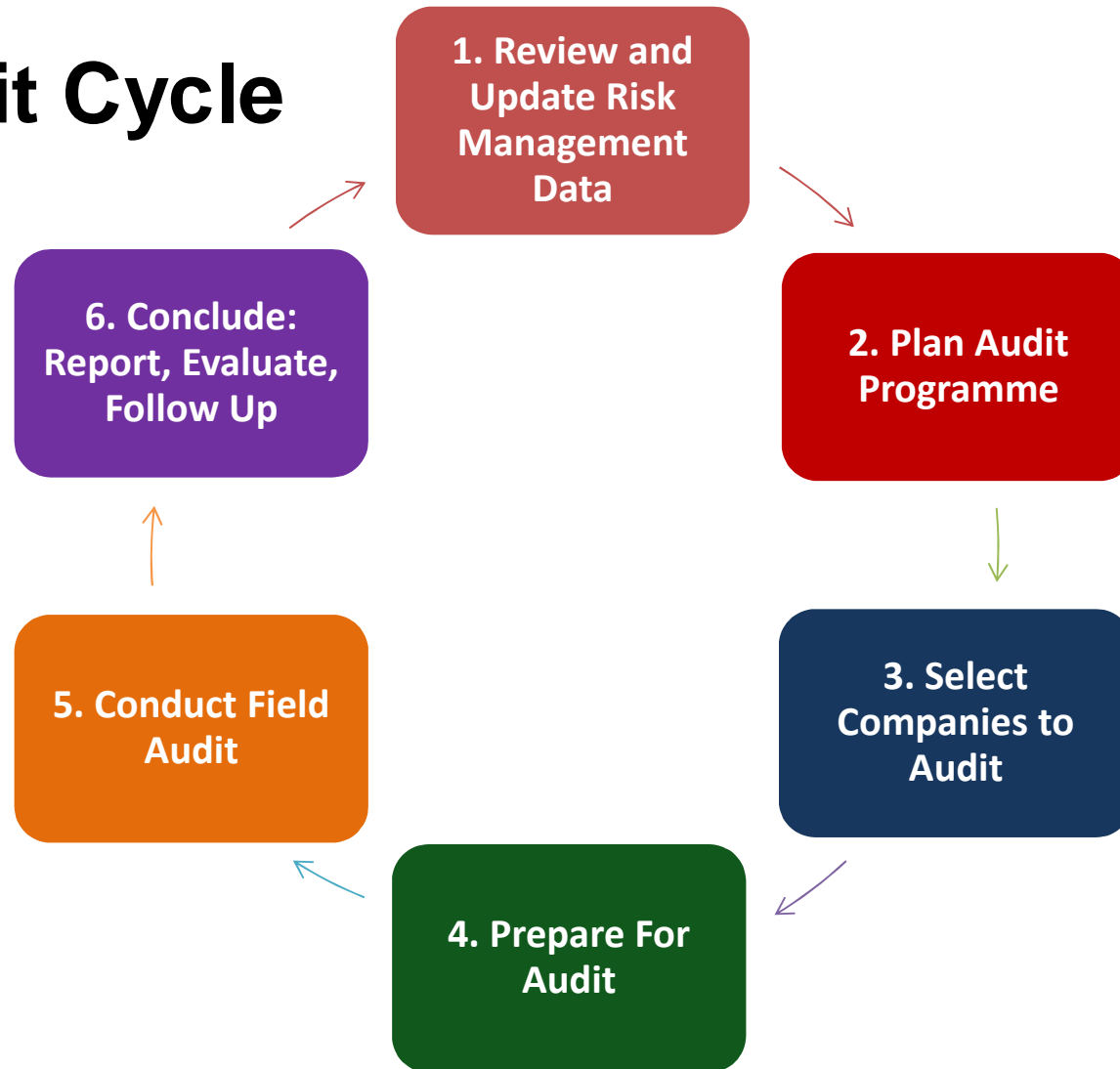
Benefits Derived From PCA

- ✓ Compliant trade is facilitated at the point of Customs clearance as border controls can be reduced;
- ✓ Enables Customs to gain better information on and understanding of clients' business;
- ✓ Risk levels can be more easily assessed and reviewed;
- ✓ Facilitates client education, long-term and comprehensive compliance management focus;
- ✓ Customs administrations' resources are more effectively deployed;
- ✓ Customs can promote the concept of voluntary compliance and self-assessment;
- ✓ Suspected fraudulent activities may be identified and referred to enforcement unit for appropriate action;
- ✓ Provides a platform for evaluating continued entitlement to Authorized Economic Operator status, where applicable.



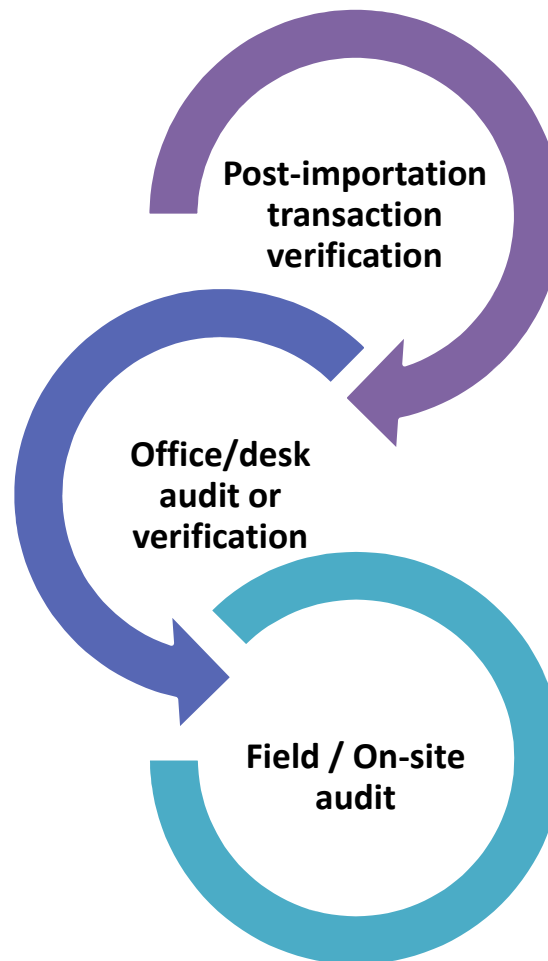
Overview of the PCA Process

The Audit Cycle





Types of audit/verifications





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STRATEGIC PLANNING AND RISK MANAGEMENT



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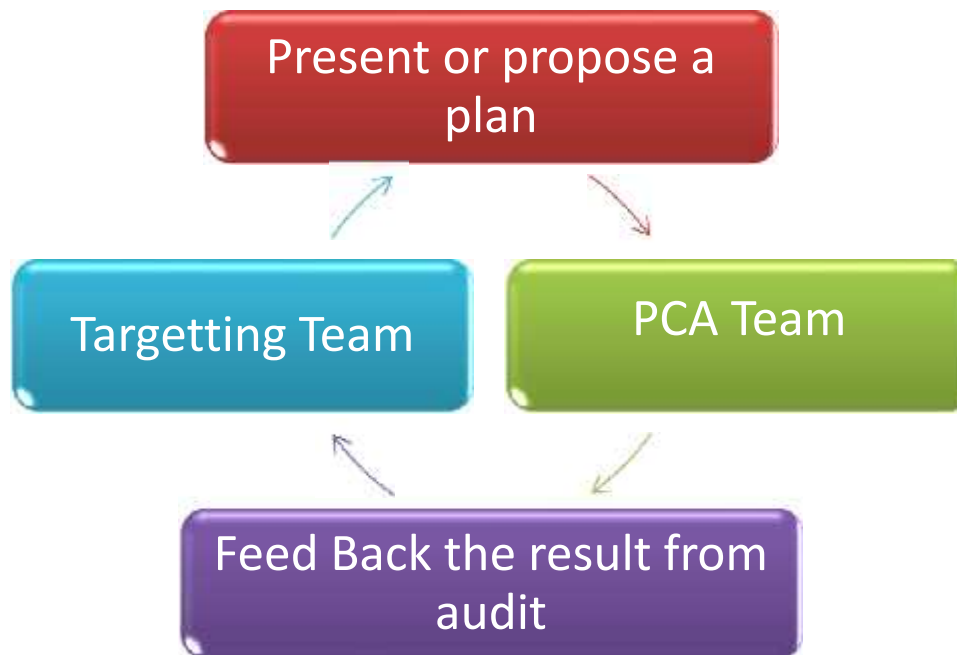
STRATEGIC PLANNING FOR PCA

- General
- Targeting
- Improve Compliance
- Resource Management





Targeting: Selection for Audit



- It is important that the results from an audit are fed back to the risk analysis/targeting team so that the risk rating of the business in question can be adjusted accordingly.
- This information will also help to determine the need for follow-up/repeat audits.
- Special exercises may be conducted in particular areas (e.g. trade sectors or countries of origin) for a limited period where high levels of irregularities are anticipated to improve compliance.



Audit Skills

General	Specialist
accounting techniques and principles, based on Generally Accepted Accounting Principles (GAAP);	Customs Valuation, Rules of Origin, Tariff Classification
knowledge of auditing standards and procedures	I.T.-based accounting
familiarity with Customs laws and regulations	multinational corporation accounting, including transfer pricing
general knowledge of Customs procedures (valuation, classification, origin, etc.);	specialist trade sector knowledge
knowledge of computer-based accounting systems	
and a commercial awareness and knowledge of business strategies in international trade.	



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Risk Management

- Definition • Risk Management Process •



Definition

- The WCO Risk Management Compendium defines risk management as “coordinated activities undertaken by administrations to direct and control risk.”
- it enables Customs to carry out its key responsibilities effectively and organize and deploy its resources in a manner which improves overall performance and facilitates trade
- A risk-based approach is often driven by necessity, as Customs administrations are often required to deliver better results with the same or fewer resources



Risk Management Process

