



WORLD CUSTOMS ORGANIZATION  
ORGANISATION MONDIALE DES DOUANES

# Compendium of **Integrity** **Best** **Practices**

***2007 Edition***

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# I. Executive Summary

## Background in Brief

Integrity is the foundation on which our Customs administrations must be built upon, for without it we do not have the trust or confidence of the public. In June 2003, delegates attending the Customs Session of the third *Global Forum on Fighting Corruption and Safeguarding Integrity*, held in Korea, agreed that they had the responsibility to safeguard integrity in the Customs administrations of their respective countries, recognizing the importance of international cooperation to share their best practices and address common problems. Four years later, as delegates convene once again, in South Africa for the fifth *Global Forum on Fighting Corruption and Safeguarding Integrity*, much progress has been realized and yet many challenges still exist.

In response to the recommendation at the GF III, in November 2003 and August 2004, the Secretary General surveyed Customs Administrations to seek their contribution to the project to create a Compendium of Integrity Best Practices. In March 2005, the compilation of the compendium was completed. It was shared by the Customs community with the idea that the compendium must be updated. During 2006 and early 2007 information submitted by various administrations was collated and best practices identified. The compilation of the second compendium of best practices has now been completed and follows this executive summary.

## Compendium of Integrity Best Practice

Best practice benchmarking – the identification and measurement of the most successful operational standards or strategies available in the Customs community is one of the most effective tools for aiding implementation and increasing an organization's efficiency and productivity.

The overall purpose of the project is to share the experience in developing integrity within Customs with other Members who may wish to follow the best examples. A compilation of a Compendium of Integrity Best Practices could be of immense value to all Members; especially to such Members that may be initiating efforts in integrity development. This follow up to the first compendium should be used in conjunction with the first publication to gain the most value.

The contents of this Compendium are based on Members' replies to the survey. It contains concise but concrete and detailed information so that Members can use it as a Best Practice. All original Members' replies are available on the WCO Members' Web site, which may also provide information not available in this book.

It is important to note that as more administrations implement a "best practice," this practice eventually becomes an established practice, and subsequently is no longer out of the ordinary. For instance, many Customs administrations presently have a code of conduct: therefore, this practice is now considered an established and expected practice. For this reason, the WCO suggests that Members seeking further insight take the opportunity to identify administrations that are similar in size or are located in the same region, and review their submissions that are posted on the WCO Members' website.

## II. Best Practices by Topics

### ***1. Leadership and Commitment***

- Revised Arusha Declaration -

*“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.”<sup>1</sup>*

#### 1.1 High Level Commitment

##### 1.1.1 Netherlands

“Integrity on the political agenda

In 1992, the integrity of government officials was given a prominent place on the political agenda. The then Minister of Home Affairs, Ms. Ien Dales, saw that risks were increasing, and proved herself to be a stirring proponent of safeguarding the quality of government action as well as the trust of citizens in their government. This trust is largely based on an assessment of whether government officials are honest as individuals. “The government is either honest, or it is not,” said Ms. Dales in June 1992. “There is no such thing as sort of honest. And the administration stands or falls with the integrity of the government; if the integrity of the government is questioned, it means that the government is losing the trust of its citizens. And without the trust of its citizens, democracy cannot exist. It is the end of democracy. It is an oppressive thought.”

This realization meant that, in the final years of the previous century, attention came to be focused on integrity issues and the Dutch government. For instance, a cabinet paper entitled *Integrity of Public Administration* was published, summing up the state of affairs at each department: which officials held other jobs or positions, how to deal with gifts of goods and services, what action to take in the event of dishonesty or suspected dishonesty. Job rotation was introduced for high-risk positions, and integrity counselors were recruited.”

##### 1.1.2 Philippines

“The Philippines Bureau of Customs is one of the 10 agencies included in the Corruption Prevention Reform Programme (CPRP). This is a collaboration partnership of government and non-government organizations

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<sup>1</sup> Text in italics is provided in the Revised Arusha Declaration.

task to monitor corruption prevention reform measures being undertaken by these 10 agencies.”

#### 1.1.3 Poland

“Accomplished: Agreement between the Minister of Finance and the Head of the Agency of Internal Security (dated 11.04.2003) on the co-operation and organisation of joint actions concerning counteracting and fighting the offences connected with foreign trade and national security. The agreement takes into account corruption fighting in the Customs and close co-operation with the Central Investigation Bureau of the General Police Headquarters.

Formal agreement gives better cooperation between State agencies aimed at this issue.

Appointment of the Plenipotentiary of the Director General of the Customs on the establishment of the Anticorruption Internal Service.

Every case of violation of the code of ethics should always be met with a reaction from the standpoint of the superiors, and ongoing analysis of the reasons for violation and the conclusions from those results, should serve to prevent the introduction of similar situations in the future.”

#### 1.1.4 Turkey

“The Undersecretary, supported by the political will, committed in its attitudes and actions to fulfil the requirements of building a fully capable customs service and to stick to the Arusha Declaration. This commitment is renewed in “Integrity and Customs” Panel (WCO European Region) on the occasion of the 50th anniversary of WCO on 5-6 February 2002. Provision of a sound integrity in customs is declared as one of five main strategic targets.

It is felt a changing image of the Customs to positive with a view to its changing role, policies, methods and actions.

However, embedding integrity as an element of institutional culture requires continuing support of governments and matured capacity calling for sustaining financial allocations.

Istanbul Declaration of customs administrations of 11 Economic Cooperation Organisation countries was announced in a top level meeting in September 2001 by which they stated their faithfulness to basic integrity principles.”

#### 1.1.5 Japan

1. Under the strong leadership of government at the highest levels, Japan established the National Public Service Law and National Public Service Ethics Law for all public servants including Customs Officers.
2. Also, Japan Customs made the Integrity Action Plan in 2000 and has steadily implemented it by the firm commitment of Executive Management at the highest level.

3. At Directors-General and Directors meetings, executives' attention is regularly drawn to the matter of integrity."

## 1.2 Strong Leadership by example

### 1.2.1 Hong Kong, China

"Hong Kong Customs:

- (a) has stated clearly "Accountability and Integrity" in its values statement;
- (b) has set up an Integrity Steering Committee (ISC) with the following Working Groups to help formulate and review its departmental integrity strategies and action plan:
- Working Group on International Best Practices of Integrity;
  - Working Group on Promotion of Healthy Life Style and Staff Integrity; and
  - Working Group on Code on Conduct and Discipline.
- (c) has formulated an Integrity Action Plan (IAP) and has kept it under constant review, enabling it to meet with changing circumstances;
- (d) has been working closely with the Civil Service Bureau (CSB) and the Independent Commission Against Corruption (ICAC), which is an independent anti-corruption organization directly responsible to the Chief Executive of the Hong Kong Special Administrative Region Government (HKSARG), in promoting integrity;
- (e) has invited a senior officer from the ICAC to join its ISC with a view to assisting the Administration to formulate corruption prevention strategies.
- (f) apart from keeping its work systems and procedures under regularly review, also draws reference from the best practices of overseas counterparts, other government departments and private sector. For example, a survey to identify best practices of integrity of overseas counterparts was conducted between April and June 2004. Findings have been consolidated and compiled into a report for reference by the senior management. A VCD and booklet on healthy life style and prudent personal financial management have been produced and disseminated to all staff.
- (g) has issued guidelines on keeping of attendance records and supervision of duties.

#### Benefits

- Inclusion of "Integrity" in the departmental values statement aims to provide a set of shared core values among staff. The values statement serves as a compass to guide the staff through.
- The setting up of the ISC with the Deputy Commissioner as Chairman is an effective means to nurture an ethical culture in the Administration. It shows the leadership and commitment of the Administration in promoting integrity.
- The Working Groups help to develop integrity strategies and promote integrity by focusing on specific areas of work.
- The IAP facilitates the implementation of long and short-term strategies for promoting integrity.

- Working closely with the CSB and ICAC sends a clear message to staff members that the Administration is committed to promoting integrity and combating corruption and malpractice. The presence of independent bodies enhances the checks and balances mechanisms regarding integrity.
- Constant reviews of work systems and procedures and draw reference from overseas counterparts, other government departments and private sector enable the Administration to make improvement and perfect the guidelines and control systems.
- The guidelines on keeping of attendance records and supervision of duties help to maintain proper staff management.

### Problems

No specific problem encountered.”

#### 1.2.2 Kazakhstan

“Customs service of the Republic of Kazakhstan works in accordance with the Laws of the Republic of Kazakhstan “Regarding fight against corruption” and “Regarding state service”, the Edict of the President of the Republic of Kazakhstan “Regarding service ethics of state officials”, the National Program of the Republic of Kazakhstan for fight against corruption for years 2001-2005. For the purpose of efficient and systematic anti-corruption activity customs service of the Republic of Kazakhstan has works according to the developed:

- 1) Program of fight against abuse in the customs system of the Republic of Kazakhstan;
- 2) Program of personnel education in the customs bodies of the Republic of Kazakhstan;
- 3) Code of conduct of customs officials of the Republic of Kazakhstan

The anti-corruption work in customs bodies of the Republic of Kazakhstan is conducted in three directions:

- customs legislation improvement;
- strengthening of personnel education;
- implementation of measures for revealing, prevention and elimination of corruption.

Customs service of Kazakhstan creates conditions for international cooperation in anti-corruption issues and interaction with international organizations. Regional seminars for customs officers on fight against corruption were conducted by USAID Trade facilitation and Investment activity project.”

### 1.2.3 New Zealand

“Implementation of integrity initiatives has been greatly assisted by the strong personal interest taken by successive chief executives.

A senior executive, normally the Chief Executive, leads the integrity discussion for new recruits.

Managers are expected to not only model integrity in their behaviour, but also to be able to point to the positive leadership they have provided in facilitating integrity. Increasingly, integrity and ethical behaviour is a competency managers are being assessed on and is a recruiting requirement.”

### 1.2.4 Lithuania

“Strategy of Fight against Corruption in the Lithuanian Customs and its implementation plan were approved.”

“Constant implementation. Corruption risk assessment in the Lithuanian Customs is currently being conducted. Analysis of customs officials’ public and private interests coordination currently is being conducted. The coordination of actions by senior officers and subordinates against corruption is ensured.”

## 1.3 Clear mission and values with ethics

### 1.3.1 Australia

“Australian Customs Senior Management maintains integrity through:

- Legislated Australian Public Service (APS) Code of Conduct and APS Values
- Australian Customs Ethics and Conduct guidelines
- Internal Affairs Branch
- Internal Audit system.

Australian Customs Certified Agreement also covers performance management and expectations in regards to ethical behaviour and integrity.

The Public Service Act 1999 sets down the Australian Public Service Values. The Values provide a framework that sets the standards of professionalism, integrity, impartiality and responsiveness when providing service to the Australian Government. The Act requires that the head of an agency must promote and uphold the values and this flows down through the organisation.”

### 1.3.2 Canada

“Canada’s Office of Public Service Values and Ethics (OPSVE) is a centre of expertise and leadership responsible for promoting public service management based values. Its mission is to stimulate and sustain dialogue on values and ethics; provide advice and guidance on policies and principles; lead research and develop training and information material; develop and review policies and/or principles; and act as secretariat for the



public service co-champions on values and ethics. Its main clients are deputy ministers, assistant deputy ministers, managers, functional communities and regional councils.

Since the creation of the Canada Border Services Agency (CBSA) on December 12, 2003, much has been done in further advancing a culture of transparency, accountability, respect and cooperation. First declarations on CBSA's Mission, Vision, Values have been widely circulated, and are integral in cultivating a new culture for the CBSA. Our motto on vigilance, protection and service permeates our workplace. Key among our values is integrity, respect and transparency.”

### 1.3.3 Bolivia

“The National Customs Code of Ethics was approved on 11 July 2001 (Directive RD O2-017-01) and since then training courses aimed at strengthening the values, principles and standards embodied in that document have been organised. A new Code of Conduct (Code of Ethics) specific to the Customs function, has been drafted and will enter into force from June 2005. New Rules for the Office of Ethics have been approved and procedures relating to the investigation of complaints and claims entered into force on 19<sup>th</sup> February 2004.

#### Benefits

- Greater control and follow-up of conduct of Officers, promoting the principles and values of the Customs activity;
- Immediate and appropriate follow-up of claims also constituting a means of evaluation and measurement of efficiency and transparency in the performance of duties.
- De-bureaucratization and de-politicization of Customs procedures, greater flexibility and adaptability to contingencies.”

1.4 Good relationship and communication between Management and staff, including appropriate supervision practices

1.4.1 Italy

**In the framework of communications initiatives, reference is made to explicit, ethically sound reference values :**

- \* Establishment of a “shared” annual communications plan, with all of the Agency’s central and peripheral structures being invited to become involved
- \* preparation of an on-line review of the daily press, to which the central and peripheral structures are invited to contribute articles
- \* offering advice, tools and opportunities for participation and recognition to staff who have distinguished themselves in enforcement-related activities
- \* introduction of an internal information circuit, through the publication of an on-line staff newsletter.

1.4.2 Ireland

“Revenue has adopted a formal "Internal Communications Policy" establishing the responsibility of managers and staff at all levels to work to ensure effective communication throughout the organization. This policy is supported by open access by staff to their personal records, by publication of minutes of Board and senior management meetings and by periodic surveys to test the extent of implementation of the policy.”

1.5 Strategy for Integrity (Integrity Action Plan; Government relationship; periodic survey; selection and promotion system in management)

1.5.1 Czech Republic

- a) “Creation of new Customs organisational rules:
  - review of existing powers of managers at individual management levels designated to improve leadership efficiency;
  - better enforcement of personal liability by supervisors for negative conduct of their subordinated officers;
  - punishment of supervisors who may tolerate negative conduct.
- b) A "Customs Management Declaration" was issued setting out the general principles to be abided by both Customs managers and each individual officer.
- c) Tasks of managers at all management levels:
  - ensuring efficient control by all supervisors;
  - splitting the decision-making process into stages;
  - rotation and delocation of staff;
  - staff training in the Code of Conduct.

- d) Creation of a "corruption committee" that :
- makes public statements on general ethical issues in the Customs;
  - acts as the advisory body to the Director-General;
  - is made up of deputies for Customs managers at all management levels, a psychologist and a trade union representative;
  - is to coordinate and assess the implementation of measures applied by the Czech Customs in combating corruption, issue opinions on corruption risks and the complementation of other anti-corruption measures listed in the Integrity Action Plan.

Issue :

- 1) The appointment of office holders has not always been done consistently so that they better fit their planned office.
- 2) Management training should also incorporate courses on social-pathological phenomena at work, with an option to seek the assistance of psychologists.
- 3) Allow managers enough time to be able to duly control their subordinate officers.
- 4) Carry on management training projects down to lower management levels (Customs Offices, branches).

Advantages :

- Customs managers are required to set an example for their subordinates in their conduct and decisions.
- Motivation of all Customs managers in the introduction of predominantly systematic anti-corruption measures serving the uncovering of negative phenomena.”

### 1.5.2 Philippines

“The Philippines Bureau of Customs is one of the 10 agencies included in the Corruption Prevention Reform Programme (CPRP). This is a collaboration partnership of government and non-government organizations task to monitor corruption prevention reform measures being undertaken by these 10 agencies.

The Customs Integrity Action Plan for 2004-2007 formulated after a series of workshops participated in by the top management of the Bureau following the elements of the Arusha Declaration is now the agency road map to progressively institute corruption prevention reform measures in 4 yrs.”

The presence of a high level-monitoring group will encourage and at the same time force the BOC management to ensure the accomplishment of the CIAP.

The active participation of the Bureau's top mgt. greatly facilitated the process of coming up with the CIAP.

No less than the level of Deputy Commissioner was assigned as the responsible official for each activity under CIAP. While he can command

authority, Deputy Commissioner has also so much responsibility that the CIAP activities may be relegated to the background.”

### 1.5.3 Netherlands

“At the Dutch Tax and Customs Administration, a special working group for official integrity was established in 1995. This working group investigated the best way to set up an integrity program. The result of its investigation was a proposal for a two-track approach.

#### *Two track policy*

The first track is the hard-line approach: the rules and codes of conduct. The second track adopts a milder line, and appeals to a person’s professional responsibility, to the values and professional standards of each tax and customs employee. Both tracks have their advantages and disadvantages. This means that working exclusively with one or the other is not without risk. But by combining the tracks, a powerful basis for an integrity policy is laid.

#### ➤ First track: Rules

The advantage of rules and instructions is that they are transparent. Each and every one of us can read them to find out what is allowed and what is not. Rules ensure unity. They encourage uniformity and consistency in behavior: They ensure that everyone acts the same in the same situation. And moreover, rules make it simple to make quick decisions; thanks to the rules, a situation is clear and well-defined, so that customs officials do not need to think about matters for very long: after all, the answers are right there, in the integrity rules.

The disadvantage of rules and instructions, however, is that they are usually black and white; they don’t allow for “it depends”. Moreover, they are incomplete, almost by definition. There are never enough rules to cover all conceivable situations, which means there is a risk of an “integrity vacuum” if there is no rule for a specific situation. If they are going to be able to make decisions in such a case nevertheless, staff members must go to their superiors. This takes time and is a burden on the boss; it also does not encourage staff to develop their own values and standards in relation to integrity. And with this we come to another disadvantage of rules: because rules are imposed from above, it is very easy to regard them as remote and abstract. They do not become part of us; sometimes people may even find them patronizing. This is primarily the case when people do not see the rhyme or reason behind a rule. It takes a lot of energy to enforce these kinds of rules. After all, it is extremely difficult to stick to rules when you do not understand the why or wherefore. Moreover, this is out of date in our contemporary society.

#### ➤ Second track: Appeal to professionalism

The second track, appealing to the professional responsibility of each tax and customs official, has the advantage that when integrity questions arise, they can be given a straightforward and tailor-made answer. Custom-made work is possible and besides, a new rule is not needed each time. Another

advantage to this track is that it gives employees their due respect: it treats them as responsible, sensible individuals with a high awareness of integrity. This is important because it means that the organization sets a good example towards its own staff. If you want to receive trust, you must first give it. And integrity is all about trust. The result will be a joint and shared awareness of norms and values: it is an important element of organizational culture, it provides an *esprit de corps*.

But the second track has disadvantages as well. Its success is highly dependent on the capacity of each individual staff member to make judgment calls independently and autonomously on ethical matters. It also means that decisions are less predictable.

➤ Combining the two tracks

The integrity policy of the Dutch Tax and Customs Administration is based on the idea that by combining these two tracks, the disadvantages of each separate track are offset. What we want is an organizational culture in which an attitude of honesty is simply a matter of course, in which each individual official knows, deep down inside, what is right and what is wrong. We cannot achieve this goal by devising more rules. Rules are necessary, and always will be. But it also is important that our people are respected as professionals who have internalized the rules.”

1.5.4 Bulgaria

“The overall activities of the National Customs Agency (NCA) in the field of integrity and fight against corruption are in compliance with the National Anti-Corruption Strategy adopted by government decision in 2001, and in particular – with section 1.3. “Anti-corruption reform in NCA” of the Programme for implementation of the Strategy.”

1.5.5 Morocco

Take integrity into consideration in the annual guidance plan. The integrity aspect is omnipresent in the Annual General Guidance Note providing information concerning the main action areas for the current year. Annual clarification and information-sharing meetings with Customs officers follow the drafting of the General Guidance Note.

1.5.6 Hungary

“The Hungarian Customs and Finance Guard designed the Anti-Corruption Strategy, the complementary Action Plan and the Code of Ethics in 2000.

The anti-corruption activity of the Hungarian customs administration is in line with Arusha Declaration.

The specific measures taken against corruption related cases committed by members of the institution - based on crime prevention strategy and the operational plan against corruption - are defined by the following 3 phases:

Activities related to legal regulations;

Educational responsibilities;  
Detection of specific corruption activities.”

1.5.7 Perception survey - Turkey

“The Undersecretariat, with a University, carried out a survey, questioning the image of customs in public eye and the eye of its own personnel and the credibility of the customs system, their perception and sensitivity of corruption. The results of this survey were publicised in February 2002. The survey outcomed challenging customs image which had to be admitted and worked against to get it right.”

1.5.8 Canada (NEW)

“The CBSA has established a new governance committee structure, the objectives of which are to delineate the flow of decision making; set governance priorities; enhance overall communications; and build/enhance strong linkages.”

1.5.9 Russia (NEW)

“FSC of Russia carries out the operational investigation measures, aimed at prevention, revelation, suppression and exposure of corruption facts of customs officers and persons, who incline customs officers to crime. FCS also conducts the activity on determination of reasons and conditions favouring the crime.”

1.6 Others

1.6.1 United States

“Annual “Commissioner Awards Ceremony” honors nominees for “Manager of the Year” and “Leader of the Year” that best exemplify and demonstrate relevant integrity-based leadership characteristics.”

## 2. *Regulatory Framework*

*“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).”*

### 2.1 Simplified procedures

#### 2.1.1 Italy

“In order to simplify Customs procedures and processes, the competent services of the Commission – acting in collaboration with the Customs authorities of the EU Member States - have undertaken a **comprehensive review of the Community Customs Code**. The main purpose of this initiative is to simplify Customs legislation and procedures, and speed up the procedures through computerization and amending the provisions so that they comply with common standards.”

#### Benefits

- \* reduction of the cost of clearance procedures, due to the simplification of the procedures
- \* increased competition between providers of Customs services throughout the Community, as a result of the standardization of procedures and data
- \* legitimate trade and more effective and efficient enforcement
- \* joint security for the use of certain procedures, valid throughout the Community, pan-european procedures for companies operating in several Member States.
- \* greater transparency and better allocation of human resources in high-risk zones, with enhanced security and reduced opportunities to commit irregularities

#### Constraints

- \* the initial costs involved in converting the systems (switch from paper-based to IT system)”

#### 2.1.2 Belgium

“Belgium has already ratified the revised Kyoto Convention, i.e. the actual Convention as well as the General Annexes, but not the specific Annexes. It is nevertheless worth pointing out that (the European Union’s) Community Customs law – applicable in Belgium – contains the majority of the principles set out in the said Convention.”

### 2.1.3 Peru

“Although Peru has not subscribed the Kyoto Convention, the Peruvian customs legislation has taken into consideration many of its recommendations that are the basis for every procedure and customs administrative process. For example, the principle of good faith and the veracity presumption, as well as, the delegation of functions, private sector participation in the diversity of customs services under Peruvian Customs supervision.

Peruvian Customs is currently working on a project called "Automated Single Dispatch" and its purpose is to standardize, unify and simplify the procedures of regimes and customs operations. This project harmonizes in one process the customs procedures of importation for consumption, Deposit, Temporary Importation, Temporary Admission, Re-Shipment, Definitive Exportation, Temporary Exportation and Transshipment. They are conformed by :

- Procedures applicable to foreign trade operators (customs agents, warehouses and forwarders).
- Procedures applicable to customs members (Customs specialists and officials).”

### 2.1.4 Australia

“The Australian Customs Service has adopted and abides by the principles and international standards contained in the revised Kyoto Convention on Customs Procedures.

The revised Kyoto Convention seeks to improve efficiency in customs clearance and the delivery of goods in order to benefit business and industry through simplified customs procedures and best practice.”

### 2.1.5 New Zealand

“NZ operates a modernised working infrastructure for its Customs Service.

Custom's systems make extensive use of EDI and risk management techniques and these are specifically catered for in enabling legislation. These technologies are actively reviewed to enhance our goals on the facilitation of legitimate trade.

NZ Customs operates the "FrontLine" programme to advance co-operation between Customs and industry. The FrontLine philosophy builds on existing initiatives by providing a broad platform to develop new relationships and extend existing ones.

NZ recognises the changing security environment and is actively pursuing programmes and technologies to enhance our supply chain security. This is a whole of government approach and includes input from commercial business interests. An example is the Secure Export Partnership scheme.”



### 2.1.6 Brazil

“Guarantee certainty and transparency in the application of the legislation and supplying eventual complexities or normative gaps. Guarantee the applicability of the rules and international patterns established for the harmonization and the application of regimes and of procedures customs officers, especially those related with the substantive elements of the revised Kyoto Convention. Nowadays, the customs practices adopted in Brazil are totally compatible with the rules and recommendations of the revised Kyoto Convention, in spite of the country still not be signatory of the Convention.”

## 2.2 Review process

### 2.2.1 Morocco

“In-depth revision of the Customs Code

- In-depth review of articles which are too restrictive or considered to be harsh
- More equity with the uniform application of the law to all Customs users.

The modifications have been carried out in a transparent manner in close consultation with Customs clearance professionals, bodies representing the trade environment and the ministerial departments concerned.

Review of existing procedures.

- Eliminate cumbersome or unnecessary administrative formalities;
- Eliminate administrative procedures which might cause duplication of work.
- Develop the said procedures in accordance with international rules.

A periodic examination of the said procedures is carried out in consultation with the various players involved.”

## 2.3 Simplified regulatory framework

### 2.3.1 United States

“U.S. Customs and Border Protection remains committed to supporting a regulatory framework that provides for security while facilitating legitimate travelers and trade.

The ongoing U.S. Customs and Border Protection modernization effort, which is supported by law and regulation as necessary, seeks to streamline the regulatory Customs processes to the highest degree.

The regulatory framework is inextricably linked with the concept of transparency and an open regulatory system.

Provide for a prompt option for judicial review of Customs actions that are utilized to take enforcement action against or regulate traders.”

### Benefits

“Clear and concise publicly-available regulations allow for a full understanding by the public and trade community of the legal requirements that are in effect and thereby dispel concerns of extrajudicial application of the law.

The public and trade community are encouraged to comment on regulations during the time when they are **proposed**, so that when they become **final**, the controlling legal authorities will take into account the impact they are expected to have on interested parties in the global supply and transportation chain.

Comments that are received often result in a more practical application of the law.

Allowing for an independent (3<sup>rd</sup> party) judicial review of U.S. Customs and Border Protection application of statutory and regulatory authority ensures that procedural and substantive due process, as governed by the regulations and constitution respectfully, is guaranteed under law.”

### Challenges

“The time and effort expended to propose, finalize and amend regulatory authority are worthy of such efforts.”

## 2.4 Integrity related rules and regulation

### 2.4.1 Hungary

“Regulations related to conflict of interest have been introduced into the Penal Code as one of the suggestions related to amendments to the law - in crime prevention - made by the Hungarian Customs and Finance Guard. Based on the same suggestions today it is compulsory for members of the institution to give a declaration about incomes and property as well as to provide all available information in order to start a life and conduct control.

Our amendments concerning crime prevention activities were integrated into the legislation on the Customs Service such as incompatibility regulations, obligation of making a compulsory financial statement in certain high level positions as well as background checks on the lifestyle of recruits. Detailed procedural regulations and points of considerations were also laid down in internal directions.”

### 2.4.2 Slovak Republic

“1. A customs officer according to the law has to present an admission of property is required to show also property's conditions of his/her minor child and wife/husband who lives with him/her in the household.

2. Penalties and disciplinary measures imposed are registered centrally.”

#### 2.4.3 Rwanda

Passing of an anti-corruption law by Parliament.

Penalties for corruption in general, theft and misappropriation of funds and public property that may have gone unpunished in the past.

#### 2.4.4 Mauritius (NEW)

“A special unit- Capacity Building Unit- has been put in place to simplify all procedures in compliance with the Kyoto Convention. It is a multidisciplinary team which performs in depth process review. The unit is in the process of finalizing the Standard Operating Manuals (SOPs) which clearly lays down all processes to make all user-friendly. These will be posted in the Customs website. Customs laws and enactments are gradually being modified to be in time with Convention.”

### 2.5 Moderated duty system

#### 2.5.1 Egypt

“Structural reforms have recently been made such as: Tariff rates have been reduced; tariff contradictions have been removed; local subheadings have been reduced.”

### 3. *Transparency*

*“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.”*

#### 3.1 Transparency of policy, rules and regulations, and procedures

##### 3.1.1 Australia

“On-line access to tariff and valuation information is available, together with a wide variety of Customs information such as Australian Customs Notices through the Australian Customs website, <http://www.customs.gov.au>,

The Australian Customs Service updates tariff information on the APEC Tariff Database, <http://www.apectariff.org>, whenever change occurs.

Legislation and Customs Manuals are publicly available. Announcements to changes of operating procedures are made nationally through Australian Customs Notices.

Printed and electronic Fact Sheets on a wide range of Customs activities are also published.

A process exists to provide information under the Freedom Of Information Act 1982 and Privacy Act 1988.

Information on rights, obligations and service standards is made available to all Australian Customs clients through a Customs Service Charter.

Industry consultations through regular meetings (Customs National Consultative Committee). Information sessions are also undertaken when major projects such as Cargo Management Re-engineering (CMR) are underway, together with printed material.

Public availability and dissemination of information on Customs laws, regulations and procedures ensures industry have access to pertinent information for business decisions.”

##### 3.1.2 China

“Effective measures introduced to improve timely disseminating customs laws, regulations, and administrative guidelines to the business community. Information on customs procedures and tariff made available to business sectors via various means on a regular basis.

Customs Decisions Mechanism of general administration of Customs established.

Customs notice board and information counter set up in all customs regions to provide information and advice required by private sectors.”

### 3.1.3 Japan

“- As for Customs laws and procedures, necessary information is provided through various channels such as publications, Customs Web Site and Customs Counsellors.

- Statements of dissatisfaction may be filed against any disposition made by Directors-General of Customs as stipulated in Customs Law.
- The advance classification ruling system is in operation.
- Procedures are made through multiple channels so that opportunities are evenly provided to the people. Transparent and predictable procedures contribute to the prevention of corruption by minimizing the discretionary matters.”

### 3.1.4 Hong Kong, China

“Hong Kong Customs :

- (a) has been publishing its Performance Pledges annually since 1993 to increase accountability and demonstrate commitment to providing quality service to the public;
- (b) has undertaken to publish performance results against targets annually in its Performance Pledges;
- (c) has kept public informed of its new policies, initiatives and legislation through various channels with a view to maintaining public trust and confidence in the performance of Customs functions;
- (d) has developed a website to provide public with relevant information about Customs work. The website address is [www.info.gov.hk/customs](http://www.info.gov.hk/customs);
- (e) has set up four Customer Liaison Groups for the sea-freight, air-freight, cross-boundary transport and dutiable commodities trades to solicit views and monitor expectations of the public on services provided;
- (f) has established a hotline for public to lodge complaints and provide information; and
- (g) has set up the Complaints Investigation Group (CIG) under the direct command of the Deputy Commissioner to receive and investigate complaints.
- (h) has an appeal mechanism for public to address dissatisfaction on services provided. A complainant may contact the officer-in-charge on the spot; or write directly to the Departmental Complaint Officer; or send an email to the Administration.

### Benefits

- The publication of performance pledges and performance results helps the Administration to maintain public trust and inspire confidence of the people by placing officers of the Administration in the limelight of higher public scrutiny and accountability. It also provides the public with benchmarks to measure the output of the Hong Kong Customs.
- The setting up of the Customer Liaison Groups enhance communication between the Administration and its business partners.
- The website and hotline enhance the transparency of the Hong Kong Customs and also provides an effective channel for public to assess the information of Hong Kong Customs.
- The setting up of a designated group to deal with public complaints under the direct command of the Deputy Commissioner delivers a clear signal to the public that the Administration is committed to handling complaints with zero tolerance of abuses, malpractices and misconduct.”

#### 3.1.5 United States

“U.S. Customs and Border Protection maintains transparency in many levels of interaction with the commercial sector and the public.

All laws, rules, regulations and rulings, as well as many policy decisions, are either posted on our website or subject to disclosure policies for allowable personal or public access.

Information not posted, electronically or otherwise, is generally available via the filing of U.S. Freedom of Information Act or Privacy Act requests. U.S. Customs and Border Protection, by law and policy, responds promptly and efficiently to all properly formulated requests.

U.S. Customs and Border Protection provides a wealth of freely available resources on the worldwide web (such as “informed compliance” handbooks, trade guidance and forms) that facilitate compliance with applicable U.S. Customs and Border Protection requirements.”

### Benefits

“Substantive transparency is the cornerstone of any open public policy. For example: petitioners that have incurred seizure, penalty and/or liquidated damage liabilities have access to the U.S. Customs and Border Protection mitigation guidelines that are followed by case processors for the administrative adjudication of their case. This example demonstrates, by the petitioner having unfettered access to the determinative process whereby monetary settlement amounts are assessed, the open nature of the administrative process to resolve legal liabilities as promptly and efficiently as possible for all involved parties.

Transparency allows the trading public to fully access, question, challenge and understand the controlling U.S. Customs and Border Protection laws, regulations and policies and thereby promotes further compliance and more efficient movement of merchandise and passengers in the global supply and transportation chain.”

### 3.1.6 Lithuania

“Control of public and private interests was implemented.

All the regulations are published in the Official Journal of the Republic of Lithuania as well as in the Customs’ website.

By phone the public may get explanations with respect to legal regulations, their rights and duties.

Appeal system with regard to decisions or omission to adopt a decision was introduced in the Lithuanian Customs by the Customs Law. A possibility of legal review in courts is in place.”

“An analysis of customs officials’ public and private interests of the last year proved to be efficient and conflicts of public and private interests were identified in some cases.

All customs decisions may be examined.

Prevention of deliberate delay to adopt a decision for personal benefit is ensured.”

### 3.1.7 Azerbaijan

Publication of the Compendium of Customs legislation, preparation of brochures on Customs work, publication, in the press, of details of new provisions in the Customs law; Establishment of automated Customs information offices; and Creation of a business relationship between trade and Customs Working Parties.

Easy for businessmen to obtain copies of the Customs legislation; the fact that transparency is assured where the legal provisions governing import and export operations are concerned may help to do away with the problems which can arise between businessmen and the Customs authorities.

One of the issues facing the Customs service is the establishment of mutual relations with participants in external economic activity who are in permanent contact with the Customs authorities and who carry out import and export operations, and how to ensure transparency in regard to the legislative provisions adopted in the Customs field.

The Azerbaijan Customs service has taken a number of steps in this area. Measures taken in order to provide external trade operators with information about Customs activities include the publication of the weekly journal “Customs News ” and the monthly review “The Customs officer”, the development of a web site and the establishment of automated Customs information offices. In order to broaden relations with the business community and create favourable conditions for foreign businessmen who could play an important role in the development of the economy, regular meetings are regarded as an effective measure introduced by the Customs service. These meetings can be used to reach agreement on measures, and to resolve any Customs-related problems encountered by businessmen.

### 3.1.8 Rwanda

All the laws and decisions are published in the Official Journal prior to implementation.

Laws are implemented 10 days after their publication in the Official Journal.

Amendments to the law and new instructions are publicized by means of television, radio and local newspapers.

### 3.1.9 Bolivia

“All administrative rulings and directives of a general nature and procedures relating to the different Customs processes are published via Official journals, Circular letters or the web page

The Bolivian Legal Code lays down the mechanisms necessary for a legal review of Customs provisions and operations generally under legal supervision.

Customs officers are also accountable for their actions from the administrative, civil and penal standpoint in conformity with the SAFCO Law and the Statutes of Civil Servants.”

## 3.2 Public relations - Customer Helpdesk, Service centre, etc.

### 3.2.1 Switzerland

- Unlimited access to all the legal texts in all the official languages
- At least three independent appeals bodies
- Installation of work stations in the public areas of Customs offices
- A range of brochures (e.g. on passenger traffic provisions and on facts and figures about the Administration)
- External communication
- Federal Directory (Who's Who)
- Co-operation with the media
- Move from the principle of confidentiality subject to public access to the principle of disclosure to the public subject to maintaining confidentiality
- Promoting good conduct
- Openness vis-à-vis visitors
- Staff survey on job satisfaction within the Federal Administration

### 3.2.2 Zimbabwe (NEW)

“The organization has a website; weekly e-newsletter sent to all clients weekly “Did you know” column in the national and provincial newspapers. Liaison officers appointed to take care of key clients. Quarterly reports are expected of meetings taking place.”

## 3.3 Hotline/website - interactive communication

### 3.3.1 Netherlands



“An important aspect of integrity policy is communication. We have a website for security and integrity the “ARDI website”, and setting up digital discussion groups on our Intranet. The idea is to offer a permanent and low-threshold means of communication to all our staff where they can follow developments in security and integrity policy both inside and outside our organization. The site also offers an easy-to-use reference function for integrity rules and frequently posed dilemmas, moral or otherwise, and presents cases taken from real life. We are attempting to set up digital discussion groups where staff can discuss their questions involving integrity and can submit their own dilemmas for discussion.

It is naturally essential that the integrity policy is controlled and monitored. The topic of integrity is one aspect of the internal management information and control system. Each year, unit managers must report to their superiors on integrity matters. For this purpose, a number of decentralized registers are kept, while serious integrity infringements that have led to severe disciplinary measures are registered centrally. Another form of control is the audits by our own internal auditing department. On the other hand: DTCA is also monitored by external supervisors, such as the Chamber of Audit.”

### 3.3.2 Egypt

“Transparency is the current finance ministry policy, latest tariff and procedures are all available on the Egyptian Customs website. The site receives daily many questions worldwide about HS code, tariff rates, required docs, etc. Questions to be successfully replied on the spot, which supports trade facilitating.”

### 3.3.3 Morocco

All Customs documentation made available on-line: regulations, circulars, Customs Code, Customs tariffs, conventions, etc. Circulars and new Customs measures are issued by e-mail to the various players at the same time as to Customs staff. All the players have been invited to provide their e-mail addresses to the Customs office to enable them to receive the circulars as soon as they are signed.

Introduction of an interactive service (ADIL) for On-line Assistance with Customs Clearance at Importation of Goods

- Assistance system available 24 hours a day, 7 days a week;
- Constitutes an integrated assistance tool;
- Also accessible via mobile telephone (by SMS or WAP).
- This service brings together, in a single tool, all the tax and regulatory provisions necessary to inform the operators.
- For each tariff heading, it facilitates a line of information which allows the operator to view the tax and regulatory procedure applicable to the goods he intends to import, the tariff benefits granted within the framework of agreements and conventions (Free Trade Zone, bilateral agreements, etc.) and all economic and commercial information.
- It also offers the possibility of obtaining an estimate of the duties and taxes due before submitting a declaration.

### 3.3.4 Slovak Rep.

“Establishment of phone line with recorder and establishment of Web Site - it was published a number of phone line where it is possible to make suggestions and complaints in respect to customs service on border and other customs workstations. All suggestions received from the recorder and the Web Site are consulted and evaluated, if corruption behaviour is proofed, it is made public.”

### 3.3.5 Azerbaijan

“In order to answer questions of interest to users, a “question-and-answer” section has been set up on the Web site “customs.az.net”.”

### 3.3.6 Belarus (NEW)

“There is a hotline in the Central office. Every application has to be registered and considered within 10 days and in severe cases within 30 days. Claims against customs servicemen are viewed only in the Central office. There is an internet page to lodge claims to Central office. There are anonymous interviews of officers about corruption in customs service.”

## 3.4 Appeal and administrative review mechanism

### 3.4.1 Canada

“Fair treatment and a commitment to client rights are fundamental pillars that guide our relationship with the commercial sector and the public. Although most dealings with the public are straightforward, sometimes a person or organization disagrees with us about an assessment or decision we've made or an action we've taken.

When that happens, the CBSA informs clients that our goal is to resolve the disagreement as quickly and easily as possible.

For instance, if a member of the public has a disagreement at an airport or border crossing, they are invited to talk to the customs officer or supervisor. After the fact, clients can contact one of our customs offices, either in person or my mail.

After talking to us, if a client is not satisfied with our answer, they have a right to request a formal review. The CBSA review processes differ according to what's in disagreement or dispute.

The CBSA's Admissibility Branch (AB) deals with disputes that develop about customs matters. It operates independently in relation to other CBSA branches and its mandate is to resolve disputes between clients and the CBSA by impartially reviewing previous CBSA decisions. Appeals staff are trained to review the client's and the CBSA's facts and reasons.

The role of the appeals representative who reviews a client's case is to carry out a complete, professional, and impartial review. This review is done by:

- interpreting acts administered by the CBSA and reviewing CBSA policies;

- considering the client's point of view; and
- when necessary, asking for a technical opinion from CBSA experts or seeking legal advice from the Department of Justice.

The representative who reviews a client's case will not have been involved in the original assessment, determination, or ruling of a duty, penalty or other matter. Clients can discuss their case with an appeals representative, and have the right to obtain certain documents related to their case. The CBSA does not charge clients for a review.”

#### 3.4.2 Canada (NEW)

“The CBSA's commitment to fairness is based on six pillars: respect and courtesy, fair application of the law, privacy and confidentiality, bilingual service, accurate information about entitlements and obligations, and review of our actions or decisions. Further information on the Fairness Initiative is found on the CBSA Website at <http://www.cbsa-asfc.gc.ca/agency/fairness/menu-e/html>.”

#### 3.4.3 Morocco

Establishment of advisory committees on appeals to examine disputes or complaints regarding Customs operations

- The advisory committees on appeals were set up by the revised Customs and Indirect Taxation Code on 13 September 2000.
- These committees exist at both national and regional level;
- The latter are created either on the initiative of the Customs administration or at the request of traders who feel they have been injured by the decisions of the Customs services;
- These committees are bound to rule on the cases submitted to them within a two-week deadline.

#### 3.4.4 Belgium

##### AT CUSTOMS ADMINISTRATION LEVEL

Apart from standard legal appeals, there is specific appeals legislation, namely the right to **submit an administrative appeal** to the Director General against a decision made by one of the regional directors. This right of appeal is an obligatory prerequisite to any action brought before the courts.

- Promotes transparency within the actual Customs and Excise Administration.

#### 3.4.5 Rwanda (see 10.4.2)

#### 3.4.6 Netherlands (NEW)

“In the Dutch Customs law the right of appeal is in two instances. First the appeal is made to a higher authority within Customs and if the results are not satisfactory to the appellant he may take the issue to a court of first instance. After the court of first instance it is possible to go to a court of appeal and finally to the Supreme Court of the Netherlands.”

#### 3.5 Performance review and survey

### 3.5.1 Canada

“Including clear information on the planned results we intend to achieve is a cornerstone of our government’s management framework, Results for Canadians. Under this framework, federal organizations recognized that they exist to serve Canadians and that a “citizen focus” must shape all activities, programs and services. This vision commits the government of Canada to manage its business by the highest public service values and to spend responsibly. Finally, this vision sets a clear focus on results – the impact and effects of programs, policies and initiatives.

To better support Results for Canadians, Canada’s Treasury Board Secretariat issued principle-based guidance encouraging both Departmental Performance Reports (DPRs) and Reports on Plans and Priorities (RPPs) that focus on strategic outcomes – those high level results departments and agencies strive to achieve for Canadians.”

### 3.5.2 Hong Kong, China (see 3.1.4)

## 3.6 Constraints

### 3.6.1 Bangladesh

“Almost all the documents related to customs procedures are published except those marked as confidential. Lack of funds is the main constraint in publishing documents. Documents (are) available in the website and its user.”

## 3.7 Seminar/workshop

### 3.7.1 Myanmar

“- Customs rules and regulations, Customs tariff are published to the commercial sector and the public.  
- Seminars / Workshops on Customs Procedures are conducted for the commercial sector every year.  
- the Commercial sector and the public can have access to the study on Customs matters.”

### 3.7.2 Zimbabwe

“External Training offered to clients and workshops organised to explain to clients our legal position in simple terms. Clients are difficult to lure for training and the costs involved are sometimes inhibitive.”

### 3.7.3 Hungary

“The rules and regulations are available on the website of the Hungarian customs administration: [www.vam.hu](http://www.vam.hu). The public also can receive information and explanation by phone.

The customs administration appears at International Tourism Exhibitions with the aim of providing information. The Customs and Finance Guard also appears at Criminal Expo, which is a traditional chain of events, heading “Communication for the safe Word, Communication for the safe Hungary”.”

3.7.4 Rwanda

“Training seminars on public and private sector duties and obligations are held on a regular basis.

Every time that new laws and regulations are adopted.”

## 4. Automation

*“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.”*

### 4.1 Automation

#### 4.1.1 United States

“Automation provides a ready mechanism for the safeguarding of data integrity and is used for annual certification of access privileges. There are mandatory as well as optional courses that cover topics such as system security principles, privacy awareness & safeguarding of data, etc.

Automated systems are designed with multiple layers of security access for the data contained therein and can be audited for user activity. A robust internal inspection program complements the automated programs.

Automated systems provide up-front signage (e.g., log-in banner) that indicates that the system is owned by the government agency and no “right of privacy” is contained therein.

Automated systems provide for the proper collection of retrievable data on the location or status of government-accountable items, such as seized property, personnel-issued government property (including high risk), records of the collection of funds tendered during import and export transactions, etc.

Automation remains the backbone of forward advancing security and trade program initiatives, such as the Customs Trade Partnership Against Terrorism (C-TPAT) and the Container Security Initiative (CSI), by allowing for the performance of risk assessment and identification of high-risk containers, as well as the receipt of advanced shipment or passenger information for targeting purposes.”

#### Benefits

Automated tracking and audit systems produce reports that can identify weaknesses and reveal suspicious patterns of user activity when a legal necessity to do so has been identified.

The system provides built-in security access redundancies that must be regularly renewed (e.g., mandatory password changes) and recertification of access levels by supervisory oversight.

Employees can be given specific access that is limited to their assigned duties and thereby be prevented from viewing information which they have no official need to know.

Automation allows trade to flow more freely and reduces the need for face-to-face interaction that could jeopardize the integrity of the import/export process. This acts as a beneficial buffer between Customs officials that perform clearance tasks and the traders that they regulate.

### Challenges

As trade transactions continually grow, with increasingly automated trade tools, it becomes more probable that discrete actions in the systems of record could occur. The systems that moderate the flow of trade must be designed or have the capacity to distinguish between suspect and typical transactions. This thereby creates an environment where deployment of robust risk management activities (i.e. entry post-audit manual review of automated transactions) becomes highly critical.”

#### 4.1.2 Lithuania

“The following systems were introduced: Customs Tariff System LITAR; Declaration processing system; Electronic declaration system; Quota administration system; Tax calculation system; NCTS system.”

“The system is compatible with the *TARIC* system which is operational in DG TAXUD (Brussels). It enables to receive data automatically, ensures the application of EU tariff regulatory measures on a national level.

The system processes 100 % of export and import declarations. The system was introduced on the basis of ASYCUDA software package that was adapted. It operates in 141 spot (customs posts and administrations of regional administrations). The system allows the operators to submit export and import declarations electronically.

The system ensures the administration of EU tariff quotas. On request from the declaration processing system it is able to automatically calculate the taxes on the basis of the tariff data available in LITAR and return the results to the declaration processing system.

The system is meant for control of the goods in transit all over EU member states. It has an option of electronic declaration which allows the operators to launch transit declarations electronically.”

#### 4.1.3 Turkey

“With the Customs Modernization project (GIMOP) conducted by the Undersecretariat of Customs, transfer to automation has taken place in 16 regional directorates, 66 customs offices and overall 99% of the customs procedures are executed in the electronic media. Within this scope, four thousand customs staff and fifteen thousand traders were trained. SAD is the standard declaration form. With the Computerized Customs Activities (BILGE) software program, real-time customs procedures of goods to/from the customs territory are carried out in a computerized media. With this computer system, traders are able to submit their declarations from kiosks in customs offices as well as from their own offices through Electronic Data Interchange (EDI) or internet. The ratio of customs declarations submitted through EDI has reached 50%.

Automation provides numerous instruments to the management such as accurate statistics, intensive times and offices, a routine performance measurement of customs offices and staff.”

#### 4.1.4 Turkey (NEW)

“Tariffs Department issues Binding Tariff Information (BTI) for the correct classification of goods to foreign traders. This system provides facility for private sector while they are looking for goods’ tariffs. As well, BTIs are valid for six years. From 2004 onwards BTIs have also been entered in to the computerized system in order to make them accessible to local customs offices as their validity started.”

#### 4.1.5 Hong Kong, China

“Hong Kong Customs :

- (a) has put in place automated payment systems to minimize physical handling and transfer of cash between Customs officers and the public; and
- (b) has developed various electronic data transfer systems to facilitate submission of cargo information to Customs.

#### Benefits

- Except payment of duty for a small quantity of dutiable goods at boundary control points, all fees payable to Hong Kong Customs can be made electronically or in person at Post Offices or designated banks. This minimizes the chance of corruption by staff.
- The development of the electronic data transfer systems, e.g. Air Cargo Clearance System and the Electronic System for Cargo Manifests enhance operational efficiency and effectiveness in the clearance of air, sea and rail cargoes as well as minimize the chance of corruption by staff.”

#### 4.1.6 Israel

##### “Computerization of Work Procedures

Customs computer manages and routes the tasks that need to be performed regarding the handling of goods by Customs, using a sophisticated profiling system.

The computer decides which cases are routed for inspection and the type of inspection that they will undergo. It also determines by name who will evaluate the shipment and the official who will inspect each shipment.

Any change from the decision that the computer determines can only be conducted by the Director and not by an official who received the shipment for inspection/evaluation.

All changes are noted in the computer by the Director on line, including the reason for the change.

The changes in routing and the reasons for the change leave traces in the computer which can be retrieved if required.



The results of the inspection are inputted on line to the computer.

The results inputted to the computer can not be changed, neither by the official who inputted the data nor by a director. Any changes, if required, are noted only by additional comments to the original results.

Computerization of Officials' Operations

Every official has a confidential individual code for entering and using Customs computers.

Every official has an authorization, based on his/her area of operation.

Every operation of each official is noted in the database and is identifiable.

The operations are continuously monitored by an Information Security Officer.

The system identifies and notifies the information security officer, regarding computer actions which were defined as suspicious or of a high risk indication.

The "memory database" can retrieve the operations of the officials and is kept for seven years, while operations can be identified accordingly.

Throughout the entire process all directors may observe the handling of cargo online at the valuator's and inspectors' stations."

4.1.7 Czech Rep.

- a) "Elimination of the human factor from some decision-making processes (e.g. the introduction in the Czech Customs of the fully electronic NCTS/New Computerised Transit System customs clearance).
- b) Step-by-step unification of work and technological procedures (standardisation) and their presentation via the Internet (and the Customs Intranet).
- c) Updating
  - of the Customs Information System ("CIS") development strategy;
  - the CIS security policy and any related implementing guidelines (the CIS Protection System Project, the CIS Security Standards, the Implementing Project for CIS Organisational and Liability Structure);
  - drafting of specific guidelines governing the CIS safety measures.
- d) The establishment of a uniform CIS default setting.
- e) Compliance with differentiated access to CIS.
- f) Compliance with identification and authentication of the CIS access.
- g) Prescription of basic rules governing work with CIS and inter-Customs communication.
- h) Drafting of methodology of the CIS project safety management.
- i) Gradual introduction of electronic customs clearance.
- j) Direct debit payment (non-cash) has been introduced wherever possible.

Issue:

- 1) Standardisation of work procedures especially in the technical field has been slow due to a lack of funds and legislative changes.

2) CIS safety policy documentation has not been properly drafted.

Advantages :

- Elimination of the human factor from decision-making processes represents one of the most efficient tools combating corruption;
- Elimination of physical payments and cash transfers represents an efficient tool combating corruption.”

4.1.8 Jordan

“The application of the international standards of clearance procedures and day to day duties “ASYCUDA” – The Automated System for Customs Data This system connects the Customs directly to the clearance companies through the DTI (Direct Trade Input) which minimizes the opportunity for the inappropriate exercise of official discretion.

Establishing several Central Database Systems; such as :

- The central Value Database System
- Upgrading the Case Database System (based on CEN) and connecting it to the Risk Management Directorate and Intelligence Section
- Guarantees System (applied in the HQ and other customhouses)
- Exemptions System
- Travellers Procedures System”

4.1.9 Morocco

Re-writing the automated Customs system to replace it with the new “BADR” system (Automated Customs Network Database)

- The new BADR automated system is characterized by a greater degree of openness, more transparency and even more comprehensive operational cover, all in a context of state-of-the-art technology;
- Covers the entire Customs clearance circuit.
- Comprising several levels, the first module of the new BADR system was launched on 2 January 2004;
- A Web site dedicated to the project has been set up in order to inform the various players concerned;
- Information and communication seminars have taken place, targeting the future users of the system;
- A vast training plan has been devised for Customs officers as well as traders;
- The project is expected to be finalized in the last quarter of 2005.

4.1.10 Belgium

Paperless : Integrated computerized assistance permitting paperless implementation of all Customs and excise procedures. The Paperless project draws in each stage of the declaration process, namely preparation, validation, discharge, security, certificate, collection, etc.

- (a) Makes it possible to receive information on goods before they are presented to Customs (pre-arrival).
- (b) The information may be available at several different places.
- (c) It can be compared with other data.
- (d) Will make it possible to provide useful data (information) for risk assessment/selectivity.

#### 4.1.11 Italy

“Development of a new **Customs IT system (AIDA)**, which has been operational since 10 November 2003: This system manages the operational aspects of Customs offices for all clearance-related activities.

This system :

- \* is based on a centralized structure and ensures uniform treatment of Customs operations in all Customs offices
- \* is based on automated workflow management and automatically forwards to the official responsible the activities to be performed, on the basis of the tasks assigned to each officer within the office
- \* includes an e-learning and knowledge-base management system, which is accessible from all work stations and which enables information to be disseminated by capillary action
- \* employs a sophisticated security system which makes each application available only to duly authorized staff
- \* includes a users (economic operators) interface for the EDI presentation of declarations and for EDI clearance with a digital signature. This relieves staff of the time-consuming and not very satisfying task of inputting data manually from declarations.

The risk analysis is refocused on the basis of the results of controls, to ensure the “neutrality” of the controls policy.”

#### 4.1.12 Japan

“Japan Customs Clearance System is fully computerized, and the Single Window System is in operation. Computerization leads transparency in Customs procedures as well as provides equal opportunities for importers/exporters, which helps to prevent any favouritism or corruption.”

#### 4.1.13 Bangladesh

“At present almost all the proceeds related to assessment, payment and clearance of the four major customs houses are done through computer. Lack of manpower is a major constraint. Data compilation, processing and transfer are faster and easier now.”

### 4.2 Automated payment system

#### 4.2.1 Bolivia

“SIREC – Duty Collection System

### Implementation of the new Bolivian

National Custom's Collection System since April 2004; the main characteristics of which are :

- Complete integration with Customs systems leading to a significant reduction in processing
- Centralised information due to the development of the ASYCUDA system a tool has been developed for incorporation of information on duty collection carried out by the SIRA system
- Process of final accreditation, daily consolidation, process of regularisation, automatic invoicing, control of centralised guarantees, immediate and registered control of accreditation periods.
- Development of the system at the national level, incorporation and creation of transfer orders carried out by the collection bank, control and follow-up carried out by the National Directorate of Administration and Finance, reports on this information available on the Bolivian National Customs' Intranet."

#### 4.2.2 Ireland

- “1. AEP provides an electronic customs declaration and duty collection system. The current AEP system has been in operation since 1 April 1991; approximately 90% of customs declarations are transmitted by DTI to the system.
2. Development of a 2nd generation ARP. This redevelopment of the current AEP shall provide customers with more advanced risk assessment tools, improved controls by strengthening validation and credibility checks, increased simplified procedures for compliant traders and it is intended to be more client-focused and user-friendly.
3. Operation of EBTI (European Binding Tariff Information) system. Ability to scrutinise all classification decisions of all EU MS aiding conformity and assisting trader audit.
4. Operation of NCTS (New Computerised Transit System) Rapid monitoring of transit movements throughout the EU and the Common Transit Regime with the prospect of reduced fraud.”

#### 4.2.3 Belgium

Tax on Web :

Makes it possible to complete and send taxation declarations electronically.  
On-line calculation of the tax payable.

- Accessibility
- Transparency
- Rapidity
- Reduction in manual processing of declarations

#### 4.2.4 Mozambique (NEW)

“Introducing a system linked to Banks to enable transfer of funds into the State Treasury and to reduce the contact between customs staff and the stakeholders and the presence of huge amounts of live money in Customs Treasuries.”

4.2.5 Hong Kong, China (see 4.1.4)

4.2.6 Bangladesh (see 4.1.12)

### 4.3 Automated risk management

4.3.1 Belgium

Datamining : DATAWAREHOUSE originally specifically related to VAT, from which can be extracted (using suitable software and on the basis of predetermined criteria) traders who could pose a high-risk and who will consequently be checked as a matter of priority. This system will eventually be applied to the Customs Administration.

(positive) Based on risk assessment (determining key criteria); makes it possible to limit unnecessary or even counterproductive controls

(negative) Privacy issues

The "Computerized Risk Analysis System" (Customs control circuit) is used to select the import and export declarations for which the risk analysis, using risk profiles identified by the central Anti-Fraud Office which automatically selects the operations to be checked, has indicated that a documentary or physical inspection of the goods is required. With this system, about 80% of Customs declarations can be released without any further checks. The objective is to identify risk situations and simplify Customs operations, using a cost benefit analysis of the checks in order to carry out more detailed controls.

4.3.2 Cyprus

Cyprus operates a fully integrated web-enabled customs information system covering Manifest Management, Customs Declaration Processing for Import and Warehousing as well as Revenue Collection and accounting

Import and warehousing are supported by a fully automated risk analysis subsystem.

System is linked to the EU systems such as NCTS for the transit goods and SMS for the combating the fraudulent misuse of seals, stamps and authentication documents.

### 4.4 Single Window

4.4.1 Hungary

“In order to provide up-to-date and regular information to the client, a „single-window” service is now in operation, which survives and manages all the external electronic data connections into the organization’s IT network. The system allows:

- Electronic data exchange;
- Access into the databases established by the organization;
- Disclosure of public information;
- Document downloads;
- The reporting of failures;
- Counselling and assistance.”

#### 4.4.2 Azerbaijan

“Application of the automated clearance and Customs control system, which allows information to be received in automated form from the traders and brokers, and offers the possibility of applying the “single window” principle, has begun. This system automatically calculates the Customs duties and taxes, and performs automated checks on various parts of the declaration.”

“This has speeded up Customs procedures, significantly reducing delays for traders. As much of the work as possible is performed by computer, for the sake of accuracy.”

## 5. Reform and Modernization

*“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.”*

### 5.1 Modernization

#### 5.1.1 Australia

“Australian Customs is in the process of implementing a major program of reform to further simplify and automate customs procedures which will result in further reductions in the scope for discretion.

As part of its Cargo Management Re-engineering project, Australian Customs is developing a new IT system - the Integrated Cargo System. On 6 October the exports component of the ICS was implemented.

The Cargo Management Re-engineering (CMR) project aims to increase automation and integration of major customs processes, modernizing the management of imports and exports.”

#### 5.1.2 Canada

“The CBSA has established a new governance committee structure, the objectives of which is to : delineate the flow of decision making; set governance priorities; enhance overall communications; and, build and enhance strong linkages and accountabilities.

Under the new structure, there are two core committees: the Executive Management Committee (EMC), and the Internal Audit and Evaluation Committee. The EMC meets regularly as the Human Resources Committee, the Budget Resource Review Committee, and the Innovation, Science and Technology Committee. These committees are chaired by the President, with the Vice-Presidents as members.

Under the new structure, the Director General of Planning, Audit and Evaluation also holds the position of Integrity Officer to follow up on formal complaints put forth by employees with direct reporting to the President on key cases. Employees are also required to follow the code of conduct established for the public service. Internal Affairs also continues to follow up on complaints from the public on alleged impropriety or abuse by staff. There is follow-up in cases where abuse or impropriety is suspected. The President is briefed on the results of those investigations.

In addition, the government of Canada has just recently tabled a bill for new WHISTLEBLOWING legislation. If passes, this would further strengthen

integrity in the workplace, and add to the responsibilities of the Integrity Officer.”

### 5.1.3 Turkey

“With the Customs Modernization project (GIMOP) conducted by the Undersecretariat of Customs, transfer to automation has taken place in 16 regional directorates, 66 customs offices and overall 99% of the customs procedures are executed in the electronic media. Within this scope, four thousand customs staff and fifteen thousand traders were trained. SAD is the standard declaration form. With the Computerized Customs Activities (BILGE) software program, real-time customs procedures of goods to/from the customs territory are carried out in a computerized media. With this computer system, traders are able to submit their declarations from kiosks in customs offices as well as from their own offices through Electronic Data Interchange (EDI) or internet. The ratio of customs declarations submitted through EDI has reached 50%.

Apart from the automation, the physical conditions of customs points are significantly improved by use of so-called “Build-Operate-Transfer model” – a special cooperation method with private sector or NGO,. Doing this, the requirements of computerised operations and concerns of integrity to ensure a minimum physical contact between operators and customs officials are the priority.”

“To produce and share accurate and timely information in border gates, Turkish Customs’ vehicle monitoring system has participated in ULAS-NET with other stakeholders, Ministry of Transport and International Transporters Association – a sector representative. Ulas-Net, a network linking public and private offices at 14 land border gates, provides customs enforcement with data transfer facility concerning vehicles, drivers and transport traffic and real time cross check option of declarations.”

### 5.1.4 Lithuania

“An experiment of applying simplified procedures in a complex way was organized. In this regard, a working party was created composed of specialists who were advised by a Swedish customs expert. 3 companies were selected that wished to take part in the experiment and interested in applying the simplified procedures of transit, customs warehousing, release for free circulation and export in a complex way. A plan of legal and organizational measures was developed and implemented. The experience acquired during the project was presented to different business associations concerned.

The experiment served the purpose in fact. The experience necessary for the application of simplified procedures in a broader way was acquired and cooperation with the business improved. On the other hand, the customs should also take more initiative for the purpose of applying simplified procedures in a broader way and seeking the solutions acceptable to both sides.”



#### 5.1.5 Malta

“Implementation during 2001 – 2003 of the Business Change Management Plan to modernise and upgrade the procedures and processes of the Maltese Customs Administration areas covered in the Plan were :-

1. Legislation
2. Organisation and management
3. Human resource management
4. Customs ethics
5. Training
6. Revenue collection
7. Border and inland control
8. Investigation and enforcement
9. Customs laboratories
10. Infrastructure & equipment
11. Trade facilitation and relations with business
12. Transit and movement of goods
13. Computerisation

Some resistance to change but Management Team continuously supported the staff during implementation. Better service given to users.”

#### 5.1.6 Latvia

- “1. The Board of Ethics of State revenue service (SRS) has been created.
2. The anti corruption action plan in SRS established.
3. The guidelines for anti corruption measures for managers of SRS established.
4. Training programme on anti corruption for managers and staff exists.

The Board of Ethics can help to solve difficult ethical problems in SRS.

The guidelines for anti corruption measures for managers can assist managers to initiate comprehensive anti corruption measures in each customs unit.

IT is necessary to develop and introduce a comprehensive anti corruption plan for five years, particularly in customs.”

#### 5.1.7 Poland

“Introduced :

Customs declaration system (CELINA);

System of monitoring of high risk goods;

System of control performed within the official surveillance by the management in the Customs Chambers and Offices;

Rules and procedures to be observed by customs officers when accepting customs declarations of high value goods, excise goods and goods qualifying for exemption from import duties and taxes;

Procedures aimed to limit corruption behaviour in the Customs, e.g. :

- distribution of the functions performed at the process of customs declaration acceptance and at the stages of customs clearance;
- rotation of the customs officers on their posts.

Monitoring :

- the infringements of official duties by customs officers;
- the infringements of penal law by customs officers;
- the internal auditing in the Customs.

Defined (in the Law on the Administrative Proceedings):  
proceedings applied in the cases of complain.”

#### 5.1.8 Germany

“Steps of Reform :

- Federal Government Directive concerning the Prevention of Corruption in the Federal Administration of 17 June 1998 (last amended on 07 July 2004)
- Controlling Division established (Staff Unit directly responsible to the Head of the Regional Finance Office) consists of :
  - Safeguarding Integrity section and established (responsible for the prevention of corruption throughout German Customs administration)
  - Designation of a contact person (independent person of confidence; staff should be encouraged to report corrupt, unethical or illegal activity)
- Internal Audit
- Annual Agenda compiled (contains Customs performance targets)
- Co-operation with other national agencies”

#### 5.1.9 Hungary

“The customs clearance system is computerized at the Hungarian customs administration. Established on 1 January 2005, the System Development Centre is expected to produce new professional results. The Customs and Finance Guard will thus have the facility to implement all information technology developments faster and more efficiently, whether they are

related to customs, excise duty, investigation or any other area of operation.”

5.1.10 Cyprus

Senior Management directly involved in the current reform programme of the Department which stems from changes necessitated by joining the EU

5.1.11 Azerbaijan (NEW)

“Project related to nuclear safety issues have been prepared with participation of the IAEA in order to provide all the border customs check points of the Republic with the modern equipment identifying the radioactive substances and this project has been submitted to the IAEA.”

## **6. Audit and Investigation**

*“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.”*

### **6.1 External Audit**

#### **6.1.1 Lithuania**

“External audit unit is in place.

Information on risks and infringements detected is compiled, analyzed and sent to regional customs houses.

A number of violations were investigated and any duties or taxes due were recovered.

Internal Investigation Service accountable to Director General (DG) of the Customs Department and responsible for corruption prevention was established.

Since 2001 44 customs officials were dismissed for misconduct.

Internal Investigation Service regularly applies checks, including random checks, to ensure that customs officials carry out their duties in accordance with the Code of Ethics.

An anonymous telephone is in place to enable the public to inform about the misconduct of officers. Persons may meet managers, write letters and get explanations.

The public is rather reluctant to present information on the misconduct of customs officials.

Internal audit service subordinated to DG was established.

Implementation of internal control standards and quality assurance system was initiated.”

#### **6.1.2 Kazakhstan**

“The Code of Conduct of customs officials of the Republic of Kazakhstan (Order of the Chairman of Customs Control Agency ? 270 of 4 June 2003) was adopted by all customs officers. According to the Code of Conduct every customs official undertakes moral commitments and ethic norms,

should withstand corruption, be demanding to himself/herself, principled, just, objective and impartial.”

### 6.1.3 Hong Kong, China

“(a) Hong Kong Customs is subject to both internal and external auditing conducted by the following agencies :

#### Internal auditing

- Formation Inspection Team; and
- Internal Audit Division.

(Both Units are directly responsible to the Deputy Commissioner of the Hong Kong Customs)

#### External auditing

- ICAC; and
- Audit Commission of the HKSARG.

(While the ICAC is directly responsible to the Chief Executive of the HKSAR, the Audit Commission works independently and submits its audit reports to the Legislative Council of the HKSAR).

- (b) All Customs offices and exhibit stores are equipped with surveillance cameras to enhance security.
- (c) As mentioned above, Hong Kong Customs has a CIG under the command of the Deputy Commissioner to handle and investigate public complaints.
- (d) Officers of CIG also provide lectures/seminars to frontline officers on how to handle complaints properly.

#### Benefits

- The existence of both the internal and external audit systems not only sends a clear signal to the public and staff that the Administration is committed to promoting integrity and combating corruption and malpractice in the long run, it also serves as an effective check and balance mechanism to secure the integrity of the Hong Kong Customs.
- In practice, the internal auditing monitors the laid down guidelines and control systems are functioning well and the external auditing ensures that resources allocated to the Administration are deployed in an effective, efficient and accountable manner.
- Regular reviews on the operational procedures of the Customs are conducted by the ICAC to enhance the integrity and minimize the chance of corruption or malpractice.
- Audit Commission compiles value-for-money audit report on control measures undertaken by the Administration. The HKSARG will follow up on the recommendations made in the report which will be uploaded on the Audit Commission’s website for access by the public.”

## 6.2 Internal Audit

### 6.2.1 Australia

“To maintain the high level of integrity practices within the organisation, Australian Customs internal audit function is co-sourced comprising Customs officers and specialists from an external service provider. This arrangement ensures an efficient and effective independent review and evaluation of Customs procedures through a risk based program of audits.

Australian Customs Internal Affairs Unit (IAU) is responsible for the impartial investigation of all complaints of serious misconduct and suspected criminality against Customs employees. IAU staff maintain a high profile throughout Customs and encourage employees to report matters of concern.

Australian Customs Complaints and Compliments Management invites the public to comment on Customs services, principally via e-mail at [comments@customs.gov.au](mailto:comments@customs.gov.au), Internet [www.customs.gov.au](http://www.customs.gov.au) or Free call 1800 228 227.

The appointment of independent contractors/auditors to manage Customs Internal Audit program and Internal Affairs functions ensures an independent examination and review of Customs systems and procedures.

Customs Internal Audit plan is monitored on a calendar year basis with an Audit committee meeting held each quarter.”

### 6.2.2 Czech Rep.

“A comprehensive monitoring and control system has been set up :

- a) The establishment of a specialised internal audit department – Inspection of the Director-General with national authority whose responsibilities include the following:
  - pro-actively identify cases of violation of service and work responsibilities by Customs officers and employees;
  - involvement in cooperation with enforcement services (Finance Police, Anti-Corruption and Financial Crime Police) in investigations into illegal conduct of customs officers in the performance of their duties;
  - investigations into and keeping records of complaints concerning the conduct of the Customs;
  - assessment of and investigations into denunciations made via the corruption combat telephone established in order to collect such information in respect of suspected corruption in the Customs;
  - publication via the Internet of uncovered cases of illegal conduct of customs officers;
  - analyses of audits and inspections and their delivery to the management of the General Directorate of Customs.
- b) Enhancement of the role of the medium-level management – inspectors at all of the eight Customs Directorates have been assigned this task.

- c) Communication of corruption, unethical, and illegal conduct directly to the Inspection of the Director-General, and their immediate investigations.

Advantages :

- Independent investigations regarding in the first place office holders appointed by the Director-General;
- Enhancement of the role of medium-level managers at Customs Directorates;
- The Inspection of the Director-General has emphasised prevention accompanied by concurrent repression;
- Monitoring of illegal conduct of customs officers complete with its subsequent investigations and punishment represents one of the essential measures in combating corruption.

Issue :

- 1) Requirement for the amendment of the service rules governing the performance of inspection and an audit.”

### 6.2.3 Jordan

“Jordan Customs established two complementary Directorates Inspection and Internal Control. Customs Department persistently sought to enhance and develop these two directorates in a way to ensure accuracy and constant revision on regular basis for all customs declaration and inspect the various procedures gone through.

These two directorates have the authority to conduct inspection visits to the various customs centres on a random and regular basis. These visits aim at auditing and to ensure the authenticity of the customs procedures. As for the Internal Control, its job is to conduct direct and follow up auditing of customs procedures. The inspection duty is to prepare regular-random administrative inspection guide. This guide is implemented by a specialized team from various directorates whom short notice inspection rounds are conducted to customs centres in accordance with the instructive guide.

- Cooperation with Anti Corruption Directorate as a governmental agency concerned with this subject. As well as cooperating with Customs Administration in (ASEZ) Aquba Special Economic Zone.
- Establishing directorate of Risk and selectivity in order to conduct studies and feeding the selectivity system and follow up of accomplished declarations through later auditing.
- The Customs Administration keeps up producing regulations that would control work procedures which in turn eliminate random procedures to strengthen transparency principle as well as keeping individualism away so that work would be as a result of accumulative concept such as traveller instructions and expatriate furniture ... etc.”

#### 6.2.4 United States

“U.S. Customs and Border Protection maintains a separate Office of Internal Affairs (IA) to manage security related programs, including lead responsibility for audit and investigation functions.

IA is the organizational unit responsible for internal audits and investigations with direct reporting authority to the organizational head.

IA has established a centralized allegation “intake center” to promote uniformity and consistency in the processing of misconduct allegations.

IA has developed and implemented an automated tracking system to monitor all allegations and investigations from receipt to final disposition.

IA recruits qualified, experienced investigators and auditors to conduct internal investigations and audits. IA promotes recruitment efforts by ensuring that assignment to investigative and audit units is recognized within the organization as career enhancing.

IA has established a formal background vetting process for all candidates for employment, promotion and awards.

IA has established a rotational tour of duty for internal auditors and investigators for 3 to 5 years. This practice will help morale and reduce job performance complacency.

IA created a Special Investigations Unit to conduct sensitive, high profile or complex investigations of alleged employee misconduct.

IA has developed a two-tier investigative structure where allegations of criminal and serious misconduct are performed by experienced, full-time investigators. Less serious administrative violations of organizational policy or procedure are referred to management for inquiry and action.

IA established uniform guidelines for proper investigative and audit report writing. Reports should have relevance and be fair and objective.

IA has established strong working relationships between the investigative office and the organizational entity responsible for managing the discipline program.

IA has developed a strong and proactive integrity testing program. Investigations are initiated based on raw intelligence, data analysis and results of internal audits.

IA manages an audit schedule that includes both random and routine audits.

IA has developed self-inspection protocol that all offices must adhere to between scheduled audits.”

#### Benefits

“The benefits of dynamic and fully integrated audit and investigation programs are the prevention and detection of corruption and potential misconduct.”



## Challenges

“There is a philosophical argument that internal investigative programs can, in some cases, run counter to individual self-interest. A defined code of conduct that limits individual discretion and prescribes specific on and off-duty activities (e.g., Code of Conduct), although a measure to prevent corruption, can conversely be seen as a limit on freedom.

Generally speaking, there can be employee reluctance to audits and investigations regarding their performance activities and actions. Employees may, for example, use "short cuts" in the performance of their daily duties and responsibilities, which could be uncovered during an audit or investigation.”

### 6.3 Audit plan, audit report, etc.

#### 6.3.1 Morocco

Adoption of an annual plan of action for audits and inspections

- Evaluate the application of procedures and working methods;
- Contribute to the simplification and standardization of procedures;
- Evaluate the performances of organizations and assess the efficiency of services;
- Contribute to the development of preventive and anticipatory controls to avoid breaches.
  
- Promotion and safeguarding of integrity rules;
- Monitor the Service’s operation and officers’ conduct;
- Audit procedures and organization.

#### 6.3.2 Rwanda

External audits conducted by the Internal Assurance Department and by the Auditor General’s Office, and whose reports are transmitted to the Government and Parliament. On a yearly basis

### 6.4 Investigation

#### 6.4.1 Hungary

“Risk analyse methods are being formulated in the activity against prevention of corruption;

The investigations of complaints are performed in accordance with the authorisation as provided by law, under the given deadline with the obligation to provide the adequate reply.

Audit and Investigation: (supplement)

The Control Directorate within the Customs Administration on the basis of the Government Decree no.: 193/2003 (XI.26.) on inner control of state organs performs monitory, system- and performance controls as well as IT system check during the inner scrutiny.

The scrutiny performed by the Control Directorate is concluded by the report on it containing among others the suggestions related to the improvement and increase on effectiveness, regularity and economical realization of the pre- and post controlling procedures. Such suggestions can be assistance for the management in the formation of the consistent strategy against corruption.”

The Crime Prevention and Internal Affairs Division within the Criminal Directorate of the General Directorate of the Customs and Finance Guard carries out prevention activities and co-operates with other authorities in corruption cases (providing data, joint actions, etc.).

The corruption information in connection with customs officers are sent to the Crime Prevention and Internal Affairs Division, which forwards it to the appropriate authorities.

The organizations of different levels within the Customs and Finance Guard are instructed by this Division to carry out controls on their personnel and the result of which has to be reported. The customs offices at border crossing point can be controlled by checkpoints set up nearby the borders where they control the customs documents, permits, customs seals, customs cords, registration in Customs system. The methods of rotation and unpredicted changes in duty schedules are effectively implemented.

Non-exceptional treatment of clients, control of the destruction of confiscated excise goods and acceptance of gifts constitute crucial elements of controls of inland customs offices.”

6.4.2 United States (see 6.2.4)

6.4.3 Brazil (NEW)

“Estate Audits, the institution expects that the staff whose estate variation is in fact, incompatible with their known incomes, or that cannot prove the allowed origin of the resources used in their enrichment, are moved away from public service and, consequently, from the customs activity.”

## 7. Code of Conduct

*“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.”*

### 7.1 Code of Conduct

#### 7.1.1 Australia

“The Australian Public Service Code of Conduct sets out the standards of behaviour and conduct required of all employees who work in core public employment. The Code is set out in the Public Service Act 1999.

Consistent with the Code of Conduct, one of Customs corporate objectives is to have a workforce that displays high standards of professionalism, probity, ethics and accountability.

Customs has a number of avenues for communicating the requirements for standards of behaviour namely through its Intranet and during induction of staff.

Integrity is a performance measure against which all staff are assessed in the Performance Assessment and Feedback process.”

Australian Customs employees must demonstrate behaviour consistent with the Australian Public Service values and adhere to the Code of Conduct.

The Code of Conduct prohibits the improper use of official information by employees.

Customs also has an Ethics and Conduct publication that complements the APS provisions and articulates the APS Values and Code of Conduct. The publication provides guidance and direction detailing the standards of personal and professional behaviour required to maintain public confidence in the probity, integrity, conduct and efficiency of Customs.”

#### 7.1.2 Czech Rep.

“The provisions of the Code of Conduct have been ever more consistently applied in practice.

Ethics and organisational culture have been enhanced at all organisational levels.

Customs managers must set an example for their subordinates.

Encouragement of customs officers’ sense of pride in belonging to the Customs (presentation of their successes in the mass communication media, organisation of Customs sporting events and support offered to the work of the Customs Fraternity that has been founded specially on the principles of customs ethics and professional honour.

Internal Audit and Inspection has organised special-purpose working seminars devoted to integrity and ethics for the target-group consisting of certain specialised teams (the new Excise and other support departments).

Ensuring objective presentation of the Customs, specially of positive information.

Procedures have been set up governing the notification of cases of violation of integrity (the anti-corruption telephone, information to the public).

Members have been trained in the relevant legislation relating to this issue, complete with requirements and norms applied to public servants in the performance of their offices.

Close cooperation with Customs psychologists including sharing of findings from the practical performance of the service, specially in respect of genuine attitude on the part of Customs officers to compliance with the Code of Conduct.

Issue :

Amendment of the Service Rules governing service discipline and service courtesy, including the incorporation of the principle of compliance with the Customs Code of Conduct.

Advantages :

Strengthening of direct responsibility of Customs managers regarding their disciplinary and human resources authority represents yet another important measure in combating corruption.”

7.1.3 Lithuania

“New Code of Ethics drafted and put in use in 2002. It regulates the officials’ behavior both at work and after work.

The ethics policy stresses the importance of a customer-oriented approach.

A wide-range penalty system was implemented.

Punishments restrict from a possibility to get a promotion.”

“Every customs official must familiarize with the Code of ethics and make an oath to follow the rules of conduct. Despite that sometimes officers demonstrate resistance to strict discipline rules and changes which are aimed to minimize the risk of staff fraud.

An official who received a penalty for the first time during the specific year may be dismissed as soon as he breaks the rules for the second time.

7.1.4 Lithuania (NEW)

“The ethics policy stresses the importance of a customer-oriented approach, high standards of professionalism, integrity and accountability. The code of Ethics prohibits the improper use of public property and official status as well as official information for private interest.”

7.1.5 Malta

“Code of Ethics has been published and reports by trade investigated immediately. Customs staff are aware of performance standards expected of them but continuous monitoring is necessary to ensure that the Code is given the appropriate attention.”

#### 7.1.6 Turkey

“In 2001, the code of conduct of Turkish Customs was issued both as a binding General Notice No.2001/2 and a booklet. This was the first of its kind in the customs. In this notice, the Undersecretariat states, based on general provisions of anti-corruption, its determination to ensure the integrity and the perfect behaviours for the Customs officers that they should behave in a specific way, and they should not accept any gifts and tips, and how they should do so. Also a trainers group was formed performing both in the headquarters, and in the provinces explaining the ethic rules and how it functions.

The consequences of improper behaviour of customs staff are heavy enough and all are aware of that. A study of effects of penalties is not available. Official publication of good or bad examples are not applicable but the incidents reflected in press.

Committment for integrity brought about over-reactions to corruption allegations which may cause to negative motivation.”

#### 7.1.7 Japan

“All public officers, including Customs officers, abide by the National Public Service Law, the National Public Service Ethics Law, and the National Public Service Official Ethics Code. Moreover, Customs has established the Integrity Action Plan, aiming to further improve the level of officers’ ethics. In order to ensure officers are thoroughly familiar with the law, Customs

- (1) Distributes brochures on the National Public Service Ethics Law with concrete examples of incidents to officials.
- (2) Distributes brochures on Questions and Answers for National Public Service Ethics Law to officials.
- (3) Uses the brochures as training material during educational programs.

Full awareness of ethics is raised by the comprehensive laws and Code of Conduct on Ethics.”

#### 7.1.8 Jordan

“The Jordanian Customs Department has issued the Code of Conduct and Job Ethics Guidebook” which sets out the following matters :

- Performing duties, good management of time, good look
- Commitment to laws, instructions and regulations
- Tact
- Faithfulness

- Drinking alcohol, drugging or gambling
- Dealing with criminals or violators
- Previous criminals
- Preserving the public property
- Property and goods of the country
- Keeping confidential information
- Financial matters, banning presents, accepting favour, performing responsibilities
- Conflict of interests, banning any other external work conflicting with performing the job
- Notifying violations and arrests.

The officers are acquainted with the Code of Conduct and Job Ethics Guidebook through the training courses held in the Customs Training Centre as well as through the distribution of this Guidebook to all customs personnel in the different workplaces.

Producing incentive system and honouring of employees in case of detecting customs offences.”

#### 7.1.9 United States

“Internal Affairs (IA) defines the organization’s Code of Conduct standards in clear and concise language and distribute to each employee.

IA requires employees to acknowledge receipt of Code of Conduct. This code should be posted on the organization’s website.

IA ensures that the Code of Conduct includes a requirement that an employee report suspected misconduct and criminal conduct.

IA ensures that the organization has ongoing integrity training to reinforce commitment to Code of Conduct standards.

U.S. Customs and Border Protection demonstrates organizational commitment to Code of Conduct by rewarding employees who exhibit exceptional integrity (e.g. Commissioner’s Annual Award Ceremony).

IA reviews the Code of Conduct on a regular basis to ensure its relevance to changing organizational environment and activity.

U.S. Customs and Border Protection has developed a Table of Offenses with corresponding penalties. The Table should establish a penalty (or penalty range) for each offense.

U.S. Customs and Border Protection has established a Disciplinary Review Board to ensure fair and objective adjudication of all cases of misconduct.

IA communicates misconduct case dispositions (in accordance with applicable privacy laws and regulations) on a regular basis to demonstrate enforcement efforts and to use as a potential method of deterrence.

Establishment of an integrity monitoring unit to provide oversight and develop agency-wide integrity programs and initiatives.

Establish and publicize “Whistleblower” protection for employees so that there is a reporting mechanism and legally recognized protection against personal or professional retribution.”

### Benefit

“A Code of Conduct defines an organization’s values and establishes on and off-duty behavioral expectations. A corresponding Table of Offenses and Penalties promotes fair and consistent discipline administration.

“Whistleblower” protection encourages an environment where fraud, waste and abuse can be readily reported without fear of workplace retribution.”

### Challenges

“Although employee protections in the workplace are highly important, formal procedures that surround and control labor-management relations can delay development and implementation of Code of Conduct. This may be seen as a constraint to the immediate deployment of conduct requirements, however there is a legitimate reason for it.”

#### 7.1.10 Rwanda

- Development of a Code of Conduct in conformity with the Arusha Declaration.
- This Code of Conduct sets guidelines for the conduct and behaviour expected of the Office staff.
- The Code sets out disciplinary procedures in cases of breaches of the rules and gives details of the sanctions to be imposed, taking account of the severity or frequency of the offence.
- New recruits receive training on the content of the Code of Conduct.
- The Revenue Office’s Disciplinary Committee rules on cases requiring urgent disciplinary measures (requests for explanations, suspension of officials to re-establish order, proposal to dismiss officials convicted of improper behaviour (misconduct or serious misconduct, etc.).

#### 7.1.11 Italy

**“Staff are aware of the integrity standards required in the performance of their duties, as they are described in the “Code of conduct of public service staff”**, which is appended to the National Collective Contract of the various categories of workers.

Where the **consequences of improper behaviour** are concerned, the Employment Contracts include **disciplinary sanctions** commensurate with the seriousness of the violation, which are applied in accordance with the general criteria laid down in the **Code of Discipline**, which (under arrangements laid down by the Employment Contract) must be displayed in all workplaces.

Where a violation committed by a member of staff constitutes an offence under criminal law, the head of service is obliged to report it to the criminal

court judge, who may impose the **criminal law penalties** provide for by the specific legislative provisions.

In any event, there are plans to adopt a "**Customs Agency Code of Ethics**", which an ad hoc Working Party is currently drafting. The draft "Customs Agency Code of Ethics" is being compared with the "Code of conduct of public service staff" in order to avoid repetition and give the Customs Agency Code a specific content which solely and fully reflects the reality of Customs."

#### 7.1.12 Hungary

"The Hungarian customs administration designed the Code of Ethics in 2000. The Code of Ethics contains general and special requirements, which ensures the integrity of activity of the Hungarian Customs and Finance Guard from an ethical point of view. In addition, it contains guidelines for preventing from incompatibility and proper behaviour against clients.

Ethical procedures can be initiated by reports from customs officers, complains from citizens, indications from other authorities. Ethical issues are decided by Ethical Committee.

Ethical procedure primarily serves the prevention. The following sanctions can be applied written notice, to carry out personal performance evaluation, to transfer the person concerned to other position or place of duty."

#### 7.1.13 Bolivia

A new Code of Conduct (Code of Ethics) ,specific to the Customs function, has been drawn up taking into account the principles and recommendations of the World Customs Organisation and OECD.

This will lead to better control and follow-up of officers' conduct whilst promoting the principles and values of the Customs function.

(see also 1.3.3)

#### 7.1.14 Hong Kong, China (see 7.2.1)

### 7.2 Disciplinary measures

#### 7.2.1 Hong Kong, China

"Hong Kong Customs:

- (a) has published its Code on Conduct and Discipline (hereafter refers as the Code) and distributed it to all of its officers;
- (b) has included practical examples and guidance relevant to different types of Customs jobs in the Code with a view to enabling its staff to deal with various ethical issues;
- (c) has circulated its Code to overseas counterparts for comments and comments received have been incorporated into the revised edition.
- (d) has a mechanism for officers to report suspected breaches of discipline or corrupt practices. Steps have also been taken to ensure that all



- allegations are handled in an impartial, appropriate and efficient manner;
- (e) has provided guidelines in the Code to prevent officers from abusing data or information made available to them in the course of duty. Officers are being constantly reminded to observe the Personal Data (Privacy) Ordinance and the Civil Services Regulations;
  - (f) has constantly reminded its officers that it would be an offence under the Official Secret Ordinance if they disclose any classified information without lawful authority; and
  - (g) has a mechanism to govern officers to declare conflict of interest.

### Benefits

- The developing and issue of the Code is a key element of any effective integrity programme. The Code sets out in very practical and unambiguous terms the behaviour expected of all Hong Kong Customs personnel. Penalties for non-compliance have also been articulated in the Code.
- The Code not only provides staff with pertinent information and helpful advice on preventing malpractice, it also provides a structured and systematic process to help staff to deal with ethical dilemmas and to arrive at a satisfactory ethical decision.”

#### 7.2.2 Morocco

In the event of a breach, a disciplinary file is prepared and processed as quickly as possible. -- Ensure that penalties have the desired remedial effect. Constant improvement of the disciplinary system -- Permanent quest for a balance between breaches recorded and penalties imposed.

#### 7.2.3 Rwanda

- Salary increases and promotion of officials depend on the results obtained during the previous individual performance assessment.
- Disciplinary transfers for officials guilty of minor misconduct.
- Suspension of officials suspected of gross misconduct pending the results of the investigations and the Disciplinary Committee’s decision.
- Dismissal of officials guilty of gross misconduct, as defined in the Code.

#### 7.2.4 United States (see 7.1.8)

### 7.3 Guidance and practical examples

#### 7.3.1 Netherlands

*“The integrity rules of the game/Brochure Integrity*

Although we value the appeal to professionalism, we may not forget that rules are still important. But sometimes rules are difficult to understand. In that case, it is wise to present them in a practical and user-friendly way. Last year we launched a brochure entitled *The Integrity Rules of the Game*. This

brochure explains in clear, everyday terms the rules that staff members must adhere to. In contrast to the *Basic Values* brochure, this new brochure covers concrete topics such as confidentiality, accepting gifts and invitations, investing in securities (with a view to avoiding insider trading), holding additional positions or directorships and dealing with operating assets (such as official cars, computers, mobile phones, copying and fax equipment). Each of these topics is followed by an explanation of what is all right, what is not, and why. Questions that come straight from day-to-day routine are also discussed. When in doubt, talk it over with colleagues, the brochure advises staff members. *The Integrity Rules of the Game* also discusses matters such as job mobility, segregation of duties, investigations of security risks or examinations of antecedents for certain jobs. For instance, a person's antecedents are examined for customs jobs involving investigative power and for jobs that are based at the port of Rotterdam or at Schiphol airport."

#### 7.4 Others

##### 7.4.1 Netherlands – Integrity profile

"New employees can only enter the DTCA when they have a so called "declaration of good behavior". This declaration is given by the mayor of the municipality of the new employee and can only be obtained if the new employee did not commit any crime, did not make an other violation of law or did not do anything wrong in his personal life. To support the mayor in his decision whether or not a declaration of good behavior can be given, we developed a so called integrity profile. This integrity profile is based on our three basic values and describes the attitude of the ideal employee in terms like dealing confidentially, being honest and realizing that the employee as a public servant must always perform in a way he can be taken as an example for good conduct."

## 8. *Human Resource Management*

*“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.”*

### 8.1 Salary, other remuneration and conditions

#### 8.1.1 Lithuania

“Article 30 of the Statute of Service within the Customs provides that customs officials who carry their duties in an exemplary manner may be encouraged by a premium, letter of honor, personal gifts, commemorative medal, badge of honor.”

#### 8.1.2 Kazakhstan

“Admission to work in customs bodies of the Republic of Kazakhstan is made on the competitive basis, by means of computer testing and passing the competitive commission, by maximum exclusion of candidates without special education and not corresponding the qualification requirements.

The recruiting policy was innovated with the contest among the graduates of academies, universities with the specialized field “customs business”. The winners are admitted to work in customs bodies, included to the urgent personnel reserve for the vacant posts.

In order to keep and improve personnel professionalism customs officials are trained at international seminars, the Academy of state service of the President of the Republic of Kazakhstan, courses for qualification improvement receiving certificates and diplomas. Every week the customs officials of the Head-quarter

and the field customs attend the courses of professional and legal training to learn the laws and legal acts.

Those customs officers who have good certification results by decision of certification commission are included into the personnel reserve for promotion.

The moral stimulus for customs officials in the process of service is rewarding for special merits with the Governmental awards on the Chairman's recommendation, the chest badges of the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> degrees depending on the length of service in customs bodies of the Republic of Kazakhstan. There are also other kinds of encouragement of the Chairman of the Customs Control Agency of the Republic of Kazakhstan ("Honoured customs official of the Republic of Kazakhstan", "The Best customs officer", etc.)"

### 8.1.3 Hong Kong, China

"Hong Kong Customs :

#### Remuneration and Conditions

- (a) has drawn up common indicators to identify officers with indebtedness problems;
- (b) has developed a set of training materials on prudent financial management to prevent staff from getting into serious financial difficulties. Prominent university professors are also invited to give lectures to officers on financial management; and
- (c) has produced a VCD and issued a booklet on healthy life style and prudent financial management.

#### Recruitment, Selection and Promotion

- (a) has been keeping applicants informed of the selection criteria and details of the selection process. This enhances transparency and ensures fairness; and
- (b) has kept its recruitment practices under regular reviews. Currently, the entrance qualification and criteria are currently kept under review.
- (c) has established a fair mechanism for conducting performance appraisal and promotion of staff.

#### Deployment, Rotation and Relocation

- (a) has formulated posting policy to ensure fairness and effectiveness in deploying staff.
- (b) has worked out separate rotation schemes for officers with specialized skills, e.g. investigators and patrol launch crews.
- (c) has set up posting panels to oversee staff rotation.

#### Training and Professional Development

- (a) has developed succession plan to prevent officers from holding "high risk" positions for long periods of time;
- (b) has included "integrity" as a core subject in its training and development programme. The Code has also been added as materials for the qualifying examinations for promotion from Customs Officer to Senior Customs Officer and Inspector to Senior Inspector; and

- (c) has been implementing the e-Learning Pilot Scheme since 2002. Phase II of the Scheme rolled out on 1 March 2004. The Administration has so far uploaded four interactive training programmes onto the e-learning platform at the Cyber Learning Centre of the Civil Service Training Development Institute's Homepage. Staff can access to the interactive training programmes at any time via the Intranet or Internet.

#### Performance Management/Appraisal

- (a) has set up assessment panels to ensure objectivity and transparency of staff performance appraisal;
- (b) has included integrity as a core competency in performance appraisals for its officers.; and
- (c) has worked out job descriptions for each post. Supervisors are required to work out a Duty List with each of their subordinates at the start of an appraisal cycle.

#### Benefits

- The adopted measures not only help boost staff morale and enhance staff communication, but also enable the Administration to enlighten its HRM practices.
- Those measures ensure that staff selection and promotion procedures are free of bias and favoritism and based on the principle of merit. Appropriate performance appraisal and management systems reinforce sound practices and foster staff professional integrity.”

#### 8.1.4 Morocco

Adoption of a two-tier salary scheme: a basic salary plus performance-related pay

- To a certain extent, the salary levels contribute to a feeling of satisfaction displayed by the staff in relation to other civil servants.
- Customs officers' salaries are higher than the average for civil servants.

Increase in performance-related pay

- Gradual application of a single scale for staff in the central administration and external services;
- Reduction in disparities between the different categories of staff.

The increase in the performance bonus awarded to Customs officers was implemented incrementally between 1999 and 2001. The achievement of these objectives was reflected by a doubling of the bonus awarded to staff from external services not occupying positions of responsibility, i.e. almost 3,900 officers representing 80% of the total Customs staff.

#### 8.1.5 Slovakia (NEW)

“By the Act on State Service in Customs is regularly increasing base salary, which is considered as positive instrument against corruption.”

#### 8.1.6 Azerbaijan - reward

Customs officers who distinguish themselves by their exemplary conduct should be rewarded for this, their material and social living conditions should be enhanced; fairness and transparency in the system for encouraging exemplary conduct must be guaranteed.

Individual awards are paid using financial appropriations which are placed in a Fund. These appropriations are equal to the financial penalties and administrative sanctions imposed by Customs officers.

## 8.2 Recruitment, selection and promotion

### 8.2.1 Lithuania

“Candidates are screened according to the rules of special checks through the records of the Information Center of the Ministry of the Interior. Persons to be selected for service are subject to high requirements with respect to their qualification and reputation. Special examination procedure is applied with respect to persons applying for a job. Applicants with adverse criminal records are not even included in the lists of applicants. The recruited persons have to suspend the membership in any political party. The ethical standards of applicants are tested during the interview with the established recruitment commission. Qualified and honest persons are selected. The procedure takes a lot of time due to a special examination of candidates.”

### 8.2.2 Turkey

“Recruitment system is largely based on general rules and governed partially by an independent authority.

...

A published rotation system nationwide is applicable.

In the provinces, the customs managers have the authority on their subordinates and they carry out the rotations with objective performance criteria and the customs managers also do promotions in an objective way.

...

Recruitment system is open to improvement which requires specialised staff and financial supports. It is not designed independently according to the customs needs.

Promotion system is open to improvement as promotion routes of each career groups are not clear enough.

The effectiveness of measures to encourage qualified staff to work for/stay in customs need to a review.

Means of motivation are inadequate. Rotation system is criticized by the staff as it may result unjust assignments.”

### 8.2.3 Finland

“In connection with recruitment, the background of the persons considered to be selected is examined from the security point of view and they are also required to furnish a written proof of a drug test is requested already on the job application form.

Customs trains its own staff. The training takes mainly place at the Customs School and is divided in vocational basic training and task-oriented

continuation training. Conferences and meetings on various themes are also arranged for training purposes.

Vacancies are openly informed about within Customs. Domestic and international job and staff rotation is supported at all levels of organization. The workplace atmosphere is regularly monitored.”

#### 8.2.4 Australia

“Customs workforce characteristics are clearly reflected in its selection criteria for employment and include relevant technical and managerial capabilities. Selection decisions are based on merit and utilise a range of selection tools and trained selectors.

Customs decision to advertise vacancies is determined by workforce planning requirements.

The selection process employed by Customs :

- attracts the best calibre applicants from both inside and outside of Customs;
- provides comprehensive and accurate information on roles and requirements;
- uses screening and testing processes and trained selectors in decision making.

The Australian Customs Service recruits a wide selection of staff from the community.

Recruitment and selection in Customs engages, transfers and promotes highly skilled and motivated people for all levels/positions.

Customs Human Resource policies and procedures are premised on the APS Values and Code of Conduct.

Screening processes used for entry level recruitment help to ensure a good organisational fit particularly in regard to values.

Staff are able to identify key areas for skills development and incorporate these into a personal development plan which forms part of their performance agreement.”

#### 8.2.5 Jordan – transfer and rotation

“Policy of Transfer and Rotation: For the purpose of promoting transparency and participating in this subject, Jordan Customs Department relies on the following /

- Consultation with the managers of Directorates and Customs Houses regarding the transfer of officers
- Forming a committee to consider the transfer applications in accordance with the Department’s need and circumstances.
- Using the transfer and rotation policy on the partial level (inside the Directorate or Customs House) in such a manner that experiences and

abilities of officers are developed as well as acquainting them with the different jobs tasks in the Customs House.”

#### 8.2.6 United States – background investigations

“Sound administration of human resource employment practices includes identification, selection, promotion and retention of candidates that demonstrate a high degree of personal and professional integrity.

The Office of Internal Affairs assists in this endeavor by performing background investigations (of varying degree of intensity) for new candidates, in order to determine fitness for employment.

Internal Affairs also performs regularly scheduled periodic reinvestigations for those that remain employed with U.S. Customs and Border Protection. These investigations generally determine if the employee should retain their position by exploring aspects such as personal financial profile to determine possible bribery risk, arrest history, potential for perceived or actual “conflict of interest” in performance of duties, etc.

Provide employees with opportunities for career growth and personal satisfaction that would normally prevent their taking risks at losing their legitimate livelihood. Opportunity for advancement also assists in generating employee satisfaction by building morale and a positive esprit de corps within the organization.”

##### Benefits

“Through rigorous background investigation standards, that continue to apply throughout the career of each employee, the agency maintains the potential for the highest possible degree of workforce integrity.

Through positions that provide a clear pathway for varied career experiences and advancement, a highly motivated workforce can be retained. Motivation and professionalism in the workplace thereby foster an environment where integrity principles can flourish and self propagate.”

##### Challenges

“Integrity can be tested when personnel (even those with high levels of authority and/or job satisfaction) are offered lucrative benefits for some action or dereliction of duty on their part. This will remain the timeless challenge in the promotion of integrity throughout the professional Customs organizations of the world.”

#### 8.2.7 Rwanda

- Listing of vacant posts.
- Defining the profile and qualifications of the candidates (they should generally possess academic qualifications + there should be female representation within all the services).
- Publication of job vacancies via radio and television as well as the Web site of the Rwanda Revenue Office.



Organization and marking of tests by a committee set up for each type of recruitment.

- As the Office is administratively and financially autonomous, the salary scale is no longer aligned on that for the Civil Service.
- The Government assigns the Office 2.6 % of the total taxation revenue collected as its annual operating budget.
- Existence of an internal promotion policy. When recruiting for a vacant post, priority is given to the Department employees if they meet the conditions required for the post to be filled.
- The system encourages the best officials to prepare themselves for senior posts and to continue to work for Customs.  
It is less expensive to promote staff within the service than to call up external human resources.
- This system is also effective, as the candidates are already very familiar with the institution.

#### 8.2.8 Uganda (NEW)

“Customs Department is involved in the recruitment process. It is part of the selection committee. A Human Resource Planning unit of the Revenue Authority handles succession plans for the organization.”

### 8.3 Training & Professional development

#### 8.3.1 Training in general

##### 8.3.1.1 Cambodia

“5-year training plan which breaks up to annual training program; implement rotation principle, but influence from outside on staff rotation; transparent and competitive recruitment; lack of funding; low remuneration & incentive.”

##### 8.3.1.2 Hungary

“From the preparatory type of training, which was typical in the past, the focus has shifted to shorter training courses that address specific issues/problems, for which the Hungarian customs administration has appropriated substantial resources.

The courses, delivered at the training centre and the institutions of further education, covered all the relevant aspects of the European Union, including the institutions, and the regulations concerning customs administration. The regional training centre of the World Customs Organization in Budapest has recently hosted a range of courses and seminars, dealing with, among others, border traffic, law enforcement, tax control, TARIC, IT, customs value, origin and excise.

The Hungarian customs administration accepted the WCO E-learning programme and has already started to organize the usage of program as a training tool.”

### 8.3.1.3 Ghana (NEW)

“Courses in Change management have been organized for staff at both senior and middle levels to adopt modern trends to eliminate delays, increase revenue by applying customer friendly methods and exposure to the ills or dangers of corruption to the nation.”

### 8.3.1.4 Hong Kong, China (see 8.1.3)

## 8.3.2 Integrity Training

### 8.3.2.1 France

“Preventative action in the context of vocational training :

Initial training for officials from all categories (senior managers, A, B and C category officials) focuses on the risks they face when performing their duties and warns them against a wide range of enticements and attempts at corruption that may be directed at them.

Methods of detecting potential fraud are also covered in training courses for supervisory staff.

Ongoing training : This involves reminding officials throughout the course of their career about professional ethics and rules of good conduct in terms of the obligations incumbent on them (for example, professional ethics file relating to the requirement for officials to be independent, issued to all the services), and the risks faced in cases of shortcomings by circulating the sanctions imposed annually by the Directorate General (publication in the official Customs bulletin, which is for internal use only). This information is disseminated at local level (Directorate, services, units).

Turning the spotlight on noteworthy cases of corruption detected by Customs, by means of articles in the official magazine “Douanes infos” and on the home page of the Customs Intranet site. It is worth noting that officials also receive letters of commendation, which may be signed by the Regional Director, Director General or Minister.”

“There is no charter or code of conduct for Customs officers. This offers the advantage of not having to draw up exhaustive rules, although a potential disadvantage is that there is no reference compendium. However, officers can refer to the professional ethics files and the framework instructions relating to administrative discipline, which are available and can be easily accessed via Intranet.”

### 8.3.2.2 Netherlands

“Managing integrity also means that the managers of the DTCA must trained in using the right tools. The integrity project ARDI therefore also includes training. In the first place, there is the integrity training program (so called dilemma-training) developed in collaboration with the European Institute of Business Ethics at Nyenrode University. This program presents various work-related dilemmas and methods for dealing with them. The program thus not only expands the integrity awareness of staff, but it also provides a concrete and structured way of dealing with this issue. Participation in the dilemma training course by teams and units is voluntary.

On another front, there is the basic training that each new staff member must attend, which includes an initial module on integrity.

In addition to dilemma training—which has been operating for some time and which is very popular—a new training course on official integrity for managers has recently been developed. This new course is not hands-on dilemma training, but it gives managers a set of tools with which to guide their staff in promoting integrity. This new training is compulsory.

Right now we are in the process of developing extra modules on management-training. These modules give extra focus on the tools of coaching and supporting their employees on the subject of integrity.”

### 8.3.3 Training for management

#### 8.3.3.1 United States

##### *“Actions*

Mandatory 2-week leadership training program to be attended by newly selected supervisors (within 90 days of appointment), as well as annual ethics and integrity training required for all managers and supervisors. Disseminate updated integrity training standards and information (that represents the current agency policy) to all employees, including presentation through an internal Web portal and other automated training means.

Management development conferences include training sessions on professionalism, integrity and other leadership concepts.

All formal training courses for supervisors and managers include sessions or references to integrity, ethics and professionalism.”

##### Benefits

“Qualified and motivated managers and supervisors act as mentors to subordinate staff and continually support and enhance the integrity of Customs operations.

Managerial staff, through a constant regime of high-quality professional development, remain highly attuned to integrity best practices and endeavor to reinforce these principles while in their leadership capacity.”

##### Challenges

“Adherence to these principles requires continual attention, feedback and monitoring. Therefore, the task of continually delivering a cyclical training regime is manpower intensive and requires a fiscal commitment to the training investment.

Integrity principles that are gained through constant training do not always result in a fixed and tangible (measurable) “product” of those efforts, although overall professionalism can certainly be viewed as a by-product of quality integrity training programs.”

##### *Notes*

“Managerial integrity-based training programs have long been in place for U.S. Customs and Border Protection.

Integrity programs in formal training regimes are continually updated based on new developments and student feedback.

Integrity training is an ongoing process that requires the agency to monitor the effectiveness of the training being delivered and ceaselessly work to adapt integrity concepts to the various duties that Customs performs.

U.S. Customs and Border Protection has embarked on an ambitious “Professionalism” initiative for all employees. The goal of this program is to continually enhance interpersonal skills for U.S. Customs and Border Protection personnel when dealing with the public, as well as internal customers. Integrity and professionalism (as reinforced to subordinate staff by all managers) are critically linked qualities in the performance of Customs activities on a global perspective.”

#### 8.3.4 E-learning

##### 8.3.4.1 Australia

“Customs offers a number of on-line learning opportunities to assist employees perform core tasks. The Customs Development Program identifies the core skills required of all staff and specialist skills that will vary depending upon assignment. The Program incorporates existing education programs including the Commercial Education Program, Border Education Program and the Public Sector Quality Management Program.

The Program is competency based, and enables staff and supervisors to satisfy individual as well as organisational needs. It also works in conjunction with the Performance Assessment and Feedback System.”

#### 8.4 Performance management & appraisal

##### 8.4.1 Morocco

Annual in-service satisfaction surveys carried out for all Customs officers

- Measures the level of satisfaction in relation to working conditions, career advancement and the social climate. Very positive results have been recorded in this domain, and the survey carried out in 2003 highlighted pride and a strong sense of belonging to the Customs institution.
- A final report, produced at the end of each survey, then issued to all staff;
- Results are presented to the staff, with the Director General in attendance.

##### 8.4.2 Rwanda

Existence of a performance evaluation system reflecting the output and behaviour of officials over the period in question.

At the start of each year, the official and his/her line manager discuss and agree on the objectives to be attained by the end of the year.

At the end of the year, they discuss whether the objectives have been achieved, and evaluate and establish the action plan for the following period.

This system has not yet been fully mastered by certain senior staff, despite the fact they have received a great deal of training.

8.4.3 United States (see 8.2.6)

8.4.4 Hong Kong, China (see 8.1.3)

8.5 HRD in general

8.5.1 Morocco

Implementation of an Integrated Resource Management System (SIG) containing a module devoted to human resource management

- The Customs administration wishes to have a means of organizing and recording its officers' skills;
- Objective determination of the training to be provided to each audience;
- Ensure that the official who occupies, or might occupy, a post is suited the task; etc.

In the present module, this aspect is the subject of what is commonly called strategic human resource management: organization management, employment and posts management, profile and competence management, recruitment management, training management.

The HR domain consists of a number of processes relating to the management of social assistance, including loan management and monitoring, allocation of summer vacation centres, transport of civil servants, etc.

8.5.2 Belgium – Job description

In-depth review of human resources management within the Federal Civil Service in order to ensure the officials' profiles correspond as fully as possible to the tasks they perform (this reform has implications for officials' administrative careers, mobility policy, training policy, etc.)  
The job description is the cornerstone of any Human Resources policy.

8.5.3 Zambia (NEW)

“Introduction of the Staff Disciplinary Code Grievance Procedures. Performance management and development systems have been introduced. All staff get opportunity to contribute towards formulation of Organizational Strategic Action Plan.”

## ***9. Morale and Organizational Culture***

*“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 anti-corruption programme and should be encouraged to accept an appropriate level of responsibility for the integrity of the administration.”*

### **9.1 Moral and Organizational Culture**

#### **9.1.1 Netherlands**

##### *“Integrity counselors*

Another aspect of the integrity policy involves the appointment April 2001 of 40 integrity counselors. Directorates and units have recruited and selected these integrity counselors. The positions they hold are new. We already had a central integrity counselor, but—partly to bring the entire issue closer to staff—it was recently decided to appoint counselors at unit level. Integrity counselors are ordinary employees who serve as sounding boards and advisors to other employees when they have questions in relation to integrity. They do so on a voluntary basis, as a secondary responsibility. The questions may be about a staff member’s own integrity or a suspected infringement by others. A protective regulation is being drawn up for both integrity counselors and people who report suspected abuse. These whistle-blowers enjoy protection of their legal status (against dismissal, transfer, etc.) when they report abuse in accordance with an internal procedure. However, people who take information about possible abuse outside the organization, or report it to the media, lose this protection.

##### *Digital discussion groups and website for security and integrity*

Because we think that an important aspect of integrity policy is communication we are currently developing a website for security and integrity, and setting up digital discussion groups on our Intranet. The idea is to offer a permanent and low-threshold means of communication to all our staff where they can follow developments in security and integrity policy both inside and outside our organization. The site also offers an easy-to-use reference function for integrity rules and frequently posed dilemmas, moral or otherwise, and presents cases taken from real life. We are attempting to set up digital discussion groups where staff can discuss their questions involving integrity and can submit their own dilemmas for discussion.”

#### **9.1.2 Hungary**

“The prevention of corruption activities is included in the curriculum of the Customs School with a view to stop corruption activities and to co-operate in the discovery of such cases.

The aim of these presentations is to raise awareness within customs officers towards the binding legal provisions concerning the definitions, sanctions of corruption activities and the procedures to be followed in such cases.

In addition, the presentations include the practical aspects of prevention and detection methods in order to prevent those emotionally not affected officers with corruption activities to commit as well as to actively assist in such a crime.

The major themes of the presentations :

- Definition of corruption, social affects, necessity of prevention;
- Crimes related to corruption activities in the Penal Code, reporting obligations of officers and sanction related to non-compliance;
- Introduction of authorities involved in detection and investigation of corruption activities, detailed description of their jurisdictions and competencies;
- Recognising the intention for corruption and its proper handling;
- Presenting of the Anti-Corruption Strategy and Action Plan of the Customs and Finance Guard.”

#### 9.1.3 Slovak Republic

“Introduction so called panel system of customs clearance inland customs houses - the system provide for transparency of customs agents disposals in the same order as was recorded their on-coming, the customs office is separated from waiting room by glass wall so the customs agents are not in direct contact with customs officers clearing their consignments.”

#### 9.1.4 Turkey

“The new customs offices are designed to ensure maximum transparency both effectively and symbolically by virtue of glass-walls and open-offices and to minimise the contact with the operators owing to automation.”

#### 9.1.5 Hong Kong, China

“Hong Kong Customs :

##### Morale

- (a) has enhanced staff communication by holding regular meetings with the respective staff associations;
- (b) has published newsletter quarterly -- Customs News. – to strengthen internal communication;
- (c) has conducted staff opinion surveys on various issues such as Human Resource Management and staff communication. As mentioned above, Hong Kong Customs has recently commissioned the University of Hong Kong to conduct a survey with a view to enhancing staff communication; and
- (d) has regularly organized Departmental Seminars for staff to discuss integrity and ethical issues.”

## 9.2 Others

### 9.2.1 Netherlands - Handling a moral dilemma

“The method of *Seven steps to handle a moral dilemma* is a mutual product of DTCA and the Nyenrode University. In seven steps one can formulate a moral dilemma into one sentence, including the answer what to do next.

These seven steps are :

1. *What is the core problem?*
  - Make an inventory of the more or less principle points of discussion
  - Select the most relevant discussion-points
  - Formulate the core-problem (in de form of a question or a statement)
2. *Who are involved?*

Persons involved are all who can claim a *right* or a *interest*.
3. *Who are responsible?*
  - Who has to make a decision?
  - Who are – more or less – partly responsible?
4. *Which information do I need?*
  - Is extra information needed?(possibilities are: enough, welcome, necessary)
  - If yes, which information is necessary?
5. *Which arguments can be advanced?*
  - Collect *pro*-arguments
  - Collect *contra*-arguments
  - Mark the arguments as: (C) consequential ethics or (P) principal ethics
6. *What is the conclusion?*
  - Weigh the pro- and contra-arguments against one another
  - Formulate a definite standpoint towards the core problem. The most used form is: “It is morally accepted / forbidden / inadmissible ...that actor A does X, because of ... in spite of ...”.
  - Check the conclusion to (a) the core problem, (b) the rights and interests of all involved and (c) the formulated principles or basic values.
  - Define the concrete actions, that (a) do right to the conclusion and (b) as much as possible take into account the contra arguments.
7. *How do I feel now?*
  - Am I prepared to announce the decision?
  - Will I in the same circumstances make the same decision again?
  - Fits this decision into my picture of ***integrity?***”



## 10. *Relationship with the Private Sector*

*“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.”*

### 10.1 Cooperative agreement with private sectors (including MOU)

#### 10.1.1 Australia

“Customs National Consultative Committee (CNCC), established in 1991, provides an opportunity, at national level, for discussion of Customs policies, practices and procedures relevant to the trading community, and to work in partnership to resolve any difficulties.

Customs Frontline program is a cooperative liaison program with industry aimed at preventing the movement of illegal goods and people across the Australian border. Frontline members sign a Memorandum of Understanding with Customs to formalise this cooperation. Currently there are in excess of 700 Frontline members Australia wide.

Customs security policies and procedures mean that it is difficult to arrange exchange programs with the private sector for training purposes. However, Australian Customs offers the opportunity of exchange of information, and official visit programs.”

#### 10.1.2 Hong Kong, China

“Hong Kong Customs :

- (a) has worked out cooperative agreements with private corporations on various enforcement fronts :
  - suppressing illicit cigarette;
  - combating illicit fuel;
  - eliminating faked pharmaceutical products; and
  - tackling IPR-related offences.
- (b) has commissioned the University of Hong Kong to conduct a customer satisfaction survey with a view to identifying areas for improvement and providing quality service to the public; and
- (c) has signed Memorandum of Understanding (MOU) with its business partners such as the express cargo industry and cross boundary transportation industry.

#### Benefits

- The actions taken have fostered an open, transparent and productive relationship with the private sector.

- Signing of MOU has strengthened cooperation and trust between the Administration and the private sector.”

#### 10.1.3 Belgium

MOU through which a company undertakes to provide information over and above that legally required. The information can also be provided more rapidly. In return, the Administration will apply less stringent procedures to the company. In fact, based on the information provided, the Administration is able to conduct better-targeted and faster controls. To date, the Belgian Customs Administration has signed four MOUs with companies or professional associations.

On the basis of the information received, the Administration is able to conduct more targeted and faster controls.

#### 10.1.4 Lithuania

“Currently, 19 memoranda of mutual understanding have been signed with business associations and 11 agreements concerning cooperation have been concluded. Information is exchanged on mutual basis and the confidence in the Customs by the public grows constantly.

The business sector is informed on changes in the business conditions; thus, the partnership between the Customs and business sector is increased.”

#### 10.1.5 China (NEW)

“Since 2004, it started and launched integrity build together activity of “customs-enterprise” and “port” between business sectors and law enforcement authorities of the port. The customs signed the cooperative agreement with nearly 5,000 business sector.”

#### 10.1.6 Colombia (NEW)

“Agreements with sectors of the trade susceptible to contraband, piracy, counterfeit, and other smuggling activities by working jointly to prevent trade from being compromised.”

#### 10.1.7 Maldives (NEW)

“Business partnership programme implemented with traders (17 MOUs with ship operators and 1 with courier service agent) on 1<sup>st</sup> November 2005.”

### 10.2 Regular meetings, consultative committee, working group

#### 10.2.1 Turkey

“The Undersecretariat is getting more tentative to consulting to and cooperating with private sector and NGOs in its operations and legislative works. “Build-Operate-Transfer” system is a unique method of cooperation. New customs law and anti-smuggling law took into consideration the views of sector representatives, transporters and customs brokers. They are heard when policy decisions are taken.

The new regulations on which consultation took place reflect compromise and are clearly more responsive to their needs. However facilitation, which is

a reasonable area on one side to discuss the procedures with private sector, and security concerns on the other side, which may require undisclosed work and preparation where lobbying is not acceptable, are the two overlapping hot points.

Few MOUs have been signed with some firms so as to provide fast and secure transactions.

To produce and share accurate and timely information in border gates, Turkish Customs' vehicle monitoring system has participated in ULAS-NET with other stakeholders, Ministry of Transport and International Transporters Association – a sector representative. Ulas-Net, a network linking public and private offices at 14 land border gates, provides customs enforcement with data transfer facility concerning vehicles, drivers and transport traffic and real time cross check option of declarations.”

#### 10.2.2 Belgium

**National Forum** : Consultation meeting between the various administrations (including the Customs and Excise Administration) with competence for goods transport within Belgium and outside its frontiers, and professional federations. These federations inform the authorities of their wishes and the problems encountered.

- The Administration informs the other parties of new developments.

The National Forum has been meeting since 5 February 2003, with an annual meeting between the heads of the various entities. There are monthly meetings of small technical working parties.

#### 10.2.3 United States

“U.S. Customs and Border Protection maintains an active and mutually beneficial relationship with private sector counterparts.

Notable examples are the Commercial Operations Advisory Committee and the Trade Support Network. These groups are made up of prominent members of the private sector that interface with U.S. Customs and Border Protection (Customs brokers, importers, carriers, freight forwarders, etc.) Both of the above-listed groups meet regularly with U.S. Customs and Border Protection officials to discuss policy issues and contribute to the design and development of modernization projects, such as the Automated Commercial Environment (ACE). Members of the TSN are actually working cooperatively with U.S. Customs and Border Protection to help design and develop ACE to likewise meet the needs of the trade community.

U.S. Customs and Border Protection officials of various levels often meet and address the private sector on formal and informal basis. This includes, but is not limited to, seminars, trade fairs, port visits and industry meetings.

While subject to regulations and legal liability for their activities that relate to Customs procedures, the private sector often assists (as a liaison) to detect and report suspect activity as it is encountered.”

### Benefits

“A solid working relationship between U.S. Customs and Border Protection and the private sector is essential for the efficient flow of international trade and travelers. This impacts the economic vitality of all countries involved.

Maintaining “appropriately-close” working relationships helps U.S. Customs and Border Protection and the private sector to prevent, mitigate or altogether avert problems before they are encountered at the borders.”

### Challenges

“As with any process that is inherently human (and therefore subject to breach of integrity) these working relationships rely heavily on a respect for the partnership boundaries that have been formed.

Over time, without proper adherence to the aforesaid boundary lines, personal friendships and acquaintances can potentially result in an unfair trade advantage, albeit knowingly or unintentionally, being provided.”

#### 10.2.4 Lithuania

“Customs Consultative Committee (C.CC) is established in the Customs Department. Customs consultative sub-committees are established in all the 5 regional customs offices. Meetings of the CCC and subcommittees take place every quarter of the year. Representatives from the business sector are introduced with planned changes of the conditions for business. Besides, different questions of importance for business are discussed.”

#### 10.2.5 Hungary

“The Hungarian Customs and Finance Guard is the member of the National Crime Prevention Committee. The customs administration organizes Crime Prevention Meeting with Chambers of Trade and Corporate Concerns every year.

The Help Desk system of the customs administration will provide continuous assistance/advice for both the clients and the staff with any professional and IT issues and questions so that they can be solved in a fast and efficient manner.”

#### 10.2.6 Kazakhstan

“Customs service on the regular basis interacts with the business sector on the issues of corruption prevention. In the field customs bodies the “Consulting Councils” have been established. Every month meetings and round tables are held to discuss claims and complaints against customs officials and to explain the customs legislation of the Republic of Kazakhstan. Natural and legal persons are questioned to study the opinions of the citizens for improving the effective organization of customs control and elimination of corruption among the customs officers. The mass media publicizes the confidential telephone numbers of the customs bodies of the Republic of Kazakhstan to inform of any customs offences.

There are special boxes in the Head-quarter and the field customs for the citizens' letters on the customs matters' issues that can be opened only by the authorized division."

10.2.7 Cyprus

- Ad hoc meetings with committees of customs agents, warehousekeepers and shipping agents associations
- Members of above associations trained in use of the integrated information system
- Help desks available at all stations for support of the above system
- Availability of XML interface with clients systems
- 8 MOUs signed with major clients including carriers and manufacturers
- Availability of legislation, forms, information etc on departmental web site

10.2.8 Azerbaijan (NEW)

"A Co-ordination Committee has been set up to liaise between the rights holders and the Customs authorities, including a working group made up of rights holders and a secretariat consisting of Customs officers."

10.2.9 Jordan (NEW)

"Customs Department has worked effectively for the purpose of implementing the mechanism for consultation with trade economic operators through establishing the Partnership Council between it and the private sector where all issues relevant of elaborating regulations or drafting new legislation or providing a suitable environment for investment."

10.2.10 Nicaragua (NEW)

"Relations with the private sector through the Nicaraguan Chamber of Commerce, Private Sector Council, Transportation Federation of Nicaragua, Business Association where there is constant and open dialogue."

10.2.11 Sweden (NEW)

"Swedish Customs has worked hard on improving the relationship with the private sector during the last decade. The Swedish Customs have meetings in different kind of groups with the trade and the chair position is shared jointly between customs and trade."

### 10.3 Training or seminars for private sectors

#### 10.3.1 Lithuania

“On request from associations, the Customs organizes specialized seminars on specific topics.

The Customs Training Centre organizes constantly courses for customs brokers.”

#### 10.3.2 China

“916 MOUs established with trade bodies or individual companies.

Training courses, workshops, seminars and meetings on Customs laws, regulations and guidelines organized and provided to 12500 trade bodies and enterprises.

Promoted the enterprises to improve their internal management and law-abiding consciousness.

Enhanced the communication between Customs and enterprises.

Improved the efficiency of Customs control on enterprises.

Preventing smuggling from the root cause won initial success.”

### 10.4 Customer survey

#### 10.4.1 Morocco

Annual external satisfaction survey conducted for external Customs users.

- Trader satisfaction survey with regard to the various Customs services;
- Monitor the development of satisfaction levels among the various players with regard to new or improved services.

#### 10.4.2 Rwanda

- Regular surveys on the service provided and the level of satisfaction among Customs clients.
- Regular surveys on the service provided and the level of satisfaction among Customs clients.
- Setting up a Help Desk at the Customs Collector’s Office.
- Setting up a Petitions Office within the Services to Taxpayers and Technical Affairs Division.
- Setting up telephone lines for receiving requests and complaints from clients.

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## IV. Closing

*We, the Members of the Customs Co-operation Council, call upon Customs administrations to implement comprehensive and sustainable integrity action plans based on the key principles outlined above and on Governments, the business sector and members of the international community to support Customs in its fight against corruption.*

The mentioned above is the last statement of the revised Arusha Declaration. The Compendium of Integrity Best Practices is designed to assist Member Administrations in developing comprehensive and sustainable integrity strategy and action plans in association with the WCO Integrity Development Guide.

Those WCO Integrity tools are living documents and need to be updated and further developed. Therefore, the WCO Secretariat endeavours to achieve the project in cooperation with Customs Administrations and other stakeholders.

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## Annex. Revised Arusha Declaration

### DECLARATION OF THE CUSTOMS CO-OPERATION COUNCIL CONCERNING GOOD GOVERNANCE AND INTEGRITY IN CUSTOMS

#### THE CUSTOMS CO-OPERATION COUNCIL\*,

**NOTING** that Customs administrations throughout the world perform a number of vitally important tasks on behalf of their Governments and contribute to national goals such as revenue collection, community protection, trade facilitation and protection of national security;

**ACKNOWLEDGING** that integrity is a critical issue for all nations and for all Customs administrations and that the presence of corruption can severely limit Customs capacity to effectively accomplish its mission. The adverse effects of corruption can include :

- a reduction in national security and community protection;
- revenue leakage and fraud;
- a reduction in foreign investment;
- increased costs which are ultimately borne by the community;
- the maintenance of barriers to international trade and economic growth;
- a reduction in public trust and confidence in government institutions;
- a reduction in the level of trust and co-operation between Customs administrations and other government agencies;
- a reduction in the level of voluntary compliance with Customs laws and regulations; and
- low staff morale and “esprit de corps”;

**CONSIDERING** that corruption can be combated effectively only as part of a comprehensive national effort;

**AFFIRMING** that a priority for all Governments should be to ensure that Customs is free of corruption. This requires firm political will and a sustained commitment to the fight against corruption;

**DECLARES** that an effective national Customs integrity programme must address the following key factors :

#### 1. Leadership and Commitment

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.

#### 2. Regulatory Framework

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).

#### 3. Transparency

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.

#### 4. Automation

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

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\* Customs Co-operation Council is the official name of the World Customs Organization (WCO).

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.

#### **5. Reform and Modernization**

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.

#### **6. Audit and Investigation**

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.

#### **7. Code of Conduct**

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.

#### **8. Human Resource Management**

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.

#### **9. Morale and Organizational Culture**

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 anti-corruption programme and should be encouraged to accept an appropriate level of responsibility for the integrity of the administration.

#### **10. Relationship with the Private Sector**

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.

We, the Members of the Customs Co-operation Council, call upon Customs administrations to implement comprehensive and sustainable integrity action plans based on the key principles outlined above and on Governments, the business sector and members of the international community to support Customs in its fight against corruption.

*Done at Arusha, Tanzania, on the 7<sup>th</sup> day of July 1993 (81<sup>st</sup>/82<sup>nd</sup> Council Sessions) and revised in June 2003 (101<sup>st</sup>/102<sup>nd</sup> Council Sessions).*