

***Khlebovich E. S. Customs and Business: Cooperation***

The research advisor: Veremeychik O. V., PhD in Pedagogies, Associate Professor

The rapid development of International trade has linked business and customs as never before. Some years ago, it was difficult to imagine that there can be a partnership between customs and business due to the diametric interests of both groups. The exponential increase in global trade and the changing dynamics of the international supply chain have created new demands and perspectives on the role of Customs administrations. While businesses seek to move goods faster in the supply chain at reduced costs, Customs administrations are required to process increasing volumes of cargo with lesser reliance on physical intervention and with greater efficiency and speed, without compromising on its security, revenue collection and enforcement responsibilities. In order to accomplish this, there is an increasing need for Customs administrations and businesses to collaborate with each other and with other stakeholders to ensure regulations, policies and programs effectively respond to an ever changing environment. A dynamic partnership is essential to boost innovation and economic growth opportunities as well as to create a more cost-effective and responsive Customs administration<sup>65</sup>.

Partnership means willingness to be open for a dialogue on an equal footing. The question comes up: “What is the driver for such a dialogue and partnership between customs and trade?”.

Customs administrations are taking a number of steps to modernize and simplify trade procedures. At the same time, Customs must learn as much as possible about business needs and expectations to respond to them effectively. This is a continuous process which requires ongoing involvement and feedback on identifying the changes and reforms in the law, procedures to implement that change. To ensure the success of the reform programmes requires constructive and sustained two-way communication and interaction between Customs and Business.

Regular consultation and discussion between Customs and business will help reduce anxieties and apprehensions on both sides, and will afford traders and border officials to discuss the most efficient and effective approaches to achieving regulatory objectives. The establishment of a regular engagement and consultation process is usually the first step, and a

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<sup>65</sup> Customs-Business Partnership Guidance [Electronic resource] : WCO News June 2015. – Mode of access: <http://www.wcoomd.org/en/media/newsroom/2015/july/~media/E2B8A58843F44C55AD21BBE9BA2672B3.ashx> . – Date of access: 08.03.2018.

prerequisite to setting up a tangible partnership between Customs administrations and business.

Customs authorities and economic operators may exchange any information not specifically required under the customs legislation, in particular for the purpose of mutual cooperation in the identification and counteraction of risk. That exchange may take place under a written agreement and may include access to the computer systems of economic operators by the customs authorities.

A feasible possibility could be to install a database maintaining data concerning suspicious traders and movements that may be subject to transactions in breach of customs or agricultural law and means of transports used for this purpose. In terms of a dialogue on a permanent base there are already some positive experiences gained at different levels:

- 1) at the level of the national administrations there are meetings on regular basis between customs administrations and trade representatives to discuss hot topics;
- 2) at the level of inform the trade on the latest developments in customs law.<sup>66</sup>

Customs-Business regular consultation and partnership will lead to a mutually beneficial outcomes. It encourages a climate of shared responsibility and ownership towards developing sustainable goals, policies and programmes. It helps to achieve consensus on reform priorities, to anticipate and manage emerging issues, to improve decision-making and operational performance by allowing Customs to line its management plan and actions with the expectations, needs and demands of business. As the relationship deepens, new opportunities for cooperation will emerge, leading to increased mutual benefits for all. This eventually helps international trade to flourish and compliant and legitimate trade can move faster in the global arena. Efforts to develop strong partnership can result in learning, innovation and enhanced performance that will bring tangible benefits not only to Customs and business but to society and economy as a whole, in terms of economic wealth and competitiveness.<sup>67</sup>

The process of developing and sustaining a Customs-Business engagement requires governments:

- To create an atmosphere of constructive engagement;

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<sup>66</sup> Facilitating Trade: Forging Customs and Business Co-operation [Electronic resource] : Vladimir Pizar is EUBAM's Trade Facilitation Adviso. – Mode of access: [http://eubam.org/wp-content/uploads/2017/10/Pisar\\_1-2.pdf](http://eubam.org/wp-content/uploads/2017/10/Pisar_1-2.pdf) – Date of access: 07.03.2018.

<sup>67</sup> Customs-Business Partnership Guidance [Electronic resource] : WCO News June 2015. – Mode of access: <http://www.wcoomd.org/en/media/newsroom/2015/july/~media/E2B8A58843F44C55AD21BBE9BA2672B3.ashx> . – Date of access: 09.03.2018.

- To change the cultural outlook of Customs administrations towards business and vice versa;

- To foster a sense of ownership and believing in the advantages to be gained from being proactive – the engagement mechanism should not be confined to meetings;

- To demonstrate on an ongoing basis the positive impact of the consultation outcomes.

- To ensure sustained positive response -lack of meaningful engagement by either party could lead, over a period of time, to apathy, cynicism and reduced participation;

- To develop a problem solving approach through a dynamic feedback from either side. The feedback should be continuous and offer possible solutions;

- To ensure diverse and effective representation, especially of SMEs (small and medium-sized enterprises,);

- To ensure sufficient representative structures within the business, to obviate any skewed representation;

- To support the Customs-Business Partnership with adequate capacity, skills and resources.

- To develop metrics on how to measure progress and to ensure continuous improvement.

The development of Customs-Business partnerships through a formal mechanism of regular consultation and engagement will support consistency, harmonization, transparency, predictability, fairness, automation and efficiency in customs and business processes. It also provides accountability and an opportunity for both parties to hold an open exchange, collaboratively discuss ideas, provide feedback and work through challenges and pinpoint possible shortcomings. A formal collaborative mechanism will lead to active facilitation and appropriate border controls, helping to achieve shared goals of safe and compliant shipments that are processed in a consistent, predictable, fast, efficient and cost-effective manner. Such outcomes will have significant positive impact on global economic prosperity.