

**ADAPTING THE USE OF ASYCUDA WORLD
TO THE COVID-19 SITUATION:**

GUIDELINES

TO CUSTOMS ADMINISTRATIONS



Background

The COVID-19 pandemic is profoundly altering the manner in which individuals engage in work activities and go about their daily lives. The global supply chains are expected to experience significant disruptions, including through reductions in trade volumes, declines in foreign direct investment, lower consumer goods demand, a reduction in commodity prices, and general economic decline in particular for vulnerable developing countries.

Countries have implemented measures to contain the spread of the virus by: i) limiting travel; ii) reducing non-essential work and promoting teleworking; iii) cancelling mass gatherings and promoting social distancing, among others. Borders remain open in most countries to keep supply chains functioning and to allow for continued trade in essential items including food, manufactured goods, and vital medical supplies. Customs Administrations and cross-border agencies provide “essential services” to guarantee and secure the cross-border movement of goods, especially essential products. Nonetheless, their staff and traders are exposed to contamination and further spread of the virus if appropriate measures are not adopted. Therefore, countries have to act decisively to prevent the spread of the virus and introduce measures to suppress further transmission.

The ASYCUDA World (AW) system is well-equipped to assist Customs and cross-border agencies in scaling-up necessary actions to better deal with this pandemic by adopting policies and procedures to prevent, and/or limit transmission of the virus in their respective work environments, while at the same time ensuring the smooth functioning of cross border trade. The automated support provided by AW affords Customs, cross-border agencies and traders to electronically submit and exchange data and documentation, and computerize procedures to expedite the clearance of imports, exports, transits and other trade transactions, thereby reducing to a great extent the need for face-to-face interaction. ASYCUDA is committed to continue supporting partner countries to mitigate the impact of COVID-19 and recover strongly from the pandemic.

A. GUIDELINES FOR CUSTOMS ADMINISTRATIONS

The following are guidelines to assist Customs Administrations in coping with COVID-19 measures at their workplace and reducing direct interaction.

1. Promote further paperless processing

- i. Minimise requirement for submission of documents in hard copy by making available AW feature to upload scanned documents. Review and amend AW taxation rules to mandate all supporting documentation to be uploaded directly on the system. If applicable, utilize emergency response legislation to grant equivalence between paper-methods and electronic processing so that both have the same legal value.
- ii. Promote the use of electronic payment for revenue collection instead of walk-in payments to reduce direct interaction. If e-payment is not available, the prepayment and deferred payment accounts feature of AW can be used to reduce the number of visits.
- iii. Allow traders to generate Release Orders in AW after clearance is granted by Customs and other government agencies, to avoid unnecessary interaction to obtain a printed hard copy. All cargo custodians who are allowed to operate during the crisis, should provide Customs with an official email address so they can receive Customs release orders electronically. Alternatively, if interoperability is available between AW and Custodians, the Customs Release Orders may be automatically forwarded to cargo custodians via web portals as an “all clear” for final delivery.

2. Review ASYCUDA Risk Criteria

- i. Prepare a list for classification of goods related to COVID-19 emergency medical supplies (see WCO COVID-19 emergency medical supplies indicative list¹) to assist Customs brokers and Officers alike when preparing and verifying declarations that involve such goods.
- ii. Call upon the Risk Management Unit to create risk criteria to expedite shipments of COVID-19 emergency medical supplies. A reduced percentage of physical examination (red lane) and documentary examination (yellow lane) should be maintained to ensure that there is adequate scrutiny to detect and deter circumvention of controls and/or abuse of this facilitation measure. Care should be taken to ensure that these emergency supplies are exempt from other risk criteria.
- iii. Customs Administrations with Authorized Economic Operator (AEO) or Trusted Trader programs in place should ensure adequate targeting criteria for physical inspection is maintained commensurate with the benefits of the program. In the absence of such programs, an arrangement can be introduced where a group of compliant traders can be granted lower intervention levels for reduced physical inspections.

¹ http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/nomenclature/covid_19/hs-classification-reference_en.pdf?la=en

A top-down analysis considering traders with higher volumes and higher compliance rate is recommended to classify traders, who could then be subject to lower scrutiny; this arrangement would be a precursor to an AEO program.

- iv. Review risk criteria to reduce physical inspection rates in Customs offices where compliance is higher and increase documentary examination rates in offices where compliance may be lower. Intervention rates should be setup in accordance to the availability of staff deployed to complete the workload assigned within reasonable timeframes.
- v. Engage all relevant staff (Risk Management, Documentary Check, Physical Examination, Post Clearance Audit) to increase vigilance in the effective monitoring of the importation of COVID-19 emergency medical supplies so as to ensure adequate balance between trade facilitation and Customs control.
- vi. Implement Multi-Agency Integrated Risk Management Framework (Customs, Port Authority, Port Health, Trade License, Agriculture, Bureau of Standards) which supports more collaborative, coordinated, expedient and efficient trade facilitation, risk targeting and monitoring measures among the cross-border regulatory Agencies.

3. Review organizational arrangements

- i. If not already in place Customs and other cross-border agencies, through the National Trade Facilitation Committees (NTFCs) where applicable, could appoint a response team identifying a designated point of contact (PoC) for various scenarios, e.g. Payments, releases without duty payment, emergency flights, cargo reporting, staffing, etc. The PoCs should be clearly identified and published as necessary.
- ii. Temporary re-allocation of responsibilities to senior Customs personnel, including middle managers normally responsible for units that are downsized or temporarily suspended.
- iii. Where permissible within lockdown and other COVID-19, Customs and other cross-border agencies staff designated to work in areas where there is higher risk of COVID-19 exposure should rotate on a weekly basis or quicker.
- iv. Customs enforcement and border control units to strengthen the manifest screening process to identify cargo that may require physical intervention. Proper personal protective equipment (PPE) should be made available to Officers who are required to interact with cargo and personnel.
- v. Provide key personnel with mobile phones with an official group account (WhatsApp, Signal, etc.) with groups for shipping agents, Customs brokers, and traders who provide essential services. Such an initiative could provide a means to keep records whilst at the same time allow for quick access to key Customs personnel, e.g. financial controller, help-desk, CPU Officers and senior Customs personnel appointed as PoC.

- vi. Establish a Central Processing Unit (CPU), in accordance with prevailing social distancing parameters, for the centralization of documentary examination, to re-group multiple sections scattered at each port of entry or inland office. Centralization of expertise in one institutional unit allows for higher quality examination, increasing efficiency and immediate feedback to adjust targeting criteria, shift arrangements and quicker turnaround time.
- vii. As much as possible, develop virtual intra-departmental and inter-agencies communication framework to ensure continuous communication and collaboration necessary to maintain business flows and processes, while maintaining social distancing requirements. Microsoft Teams, Skype or similar software could be used for this purpose.
- viii. Ensure that critical units such as the Risk Management, Post Clearance and Examinations are adequately staffed and trained to facilitate legitimate trade and promote trade compliance.
- ix. If not already in place, establish a Trade Policy and Research Unit with the necessary skills and capacities to assist with conducting research and data analysis required to identify supply chain disruptions (import and export trade volumes, Customs values and commodity prices), as well as carrying out a guided Customs revenue impact analysis.
- x. Adjust Help-Desk support capacity so that it can address clients' queries and provide support remotely. Provide communication and contact details of the Help-Desk available services.

4. Tax Policy Changes²

- i. Governments are encouraged to consider implementation of policies to reduce if not remove tariffs and non-tariff measures affecting imports of essential medicines, medical equipment and related inputs as it is necessary to facilitate cross-border movement of essential products.
- ii. Any new COVID-19 tax policy (tariff changes, concessions, fiscal incentives, exemptions, etc.) response for this emergency should be introduced in AW taxation rules, clearly identifying a corresponding relief code. This will allow proper calculation of revenue loss due to COVID-19 when reporting and during statistical analysis.

5. ICT infrastructure adjustments

- i. Verify if space available for data storage is sufficient to handle the additional load of scanned documentation, and increase database storage space as required.
- ii. Where necessary, collaborate with Internet Service Providers (ISP) to provide a compassionate increase of bandwidth to ASYCUDA services in proportion to the anticipated volume of scanned documents. A compassionate plea could also be made for the provision of cellphones for use by key personnel of the Customs response team.

² IMF Policy Responses to COVID-19: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

- iii. Consider re-deployment of all mobile devices (tablets, laptops and similar devices) to Customs personnel who are required to work remotely from home to process transactions based in the designated functions.
- iv. If not already available, setup an off-site disaster recovery environment. Customs Administrations and other critical departments involved in international trade should make all possible efforts to have a secondary data center for their mission critical systems. Also, it is encouraged to tighten security measures and run comprehensive testing and simulation of Business Continuity Planning (BCP).
- v. Information Security:
 - As more transactions are conducted online from off-site locations, hackers are usually more active. We recommend Customs Administrations to increase their information security monitoring; and
 - As Customs Officers spend more time online and teleworking, we advised that Customs Administrations give their staff training on information security.

6. Perform Trade Data Analysis

- i. Install, familiarize and employ the ASYCUDA Reports³ for impact analysis or use them as templates in any available reporting tool being used at present by the Customs Administration.
- ii. Perform daily and weekly analysis to conduct crisis impact monitoring, which should include at minima a comparative analysis, e.g. 2019 (pre-crisis) to 2020 (during and post-crisis), in the following categories: CIF Value of imported goods; total revenue collected; summarized daily and monthly transactions (waybills, declarations processed⁴, traded volumes, TEUs).

Following the above-detailed guidelines would drastically reduce unnecessary face-to-face interaction, eliminate hard copy requirements and streamline the clearance processing at Customs while ensuring continued operations and contributing towards trade facilitation by closing the gap towards a paperless processing environment.

³ A set of Specific ASYCUDA Reports will be distributed by the Regional Coordinator to facilitate data analysis in a standardized manner for a particular region or group of countries.

⁴ Submitted, paid, queried, released, and exited

B. UNCTAD ASYCUDA SUPPORT

UNCTAD remains available to support Customs Administrations in cushioning the expected adverse impact of this unfortunate situation. This could take the following forms:

1. During the crisis

- i. Provision of remote technical and functional assistance with the use of telecommuting means. UNCTAD's ASYCUDA experts in the region are available to provide daily assistance and support via teleconferencing. Customs administrations are advised to contact their respective ASYCUDA Regional Coordinator in this regard. Based on the issue reported a suitable expert will be allocated to assist.
- ii. Assistance with data extraction, reporting and crisis impact monitoring. It is critical that Customs Administrations monitor and analyze the impact of this crisis on the international trade supply chain and the national Customs revenue collection and to share this analysis with their parent Ministries and Central Government. UNCTAD experts are available to assist with the technical aspects as needed.
- iii. Assistance with risk criteria review. UNCTAD Risk Management experts are available to provide assistance with respect to the review of risk criteria within the ASYCUDA system as detailed above.
- iv. Drafting and Implementation of Business Continuity Plans. Customs Administrations are strongly advised to activate at the earliest their respective Business Continuity Plan (BCP). If not available, such BCPs calls for the following:
 - Establish a Business Continuity Plan Team to manage any business disruption;
 - The Customs Operations and ICT Units should assist in identifying and documenting critical business functions and processes;
 - Conduct all necessary training targeting the business continuity team; and
 - Conduct testing to evaluate ICT recovery strategies and the BCP.
- v. Business Continuity teams must be made available for the effective and efficient coordination and management of activities. The teams should be prepared by reviewing and testing the business continuity plans. The responsibilities of the business continuity teams include the following:
 - Test and review the BCP;
 - Establish and document procedures:
 - for database backups and restoration;
 - for activating the standby database servers; and
 - for activating the standby application, database and web servers.

- Establish contacts lists for dissemination of information during a disaster or negative event;
 - Identify high value assets;
 - Establish protocol to perform key functions of the organization and trade activities during a disaster. Develop awareness of the established business continuity protocols;
 - The teams should include individuals with functional and technical skills; and
 - The teams should comprise representatives from various border agencies and other stakeholders.
- vi. Based on the level of disruption faced, Customs Administrations should consider framing ICT recovery strategies in the following system components:
- Physical environment - Server room environment (security, temperature control, uninterrupted power supply, etc.);
 - ICT infrastructure such as networks, servers, desktop and laptop computers, wireless devices, etc.;
 - Software applications - electronic data interchange, electronic mail, enterprise resource management, teleworking solutions, office productivity, etc.;
 - Security and vulnerabilities. Verify access to the applications and web servers use the secure hypertext transfer protocol (HTTPS). Ensure secure socket layer certificates are in place to verify authenticity of websites and encrypt all communications between users and the website. All required certificates should be obtained from recognised Certificate Authorities;
 - Connectivity to a service provider (bandwidth, fiber, cable, wireless, etc.); and
 - Data management (back-up) and restoration.
- vii. Undertake a Business Impact Analysis (BIA) which outlines all time-sensitive critical business functions and processes in addition to the appropriate support resources. The BIA should consider and identify the operational and financial impacts resulting from the disruption of Customs business functions and processes in any crisis. UNCTAD will provide guidelines to conduct a BIA in Customs Administrations with details and recommended actions for the exercise.

2. Post-Crisis. Once the “All Clear” is issued by the National Authorities, Customs Administrations should immediately embark on the following activities

- i. Conduct Crisis Impact Trade Data Analysis (based on the continuous impact assessment process identified above);
- ii. Conduct Client Impact Assessment;
- iii. Provide any requisite economic and trade policy advice (restructuring and reforms);
- iv. Identify and propose revenue enhancement mechanisms;
- v. Engage international development partners on response coordination; and
- vi. If necessary, UNCTAD may Host/Co-host a Regional Customs Post Crisis Response Workshop Virtual Conference to facilitate discussions on above topics.
- vii. UNCTAD remains available to assist with the above.

C. CONCLUSION

Notwithstanding the forecast bleak trade and economic impact resulting from this global crisis, UNCTAD believes that with its vast experience in the trade and development field and with the state-of-the-art capacities of the ASYCUDA system, the expected disruption to the international trade supply chain and to national economies can be significantly cushioned, if the above guidelines are considered and implemented. Developing countries in particular will require all the technical and financial assistance available to weather and recover as soon as possible from this unprecedented outbreak.

More information:

<https://tft.unctad.org/ports-covid-19/>

<https://wiki.unece.org/display/CTRBSBC/Observatory+on+Border+Crossings+Status+due+to+COVID-19+Home>

<http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/natural-disaster/coronavirus.aspx>

https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm