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WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

WCO–UPU Postal Customs Guide

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I. Introduction

This WCO–UPU Postal Customs Guide (guide) is a joint WCO–UPU tool, envisaged as a "living document" that can be easily updated as experience is gained or conditions change.

The guide is an information source for Posts and for Customs Administration staff dealing with postal customs clearance. For Posts, it is intended as a means of acquainting staff with the various aspects of the postal supply chain's customs component and with the different WCO standards, instruments and tools. For Customs Administrations, the guide will help staff responsible for postal customs clearance (rapidly increasing work for Customs Administrations) to become more familiar with the postal processes involved in the international exchange of mail.

This document also seeks to form a common basis for dialogue and discussion at the national level between the Designated Operators (DOs) of Universal Postal Union (UPU) member countries and Customs Administrations of the World Customs Organization (WCO).

The 2018 edition of the WCO–UPU Postal Customs Guide has been approved by the WCO–UPU Contact Committee. It is available on the Customs section of the UPU website (www.upu.int) and on the WCO website (www.wcoomd.org).

II. Roles of Customs and Posts

a Posts and Customs Administrations at the national level

The Post has an important role in regards to the exchange of letters, printed material and packages (letter post, parcel post, EMS) between peoples of the world, and in regard to trade facilitation.

Customs Administrations, in close cooperation with Designated Operators (DOs), should facilitate the customs clearance of postal items while implementing standards/procedures in a coordinated manner to secure the overall postal supply chain and meeting their important legislated mandates and their goals.

A Post may, or may not, be a department of government. However, within the UPU, it is the member country that designates the DO as regards international mail. The UPU Convention and Regulations are actually multilateral treaties between governments.

Accordingly, in each UPU member country and postal territory, both the Post and the Customs Administration are linked to the government.

It is very much in the interest of the Post, the Customs Administration and the government that, in each country, the Post and the Customs Administration operate in a collaborative and efficient manner. This applies not only to day-to-day operational matters but also to strategic planning and other initiatives.

b Role of the Universal Postal Union (UPU)

The mission of the Universal Postal Union, as stated in the UPU Constitution and recalled in the Istanbul Postal Strategy (2017–2020), is as follows:

"To stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world by:

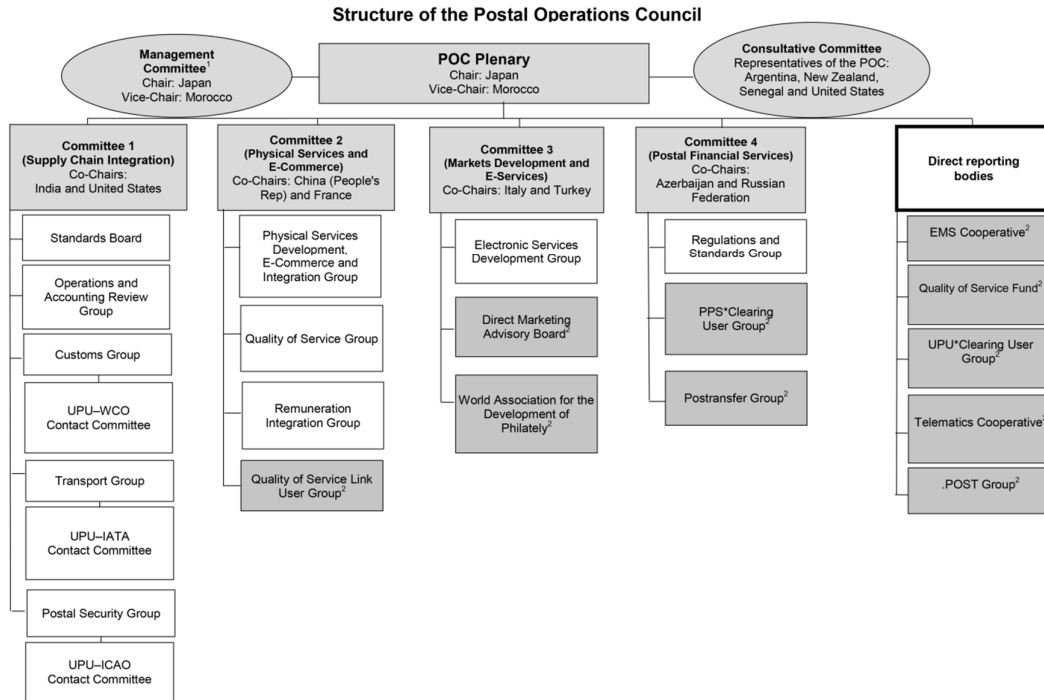
- guaranteeing the free circulation of postal items over a single postal territory composed of interconnected networks;
- encouraging the adoption of fair common standards and the use of technology;
- ensuring cooperation and interaction among stakeholders;
- promoting effective technical cooperation;
- ensuring the satisfaction of customers' changing needs."

i Organization of customs matters within the UPU and Postal Operations Council (POC)

Within the UPU, the bodies most involved with issues relating to Customs are the Council of Administration (CA), the Postal Operations Council (POC) and the International Bureau (IB). The overall role of each of these bodies is described on the UPU website at www.upu.int/en/the-upu/the-upu.html. In general, the CA is involved with customs issues at the governmental level, and the POC is involved at the operational level. The IB is the body supporting the CA and the POC.

The CA and the POC both consist of elected UPU member countries and are organized into committees and, within the committees, groups. Because of the nature of the work of the CA versus the POC, there are no CA groups that are involved specifically with customs issues, whereas there are such groups in the POC.

The current structure of the POC is shown in the following diagram:



¹ Members: POC Chair and Vice-Chair; committee co-chairs.

² User-funded subsidiary body.

The Customs Group, reporting to the Supply Chain Integration Committee, is the POC body dealing specifically with issues relating to customs. However, other POC groups may influence customs issues, and these groups collaborate within the framework of the POC. The groups that may interact frequently on customs issues are highlighted in the diagram.

c Role of the World Customs Organization (WCO)

The World Customs Organization, established in 1952 as the Customs Co-operation Council is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs Administrations.

Today, the WCO represents 182 Customs Administrations around the globe, which collectively process approximately 98% of world trade. As the global centre of customs expertise, the WCO is the only international organization with competence in customs matters. This applies to all modes of traffic, including postal traffic, which has proved to be vulnerable to different forms of illicit activities.

As a forum for dialogue and the exchange of experience between national customs delegates, the WCO offers its members a range of conventions and other international instruments, as well as technical assistance and training services, provided either directly by the Secretariat or with its participation. The Secretariat also actively supports its members in their endeavours to modernize and build capacity within their national Customs Administrations.

Besides the vital role played by the WCO in stimulating the growth of legitimate international trade, its efforts to combat fraudulent activities are also recognized internationally. The partnership approach championed by the WCO is one of the keys to building bridges between Customs Administrations and their partners. By promoting the emergence of an honest, transparent and predictable customs environment, the WCO directly contributes to the economic and social well-being of its members.

Furthermore, in an international environment marked by instability and the ever-present threat of terrorist activity, the WCO's mission to enhance the protection of society and the national territory, and to secure and facilitate international trade, takes on its full meaning.

In order to guide the programmes, projects and other initiatives implemented by the WCO Secretariat, a comprehensive and high-level policy instrument has been developed. The WCO Strategic Plan is defined as a living document with annual updates that reflects the needs and priorities of the WCO in an ever-changing customs environment.

The strategic goals for 2016/2017 to 2018/2019 are as follows:

- Promote the security and facilitation of international trade, including the simplification and harmonization of customs procedures.
- Promote fair, efficient and effective revenue collection.
- Protect society and public health and safety, and contribute to combating crime and terrorism.
- Strengthen capacity building.
- Promote digital customs to support, in particular, coordinated border management and information exchange between all stakeholders.
- Raise the performance and profile of Customs.
- Conduct research and analysis.

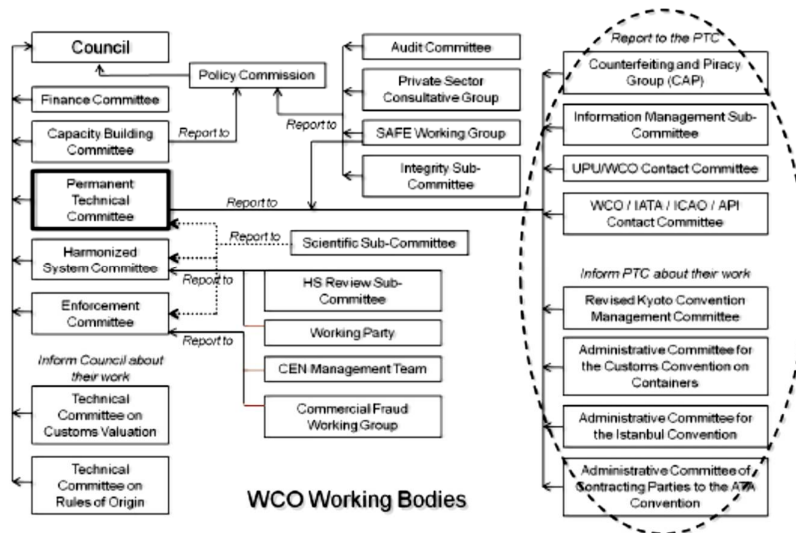
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| <ul style="list-style-type: none">– WCO mission statement: The WCO provides leadership, guidance and support to Customs Administrations to secure and facilitate legitimate trade, realize revenues, protect society and build capacity.– WCO vision statement: Borders divide, Customs connects. Dynamically leading modernization and connectivity in a rapidly changing world. |
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WCO Strategic Plan



i WCO structure of working bodies

The WCO's governing body – the Council – relies on the competence and skills of a Secretariat and a range of technical and advisory committees to accomplish its mission. The working bodies responsible for dealing specifically with customs procedures in postal traffic are the WCO/UPU Contact Committee and the Permanent Technical Committee, which it reports to. Nevertheless, issues dealt within most of the other working bodies (i.e. Enforcement Committee, Technical Experts Group on Air Cargo Security, Information Management Sub-Committee, SAFE Working Group, Working Group on E-Commerce, etc.) are of relevance for the postal sector.



More about the organization can be found on the WCO website (www.wcoomd.org).

d Collaboration between the UPU and WCO

i Memorandum of Understanding between the UPU and WCO

The UPU and the WCO have a long-standing history of collaboration and consultation. This can be illustrated by the Memorandum of Understanding (MoU) signed by the two organizations, which can be found in the Customs section of the UPU website (www.upu.int) and on the WCO website. This MoU identifies areas of cooperation and consultation, along with specific guidelines.

ii WCO–UPU Contact Committee

The WCO–UPU Contact Committee was established in 1965 by an agreement between the WCO and the UPU, following a resolution adopted by the UPU at its 15th Congress, held in Vienna. Issues common to Posts and Customs are managed primarily through this joint committee. The Contact Committee ensures that the WCO has a voice in UPU issues and vice versa.

The WCO–UPU Contact Committee has the character of a standing group; its conclusions are submitted to the competent WCO and UPU bodies for approval. Within the WCO, the competent body is the Permanent Technical Committee; within the UPU, it is the Postal Operations Council (POC). Within the POC, the WCO–UPU Contact Committee reports to the Customs Group.

According to the Terms of Reference of the WCO–UPU Contact Committee, the two organizations are each represented by eight member countries and by their own secretariat. The committee does not include representatives from the Post and Customs of the same country. However, the Post or an official Customs Administration representative on the committee can (and should) take part in the work of the committee as an observer. This joint participation by a country is very helpful towards the committee's work.

The committee is usually reconstituted every four years, following a decision by the supreme bodies in both organizations, namely, the WCO Council and the UPU Congress.

The Contact Committee deals with issues of common interest and, in particular, seeks to speed up and simplify customs formalities in the postal service. To this end, the WCO–UPU Contact Committee aims to:

- a work as a contact point between the two organizations on issues raised by each organization;
- b exchange information on issues of common interest related to postal traffic, in particular issues related to the clearance of postal items;
- c facilitate, simplify and harmonize customs formalities and ensure effective customs control in respect of postal items, particularly in the e-commerce environment;
- d ensure that effective security arrangements are made for the carriage of all postal items through the harmonized implementation of WCO, UPU, International Civil Aviation Organization (ICAO), and other relevant security standards;
- e facilitate the work of Customs in promoting and ensuring movements of legitimate trade through the postal network;
- f enhance customs control at the export level by improving compliance with rules and regulations;
- g develop and promote standards and tools and their use, including the exchange of electronic advance data between DOs and Customs Administrations, and safeguard data privacy;
- h develop and regularly update the WCO–UPU Customs Matters Guide and other instruments and tools to assist in ensuring compliance and improving data quality;
- i strengthen capacity-building actions by promoting the organization of joint WCO–UPU customs workshops in different regions of the world.

The WCO–UPU Contact Committee is the means by which the UPU and WCO coordinate such things as (1) regulatory proposals impacting both Posts and Customs; (2) development of standards common to Posts and Customs; and (3) joint initiatives affecting both Posts and Customs.

Members of both organizations can consult the WCO–UPU Contact Committee's meeting reports on the website of each organization (www.upu.int and www.wcoomd.org).

III. Regulatory framework

a UPU Convention and Regulations

The UPU Convention and the Regulations to the Convention have many references to customs issues. These are available on the UPU website, in the section dealing with the Acts of the UPU.

The table below contains the regulations thought to be the most significant, as well as comments regarding their operational interpretation. An ellipsis ("...") refers to text from the article or regulation that has been omitted to shorten the text in the table. With the exception of Convention articles adopted by the 2012 Congress, readers can refer to the complete text in the Letter Post and Parcel Post Manuals.

This table is periodically updated by the POC Customs Group. It is reviewed after every POC session, to incorporate any changes made by the POC.

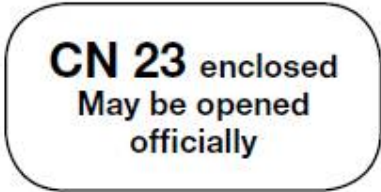
<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Postal security	Convention article 8.1	1 Member countries and their Designated Operators (DOs) shall observe the security requirements defined in the UPU security standards and shall adopt and implement a proactive security strategy at all levels of postal operations to maintain and enhance the confidence of the general public in the postal services <u>provided by DOs</u> , in the interests of all officials involved. This strategy <u>shall include the objectives defined in the Regulations, as well as</u> the principle of complying with requirements for providing electronic advance data on postal items identified in implementing provisions (including the type of, and criteria for, postal items) adopted by the Council of Administration and the Postal Operations Council, in accordance with UPU technical messaging standards. The strategy shall also include the exchange of information on maintaining the safe and secure transport and transit of mails between member countries and their DOs.	<p>This specifies a responsibility of the Post as regards screening of mail to support aviation security. It also refers to a strategy to provide electronic pre-advance of information from customs declarations. The underlined text is that adopted by the 2016 Congress, and came into effect on 1 January 2018.</p> <p>The UPU security standards referenced in this article are UPU Technical Standards S58 (General security measures) and S59 (Office of exchange and international airmail security), available from the UPU Standards Programme. They are also available on the postal security section of the UPU website.</p> <p>More information on the strategy referenced in this article is in the section titled "Future-state processes and the role of Customs EDI as advance information".</p>

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Processing of personal data	Convention article 10	<p>1 Personal data on users may be employed only for the purposes for which they were gathered in accordance with applicable national legislation.</p> <p>2 Personal data on users shall be disclosed only to third parties authorized by applicable national legislation to access them.</p> <p>3 Member countries and their DOs shall ensure the confidentiality and security of personal data on users, in accordance with their national legislation.</p> <p>4 Designated Operators (DOs) shall inform their customers of the use that is made of their personal data, and of the purpose for which they have been gathered.</p>	<p>Postal activities are becoming increasingly globalized, and the security and processing of data are frequently discussed at international forums. It is therefore very important that the Convention should provide for not only the confidentiality of the data gathered by DOs, but also the protection and security of that data.</p> <p>The need to inform customers and obtain their authorization to use their personal data is emphasized. It is specified that the purpose for which the personal data has been gathered should be notified to customers.</p>
Responsibility of Posts as regards information on customs declarations	Convention article 23 Regulations art. 20-001	<p>Non-liability of member countries and Designated Operators</p> <p>3 Member countries and DOs shall accept no liability for customs declarations in whatever form these are made or for decisions taken by the Customs on examination of items submitted to customs control.</p> <p>1 DOs shall accept no liability for the customs declarations. Completion of customs declarations shall be the responsibility of the sender alone. However, DOs shall take all reasonable steps to inform their customers on how to comply with customs formalities, and specifically to ensure that CN 22 and CN 23 customs declarations are completed in full, in order to facilitate rapid clearance of items.</p>	<p>This clarifies that the sender and not the Post is responsible for the information on CN 22 and CN 23 forms, but also that the Post must have processes in place (trained staff, etc.) to advise and assist senders in completion of the forms.</p> <p>The following text on the back of the CN 22 and CN 23 customs declarations is relevant to this issue as well, since the origin Post may not be able to read the information on the form: "To accelerate customs clearance, fill in this form in English, French or in a language accepted by the destination country."</p>
Prohibitions and restrictions, dangerous goods	Convention article 19	<p>2 Prohibitions in all categories of items</p> <p>2.1 The insertion of the articles referred to below shall be prohibited in all categories of items: (...)</p> <p>3.1 The insertion of dangerous goods as described in the Convention and Regulations shall be prohibited in all categories of items.</p>	<p>This Convention article, as well as the Regulations to the Convention, deals with articles that are prohibited (not admitted in the destination country) or restricted (admitted, but with specific conditions related to packaging, licences, quantities, etc.), as well as with dangerous goods.</p> <p>It defines dangerous goods that are not allowed in the mail, and identifies the conditions (packaging, labelling) under which some dangerous goods may be mailed.</p>

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
	Regulations art. 19-001, 19-002, 19-003, 19-004, 19-005, 19-006, 19-007, 19-008, 19-009	<p>3.3 Exceptionally, dangerous goods may be admitted in relations between member countries that have declared their willingness to admit them either reciprocally or in one direction, provided that they are in compliance with national and international transport rules and regulations.</p> <p>4 Live animals (...)</p>	<p>It requires Posts to define, in clear language, their own country-specific prohibitions and restrictions, which are then published by the International Bureau.</p> <p>These articles encourage and enable Posts to make every effort to:</p> <ul style="list-style-type: none"> – ensure that senders are aware of what constitutes dangerous goods, and that they do not mail such articles. – ensure that their own prohibitions and restrictions are accurate and clearly worded. – make every effort to inform their customers about articles that may be prohibited or restricted in destination countries.
	Regulations art. 17-003	<p>Information to be supplied by Designated Operators (DOs)</p> <p>1 Designated operators shall communicate to the International Bureau, on the forms sent by the latter, the necessary information concerning the operation of the postal service.</p>	
	Regulations art. 17-004	<p>International Bureau publications</p> <p>2 It shall also publish, from information supplied by member countries and/or DOs (...)</p> <p>2.5 a list of prohibited articles (...)</p>	

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Duty and taxes	Convention article 20	<p>Customs control. Customs duty and other fees</p> <p>1 The Designated Operators (DOs) of the countries of origin and destination shall be authorized to submit items to customs control, according to the legislation of those countries.</p> <p>2 Items submitted to customs control may be subjected to a presentation-to-Customs charge, the guideline amount of which is set in the Regulations. This charge shall only be collected for the submission to Customs and customs clearance of items which have attracted customs charges or any other similar charge.</p> <p>3 DOs which are authorized to clear items through the Customs on behalf of customers, whether in the name of the customer or of the DO of the destination country, may charge customers a customs clearance fee based on the actual costs. This fee may be charged for all items declared at Customs according to national legislation, including those exempt from customs duty. Customers shall be clearly informed in advance about the required fee.</p> <p>4 DOs shall be authorized to collect from the senders or addressees of items, as the case may be, the customs duty and all other fees which may be due.</p>	<p>This Convention article defines the key features of postal customs clearance (as distinct from commercial customs clearance).</p> <p>Paragraph 2 refers to the typical situation where a destination Post may collect duty and tax from an addressee. It enables the Post to charge the customer (typically the addressee) a fee for the processes involved with being responsible for the collection of duty and tax. It does not permit this fee to be collected on items that are free of duty and tax.</p> <p>Paragraph 3 refers to the atypical situation where the country is obliged to declare all items, including those exempt from duty or tax, and incurs additional cost in doing so. In this case, the Convention article enables the Post to charge the customer a fee for all items, including those that are free of duty and tax.</p> <p>While the typical situation is that the destination Post collects duty and tax from the addressee, paragraph 4 enables other business models, depending on national legislation. One example of this is called "landed costs", where the sender pays the duty and tax to the origin Post, which then arranges payment to Customs at destination.</p>
Barcoded item identifiers on letter-post small packets ¹	Regulations art. 17-107 6.4	DOs shall apply a single barcode identifier conforming to UPU Technical Standard S10 to small packets containing goods to enable the provision of cross-border customs electronic pre-advice. However, the presence of such an identifier shall not imply the provision of a delivery confirmation service. (...)	<p>Unlike for parcels, EMS items and registered small packets, a barcoded item identifier is not mandatory on unregistered small packets, even though they are subject to customs control and such an identifier can be very important for processes involving Customs.</p> <p>The regulation requiring a UPU Technical Standard S10 barcode on ordinary small packets containing goods is effective as of 1 January 2018.</p>

¹ The differences between a letter-post small packet and a parcel, as defined in the Regulations to the Convention, are outlined later in this document.

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Placement of CN 22 on item	Regulations art. 20-001 2.1	Items to be submitted to customs control shall bear on the front a CN 22 customs declaration, or be provided with a tie-on label in the same form. The CN 22 customs declaration shall be affixed on the address side, in so far as possible in the top left-hand corner, beneath the sender's name and address, which must appear on the item.	This ensures that the CN 22 is highly visible – important for customs processing at destination.
Electronic transmission of CN 22 data	Regulations art. 20-001 2.2	Where Designated Operators (DOs) so agree in advance, customs data provided in accordance with the instructions on the CN 22 or CN 23 customs declarations, including the names and addresses of the sender and addressee, may be transmitted electronically to the DO of the country of destination. The DO of origin may share all or part of these data with the Customs Administration in the country of origin for export purposes, and the DO of destination may share all or part of these data with the Customs Administration in the country of destination for customs import purposes.	This enables Posts to exchange CN 22 and CN 23 data via EDI, on a bilateral basis such as via the ITMATT message (described later in this guide). It also recalls the privacy issues associated with such data.
Use of CN 23 on small packets	Regulations art. 20-001 2.5	If the value of the contents declared by the sender exceeds 300 SDR, or if the sender prefers, the items shall also be accompanied by the prescribed number of separate CN 23 customs declarations. One of these declarations must be affixed to the item. If the declaration is not directly visible on the front of the item, the detachable part of the CN 22 customs declaration shall be affixed to the front of the item. It shall also be possible to replace the detachable part of the CN 22 customs declaration with a gummed or self-adhesive white or green label inscribed as follows: Inscription in black 	This article specifies the conditions of using a CN 23, rather than a CN 22, for letter-post products such as small packets and M bags.
Transparent adhesive envelope	Regulations art. 20-001 2.6	CN 23 customs declarations shall be securely attached to the outside of the item, preferably in a transparent adhesive envelope.	This article encourages the use of transparent envelopes so that the CN 23 form is visible but can be removed for inspection by Customs and then put back into the envelope.

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Application of Customs declarations for small packets	Regulations art. 20-001 2.8	Small packets shall always be provided with a customs declaration (...)	This article clarifies that letter-post small packets must have either a CN 22 or a CN 23.
Priority of mail	Regulations art. 17-113 4.3 (similar text in Regulations art. 20-001 3.1)	Priority treatment of priority items and airmail items 4 Designated Operators (DOs) shall take all necessary steps to: (...) 4.3 speed up the operations relating to customs control of priority items and airmail items addressed to their countries;	Similar regulations apply to parcels. This article requires destination Posts to give priority to airmail/priority mail over surface/SAL/non-priority. This is typically done by arranging operations in the inward office of exchange such that airmail/priority mail is presented to Customs ahead of surface/non-priority/SAL mail.
Returned or redirected items	Regulations art. 20-003 1	1 DOs shall undertake to seek from the appropriate services in their country cancellation of customs duty and other fees on items: 1.1 returned to origin; 1.2 destroyed because of total damage to the contents; 1.3 redirected to a third country; 1.4 in the specific case of parcels: 1.4.1 abandoned by the sender; 1.4.2 lost, rifled or damaged in their service.	This article requires Posts to have arrangements in place with Customs such that the duty or tax applied to an item that is returned or redirected can be cancelled.
Format segregation	Convention article 17	4 Letter-post items shall be classified on the basis of both the speed of treatment of the items and the contents of the items in accordance with the Regulations. 5 Within the classification systems referred to in 4, letter-post items may also be classified on the basis of their format as small letters (P), large letters (G), bulky letters (E) or small packets (E). The size and weight limits are specified in the Regulations.	Article 17.5 of the Convention refers to format segregation. It enables and encourages Posts to segregate letter post into receptacles depending on the format of the letter-post item. For example, Posts may bilaterally agree to have receptacles (bags) containing only small packets, and to have letters/printed papers in different receptacles (i.e. to not commingle small packets with letters/printed papers). Among other potential benefits, this can bring efficiencies in the destination country's customs clearance processes.

In addition to these regulations, there are other important regulations in the form of instructions that appear on the back of the CN 22 and CN 23. These are covered elsewhere in this guide. Congress resolutions typically instruct the bodies of the UPU (e.g. POC, CA, IB) as regards strategies and priorities. The resolution relevant to Customs from the most recent Congress (C 24/2016, and Istanbul business work proposal 013 in Congress Doc 14, Annex 13) can be consulted on the UPU website by registered users.

b WCO instruments and tools

The WCO is a standard setting organization which has in the past 65 years developed a large number of instruments and tools to help Customs Administrations around the world carry out their goals and objectives. These instruments and tools largely relate to all modes of traffic and are therefore relevant for customs formalities in postal traffic.

This chapter provides more information on the four WCO packages which represent a framework under which the instruments and tools, as well as best practices, have been placed. It further includes information on those which are of more relevance to the postal supply chain.

1 Four WCO packages

The WCO has developed four packages that support adoption and quality administration of modern customs practices and will raise awareness on the vital role of Customs in international trade. The four packages consist of core customs competencies, instruments, tools, and technical assistance that support the achievement of key customs objectives, especially revenue collection, trade facilitation, border security, and combating of smuggling. The four packages are :

- Revenue Package (RP).
- Economic Competitiveness Package (ECP).
- Compliance and Enforcement Package (CEP).
- Organizational Development Package (ODP).

The RP consists of WCO tools that support efficient and fair revenue collection, especially related to commodity classification, valuation, and rules of origin. Collection of revenue remains a top priority for many Customs Administrations, particularly in economies where a substantial portion of government revenue is derived from customs duties. A modern Customs Administration needs to apply the relevant tools and instruments - developed by the WCO and other international bodies – in a consistent manner in order to achieve fair, efficient, and effective revenue collection.

The ECP consists of WCO tools that support economic competitiveness through trade facilitation and security, especially the Revised Kyoto Convention and the SAFE Framework of Standards. The WCO is working with its members to ensure growth by securing and promoting economic competitiveness. Trade security and facilitation is one of the key factors for economic development of nations and is closely tied into national agendas on social wellbeing, poverty reduction and economic development of countries and their citizens.

Likewise, the WCO provides a forum for the development of instruments and tools to simplify and harmonize customs procedures.

The CEP supports protection of society through enforcement-related tools, partnerships with stakeholders, advanced technology and infrastructure, and coordination of law enforcement operations, ensuring goods, people and means of transport comply with laws and regulations, the attainment of safe and secure communities, the economic competitiveness of nations, the growth of international trade and the development of the global marketplace. The WCO will continue to develop and maintain standards and guidelines with respect to the goal of protecting society. The exchange of customs enforcement information and Intelligence is crucial to the WCO's Enforcement Strategy. To this end, the WCO will coordinate and implement customs law enforcement initiatives and operational activities with assistance from key stakeholders.

The ODP consists of WCO tools for holistic institutional and human resource development, complemented by providing strategic advisory support for delivery and strengthening stakeholder engagement and integrity. The details of each package can be found in their respective documents. Effective and efficient Customs Administrations are vital for the economic, social and security development of States. The WCO, as the global centre of customs excellence, plays a central role in development, promotion and support for the implementation of modern customs standards, procedures and systems and has positioned itself as a global leader in Capacity Building delivery. The development of Capacity Building tools is linked to three enablers that were emphasized by the Capacity Building Committee as essential for sustainable development and modernization: Political Will, People and Partnerships.

The four packages thus form a suite of WCO tools and assistance that can support a Customs Administration to achieve its objectives. There is, of course, overlap across the four packages as the same tool can contribute to achieving different objectives. For instance, the Risk Management Compendium can contribute to revenue collection, economic competitiveness and enforcement. Thus, WCO Members can be confident that each package contains the tools necessary for pursuing the respective core objective.

2 *Instruments and tools of particular relevance to postal traffic*

A number of WCO instruments and tools are specific to, or have greater relevance for, customs procedures in postal traffic. These include the Revised Kyoto Convention (Chapter 2 of Specific Annex J), Immediate Release Guidelines, Recommendation on Flat Rate Assessment, Recommendation on Free Admission of Gifts, Risk Management Compendium (Volume 2, Risk Indicators and Manual on Postal/Express Consignments), the HS Convention. However, most of the other WCO instruments and tools relate to all modes of traffic and therefore should be taken into consideration by Customs Administrations when dealing with formalities in postal traffic. Of particular relevance is the SAFE Framework of Standards which will be covered under Chapter V on Postal and Customs Safety and Security Issues.

Revised Kyoto Convention, Specific Annex J, Chapter 2

The International Convention on the Simplification and Harmonization of customs procedures (Kyoto Convention) entered into force in 1974 and was revised and updated to ensure that it meets the current demands of governments and international trade.

The WCO Council adopted the Revised Kyoto Convention (RKC) in June 1999 as the blueprint for modern and efficient customs procedures in the 21st century. The RKC promotes trade facilitation and effective controls through its legal provisions that detail the application of simple yet efficient procedures. The revised Kyoto Convention elaborates several key governing principles; chief among these are the principles of:

- transparency and predictability of customs actions;
- standardization and simplification of the goods declaration and supporting documents;
- simplified procedures for authorized persons;
- maximum use of information technology;
- minimum necessary customs control to ensure compliance with regulations;
- use of risk management and audit-based controls;
- coordinated interventions with other border agencies;
- partnership with the trade.

The RKC entered into force on 3 February 2006. As of October 2017, the RKC has 112 Contracting Parties. Furthermore, the RKC is subject to a regular review and update under the RKC Management Committee.

The RKC covers customs business broadly. Specific Annex J, Chapter 2, provides simplified customs clearance procedures for postal traffic, ensuring compliance with both UPU and WCO instruments, as well as national regulatory requirements. As of the end of 2017, 26 countries have acceded to Specific Annex J, Chapter 2.

The text, which was updated within the framework of the WCO–UPU Contact Committee and approved by the WCO RKC Management Committee in November 2016, has five definitions, eleven standards and one recommended practice. These are outlined below together with a UPU interpretation in order to enable Posts to better understand the WCO publication.

The document should be shared widely among officials of bodies dealing with policy and operational matters relating to postal traffic at the national level for their respective uses. It helps to ensure compliance with the UPU's universal service obligation and the concept of a single postal territory. It protects the universal exchange of mail and complements the UPU's acts and regulations. In addition, the standards place special emphasis on the use of information technology and the exchange of electronic advance data.

In an era where the speed of customs clearance has become crucial to ensuring quality of service, it is in the UPU's interest to have as many WCO Members as possible accede to the RKC and to Chapter 2 of its Specific

Annex J. It is in the interest of Designated Operators (DOs) and Customs Administrations alike to have as many countries as possible accede to the RKC and to Specific Annex J, Chapter 2, to improve Customs–Post processes. This assumes greater significance with growing e-commerce volumes leading to increased demand in terms of the quality and speed of customs clearance and postal delivery, while at the same time requiring compliance with various regulatory requirements.

	<i>Text</i>	<i>WCO–UPU interpretation²</i>
Definition	" CN 22/23 " means the special declaration forms for postal items as described in the Acts of the Universal Postal Union currently in force.	This definition enables customs officials to use the postal forms CN 22 and CN 23 for customs purposes. This then implies that changes to the CN 22 or CN 23 involve consultation with the WCO.
Definition	" Customs formalities in respect of postal items " means all the operations to be carried out by the interested party and Customs in respect of postal traffic.	This definition illustrates a distinction between postal customs clearance and commercial customs clearance.
Definition	" Postal items " means letter-post and parcels, as described in the Acts of the Universal Postal Union currently in force, when carried by or for postal services.	The WCO accepts this definition as provided by in the Acts of the UPU.
Definition	" Postal service " means a public or private body authorized by the government to provide the international services governed by the Acts of the Universal Postal Union currently in force.	While in the past mainly a public body, the postal service (Designated Operator) is in a growing number of countries a private body authorized by the government to provide the international services governed by the Acts of the UPU.
Definition	" The Universal Postal Union " means the inter-governmental organization founded in 1874 by the Treaty of Bern as the "General Postal Union" which, in 1878, was renamed the "Universal Postal Union (UPU)" and which since 1948 has been a specialized agency of the United Nations.	
Standard 1	The customs formalities in respect of postal items shall be governed by the provisions of this Chapter and, insofar as applicable, by the provisions of the General Annex.	Annex J Chapter 2 specifically deals with postal items. However, this standard clarifies that the provisions of the General Annex (GA) of the Revised Kyoto Convention are applicable to all Specific Annexes, including Specific Annex J and its Chapter 2. RKC Guidelines specify that of particular importance are Chapter 3 of the GA on Clearance and other customs formalities, Chapter 6 on Customs control and Chapter 7 on Information technology, which should be read in conjunction with the Annex J Chapter 2 on Postal traffic.

² In some cases, text from the WCO document "Guidelines to Specific Annex J Chapter 2 (Postal Traffic)" is included. Some of the material in that WCO document is also placed elsewhere in this guide.

	<i>Text</i>	<i>WCO–UPU interpretation²</i>
Standard 2	National legislation shall specify the respective responsibilities and obligations of the Customs and of the postal service in connection with the Customs treatment of postal items.	<p>This standard clarifies that postal services and Customs have certain obligations and responsibilities which derive from the Acts of the UPU with the parts relevant to Customs having been established in consultation with Customs.</p> <p>In particular these relate to the documents accompanying postal items, the information to be supplied and the methods of forwarding the items and documents. Other responsibilities and obligations of the postal services and Customs may be decided upon by mutual agreement between the Post and Customs.</p>
Standard 3	The clearance of postal items shall be carried out as rapidly as possible.	<p>As postal traffic is subject to the normal payment of applicable duties and taxes and to national legislation relating to prohibitions and restrictions, there will be a consequential impact on delivery times. Standard 3 requires Customs to limit these impacts to the greatest extent possible. However, nothing in this provision should be seen as limiting customs controls.</p> <p>RKC Guidelines recognize three possible levels of involvement by the postal service in the clearance of goods imported by post: a) the postal service presents items requiring clearance to Customs; b) the postal service carries out certain operations, under customs control, which are normally the responsibility of Customs; and c) the postal service acts as a customs clearing agent, in particular in dealing with EMS items.</p>
Standard 4	The exportation of goods in postal items shall be allowed regardless of whether they are in free circulation or are under a Customs procedure.	<p>These standards serve to clarify that exportation and importation must be allowed regardless of the customs procedure under which the goods have been or will be placed. This principle applies equally to postal items, providing that all normal formalities prescribed for the particular procedure are complied with.</p>
Standard 5	The importation of goods in postal items shall be allowed irrespective of whether they are intended to be cleared for home use or for another Customs procedure.	
Standard 6	The Customs shall designate to the postal service the postal items which shall be produced to them for the purposes of Customs control and the methods of production of these items.	<p>This standard clarifies that it is the Customs Administration that determines the mail that the Post must present to Customs. The "method of production" (i.e. presentation) refers to physical, copies of documents, electronic, etc.</p>

	<i>Text</i>	<i>WCO–UPU interpretation²</i>
Standard 7	<p>The Customs shall not require postal items to be produced to them at exportation for the purposes of Customs control, unless they contain:</p> <ul style="list-style-type: none"> – goods the exportation of which must be certified; – goods which are subject to export prohibitions or restrictions or to export duties and taxes; – goods having a value exceeding an amount specified in national legislation; or – goods which are selected for Customs control on a selective or random basis. 	<p>This standard clarifies that customs controls at export should be limited. However, risk management and selectivity should maintain sufficient controls of outbound items.</p>
Recommended practice 8	<p>The Customs should not, as a general rule, require the following categories of imported postal items to be produced to them:</p> <ul style="list-style-type: none"> a postcards and letters containing personal messages only; b literature for the blind; c printed papers not subject to import duties and taxes. 	<p>Note that this is a recommended practice and not a standard. This illustrates that the determination of items to be presented to Customs is a national issue. Also the phrase "as a general rule" provides flexibility, in that Customs may require all mail from a specific country to be presented to them either on an ongoing basis or from time to time.</p>
Standard 9	<p>When all the information required by the Customs is available from the CN 22 or CN 23 and supporting documents, the form CN 22 or CN 23 shall be the Goods declaration, except in the case of:</p> <ul style="list-style-type: none"> – goods having a value exceeding an amount specified in national legislation; – goods which are subject to prohibitions or restrictions or to export duties and taxes; – goods the exportation of which must be certified; – imported goods intended to be placed under a customs procedure other than clearance for home use. <p>In these cases, a separate Goods declaration shall be required.</p>	<p>This standard clarifies that the CN 22 or CN 23, and accompanying documents, such as a commercial invoice, are all that is required for postal customs clearance, except in the circumstances outlined, when a separate Goods declaration should be required. Guidelines specify that a Goods declaration may be a national document which is the same as that prescribed for other means of transport or it may be specially designed for postal clearance. Alternatively some Customs Administrations accept an international document such as an ATA carnet for temporary admission.</p>
Standard 10	<p>Postal items shall not be subject to Customs formalities whilst they are being conveyed in transit.</p>	<p>This makes it clear that mail in receptacles being handled in closed transit, as well as items being handled in open transit, are not subject to customs formalities by the Customs Administration of the transit country.</p> <p>In accordance with the WCO–UPU formal opinion on items in transit in closed mails or à découvert (open transit) suspected of containing narcotics or psychotropic substances, Customs in the transit country may take appropriate measures to inform Customs in the country of destination of its suspicions.</p>

	<i>Text</i>	<i>WCO–UPU interpretation²</i>
Standard 11	The Customs shall make the simplest possible arrangements for the collection of duties and taxes on the goods contained in postal items.	This standard clarifies that simplicity is an objective as regards postal customs clearance. It recognizes that customs brokers are not typically utilized by users of the postal customs clearance process, except in circumstances where national legislation requires a formal customs entry. Guidelines also recommend the use of a flat-rate assessment for non-commercial goods imported for home use up to a value specified in national legislation, as well as use of admission free of import duties and taxes for gifts.

Guidelines to Specific Annex J, Chapter 2 (Postal traffic) of the Revised Kyoto Convention

Within the framework of the WCO–UPU Contact Committee and with the approval of the Revised Kyoto Convention Management Committee (RKC MC), the Guidelines to Specific Annex J, Chapter 2 (Postal traffic) of the RKC were updated in 2016.

Specific Annex J, Chapter 2, concerns postal traffic and contains five definitions, 11 standards and one recommended practice. It sets out customs clearance procedures for postal traffic.

The guidelines explain the underlying concepts and principles identified in Specific Annex J, Chapter 2. They describe the obligations and responsibilities of Designated Operators (DOs) and Customs Administrations in day-to-day business. In the updated guidelines, special emphasis has been placed on use of information technology. New text has been added on electronic advance data (including an advance data flow chart), as well as information on a standard adopted by the WCO and UPU for electronic customs information messaging, and commentary on future directions for the exchange of electronic customs information between DOs and Customs.

Given that Customs forms an essential part of the postal supply chain, it is recommended that these two basic documents (Specific Annex J, Chapter 2, and its updated guidelines) be included in the curriculum for postal and customs staff in order to provide necessary training on customs–postal matters.

These documents are available in English and French in the Customs section of the UPU website.

HS Convention

The Harmonized Commodity Description and Coding System (generally referred to as the "Harmonized System" or simply "HS") is a multi-purpose international product nomenclature developed by the WCO. It is governed by the International Convention on the Harmonized Commodity Description and Coding System, which was adopted in June 1983 and entered into force in January 1988. It comprises about 5,000 commodity groups, each identified by a six-digit code arranged in a legal and logical structure and supported by well-defined rules to achieve uniform classification.

The system is used by 209 countries and economies as a basis for their customs tariffs and for the collection of international trade statistics (as of September 2017, 156 of these were Contracting Parties to the HS Convention). Over 98% of the merchandise traded internationally is classified in terms of the HS.

The HS contributes to the harmonization of customs and trade procedures and the paperless trade-data interchange in connection with such procedures, thus reducing the costs related to international trade. It is also extensively used by governments, international organizations and the private sector for many other purposes, such as internal taxes, trade policies, monitoring of controlled goods, rules of origin, freight tariffs, transport statistics, price monitoring, quota controls, compilation of national accounts and economic research and analysis. The HS is thus a universal economic language and code for goods, as well as an indispensable tool for international trade.

The maintenance of the HS is a WCO priority. This activity includes measures to secure uniform interpretation of the HS and its periodic updating in the light of developments in technology and changes in trade patterns.

The WCO manages this process through the Harmonized System Committee (representing the contracting parties to the HS Convention), which examines policy matters, takes decisions on classification questions, settles disputes and prepares amendments to the Explanatory Notes.

The HS Committee also prepares amendments updating the HS every five years for approval by the WCO Council. Decisions concerning the interpretation and application of the HS, such as classification decisions and amendments to the Explanatory Notes or compendium of classification opinions, become effective two months after approval by the HS Committee, assuming no reservations have been entered.

Lastly, the WCO HS Nomenclature 2017 Edition is the valid version applied in international trade transactions. It can be consulted at www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition.aspx.

Recommendation on Flat Rate Assessment

The Recommendation of the Customs Co-operation Council Concerning the Application of a Flat Rate Assessment System to Goods Sent in Small Consignments to Private Individuals or Carried in Travellers' Baggage (Flat Rate Assessment) was adopted in 1968 having in mind the need to handle expeditiously the large number and diversity of goods sent in small consignments. A flat rate assessment is recommended as a system which can simplify and expedite the clearance of such goods and, subject to certain conditions, safeguard members' revenue and economic interests. This recommendation applies to importations that are of a non-commercial nature and whose aggregate value does not exceed a figure which, so far as possible, should not be less than 60 U.S. dollars.

Recommendation on Free Admission of Gifts

The Recommendation of the Customs Co-operation Council Concerning the Free Admission of Gift Consignments was developed with a view to recommending that members grant admission free of import duties and taxes consignments containing only gifts, the value of which does not exceed 30 SDRs. It also determines what can be considered as a gift.

Immediate Release Guidelines

After recognizing that a part of a country's trade requires immediate customs clearance, the WCO devised a set of release/clearance procedures in the early 1990s in view of helping Customs and businesses speed up the clearance of goods requiring immediate release, in particular documents and low-value goods. Following the revision of the Kyoto Convention and other initiatives, including the development of the WCO Data Model, and in the light of certain concerns expressed by Customs and the private sector, the guidelines were revised and updated. The revised guidelines, now known as the "Immediate Release Guidelines", were adopted in March 2003 by the Permanent Technical Committee. The guidelines essentially provide that Customs shall generally release/clear all goods immediately, subject to compliance with the conditions set by Customs and to the transmission of the necessary information required under national legislation prior to the arrival of the goods. The immediate release is made possible in particular because of the electronic exchange of data between DOs (postal service) and Customs and the risk assessment carried out before the arrival of the goods. In the guidelines, goods are categorized into one of four categories: Category 1 – Correspondence and documents; Category 2 – Low-value consignments for which no duties and taxes are collected; Category 3 – Low-value dutiable consignments; Category 4 – High-value consignments.

Risk Management Compendium

The changes in the strategic landscape of Customs' operating environment, combined with the long-term growth in trade and travel volumes, have affected the way Customs Administrations are managed and how they approach their tasks. These developments, together with the increasing uncertainty, have led many administrations to seek a more structured and systematic way to manage risks.

Risk management has been one of the key vehicles for Customs Administrations in their efforts to better meet the demands of the 21st century operating environment, which sees Customs Administrations striving to address risks wherever they are found and as early in the supply chain as possible.

The development and implementation of an intelligence-enabled risk management framework, together with the growth of a risk management culture within a customs organization, has enabled more effective decision-

making at all levels of the organization and in relation to all areas of risk. Today, risk management is seen as one of the guiding principles associated with modern Customs Administrations.

The WCO Customs Risk Management Compendium³ comprises two separate but interlinked volumes. Volume 1, available to the public, sets out the organizational framework for risk management, gives details of the risk management process, describes the different building blocks of an organizational risk management framework, and discusses embedding risk management as an organizational culture and building risk management capacity.

Volume 2 of the Compendium deals with operational risk assessment, profiling and targeting tools that inform selection criteria for identifying high-risk consignments, passengers, conveyances, economic operators and other parties for customs intervention. It also contains "enforcement-sensitive" material for "Customs only" purposes, including numerous practical guides and templates for assessing risks.

The document entitled "Risk Indicators and Manual on Postal/Express Consignment" has been incorporated into Volume 2 of the WCO Customs Risk Management Compendium. The indicators listed in the document could be used to select possible high-risk movements/consignments involving all types of customs fraud (revenue protection, narcotics, security, intellectual property rights, etc.).

WCO Security Programme

Terrorism, the proliferation of weapons and materials of mass destruction, the trafficking of small arms and explosives, and the illicit diversion of dual-use goods pose a serious threat not only to the security and safety of people, but also to the economic development, political stability and social cohesion of countries across the globe.

The WCO Security Programme concentrates on strengthening the capacity of Customs Administrations to deal with security-related issues at the national level and aims to facilitate the global customs community's ability to deal with these threats at the international level.

The activities of this programme involve five key work areas: passenger controls; improvised explosive devices (IEDs) – Global Shield; strategic trade; small arms and light weapons (SALW); and terrorist financing. Additionally, inclusion of air modules in the Cargo Targeting System (CTS) and the Container Control Programme (CCP) have been developed.

3 *Other instruments and tools*

As already mentioned previously, the WCO has developed numerous other instruments and tools. Some of them are the SAFE Framework of Standards, WCO Data Model, Single Window Compendium, ICT Guidelines, recommendations, Istanbul and ATA Conventions, the Nairobi Convention, Guidelines on Post-Clearance Audit, Customs Valuation Compendium and many more. A number of them will be mentioned in other chapters. The vast majority of these instruments and tools are publicly available and can be found on the WCO website, under the four WCO packages.

4 *WCO Glossary of International Customs Terms*

The glossary of international customs terms is aimed at capturing, in a single document, definitions of certain customs terms in order to establish a common customs terminology, with the objective of not only facilitating the work of the WCO, but also assisting members and non-members, international organizations and the private sector in the development of a uniform approach to the use of customs terminology. The glossary also provides updated definitions to facilitate the interpretation of a number of key WCO instruments and guidelines.

Additionally, the glossary is an important tool for the general public and wider trade community to secure broad and uniform understanding of customs issues. Consistent use of customs terminology should not be underestimated, particularly when rules and regulations are developed.

The glossary of international customs terms is constantly updated. This is due to the evolution of the role of Customs and international trade over the last few years, the countless developments that have taken place in the customs and international trade environments, and the development of several instruments.

³ Available at <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/>

The 2017 glossary can be found on the WCO website in English: ([www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/glossary-of-international-customs-terms/glossary-2017-word-version-en.pdf?db=web](http://www.wcoomd.org/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/glossary-of-international-customs-terms/glossary-2017-word-version-en.pdf?db=web))

c World Trade Organization (WTO) Trade Facilitation Agreement

The WTO Trade Facilitation Agreement (TFA) was concluded at the 2013 Bali Ministerial Conference. It entered into force on 22 February 2017 following its ratification by two-thirds of the WTO membership.

Currently, WTO Members are implementing the mandatory TFA measures in a phased manner based on the categorization of these measures in the 12 articles. Category A refers to those measures that will be implemented at the time of the agreement's coming into force, B to those requiring longer time, and C to those requiring additional capacity building. Further details can be found at www.tfafacility.org.

The TFA advocates for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between Customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

The WCO has a range of instruments and tools to support the expeditious and harmonized implementation of the TFA (www.wcoomd.org/en/topics/wco-implementing-the-wto-atf.aspx).

For Designated Operators (DOs), the most relevant facilitation measure would be article 7 of the agreement, covering provisions for the release and clearance of goods. This includes, among others, pre-arrival processing, risk management, and expedited shipments. The TFA brings all government agencies – Customs Administrations and DOs – together to facilitate the implementation of the agreement.

Article 23.2 of the TFA stipulates that each Member shall establish and/or maintain a national committee on trade facilitation (NCTF) or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of the agreement. DOs should engage with their NCTF and make efforts to be members of the NCTF, in order to play an active role in the oversight and implementation of the agreement.

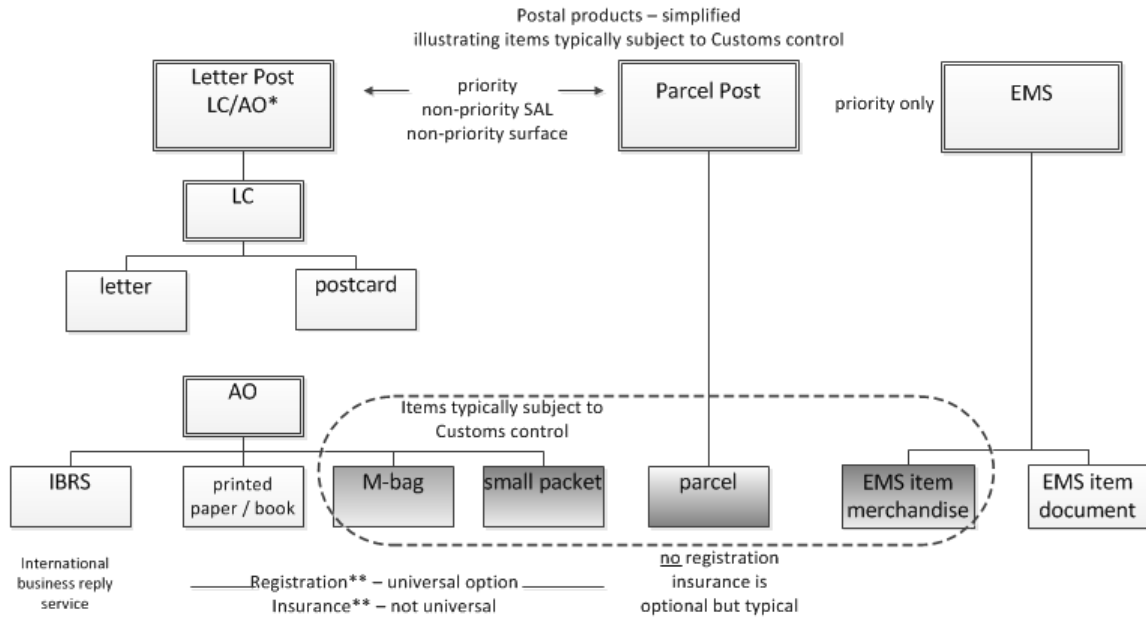
The NCTF is an appropriate forum to highlight the ongoing work of the WCO–UPU Contact Committee, as well as to seek high-level support for prioritizing the implementation of key postal–customs issues such as electronic advance data.

Lastly, the WCO, through the Mercator Programme (launched in 2014), its strategic capacity-building initiative, has been assisting governments worldwide in implementing trade facilitation measures in a harmonized manner by using WCO instruments and tools. This programme could be a way to address the required capacity building in the TFA, not only for Customs Administrations but also for other key stakeholders, including DOs.

IV. Operational environment

a Postal products and services

The following diagram depicts the UPU products and services, highlighting those typically subject to customs control:



*Letter Post is often referred to as LC/AO for, in French "Lettres et Cartes / Autre Objets"; in English "Letters and Cards / Other Objects"
 ** The 2012 Congress decided that registered and insured Letter Post items are limited to Priority only. This is effective 1 January 2014.

As depicted above, postal products are classified as letter post, parcel post or EMS. Letter post contains items such as letters and postcards, which are typically not subject to systematic customs control. Letter post also includes small packets and M bags (direct bags of printed papers for the same address), both of which are subject to customs control. Virtually all parcel post is subject to customs control. EMS can contain either documents or merchandise. EMS items containing merchandise are subject to customs control. EMS items containing documents may be subject to customs control, depending on the destination country.

The distinction between a letter-post small packet and a parcel is one that often causes confusion. To a customer, they are much the same. In general, to Customs, they are also the same, as the assessment of duty and tax is the same for a packet or a parcel. However, the postal labelling of the items, the handling by the Posts, and the remuneration between Posts is different for small packets versus parcels, as indicated below:

	<i>Small packet</i>	<i>Parcel</i>
Regulatory basis	Letter Post Regulations	Parcel Post Regulations
Customs declaration	CN 22 – optionally CN 23	CN 23 (may be part of CP 72 manifold set)
Weight	0–2 kg	0–20 kg (optionally to 30 kg)
Remuneration between Posts	Terminal dues	Inward land rates
Dispatch bill/receptacle label	CN 31 letter bill/CN 34, CN 35 or CN 36 receptacle labels	CP 87 parcel bill/CP 83, CP 84 or CP 85 receptacle labels
Barcoded item identifier	From 2018, a small packet containing goods will have a UPU Technical Standard S10 barcode identifier. This barcode is not for tracking purposes, unless the item has other characteristics implying tracking (registered, insured, tracked).	A 13-character S10-format barcoded item identifier is mandatory. This may be applied separately or included on the CN 23.

b Postal dispatch processes

1 Postal perspective

The processes involved with postal dispatches form the basis for all postal operations and accounting between Posts. These processes are important to Customs (and airlines) as they are necessary for ensuring the control of the postal supply chain. In their simplest form, the processes operate as described below.

Postal dispatch

Each dispatch from an origin office of exchange (OE) to a destination OE, for each mail subclass (as defined in UPU code list 117), is sequentially numbered, and the number is reset for the first dispatch of the calendar year. This is the "dispatch number". Unless the Designated Operators involved have agreed to only exchange information electronically, each dispatch is accompanied by a paper (letter or parcel) bill which describes the dispatch, in terms of the number of receptacles, weight, etc. For the first dispatch of the calendar year, the last dispatch number of the previous calendar year is also included on the (letter or parcel) bill.

Destination OEs file the (letter or parcel) bills⁴ in order of dispatch number for each origin office of exchange and product. In so doing, a missing dispatch can be detected immediately on receipt of the next dispatch.

For example, if priority letter-post dispatch number 0123 of 2017 from Zurich OE to Montreal OE has been received, but dispatch number 0122 has not, then Montreal can immediately know that dispatch number 0122 may have gone astray and can initiate investigations.

As well, a dispatch may consist of only one receptacle (e.g. bag or tray), or may comprise several receptacles, depending on the volume of mail at the time. Unfortunately, individual receptacles of a dispatch do not always stay together as they progress through the supply chain. The (letter or parcel) bill also identifies the number of receptacles dispatched, so the destination can ensure not only that there are no missing dispatches, but also that each of the receptacles in a dispatch has been received. In a paper-based process, it is of critical importance that the destination receives the bill. Accordingly, the label of the receptacle carrying the bill is marked with a large "F" (for "forms"). This receptacle is often called the "F bag".

These principles for dispatch and receptacle numbering, and receipt controls, form the basis for both manual and automated processes for exchange of mail between countries, thereby ensuring the integrity of the supply chain. It is very important that Posts rigorously apply these principles.

Postal consignment⁵

As noted, receptacles of a dispatch may not all travel together and may not travel on the same transport that was planned when the dispatch was created. Receptacles of several different dispatches may travel on a specific transport. A Post may receive receptacles created by another Post and forward them onwards along with its own originating receptacles. (This is called closed transit.)

Thus, a consignment is a list of the receptacles assigned to a specific transport, regardless of the dispatch (or dispatches) to which the receptacles belong. Whereas a dispatch is generally defined by a letter or parcel bill (forms CN 31, CN 32 and CP 87), a consignment is defined by a delivery bill (forms CN 37, CN 38 and CN 41).

The existence of these UPU forms (delivery bill, receptacle labels) enables a shipment of mail to be moved from the custody of the airline at an airport to the custody of the Post at the inward office of exchange (which may be located a distance away from the airport) for postal customs clearance.

Thus, the hierarchy of terms commonly used by the Post for the exchange of mail is as follows:

- Postal item: A letter, postcard, letter-post small packet, letter-post M bag, parcel, EMS item, etc.
- Postal receptacle: A component of a dispatch. It is typically a bag or a tray. It has a standard 29-character barcoded receptacle identifier. In addition to Posts, airlines use postal receptacles.

⁴ As well as the EMS equivalent of the CN 31 letter bill.

⁵ The term "consignment" is used in several contexts in UPU regulatory publications. In this case, the context is that of article RL 190 of the Letter Post Regulations.

- Postal dispatch: Each postal receptacle is a component of a postal dispatch which has a standard 20-character dispatch identifier. The dispatch identifier is part of the 29-character receptacle identifier.
- Postal dispatch series: Postal dispatches are sequentially numbered within a dispatch series established between the origin OE and destination OE. This dispatch series is 15 characters and is also part of the receptacle identifier.
- Postal consignment: Postal receptacles are also included in consignments, for transport purposes. Thus, a consignment is a list of the receptacles assigned to a specific transport, regardless of the dispatch (or dispatches) to which the receptacles belong.

2 *Article description*⁶

From a customs perspective, and increasingly from a postal perspective, this is another level in the hierarchy. The article description refers to the content of postal items as indicated in the rows on the CN 22 or CN 23 titled "description of contents". For example, a postal item that is a parcel might contain three dinner plates and six coffee cups. The three dinner plates would be one article description, and the six coffee cups would be another. The article description is a key element of many customs processes. It is the article description that relates to the Harmonized System (HS) code which may be on the customs declaration from commercial customers. The HS code is vital to ensuring effective fiscal clearance and is important for e-commerce volumes. The HS Convention provides for six-digit harmonization, though countries can go up to eight or 10 digits as required under their national legislation.

3 *Airline perspective*

The delivery bill (e.g. CN 38) and receptacle labels (e.g. CN 35, CN 36, CP 84, CP 85) are very important to airlines for many reasons, including Customs at airports. For the airline, the delivery bill and UPU standard receptacle labels define a shipment as being mail, rather than cargo or freight, and enable the airline processes relating to mail to be applied.

c Acceptance and dispatch (export)

It is very important that customs declarations be properly completed in English, French or in a language accepted in the destination country, and be legible. It is also very important that they be visible and readily accessible, i.e. securely affixed to the outside of the item, yet also protected from the rigours of transport.

It is important that the declared value of the item, as indicated by the sender, is accurate.

Failure to follow these guidelines typically means that the postal item has to be opened at destination (either by the Post or Customs), the articles inside inspected and assessed, and then the item re-packaged. This delays delivery of the item and adds, considerably, to the cost incurred by the destination. It also typically causes delays in delivery of other items because of the resources diverted to deal with these items.

There are two critical points in the supply chain at origin that can affect customs processing at the destination: acceptance and dispatch.

- Acceptance: The acceptance of the item from the customer at the post office is the only place to ensure that the information on the customs declaration is properly completed and the form is signed. While the sender is responsible for the information on the customs declaration, the Post is responsible for training its acceptance staff to ensure that the form is properly completed, signed and affixed to the item. If a sender is unable to complete the customs declaration or is unwilling to sign the form, the Post should not accept the item from the sender. The processes for ensuring the quality of customs declarations for commercial customers (which may have large volumes and sometimes use automated systems to create customs declarations) can be different from those for consumer customers, who may be occasional senders of international items. Posts need to ensure that their quality compliance processes at acceptance deal with and are respected by both types of customers.
- Dispatch: The dispatch process at the outward office of exchange is the second and last point in the supply chain where the quality of the customs declarations can be assessed. Posts should train their OE staff to do a cursory check of the customs declaration as the item is being dispatched, and to have appropriate processes in place to deal with an item when the customs declaration is found to be

⁶ In UPU standards ITMATT, CUSITM and CUSRSP, this is called "content piece".

incomplete or illegible, or to have any other defect which may affect the customs processing of the item at the destination.

d Export controls

Depending on national legislation, origin countries may have specific requirements for export controls, in addition to those covered by UPU publications (which cover dangerous goods and country-specific prohibitions and restrictions).

These export controls may be destination country-specific, based on the value of the item or on the quantity of specific commodities.

Origin Posts with such export controls must ensure that acceptance staff are suitably trained to be able to implement the controls effectively.

e Summary of UPU forms, standards, EDI messages (including customs-related messages)

<i>Level</i>	<i>UPU letter post form</i>	<i>UPU parcel post form</i>	<i>Combined letter post or parcel post form</i>	<i>UPU technical standard</i>	<i>UPU messaging standard</i>
Article description	Customs declarations				
	CN 22	CP 72 ⁷	CN 23 ⁸		M33 ITMATT M43 CUSITM M44 CUSRSP
Item	Item-level labels			S10 item-ID (13-character barcode)	M40 EMSEVT M41 PREDES
	CN 04 registered CN 05bis tracked delivery CN 06 insured	CP 73 ordinary parcel CP 74 insured parcel			
	Forms listing items				
	CN 33 special list – registered items CN 16 special list – insured items	CP 87 parcel bill ⁹			
Receptacle	Receptacle-level labels			S9 receptacle-ID (29-character barcode) S47 receptacle label	
	CN 34 surface CN 35 air CN 36 S.A.L.	CP 83 surface CP 84 air CP 85 S.A.L.			
Dispatch	Dispatch-level forms			S8 dispatch-ID	M41 PREDES M13 RESEDES
	CN 31 letter bill CN 32 letter bill for bulk mail	CP 87 parcel bill			

⁷ The CP 72 is a manifold form set that includes a CN 23 customs declaration and a CP 73 parcel label.

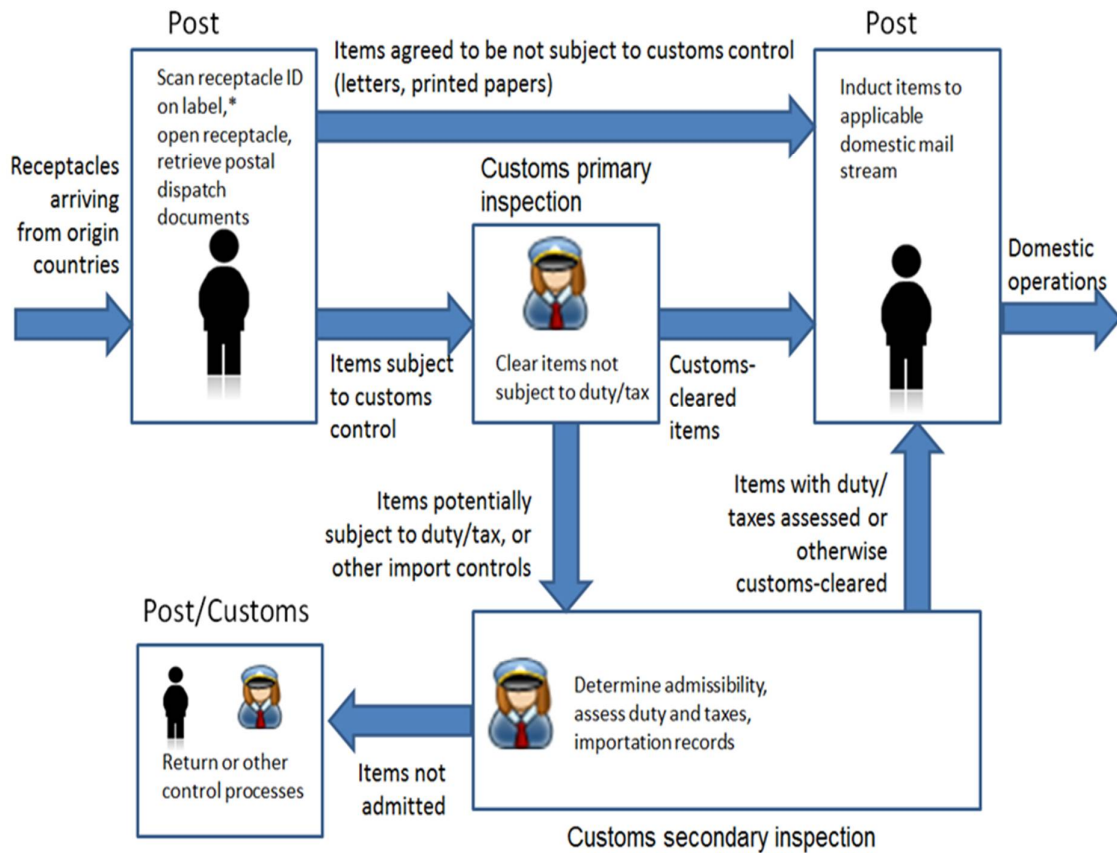
⁸ The CN 23, rather than the CN 22, can optionally also be used for letter post.

⁹ Parcels are individually listed on the CP 87 parcel bill, functionally similar to the CN 33 for registered letter post.

Level	UPU letter post form	UPU parcel post form	Combined letter post or parcel post form	UPU technical standard	UPU messaging standard
Consignment			Consignment-level forms		
			CN 37 delivery bill – surface CN 38 delivery bill – air CN 41 delivery bill – S.A.L. CN 47 delivery bill – empty receptacles	S32 consignment-ID	M10 PRECON M12 RESCON M48 CARDIT M49 RESDIT

f Postal customs clearance process at an office of exchange

Typical postal/customs processes at an inward office of exchange



* This is the 29-character identifier defined in UPU standard S9. It may be scanned on arrival at the OE, or as part of the opening process

g Key principles

The key principles of postal customs clearance are outlined in the Revised Kyoto Convention, Specific Annex J, Chapter 2, covered elsewhere in this guide. They are based on the principles of universal postal service for the people of the world, with simplicity as a key objective.

h Typical postal/customs processes

In the model depicted above:

- The Customs Administration typically determines which items are subject to customs control, taking into consideration the national regulations concerning Customs and those of any other government department for which Customs acts as an enforcement agency. (Refer to Revised Kyoto Convention Specific Annex J, Chapter 2 – Standard 6.) It should be noted that Customs has the right to inspect all postal items. The right to open letters is subject to national legislation.
- The customs primary inspection typically enables the release of a significant number of items very quickly. These generally include many small packets, gifts, etc., that are free of duty and tax.
- A Post receiving letters and printed papers in trays rather than bags may agree with Customs that all such mail be included with that not subject to customs control, thereby accelerating postal and customs processes.
- The processes within the office of exchange leading to the customs primary inspection may be organized by class of mail, i.e. a separate process for letter post, parcel post and EMS. However separate processes for each class of mail typically would not apply to the customs secondary inspection process.
- The customs primary inspection process and secondary inspection process may be physically separate, as depicted above, or may be combined.
- It is up to the Post to present the mail to Customs in a manner that ensures that airmail/priority mail and surface/non-priority mail both meet their quality of service requirements (reference: article 17-113 of the Regulations to the UPU Convention on the priority treatment of priority items and airmail items).
- For items that must be opened for customs inspection, the opening and re-closing may be done either by Customs or by the Post, in accordance with national legislation.

Posts and Customs may agree to variants of the model depicted above, for example:¹⁰

- The Post could provide the documents (CN 22, CN 23, and commercial invoice) or images of the documents to Customs for inspection, rather than the physical items themselves.
- The Post could act on behalf of Customs for certain operations. As examples:
 - The Post could perform the customs primary inspection process, based on procedural instructions and training from Customs.
 - The Post could determine the duty to be collected, with Customs validating the Post's process and helping the postal service with any difficulties in identifying the precise tariff applicable to the item.
 - The Post could also act as a customs clearing agent, directly or indirectly representing the declarant (typically the addressee). In such a scenario, the Post would pay the duty and taxes to Customs and in turn receive payment from the addressee.

Flexible approaches to the above-mentioned three types of involvement should be developed to meet local needs while bearing in mind national legislation, resource considerations and national commitment under the Acts of the UPU.

To enhance the efficiency of the customs clearance process, as well as the safety and security of the postal supply chain, the postal service should strive to use electronic interfaces with Customs and the origin Post to transmit content data electronically prior to the item physically arriving in the destination country. This will enable the Customs Administration or customs clearing agent to either perform pre-arrival clearance or prepare for import clearance.

Lastly, the electronic exchange of the CN 22/CN 23 customs declaration or invoice information between origin and destination Posts should be promoted as a means of speeding up the clearance of postal items. In order to ensure that this information can be used for fiscal clearance, it is vital that the data transferred be accurate, complete and of good quality.

¹⁰ The WCO document "Guidelines to Specific Annex J Chapter 2 (Postal Traffic)" is the source of some of these alternatives.

i Postal customs clearance versus commercial customs clearance

Postal staff in an office of exchange, or dealing with a customer, may have experience only with postal customs clearance and may be unfamiliar with commercial customs clearance. They may be called upon to understand or explain the differences. Here is a brief explanation of the key similarities and differences:

- Postal customs clearance and commercial customs clearance are similar in that the amount of duty and tax to be collected is the same.
- However, the assessment and collection of duty and tax can be a complex process, and there can be a significant difference in the cost of providing the assessment and collection service.
- Commercial customs clearance is aimed primarily at businesses. There is heavy emphasis in commercial customs clearance on risk assessment and on the concept of the "known shipper", for example, a company that complies with all customs, security and financial requirements and has strict in-house procedures to ensure that packages only contain those items described on the documentation.
- Commercial customs clearance relies on the provision of a combination of many data elements obtained from shipping manifests, commercial invoices, certificates, etc. This often involves more mandatory elements than are required for postal customs clearance on the CN 22 and CN 23.
- Commercial customs clearance typically involves a customs broker, who has "security" filed with the Customs Administration in the form of a surety bond or other security that may be specified in the importing country's customs legislation. Upon arrival in the country of destination, the goods remain in customs control and are not released by Customs until the requisite documentation is submitted for customs clearance.
- Generally, commercial customs clearance is more suited to importing goods for resale. Such goods are often imported in larger quantities than can be accommodated in the postal supply chain.
- Commercial customs clearance offers some flexibility, as there are commonly used additional options for assessment and payment of duty and tax. For example, whereas postal customs clearance is based primarily on having the addressee pay the duty and tax, commercial customs clearance provides more options for the sender to pay the duty and tax.
- One condition for postal customs clearance is the fact that the shipments are sent from one office of exchange to another accompanied by postal transport documents only (e.g. the CN 37 or CN 38 form). These shipments are pre-advised from the OE of origin, with limited information at dispatch level, not content level.
- Commercial shipments must be accompanied by cargo manifests and transit procedures must be in place. Moreover, commercial shipments are pre-advised at content level between the forwarding agent and receiving agent. Commercial shipments must comply with the procedures established for pre-notification between Customs Administrations worldwide.

In summary, from the perspective of a customer wishing to send an item to another country, commercial customs clearance may be considerably more complicated than postal customs clearance. On the other hand, commercial customs clearance provides additional options.

j CN 22, CN 23 and CP 72 manifold set or commercial invoice

At its 35th meeting, in October 2015, the WCO–UPU Contact Committee agreed in principle to update the CN 22 and CN 23 customs declaration forms. The changes were formally endorsed by the relevant UPU and WCO governing bodies in 2016. The amended forms entered into force on 1 July 2017. They are available on the UPU website.

The amendments are in line with the topical requirements of day-to-day business, particularly in terms of carrying out effective risk management and enhancing service delivery, with special emphasis on:

- allowing shippers to indicate multiple HS numbers and countries of origin when shipping more than one commodity in a parcel;
- making more specific reasons for export available to Customs Administrations (e.g., "sale of goods" and "returned goods" as reasons for export);
- clarifying expectations as regards acceptable descriptions and mandatory fields; and

- ensuring that postal items can be delivered to the correct addresses by adding a field for indicating the telephone numbers (fixed line and/or mobile) of both sender and addressee, as well as the following sentence on the reverse of the CN 23 and CP 72 forms (instructions for customers): "If available, add importer/addressee telephone number and e-mail address, and sender telephone number".

1 CN 22 customs declaration

The CN 22 customs declaration is a smaller form than the CN 23 and is specifically intended for items such as small packets, where the physical space on the item can be quite limited. However the CN 23 customs declaration can also be used for letter-post items, if the value is greater than 300 SDR,¹¹ or if the sender prefers.

The CN 22 customs declaration is depicted below. As of 2018, small packets containing goods require a UPU Technical Standard S10 barcode identifier. It may be noted that the S10 barcode can be on the CN 22 or separate from the CN 22 on the item.

CN 22 (Back)

 May be opened officially				
CUSTOMS DECLARATION		CN 22		
Designated operator			Important! See instructions on the back	
<input type="checkbox"/> Gift	<input type="checkbox"/> Commercial sample			
<input type="checkbox"/> Documents	<input type="checkbox"/> Returned goods			
<input type="checkbox"/> Sale of goods	Other (please specify): _____			
Quantity and detailed description of contents (1)	Net weight (2)	Value and currency (3)	H.S. tariff number* (4)	Country of origin* (5)
Total weight (in kg) (6)		Total value (7)		
I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations Date and sender's signature (8)				

Size 74 x 105 mm, white or green

Instructions

To accelerate customs clearance, you must complete all applicable fields, and fill in this form in English, French or in a language accepted by the destination country. If the value of the contents is more than 300 SDR, you must use a CN 23 form. You must give the sender's full name and address on the front of the item.

For commercial items, it is recommended that you complete the fields marked with an asterisk (*), and attach an invoice to the outside, as it will assist Customs in processing the items.

Select a reason for export. ("Gift" is not an acceptable reason for export for commercial items.)

(1) Give a detailed description (generic descriptions such as "clothes" are not acceptable), quantity and unit of measure for each article, e.g. two men's cotton shirts.

(2), (3) Give the weight and value with currency for each article, e.g. CHF for Swiss francs.

(4*) The HS tariff number (6 digits) is based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization.

(5*) Country of origin means the country where the goods originated, e.g. were produced, manufactured or assembled.


(6), (7) Give the total value and weight of the item.

(8) Your signature and the date confirm your liability for the item.

Note. – It is recommended that designated operators indicate the equivalent of 300 SDR in their national currency

¹¹ The SDR ("special drawing right") is a monetary unit used between Posts. SDRs are denoted with the ISO 4217 currency code XDR. The UPU publishes SDR/national currency conversion factors periodically by circular. The website www.xe.com can also be used to unofficially determine the SDR equivalent of national currencies.

The following diagram shows the purpose and use of each of the elements on the CN 22 customs declaration.

 BL 950 200 012 CA				
CUSTOMS DECLARATION		May be opened officially		CN 22
Designated operator			Important! See instructions on the back	
<input type="checkbox"/> Gift	<input type="checkbox"/> Commercial sample			
<input type="checkbox"/> Documents	<input type="checkbox"/> Returned goods			
<input type="checkbox"/> Sale of goods	Other (please specify): _____			
Quantity and detailed description of contents (1)	Net weight (2)	Value and currency (3)	H S tariff number* (4)	Country of origin* (5)
Total weight (in kg) (6)		Total value (7)		
I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations Date and sender's signature (8)				

Size 74 x 105 mm, white or green

Barcode: Optional. It must meet the requirements of UPU Technical Standard S10, including with respect to barcode height. Alternatively, the S10 barcoded item identifier may be affixed to the item separately from the CN 22. In either case, the postal item must have the S10 barcode identifier.

Designated Operator (DO): The name of the DO is typically pre-printed on the form

This may be a detachable part of the CN 22.

Important!: This is to ensure that the sender reads the important instructions on the back of the form

Content boxes: These boxes are to accelerate customs clearance at destination. For example, many countries have a different threshold for duty for items that are gifts, etc.

(1) It is very important that the descriptions of the contents be precise and detailed in order to accelerate customs clearance. Otherwise, it may be necessary to open the package at the destination, leading to delays and added cost. The descriptions may be in English or French (the two working languages of the UPU), or in a language accepted by the destination country.

(2) The weight of the individual contents is applicable only for those contents that are weight-based (e.g. "chocolates 0.5 kg") The weight of other items (e.g. shirts) is not needed.

The values in **(3)** and **(7)** should also indicate the currency used (e.g. CHF for Swiss francs).

(4) DOs should encourage businesses that mail significant volumes internationally to include the HS tariff number (6 digits) based on the Harmonized Commodity Description and Coding System developed by the WCO, and also to attach an invoice to the outside of the item. This information and the invoice will assist Customs in processing the items.

(5) The country where the goods originated, i.e. were produced, manufactured or assembled, and not necessarily the country from which they are mailed.

The total weight in **(6)** is the gross weight of the item. The accepting postal official may weigh the item and inform the sender of this weight.

(8) This confirms the sender's liability for the item, certifying the accuracy of the content information and, very importantly, that the item does not contain dangerous articles. For commercial mailers with computer-printed CN 22s, the company name is acceptable.

Further comments relating to the descriptions at the back of the CN 22 form:

CN 22 (Back)

Instructions

To accelerate customs clearance, you must complete all applicable fields, and fill in this form in English, French or in a language accepted by the destination country. If the value of the contents is more than 300 SDR, you must use a CN 23 form. You must give the sender's full name and address on the front of the item.

For commercial items, it is recommended that you complete the fields marked with an asterisk (*), and attach an invoice to the outside, as it will assist Customs in processing the items.

Select a reason for export. ("Gift" is not an acceptable reason for export for commercial items.)

(1) Give a detailed description (generic descriptions such as "clothes" are not acceptable), quantity and unit of measure for each article, e.g. two men's cotton shirts.

(2), (3) Give the weight and value with currency for each article, e.g. CHF for Swiss francs.

(4*) The HS tariff number (6 digits) is based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization.

(5*) Country of origin means the country where the goods originated, e.g. were produced, manufactured or assembled.

(6), (7) Give the total value and weight of the item.

(8) Your signature and the date confirm your liability for the item.

The (larger) CN 23 form is to be used for high-value items – where the value is over 300 SDR. The CN 23 can also be used if the sender prefers. If the CN 23 is not directly visible on the front of the item, the detachable part of the CN 22 or a label (below) is to be affixed to the front of the item.



The CN 22 form is too small to include the sender identification on the form. However, the sender's full name and address must be on the front of the item for customs clearance purposes.

Note. – It is recommended that designated operators indicate the equivalent of 300 SDR in their national currency

When printing the forms, the Designated Operator should replace the reference to "300 SDR" with the equivalent value in local currency.

If an M bag is registered, insured or tracked, the applicable S10-format barcoded identifier is applied, and the item should not have any other S10-format barcoded identifier. If the Post has included an S10-format barcoded identifier on all of its CN 22 or CN 23 forms, then this barcode should be obliterated so that the only S10-format barcoded identifier is that of the registered, insured or tracked item.

2 CN 23 customs declaration

The CN 23 customs declaration form is also used in letter post items and has the same business purpose as the CN 22 but makes it possible to include more optional information, as indicated in the diagram below. The elements that do not appear on the CN 22 are indicated:

CUSTOMS DECLARATION				CN 23	
From (Designated operator)		Sender's customs reference (if any)		No. of item (barcode, if any) May be opened officially Important! See instructions on the back.	
Name		Street		Tel. No.	
Business		Postcode		City	
Country		Not on CN 22 (but must be on item)			
To					
Name		Street		Tel. No.	
Business		Postcode		City	
Country		Importer/addressee reference (if any) (tax code/VAT No./importer code) (optional)		Importer/addressee tax/e-mail (if known)	
		Not on CN 22			
Detailed description of contents (1)		Quantity (2)	Net weight (in kg) (3)	Value (5)	For commercial items only: HS tariff number (7) Country of origin of goods (8)
			Total gross weight (4)	Total value (6)	Postal charges/Fees (9)
		Not on CN 22			
Category of item (10)		Commercial sample <input type="checkbox"/> Other (please specify):			Office of origin/Date of posting
<input type="checkbox"/> Gift		Returned goods Explanation:			Not on CN 22
<input type="checkbox"/> Documents		Sale of goods			
Comments (11): (e.g.: goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions)					
Not on CN 22					
<input type="checkbox"/> Licence (12) No.(s) of licence(s)		<input type="checkbox"/> Certificate (13) No.(s) of certificate(s)		<input type="checkbox"/> Invoice (14) No. of invoice	
				Date and sender's signature (15)	
Not on CN 22					

The instructions on the back of the CN 23 customs declaration form are as follows:

CN 23 (back)

Instructions

You should attach this customs declaration and accompanying documents securely to the outside of the item, preferably in an adhesive transparent envelope. If the declaration is not clearly visible on the outside, or if you prefer to enclose it inside the item, you must fix a label to the outside indicating the presence of a customs declaration.

To accelerate customs clearance, complete this declaration in English, French or in a language accepted in the destination country. If available, add importer/ addressee telephone number and e-mail address, and sender telephone number.

To clear your item, the Customs in the country of destination need to know exactly what the contents are. You must therefore complete your declaration fully and legibly; otherwise, delay and inconvenience may result for the addressee. A false or misleading declaration may lead to a fine or to seizure of the item.

Your goods may be subject to restrictions. It is your responsibility to enquire into import and export regulations (prohibitions, restrictions such as quarantine, pharmaceutical restrictions, etc.) and to find out what documents, if any (commercial invoice, certificate of origin, health certificate, licence, authorization for goods subject to quarantine (plant, animal, food products, etc.) are required in the destination country.

Commercial item means any goods exported/imported in the course of a business transaction, whether or not they are sold for money or exchanged.

(1) Give a detailed description of each article in the item, e.g. "men's cotton shirts". General descriptions, e.g. "spare parts", "samples" or "food products" are not permitted.

(2) Give the quantity of each article and the unit of measurement used.

(3) and (4) Give the net weight of each article (in kg). Give the total weight of the item (in kg), including packaging, which corresponds to the weight used to calculate the postage.

(5) and (6) Give the value of each article and the total, indicating the currency used (e.g. CHF for Swiss francs).

(7) and (8) The HS tariff number (6-digit) must be based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization. "Country of origin" means the country where the goods originated, e.g. were produced/manufactured or assembled. Senders of commercial items are advised to supply this information as it will assist Customs in processing the items.

(9) Give the amount of postage paid to the Post for the item. Specify separately any other charges, e.g. insurance.

(10) Tick the box or boxes specifying the category of item.

(11) Provide details if the contents are subject to quarantine (plant, animal, food products, etc.) or other restrictions.

(12), (13) and (14) If your item is accompanied by a licence or a certificate, tick the appropriate box and state the number. You should attach an invoice for all commercial items.

(15) Your signature and the date confirm your liability for the item.

3 CP 72 manifold set or commercial invoice

The CN 23 form used for parcels is one part of the CP 72 manifold set, which is a multi-purpose form. The CP 72 manifold set also incorporates the customer receipt, the CP 71 dispatch note, the parcel labels (CP 73 or CP 74), as well as parts that can be used for address labels.

The S10-format barcoded identifier on the CP 72 manifold set is prefixed with a "C", indicating that the item is a parcel. For EMS, it is prefixed with an "E", indicating that the item is EMS.

Because the CP 72, as applied to parcels, has the S10-format barcoded identifier, the CP 72 also incorporates the CP 73 parcel label for ordinary parcels and the CP 74 parcel label for insured parcels. As long as the barcoded identifier on the CP 72 is readily visible, the CP 73 or CP 74 label is not required.

The CP 71 dispatch note has postal information that is intended for use by the addressee and the destination Post. For example, it is the form used to capture the addressee's signature and the date of delivery, the sender's instructions in case of non-delivery, and the insured value. Many Posts do not actually use the CP 71, as they have their own tracking systems and processes to capture the addressee signature and delivery date.

UPU Regulations article 17-210.1 and 17-210.2 indicate that:

"1 Each parcel shall be accompanied by a CP 71 dispatch note, either as part of a CP 72 manifold set or as a single CP 71 form.

"2 A CN 23 customs declaration shall be attached to each parcel, either as a single form or as part of a CP 72 manifold set. The contents of the parcel shall be shown in detail on the customs declaration and indications of a general kind shall not be admitted. The CN 23 customs declaration shall be attached to the outside of the parcel, in such a way as to prevent its loss."

Other components of the CP 71 manifold set:

Labels for exceptionally admitted dangerous goods

Some dangerous goods are exceptionally admissible with proper packaging and labelling. In the case of items containing radioactive materials or infectious substances, as described in Convention article 15, there are special labels to be included on the items. These are described in articles RC 119 and RC 120 of the Parcel Post Regulations.

CN 15 return label

If an item is returned, the CN 15 return label is to be affixed, with the reason for return clearly indicated, as well as the date the item is returned. The fact that an item is a return item has implications for Customs, so the CN 15 return label should be highly visible on the postal item.

Envelope for documents

UPU regulations refer to the CP 91 and CP 92 forms. These are transparent adhesive envelopes to carry the customs declarations and other shipping documents. The only difference between CP 91 and CP 92 is the size. It is important that origin Posts develop the envelope design in consideration of the design of the forms (e.g. CN 23 or CP 72), to ensure that the forms can be easily inserted and removed and that the important information is visible. This will accelerate the customs clearance processes at the destination.

Commercial invoice and pro-forma invoice

A commercial invoice is a document used in foreign trade. It may be used as the basis for a formal customs declaration provided by the person or corporation that is exporting an item across international borders. Although there is no standard format, the document must include a few specific pieces of information, such as the parties involved in the shipping transaction, the goods being transported, the country of origin, and the Harmonized System codes for those goods. A commercial invoice must also include a statement certifying that the invoice is true, as well as a signature. Commercial invoices may need to contain tax identification numbers, VAT (value-added tax) information, and other information required by the country of origin and/or destination.

A commercial invoice is used to calculate tariffs and international commercial terms and is commonly used for customs purposes.

A pro forma invoice can be used for shipments containing items that are not being bought or sold, such as gifts, samples and personal belongings, whereas a commercial invoice is used when the commodities shipped are being bought or sold.

k Relevant UPU publications

The following publications can be found in the Customs section of the UPU website (www.upu.int).

1 Customs Declaration System Postal Export Guide (CDS PEG)/List of prohibited and restricted articles

The CDS PEG is an online system available to UPU member countries. Using this tool, national customs information on prohibited and restricted articles in the mail can be searched and updated. It also provides the UPU's standard prohibitions and restrictions, which are applicable globally.

2 UPU Customs Compendium

This publication provides Designated Operators with relevant, up-to-date information regarding country-specific customs procedures so that they can inform their customers and facilitate the postal customs clearance process.

The topics covered are:

- 1 Import processing of customs duties and postal charges
- 2 Delivery of taxable/dutiable items
- 3 Other agencies responsible for customs clearance of postal items
- 4 Questions relating to customs declarations
- 5 Miscellaneous information

3 *Letter and parcel compendia and EMS Operational Guide*

The two compendia provide information specific to each Post, for letters and parcels respectively. They are available on the UPU public website. The EMS Operational Guide also has information specific to each Post as regards EMS. It is maintained by the EMS Cooperative and is accessible to registered users.

These publications contain the following information relevant to customs:

<i>Letter Post Compendium</i>	<i>Parcel Post Compendium</i>	<i>EMS Operational Guide</i>
<p>Number of CN 23 customs declarations needed when the contents exceed 300 SDR in value</p> <p>Languages in which the CN 22 label and CN 23 customs declarations may be filled in</p> <p>Whether the address label of M bags (direct bags of printed papers to the same addressee) requires a CN 22 label</p> <p>Special conditions for applying the CN 22 label to M bags</p>	<p>Threshold level below which parcels are free of customs duties and charges</p> <p>Customs treatment or clearance fee for a parcel subject to import customs inspection/clearance?</p> <p>Administration fee for a parcel subject to export customs inspection/clearance?</p> <p>Delivery procedures for parcels for which customs duty and taxes are payable</p> <p>Number of copies of the CN 23 customs declaration required for inbound and transit parcels</p> <p>Languages in which the CN 23 customs declaration can be completed</p> <p>Method of dispatching accompanying documents (CP 71/CP 72/CN 23)</p> <p>Details of delivery standards for both air and surface parcels including indication of average customs clearance time</p>	<p>Source of information regarding prohibited and restricted articles</p> <p>Items exempt from customs duty and required documents</p> <p>National Customs Administration website</p> <p>Customs broker, if applicable</p> <p>Charge to addressee, if any, for the presentation of the item to Customs</p>

4 *International Bureau circulars*

IB circulars are communiqués issued to all UPU member countries and Designated Operators (DOs). They can contain information that a Post asks the IB to issue on its behalf to all other Posts. They can also contain information that the IB needs to communicate to Posts. The circulars are accessible to registered users on the UPU website at www.upu.int/en/resources/documentation-centre/ib-circulars.html.

IB circulars are often used to highlight changes in prohibitions or restrictions, and occasionally for other customs-related information. Many IB circulars refer to problems caused by inadequate or missing customs declarations.

1 *Other relevant joint WCO–UPU publications*

1 *WCO–UPU guidelines for developing a Memorandum of Understanding (MoU) between national Customs and the Post*

The main thrust of this joint document is to provide guidance and ideas to Designated Operators (DOs) and Customs Administrations for formalizing contacts at the national level. These guidelines do not seek to impose a specific model on the entities concerned. The division of the document into three sections is meant to add clarity and to provide entities with greater freedom in drafting the MoU, in line with their national requirements and needs.

The first section sets out principles/recommendations for developing an MoU; the second section contains details for supplementing and implementing the guidelines (if deemed appropriate, DOs and Customs Administrations may incorporate the details into their MoUs); and the third section contains an example of an existing MoU between a Customs Administration and a DO.

The drafting of an MoU will help DOs and Customs Administrations examine and clarify their practical obligations and responsibilities as regards the customs clearance of postal items. An MoU would therefore enable national DOs and Customs to work together harmoniously, ensuring efficient customs clearance and the timely delivery of cleared items (www.upu.int/en/activities/customs/key-documents).

2 *Joint WCO–UPU questionnaire on electronic advance data (EAD) preparedness*

The WCO and the UPU launched a joint WCO–UPU survey in May 2017 to assess the level of preparedness of DOs and Customs Administrations for capturing, sending, receiving and using data in electronic format. The survey questionnaire was divided into four parts: 1) data capture, 2) exchange of data, 3) usage of messages, and 4) miscellaneous questions (e.g. data protection policies, sharing agreements).

The UPU International Bureau and the WCO Secretariat asked DOs and Customs Administrations to coordinate with each other when sending replies to the two secretariats. A total of 110 responses to the questionnaire were received (see Annex 1). These represented 56% of the 196 requests sent to countries and territories: 57% of the UPU membership and 62% of the WCO membership.

The replies received helped identify the realities on the ground, which could provide a framework for cooperation between Customs and Posts at the national level, including the signing of a memorandum of understanding and data sharing arrangements.

Based on the assessment of EAD preparedness, the WCO and the UPU, jointly and individually, are encouraging and working with Customs and Posts to implement EAD exchange mechanisms using the joint WCO–UPU Customs–Post messaging standards.

m Best practices between Posts and Customs

A number of best practices are described below:

- According to the WCO–UPU guidelines for developing a memorandum of understanding between Customs and the Post, there should be regularly scheduled meetings between Posts and Customs at both the office of exchange and national level, to discuss issues, plan and coordinate staffing levels, and resolve problems.
- Posts should encourage businesses that mail significant volumes of package-type items and print out customs declarations to codify the products in their catalogue with the six-digit Harmonized System tariff number, based on the WCO Harmonized Commodity Description and Coding System, and to include the HS tariff code on forms CN 22 or CN 23 in order to accelerate customs processing at destination.
- Posts should encourage business customers to attach an invoice to the outside of the item and to use a transparent plastic envelope.
- Posts should regularly review their entries in the UPU Customs Compendium, the CDS Postal Export Guide/List of prohibited and restricted articles, the WCO–UPU questionnaire on EAD preparedness, the Letter and Parcel Post Compendia, and the EMS Operational Guide to ensure that the customs information is accurate, clearly stated and up to date.
- Posts should ensure that they have an effective mechanism for advising their customers about the prohibitions and restrictions of destination countries, as published by the International Bureau.
- Posts and Customs should put in place integrated automated systems at national level to expedite postal customs clearance.
- Wherever possible, the integrated system should utilize, or cross reference with, the 13-character S10 postal item identifier.
- Posts and Customs should jointly establish processes for contacting senders who repeatedly have incorrect customs declarations. This may be detected by the destination Customs, referred to the destination Post who in turn advises the origin Post.

The WCO has published the "Kyoto Convention Guidelines to Specific Annex J Chapter 2 (Postal Traffic)", which contain a number of points that may also be considered when reviewing best practices:

- Under Standard 2, the WCO recommends that:
 - Posts and Customs Administrations adopt formal MoUs and that the relevant details be publicly available;
 - origin Posts should ensure that correctly completed CN 22 and/or CN 23 forms have been provided and, in particular, that such forms are signed. Posts should not accept the items when the declarations are missing or evidently incomplete;
 - inward offices of exchange should be joint Post/Customs operations, with accommodation for Customs provided by Posts.
- Under Standard 6, the WCO recommends that:
 - Customs use X-ray or detector dogs in clearing processes;
 - Posts and Customs jointly consider a process according to which Customs Administrations are presented with information about postal items (from the CN 22 or CN 23) rather than the items themselves.
- Under Standard 7, the WCO recommends that Customs Administrations, in conjunction with Posts, insert a note to the addressee in any items that have been examined for customs clearance purposes because of a missing or incomplete CN 23 declaration, suggesting that the sender be advised to ensure that declarations are properly completed.
- Under Standard 11, the WCO recommends that national legislation should enable the tax- and duty-free importation of gifts up to a nationally specified value. In this regard, a gift could be defined as an item that:
 - a is sent to a private person by or on behalf of another private person residing abroad;
 - b is occasional; and
 - c consists of goods for personal use by the addressee or his/her family, the nature and quantity of which are such that the item is obviously not of a commercial nature.
- The WCO recommends that joint consideration (Post/Customs) should be given such that, when postal items are opened for examination, Customs may advise addressees by inserting a note or adding a stamp indicating that the item has been opened.
- The WCO recommends that databases be used for mutually beneficial purposes, including information on mail volumes and advance information on mail en route.
- The WCO recommends that Customs consider offering training to postal staff, provided that the staff trained are expected to remain in their jobs for a duration that makes the training worthwhile.

n Improving the quality of information on customs declaration forms

1 Impacts

A missing, illegible or otherwise poorly completed customs declaration may affect customers, Posts and Customs Administrations in many different ways. A single missing or poorly completed customs declaration may cause delays in the processing of other items, as staff at the destination (Posts and/or Customs) must take time to deal with the problem.

2 Factor – the customer experience

Many customers sending international items are occasional mailers. They arrive at a post office with a package to be mailed and are handed a customs declaration to be completed, typically with the instructions written on the back of the form. In the case of a CN 22, the instructions are in a very small font and may be difficult to read. There may be other customers waiting in line. There may also be language issues, as customers who mail internationally may not be proficient in the local language.

Such an environment is not conducive to customers' learning about how to properly complete postal customs declaration forms.

3 *Recommendations*

Inform the customer

A one-page poster-type document (A4 and/or A3 size) could be displayed in post offices to show customers how to fill in customs declaration forms, including an explanation of the reasons for the information. This would help customers review the material prior to bringing items to the counter. Posters should also be available at the post office for customers to pick up and take away.

The POC Committee 1 Customs Group could develop a model of such a poster using UPU model forms CN 22 and CN 23 (i.e. the first part of the CP 72). DOs could then use this model and apply their own forms, using their own logos, etc. A link to the poster could also be provided on the DOs' websites.

(Note: There could also be a one-page poster showing pictures of the various types of dangerous articles, similar to the displays often seen at airports.)

Posts should make every effort to include important information regarding customs declaration forms on their websites and in any other publications customers may use.

Quality control and feedback

Employees who erroneously accept international items will continue to do so until they are made aware of their error; otherwise, the error will recur indefinitely.

In many Posts, the dispatch process is a key point in the supply chain process during which it is appropriate to monitor compliance with customs declarations. A Designated Operator may have many post offices where international mail is accepted from customers, but very few offices of exchange where dispatching takes place (in some cases only one). Regardless of the office of posting, all items requiring a customs declaration pass through an outward office of exchange, making it an ideal place to assess the quality of customs declarations.

With digital photographs, there is now an effective and inexpensive way to precisely document problems with the completion of customs declaration forms.

Origin Posts could establish a quality control feedback process that:

- takes place during the dispatch process at the outward office(s) of exchange;
- focuses on a sample of outbound items subject to customs control – i.e. those items that have, or should have, a CN 22 or CN 23 customs declaration;
- includes the photographing of items with wrongly completed or missing customs declaration forms and the sending of a report, along with the photo, by mail or e-mail to the origin post office;
- requires the origin Post to then confirm that the error has been corrected.

Involve the addressee

In many cases, a poorly completed customs declaration will cause a delay in delivery of the item, thus penalizing the addressee. Often an addressee can take steps to inform the sender of the problem to avoid future issues.

Destination Posts or Customs could apply a form or label to items delayed on account of poor customs declarations. The objective would be to inform the addressee of the problem caused by the sender, and to encourage the addressee to inform the sender.

Inform the origin Post

If a destination Post notices a large number of incorrectly completed customs declarations arriving from a specific origin Post, it should notify the origin Post of the problem and include digitally photographed examples. This may be more effective than the destination Post requesting the International Bureau to issue a circular to all Posts.

As example, if a destination (Post and/or Customs) detect items from commercial senders with the value under-declared on the customs declaration (e.g. as compared with the invoice), the origin Post should be informed who, in turn, should take the issue up with its customer.

Seek feedback from Customs on electronic data

When CN 22/23 data is exchanged in electronic form, the receiving Post should have regular discussions with Customs with regard to the quality of the data, and obtain the feedback Customs would seek to provide to senders regarding data quality. The receiving Post should then provide these observations to the sender Post(s), to try and increase the quality of the electronic data.

Provide incentives for electronic data capture by the sender of the postal items

Posts should consider the development of incentives and tools for international shippers, to encourage these customers to prepare the customs declaration via online or other self-serve systems, prior to lodgement with the Post. This will encourage improved quality of data and creation of a legible (printed) label, and permit the electronic capture of the content of the customs declaration which can then be used to facilitate customs clearance on arrival at the destination.

4 *Data capture compliance guidelines*

Data capture compliance guidelines have been developed to increase conformity with the CN 22/23 customs declaration forms, used for letters, parcels and EMS items, during the data capture process.

The guidelines also aim to assist Designated Operators (and their customers) involved in the collection of customs declaration data elements, as well as help them ensure the quality of data, while facilitating its conversion from paper to its electronic equivalent (ITMATT message).

The guidelines include a table listing all data elements on the revised CN 22 and CN 23 forms, along with the corresponding item attributes in ITMATT relevant for electronic customs declaration purposes. The last column of the table contains an explanation of what is required from customers when completing the CN 22/23. This information has been compiled to support customers and to help postal staff involved in the data capture process advise them on how to fill out the forms correctly. The table could serve as a guide for use in post offices, postal service points, customer service departments and offices of exchange, and for publication on websites.

The document is available at www.upu.int/en/activities/customs/key-documents.

o Examples of mutual engagement: When Posts and Customs coordinate to support each other's mission

Examples to be added as they are submitted, examined and approved.

p Related projects, systems, instruments and tools used by Posts/Customs

Posts and Customs may use a number of systems, some of which are intended for use by Posts but not by Customs, and vice versa. Some systems may be used by both Posts and Customs. Posts and/or Customs may purchase systems from commercial suppliers or develop their own systems.

1 *Customs IT systems*

Around the world, public authorities are now expected to deliver public services electronically. It was natural that Customs, with their key responsibilities for goods control, revenue collection and border enforcement, should have used automation systems, initially, to control inspection and examination of goods, and collection of associated revenues. Customs Administrations then began to use Information and Communication Technologies to shift the focus of inspection from goods to relevant information on paper-based import and export declarations. They found that they could also reduce obligations on traders to submit numerous copies of original paper documents, as key information was being captured by an automated system, which could not only validate and process data but also stock them at much below the cost of storing paper records.

Nevertheless, in the then rudimentary state of Information and Communication Technologies, Customs still needed the physical presentation of paper by declarants or their representatives, at a place and time convenient to, and specified by, Customs. Subsequently, with advancements in IT, the later use of enhanced

ICT, originally by business, and shortly afterwards by Customs Administrations, and created the possibility of instant, direct communication. These technologies finally displaced paper documentation and transformed the prevailing procedural structures and rules. For instance, Customs could now meet their own needs and those of their commercial trading partners by separating release from clearance. Electronic information received well in advance of the goods could give Customs all necessary physical control information to apply controls.

Customs Administrations use a variety of information technology systems. Some have developed their own systems, while others have adapted packages that can be tailored to national requirements.

In a customs IT system, data may be captured through:

- keying of data by customs officers;
- keying of data through direct trader input (DTI), by trading partners or bureau services;
- scanning of barcodes, auto-identification devices and optical character recognition (OCR);
- sensors and location-aware devices;
- data transmission.

Most countries use either direct trader input or electronic data interchange (EDI).

A typical automated customs system performs the following functions:

- cargo inventory control;
- management of licences, permits, certificates, etc.;
- release notification;
- selectivity (including risk assessment and targeting);
- revenue accounting;
- external trade statistics and management information system (MIS) reporting.

Some countries have separate systems for postal clearance, while others have integrated postal clearance functions into their national customs systems. It is, however, not unusual that even when customs clearance procedures in one country are automated, this functionality is missing in clearance of postal items.

2 *WCO Data Model*

The WCO Data Model is a compilation of clearly structured, harmonized, standardized and reusable sets of data definitions and electronic messages to meet the operational and legal requirements of cross-border regulatory agencies, including Customs Administrations, that are responsible for border management.

The WCO Data Model is an international standard developed and maintained in alignment with other commonly used international data standards that have been widely adopted by the international trade and transport communities. The WCO Data Model was developed by WCO Members in cooperation with industry and international organizations. Information about the WCO Data Model is available at www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/data-model.aspx.

Cross-border regulatory formalities are associated with burdensome, inefficient, redundant and unclear processes and data requirements. The WCO Data Model was created with the objective of reducing those regulatory barriers by providing clear, simplified, harmonized and standardized regulatory requirements. It benefits economic operators by reducing costs to comply with cross-border regulatory formalities, and regulatory agencies by supporting them in enhancing efficiency in the management of borders.

The WCO Data Model also provides the solution for optimized electronic data exchange. It provides a global standard for cross-border data requirements for the release and clearance of goods and containers, for means of transport and for stakeholders. It is published in two parts:

- standardized components that include the data elements and their names, definition format representation, coded value, and corresponding United Nations Trade Data Elements Directory (UNTDDED) element. Class structures help arrange related data elements into meaningful information.

- information packages that are created by combining relevant standardized components of the WCO Data Model. The information packages include standard templates of electronic messages relating to a business context. They illustrate a particular business function.

To keep the model up to date with recent developments, a data maintenance procedure has been put in place. The procedure enables WCO Members, based on clear and strong business needs, to request changes to the current specification. The procedure includes a governance mechanism on how the requested changes could be approved.

The WCO–UPU Customs–Post standard electronic messages are aligned with the WCO Data Model. Version 3.6.0 of the Data Model contains an information package explaining how the WCO–UPU Customs–Post messages use the Data Model.

3 WCO–UPU Customs–Post EDI message

The UPU and WCO have jointly developed Customs–Post EDI messages (CUSITM and CURSP messages) in line with the WCO Data Model. CUSITM pre-advice messages are intended to be sent from the post office of export receiving an item, to the Customs Administration in the country of import. Such messages provide Customs with pre-advice regarding an item, including the sender, addressee, contents, postage paid, and declared value. This information allows the Customs Administration to decide whether or not an item should be held for security inspection, and whether taxes and duties should be assessed. CURSP messages, intended to be sent from a Customs Administration to a post (usually in response to a CUSITM pre-advice message), advise the post on whether an item can be released for onward processing or whether it must be retained for security inspection or the assessment of taxes and duties.

4 UPU messaging standards

The UPU messaging standards directly applicable to customs-related processes are described in the table below.

<i>Message standard</i>	<i>From/to</i>	<i>General description</i>	<i>Business purpose</i>
M17 EMSEVT V1 Newer version: M40 EMSEVT V3	Exchanged between DOs handling trackable items (e.g. registered letter post, parcel post and EMS).	Item-level event tracking message for trackable items as they progress along the supply chain. S10 is the most commonly used postal item ID standard (13 characters). The primary benefit of M40 is that it supports more item tracking events than M17, several of which are related to customs, both at export and import level.	Track and trace for customers, enabling visibility of their items on DOs' websites. Quality of service measurement, in some cases as an element of postal financial settlements.
M33 ITMATT	Origin DO to destination DO Related UPU forms: CN 22 and CN 23	Item-level message. Includes information about the contents of postal items.	Primarily to provide customs-related data to the destination DO. The data can be used for both customs clearance and risk assessment. ITMATT is intended as a source of data for M43a CUSITM.

<i>Message standard</i>	<i>From/to</i>	<i>General description</i>	<i>Business purpose</i>
M14 PREDES V2.0 Newer version: M41 PREDES V2.1	Origin OE to destination OE ¹² Related UPU forms: – Letter bills CN 31 and CN 32; – Parcel bill CP 87 – Special lists CN 16 and CN 33; – Receptacle labels CN 34, CN 35, CN 36, CP 83, CP 84, CP 85.	Dispatch, receptacle and item-level message defining the item-to-receptacle relationship, i.e. the logical location or receptacle ID, for trackable items (e.g. registered letter post, parcel post and EMS). M41 supports postal accounting and can therefore replace the paper letter/parcel bill as the basis for international accounting.	PREDES/RESDES enables: – operational control of receptacles; – analysis of the OE-to-OE component of the supply chain for quality of service; and – volume-related network analyses. It also supports financial settlement processes (with M41).
M13 RESDES V1.1	Destination OE to origin OE	RESDES is a receptacle-level message according to which the destination OE advises the origin OE of the date/time of processing (either arrival or opening) of receptacles pre-advised by PREDES.	
M43 CUSITM	Destination DO to destination Customs	Item level. Includes information about the contents of postal items.	To provide Customs with information to enable customs control, such as determination of duty or tax.
M44 CUSRSP	Customs to destination DO	Item level	To provide destination DO with feedback from Customs concerning the item, including customs clearance information.

5 *Electronic Advance Data (EAD) Global Postal Model – Conceptual overview*

The following schematic provides a more detailed look at the components developed to allow the postal sector to comply with emerging requirements for the provision of EAD for both fiscal and security purposes. Each data flow component of the EAD Global Postal Model is discussed, culminating in a diagram that shows the model in its entirety. One key goal is to standardize understanding of the operational protocols supporting this model and the data flows, ensure uniformity of messaging, and pave the way for a practical integration of the electronic systems of the different postal partners in each part of the postal supply chain.

Posts, airlines, and Customs Administrations are the parties involved in EAD. The UPU EAD Global Postal Model has eight data flows, with the flows taking place between these parties. This model has been developed in collaboration with the WCO, ICAO, IATA, and other bodies like the European Commission.

For the purpose of these guidelines, the focus needs to be on the following three flows of the EAD Global Postal Model:

Flow 1: Where the origin DO is responsible for:

- the electronic capture of the content of the customs declaration (CN 23) prepared by the sender;

¹² PREDES/RESDES messages are electronically exchanged between Designated Operators. However, from a business standpoint, they are communications between offices of exchange.

- passing on the CN 23 content information to the destination DO via the UPU's ITMATT standard message as early as possible – at least prior to handover but ideally prior to dispatch make-up (bagging) for all items subject to EAD requirements.

Flow 2: Where the destination DO is responsible for providing the CN 23 data as received from the origin DO to the destination Customs Administration via CUSITM (or a mutually agreed method).

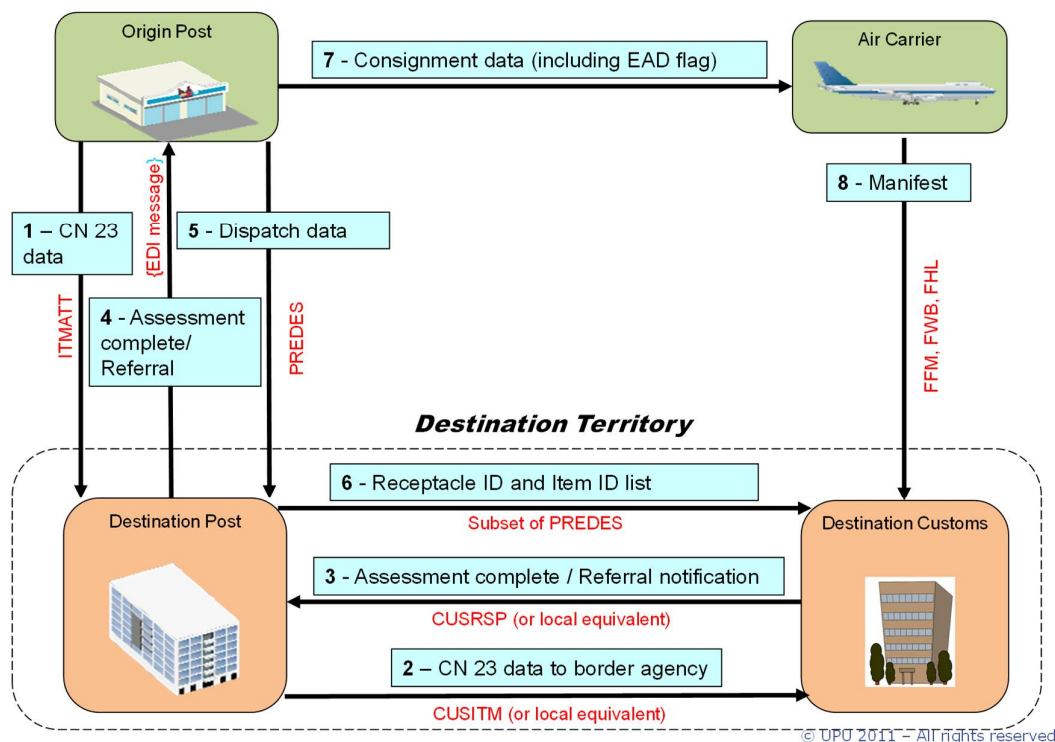
Flow 3: Where the destination Customs Administration conducts its initial assessment (risk, items subject to duty, etc.) and communicates its initial assessment to the destination DO via CUSRSP (or a mutually agreed method.)

These flows need to be the focus because the remainder of the flows of the Global Postal Model depend on the establishment of an electronic connection between DOs (flow 1) and between the DO and the local Customs Administration (flows 2 and 3).

The following are the core principles underlying the Global Postal Model:

- 1 In line with article 8.2 of the Universal Postal Convention, EAD must be implemented without hampering trade and mail flows.
- 2 Roles and responsibilities must be defined for origin and destination Posts and security authorities (e.g. Customs Administrations, border agencies, aviation security bodies) to ensure monitoring and reliability of end-to-end message flows.
- 3 ITMATT messages and their corresponding responses must be able to be exchanged 365 days a year, 24 hours a day.
- 4 "Assessment complete for air conveyance" denotes that the appropriate destination authorities have, subject to any further advice, cleared the item to be conveyed by air to the destination country.
- 5 Aviation security decisions in response to the receipt of item-level data will be in minutes.
- 6 Only items that have obtained "assessment complete for air conveyance" status or that have been processed in compliance with defined security referral procedures will be dispatched.
- 7 A flag will be set in the CARDIT message (pre-advice message from Posts to airlines on the mail to be conveyed) to signal that the mail has cleared EAD requirements or is exempt.
- 8 The origin Post sends item data and dispatch data to the destination Post (ITMATT, PREDES).
- 9 The destination Post sends data to the destination Customs Administration (CUSITM or local equivalent).
- 10 The destination Customs Administration sends customs response to the destination Post (CUSRSP or local equivalent).
- 11 The destination Post sends data to the origin Post (EDI).
- 12 The origin Post sends dispatch data to the destination Post (PREDES).
- 13 The destination Post sends dispatch data to the destination Customs Administration.
- 14 The origin Post sends consignment data to the origin carrier.
- 15 The origin carrier sends manifest data to the destination Customs Administration.

Electronic advance data flowchart (Global Postal Model)



6 EAD roadmap

The EAD roadmap provides an overview of the proposed way forward for UPU Designated Operators (DOs), the International Bureau (IB), and other relevant stakeholders involved with postal supply chain security to meet emerging requirements in the postal sector for the provision of electronic advance data.

The roadmap seeks to clarify the roles, goals, and timelines that the UPU is pursuing. It sets out the collective actions required of UPU groups and the IB, and alerts DOs about actions they will need to take in order to comply with these requirements before they come into full force.

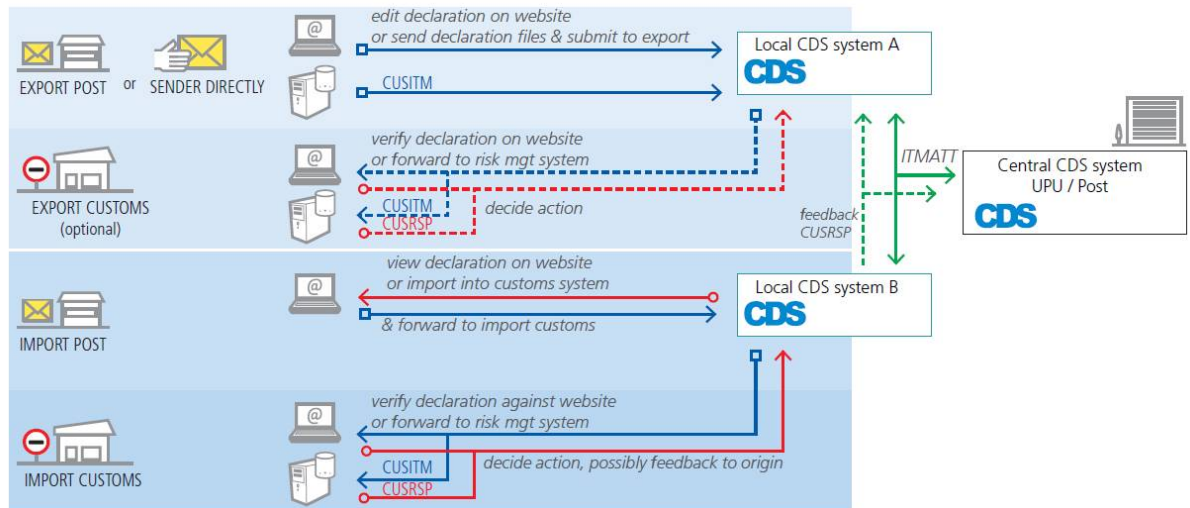
The roadmap is a living document that is updated as it evolves and as progress is made on its action items. The latest version can be found at www.upu.int/en/activities/customs/key-documents.

7 UPU Customs Declaration System (CDS)

The UPU CDS is a software application provided by the UPU's Postal Technology Centre (PTC) and developed on the basis of the WCO–UPU Customs–Post EDI messages. It performs the following functions:

- Implements and supports customs-related UPU–WCO standard EDI messaging (CUSITM/CUSRSP) and inter-postal standard messaging (ITMATT);
- Links DOs with Customs and other border/security agency systems;
- Conveys pre-advised electronic customs declarations and responses;
- Assists in manual data entry and the sharing of declarations and responses using a web interface;
- Enables interconnectivity with other systems to import/export mail item declaration and customs response data through a platform-independent standard interface (SOAP protocol);
- Supports automated risk assessment through a rules engine, and plug-in API (access for other IT systems);
- Facilitates the automated calculation of duties and taxes through a rules engine, and a plug-in API (access for other IT systems);

- Provides a watchdog list functionality that can be integrated into operational processes handled by mail management systems (e.g. International Postal System);
- Allows for the provision of security or other feedback from import country to origin Post via CUSRSP message;
- Offers two implementation modes:
 - Infrastructure-free: a central system hosted at the UPU;
 - Self-hosted CDS: a locally installed version of the system operated by Posts or Customs (or both), allowing for tighter system integration, better performance, fine-tuning for high volumes,



and local control of the data held by the system.

More information on CDS is available on the PTC website at www.ptc.upu.int.

8 SECUREX

In order to support the implementation of the Customs Declarations System (CDS) and the Electronic Advance Data (EAD) Global Postal model, a pilot project called SECUREX has been defined. SECUREX is funded by the UPU Quality of Service Fund, with the following goals:

- Ensure EAD-enabled Designated Operators (DOs) and Customs Administrations in 13 pilot countries.
- Consolidate the EAD functionality of CDS and an interface with ASYCUDA (used by Customs Administrations in 90 to 100 countries).
- Build the capacity of DOs to collaborate with Customs Administrations and review and implement new processes.
- Roll out CDS, provide training on UPU–WCO standards and/or CDS use, and integrate with the International Postal System (IPS).
- Reduce time at Customs as measured via EMSEVT events (import: EME/EDB->EMF/EDC; export: EXA->EXB).

9 Dematerialization of supporting documentation

Customs Administrations by and large, have introduced automated systems for cargo clearance, and are committed to applying information technology to support customs operations, where it is cost-effective and efficient for Customs and trade. However, paper-based documentation in international trade is still prevalent. This method is expensive, time-consuming, and prone to error and fraud. Chapter 3 of the General Annex to the Revised Kyoto Convention provides ample guidance on the electronic submission of supporting documents to Customs. Meanwhile, owing to advances in information technology, there has been a rapid development of cost-effective, secure and trusted solutions for electronic document management, and repository services have been developed and are being adopted extensively by governments and businesses. International organizations, government agencies and industry associations are increasingly introducing standard formats

for electronic documents such as licences, certificates and permits, and are promoting their use in the entire course of international trade transactions.

The WCO therefore recommends that its members adopt measures to comprehensively dematerialize supporting documents. The aim is to promote paperless transactions for customs clearance as an alternative to paper-based documentary requirements. The benefits of paperless trade are obvious. IT reduces the cost of trade and simplifies trade procedures by alleviating the burden of delivering, storing and presenting original paper-based supporting documents during customs procedures.

Customs and other cross-border regulatory agencies require supporting documents for verification purposes. With digitized supporting documents, such verification would be automatic and can be linked through a risk-based approach to verification.

In order to achieve effective dematerialization, cross-border regulatory agencies are advised to identify supporting documents that are normally required to accompany cargo and goods declarations, and to examine the need for those documents for customs clearance with a view to eliminating them. Firstly, it is suggested to discontinue the requirement of presenting supporting documents in hard copy if they have already been presented in electronic form. The release and clearance of cargo should be based only on electronic declaration and automated verification. To support a seamless cargo clearance process, Customs Administrations should enable their automated customs clearance systems to automatically verify information contained in dematerialized supporting documents, where such information is accessible electronically. Information required for release is typically available in the databases of other government agencies, in single window solutions, in cargo community systems and in repositories operated by private sector entities.

In single window solutions, supporting documents are also one of the main causes of cargo clearance processing delays. There must be a comprehensive approach to address the issue of handling supporting documents through digital means.

Recommendation of the WCO on the dematerialization of supporting documentation (June 2012):

The Customs Co-Operation Council,¹³

Acknowledging

that the Customs Administrations by and large have introduced automated systems for cargo clearance and have committed to apply information technology to support Customs operations, where it is cost-effective and efficient for Customs and for the trade,

Considering

that the use of paper-based documentation in international trade is expensive, time-consuming and prone to error and malpractice,

Having regard

to provisions of Chapter 3 of the General Annex to the revised Kyoto Convention, with regard to electronic lodgement of the supporting documents with Customs,

Recognizing

the rapid development of cost-effective, secure and trusted solutions for electronic document management and repository services, and extensive adoption of these solutions by the industry and administrations,

Recognizing

that international organizations, government agencies, and industry associations are increasingly introducing standard formats for electronic documents such as licences, certificates, and permits, and are promoting their use in the entire course of the international trade transaction,

Aiming

to promote paperless transactions for Customs clearance as an alternative to paper-based documentary requirements,

¹³ Customs Co-operation Council is the official name of the World Customs Organization.

Desiring

to reduce the cost of trade and to simplify trade procedures by alleviating the burden of delivering, storing, and presenting original paper-based supporting documents during Customs procedures, and

Desiring

to enhance Customs control through the effective use of automated verification and by adopting the principle of risk management,

Recommends

that Members of the Council and all members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions should as far as possible:

- 1 identify supporting documents that are normally required to accompany the cargo and goods declarations and examine the need for those documents for Customs clearance with a view to eliminating them;
- 2 discontinue the requirement of presenting supporting documents in hard copy, if they have already been presented in electronic form;
- 3 process the release and clearance of cargo based only on electronic declaration and automated verification;
- 4 enable automated Customs clearance systems to automatically verify information contained in dematerialized supporting documents where such information is accessible electronically in:
 - a other government agencies' databases;
 - b single Window environments (and Cargo Community Systems);
 - c private repositories,

Requests

Members of the Council and members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions which accept this Recommendation to notify the Secretary General of the Council of the date from which they will apply the Recommendation and of the conditions of its application. The Secretary General will transmit this information to the Customs Administrations of all Members of the Council. He will also transmit it to the Customs Administrations of the Members of the United Nations Organization or its specialized agencies and to Customs or Economic Unions which have accepted this Recommendation.

10 E-commerce matters

Matters relating to e-commerce figure prominently in the WCO–UPU global strategies, with both organizations carrying out work on e-commerce issues.

UPU:

- UPU e-commerce programme, which incorporates all UPU e-commerce activities under one framework programme;
- Congress approval of the Integrated Product Plan, the UPU's product development strategy which includes instructions for aligning product specifications with supply chain requirements such as electronic advance data (EAD);
- Implementation of the operational readiness for e-commerce programme, which focuses on capacity-building activities to align the quality of service of the postal supply chain with the needs of the e-commerce market;
- Postal Export Guide;
- EAD Global Postal Model;
- Presentations on best practices in Post–Customs cooperation in the area of EAD to facilitate e-commerce;

- Launch of the SECUREX initiative to ensure EAD-enabled Posts and Customs Administrations, encouraging more agile customs processes in order to facilitate cross-border trade.

WCO:

- Resolution by the WCO Policy Commission (December 2017). Key principles set out in the resolution cover the following:
 - advance electronic data and risk management,
 - facilitation and simplification,
 - safety and security,
 - revenue collection,
 - measurement and analysis,
 - partnerships,
 - public awareness, outreach and capacity building, and
 - legislative frameworks;
- A study report on member practices/initiatives;
- Compilation of country case studies;
- Enhancement of the Immediate Release Guidelines;
- Pilot of secure trade lane and exchange of EAD for pre-assessment and clearance (Australia–New Zealand "Green Lane" trial)

Within the framework of the WCO–UPU Contact Committee, the following work is being done on e-commerce for the current 2017–2020 cycle:

- Simplified and streamlined processes for managing increasing volumes of postal items (including return/refund procedure);
- Fair and efficient revenue collection that has minimal or no impact on border clearance times for low-value postal items;
- Safety and security in the international mail environment (e-commerce goods);
- Collection of good practices and initiatives for adoption and inclusion in relevant guidelines;
- Leveraging of work being done by other international bodies, including awareness and outreach programmes.

11 Postal rail project – Establishing an international postal rail transport service

The goal of this project is to improve the interoperability of the postal network through transport activities by:

- developing operational standards on rail transportation of postal items;
- developing rail transportation processes in cooperation with the WCO;
- submitting any proposals to supplement or amend the UPU Acts to the competent UPU bodies for approval, where appropriate.

Potential benefits include the promotion of e-commerce, operational viability, security, economical and sustainable means of transportation, and the introduction of a new mode of transport for international mail.

Pilots for the transportation of postal items by rail have been carried out along different routes and involving various transit countries. The majority of the pilots were conducted on container trains, but some were also conducted on passenger trains. In addition, some of the pilots featured multimodal transportation (e.g. rail, air, sea and truck). China (People's Rep.) was the origin country for the majority of the pilots. During the pilots, UPU EDI messages were exchanged between Designated Operators in order to keep track of the mail.

In conclusion, guidelines for establishing a postal rail transport service should spell out all procedures from origin to destination, including transit. These would be non-mandatory in nature and could serve as a model for Designated Operators and rail companies in other parts of the world.

V. Safety and security issues

While safety has always been very high on the list of concerns for governments in cross-border movements, the security agenda has been growing steady in the last decade. Developing the SAFE Framework of Standards to Secure and Facilitate Trade in 2005 represents an important milestone. Ever since, WCO has invested major efforts into supporting its members develop capacity to achieve strong supply chain security while at the same time facilitating and meeting the demands of international trade today.

Vulnerability of the postal supply chain has been an issue that has received increased attention since a 2010 air courier incident involving explosive materials. This brought together international organizations in their efforts to enhance air cargo security in a coordinated manner. Since then, the International Civil Aviation Organization (ICAO), International Air Transport Association (IATA), the UPU and the WCO have been working actively together and have participated in each others' security-related meetings.

a UPU physical and procedural security standards

The physical and procedural security standards developed by the UPU are applicable to critical facilities in the postal network:

- S58 Postal security standard: General security measures defining the minimum physical and process security requirements applicable to critical facilities within the postal network.
- S59 Postal security standard: Office of exchange and international airmail security standard defining minimum requirements for secure operations relating to the transport of international mail.

UPU security standards S58 and S59 are mandatory for all UPU member countries. For a full description of S58 and S59, please visit the Postal Security Standards section of the UPU website at www.upu.int.

b WCO SAFE Framework of Standards

The WCO's SAFE Framework of Standards to Secure and Facilitate Global Trade¹⁴ is a customs instrument covering all modes of transport to secure and facilitate goods moving through international supply chains. The framework has both national and international implications and is composed of distinct standards that call for, *inter alia*:

- partnerships to be established between Customs Administrations, between Customs Administrations and the private sector, and between Customs Administrations and other government agencies at borders;
- harmonized electronic advance information requirements for conducting risk assessments to address security threats;
- the use of modern, non-intrusive detection equipment;
- the introduction of authorized economic operators (AEOs) which, having satisfied pre-determined security standards, receive the benefit of enhanced facilitation; and
- mutual recognition between Customs Administrations of their respective AEOs and customs control procedures.

Traditionally, Customs has been responsible for implementing a wide range of government policies, spanning areas as diverse as revenue collection, trade compliance and facilitation, interdiction of prohibited substances, protection of cultural heritage, and enforcement of intellectual property laws. This breadth of responsibility reflects the fact that Customs Administrations have long been entrusted with administering matters for which other government ministries and agencies have policy responsibility, such as health, agriculture, environment, trade statistics and, in some cases, immigration. Border management responsibilities stem from the more traditional customs role of collecting duties on internationally traded commodities, a common extension of

¹⁴ The SAFE Framework of Standards can be consulted at <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/>

which is the collection of other forms of tax, such as value-added tax, and excise duties.

Customs has the authority to inspect cargo and means of transport entering, transiting or exiting a state. It may even refuse entry, transit or, in certain cases, exit. While these powers are extensive, a holistic approach is required to optimize the securing of the international trade supply chain, while ensuring continued improvements in trade facilitation. Customs Administrations have therefore developed cooperative arrangements with other government agencies in a so-called coordinated border management environment.

Following the terrorist attacks of 11 September 2001, states required Customs Administrations to reassess and strengthen the global cargo security regime. At the June 2005 annual session of the WCO Council in Brussels, Directors General of Customs representing the members of the WCO adopted the SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). This international instrument requires end-to-end management of goods moving across borders and recognizes the significance of closer partnerships between Customs and other government agencies and between Customs and businesses. It is kept up to date and relevant by the WCO SAFE Working Group.

The WCO also issued its SAFE Package,¹⁵ which groups together all WCO instruments and guidelines that support implementation of the SAFE Framework. The package includes the following: SAFE Framework; Integrated Supply Chain Management Guidelines; AEO Implementation Guidance; AEO Compendium; Model AEO Appeal Procedures; AEO Benefits: Contribution from the WCO Private Sector Consultative Group; Guidelines for the Purchase and Deployment of Scanning/Non-intrusive Inspection Equipment; SAFE Data Element Maintenance Mechanism; Trade Recovery Guidelines; FAQ for Small and Medium Enterprises; Mutual Recognition Arrangements or Agreements Strategy Guide; AEO Validator Guide; Customs–Business Partnership Guidance; and AEO Template.

Capacity-building assistance is a vital part of the SAFE implementation strategy, and WCO Members that have requested support are receiving it in a structured and ongoing manner, which will ensure sustainability in implementing the provisions and spirit of the SAFE Framework. Implementation is further supported by Customs and private sector bodies working in close collaboration to maintain the relevance of the SAFE Framework in a changing trade environment.

As the SAFE Framework has developed, the importance of export controls, including controls on dual-use goods, is now widely recognized by the international community.

c Authorized Economic Operator (AEO) status for Designated Operators

A core element of the SAFE Framework of Standards is its Authorized Economic Operator (AEO) programme. An AEO is defined as a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs Administration as complying with WCO or equivalent supply chain security standards.

AEOs mainly include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders.

Designated Operators (DOs) who fulfil the specified AEO criteria and obtain AEO accreditation will benefit from enhanced facilitation such as reduced data sets for cargo release, expedited processing and release, minimum cargo security inspections, improved postal chain security, priority services, enhanced international visibility and reputation, and additional trade facilitation in Mutual Recognition Agreement partner countries. Meanwhile, Customs Administrations that work with AEO-accredited DOs will benefit from improved postal supply chain security, efficient and effective compliance and revenue collection, efficient allocation of resources, and enhanced partnership with DOs, further supporting customs reform and modernization.

One may argue that the current AEO rules strongly limit the ability of DOs to achieve accreditation, especially as they have a defined universal service obligation to provide a nationwide access channel that is open to all at multiple access points. Customs Administrations and DOs may jointly look into specific circumstances and find the best way to meet the security requirements by following, among others, the "principle of proportionality" in the application of security criteria, based on the DO's business model.

¹⁵ Available at <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/>

Some DOs, such as in India, the Netherlands and Slovenia, have already received AEO status from their respective Customs Administrations.

d Mapping of AEO programme and UPU standards S58 and S59

In view of increased global security concerns, the WCO and the UPU have incorporated supply chain security and facilitation as one of the key goals in their respective strategic goals/activities. Both organizations have already developed several standards and programmes towards this goal. While WCO Members are moving forward in implementing a set of measures/standards as stipulated in the SAFE Framework of Standards and AEO programme, DOs are consistently working to implement UPU security standards (S58 and S59).

As previously indicated, S58 (Postal security standards – General security measures) defines the minimum physical and process security requirements applicable to critical facilities within the postal network, and S59 (Postal security standards – Office of exchange and international airmail security) defines minimum requirements for securing operations relating to the transport of international mail.

The mapping of the WCO and UPU security standards shows a great deal of consistency. This mapping could be useful in enhancing the understanding of each other's security requirements and potentially exploring the possibility of working towards alignment/harmonization, where necessary.

There is an increasing need to promote these standards in each organization's working environment. One way forward could be to promote the AEO concept in the postal supply chain by adopting a harmonized approach in the implementation of AEO requirements and the S58 and S59 requirements by DOs, with well identified and tangible benefits to be extended by Customs Administration to their respective DOs.

In order to have a secure end-to-end postal supply chain, DOs may also consider encouraging other entities/actors in the postal chain to adopt security standards and, wherever possible, to work with Customs Administrations to promote the AEO programme.

e Integrated customs supply chain (pre-arrival and pre-departure information)

Everything entering or leaving a customs territory is subject to customs control. In an integrated customs supply chain, the integrity of a consignment has to be ensured from the time the goods leave the place of origin until they arrive at the absolute final place of destination.

This usually starts with the advance electronic transmission of prescribed information by the exporter or its agent. This information should be filed with Customs before the goods are loaded onto the means of transport (or container) used for their exportation.

A further initial transmission may be required from the carrier at an agreed later stage. For security purposes, Customs Administrations usually limit their information requirements to the information available in carriers' normal documentation, based on the requirements set out in Annex II to the SAFE Framework of Standards.

Similarly, there will be advance electronic transmission of prescribed information by the carrier or its agent to the Customs Administration at entry, followed by the complementary transmission by the importer at an agreed later stage.

The WCO SAFE Framework includes provisions for any business involved in moving goods through the international supply chain to become validated as AEOs by Customs if they meet supply chain security requirements. AEOs are allowed to submit reduced data sets, which must nonetheless contain the minimum information necessary for Customs to conduct a security risk assessment.

These arrangements may be extended by the concept of an authorized supply chain, in which all operational participants in a transaction are approved by Customs as meeting specified standards in the secure handling of goods. Consignments passing from origin to destination entirely within such a chain will ordinarily be assessed as low risk and may benefit from enhanced facilitation as they cross borders.

In the integrated customs control chain, Customs Administrations carry out risk assessment for security on an ongoing basis. This may commence on receipt of the initial export declaration, and be updated as further information becomes available at later stages, e.g. data from the cargo declaration. This ongoing process prevents the unnecessary duplication of controls.

At any point in the supply chain where Customs has reason to suspect that a consignment presents a risk, it has the authority to ask for more information, carry out further inquiries, subject the goods to non-intrusive inspection, or open the consignment for physical examination.

Goods are released (for export or import) as soon as all customs formalities have been met. Customs will, within a specified time limit, notify the party having submitted prescribed information whether the goods may be loaded, unloaded or released. Consignments being moved by AEOs within a secure supply chain enjoy enhanced facilitation, including priority treatment for examination and clearance.

Customs at the office of departure will usually take action to enable the office of destination to identify the consignment and to detect any unauthorized interference. In addition, Customs Administrations at departure and destination should agree to use an electronic messaging system to exchange customs data. In particular, this should apply to control results and arrival notifications for high-risk consignments.

As part of the integrated customs control chain, Customs Administrations along the supply chain may have routine Customs-to-Customs data exchange, in particular for high-risk consignments.

Information management

In cases where electronic systems allowing for the exchange of information between interested parties (so-called "cargo community systems") have been established at airports by transport chain stakeholders, Customs Administrations usually participate to access data required for risk assessment. Modernized Customs Administrations use automated systems to manage security risks. They also seek to avoid the burden of different sets of requirements to secure and facilitate commerce and, where possible, recognize other international standards to avoid duplicating or contradicting other intergovernmental requirements.

For the purpose of standard and harmonized customs data requirements at import and export, the WCO has developed the customs data model, which defines a maximum set of data for completing export and import formalities and electronic message formats. The data model includes the data necessary for customs control and risk assessment purposes, as well as data elements required by other border agencies.

f Principles and processes of the use of Pre-Loading Advance Cargo Information (PLACI)

PLACI is the term used to describe a specific dataset ("7+1") drawn from consignment data and provided to regulators by freight forwarders, air carriers, DOs, integrators, regulated agents, or other entities as soon as possible in a pre-load time frame (i.e. prior to loading of cargo on an aircraft, as specified by the regulations and authorities of the requesting state). Customs, civil aviation and other government agencies can use this data to perform an initial assessment of the potential security risk represented by the consignment, which may indicate a need for additional actions, such as asking for additional information and high-risk cargo screening.

The PLACI regime can be practically applied as an additional layer to existing air cargo security measures with minimal disruption to the supply chain. The data elements for PLACI regimes have already been included in the 2015 version of the WCO's SAFE Framework of Standards. Members who wish to implement the PLACI regime should follow the guidance and/or standards of ICAO and the WCO as they become established.

Adopting PLACI should require the submission of the following data elements, known as the "7+1", to initiate a risk assessment for aviation security purposes:

- Consignor name
- Consignor address
- Consignee name
- Consignee address
- Number of packages
- Total gross weight
- Brief cargo description
- Identifier (e.g. HAWB and/or MAWB)

g UPU Convention article 8 on postal security

The Istanbul Congress endorsed a revised strategy direction on postal security, as outlined in article 8 of the UPU Convention.

"1 Member countries and their designated operators shall observe the security requirements defined in the UPU security standards [S58-3 and S59-3] and shall adopt and implement a proactive security strategy at all levels of postal operations to maintain and enhance the confidence of the general public in the postal services provided by designated operators, in the interests of all officials involved. This strategy shall include the objectives defined in the Regulations, as well as [in particular] the principle of complying with requirements for providing electronic advance data on postal items identified in implementing provisions (including the type of, and [identification] criteria for, postal items) adopted by the Council of Administration and Postal Operations Council, in accordance with UPU technical messaging standards. The strategy shall also include the exchange of information on maintaining the safe and secure transport and transit of mails between member countries and their designated operators.

"2 Any security measures applied in the international postal transport chain must be commensurate with the risks or threats that they seek to address, and must be implemented without hampering worldwide mail flows or trade by taking into consideration the specificities of the mail network. Security measures that have a potential global impact on postal operations must be implemented in an internationally coordinated and balanced manner, with the involvement of the relevant stakeholders."

Implementing provisions of postal security standards

In short, the text of the article urges Posts to make efforts to develop a mechanism for sending EAD on international postal shipments, to be used for both customs and aviation security purposes. The provision of EAD is complementary to the use of scanning equipment to perform non-intrusive inspections.

Efforts are to be made to ensure people's safety and the sustainability of the postal sector through the integrity of the global supply chain. The goal is to prevent sudden changes in procedures that could disrupt postal traffic and cause problems around the world. Increased security measures in 2010 temporarily forced DOs to partially or totally suspend mail services, causing backlogs of mail, shutdowns of transit hubs and increased transportation costs.

The perceived threat level is high, as a result of which individual countries, groups of countries and other intergovernmental organizations are enforcing new security requirements and regulations. Some of these requirements and regulations are already in force, and others will come into force in the near future. Member countries and their DOs have to urgently anticipate these requirements and regulations or risk having them unilaterally imposed upon them. If quality of service – and consequently the competitiveness of the Posts – is to be maintained, member countries and their DOs have to work proactively and urgently to improve their security measures and bring them up to meet accepted global minimum standards, if they have not already done so.

Given the need for heightened security, and with a view to maintaining the ability of DOs to meet their customers' needs, it is imperative that international security measures be taken collectively and collaboratively, involving all stakeholders in the preparation and decision-making process.

UPU Members will also benefit, as expeditious customs clearance and the secure transportation of postal items are essential components of the overall quality of international postal services. Providing Customs and other border or security authorities with advance information about postal shipments in an electronic format can accelerate the processing of postal items and enhance transportation security across the board.

WCO Members should endeavour to adopt national legislation to support the postal electronic submission of data. In the development of practices and regulations pertaining to the exchange of electronic postal data, it will be important to support appropriate security of the data to prevent misuse or compromise by unauthorized entities which could violate individual privacy or divulge proprietary business information.

Certification of UPU security standards

The UPU Postal Operations Council endorsed a process to certify and recognize DOs that have demonstrated consistent compliance with UPU security standards S58 and S59. The methodology includes self-assessment,

(optional) peer review, and a comprehensive audit to validate compliance. The compliance certification process was piloted, modified, and enhanced in international offices of exchange within 10 member countries. The certification process has been aligned, to the extent possible, with the existing UPU Quality Management Certification Process. It has also been developed in alignment with security standards and compliance certification processes in place with relevant external stakeholders, including ICAO, IATA and the WCO. The UPU has developed and planned workshops and other activities to further expand the implementation of the certification process throughout UPU member countries.

h Dangerous goods

Dangerous goods are separate and distinct from articles that may be prohibited by a UPU member country for reasons other than being dangerous. Although dangerous goods are prohibited, not all prohibited postal articles are prohibited because they are dangerous.

The UPU interacts with the International Civil Aviation Organization (ICAO), the International Air Transport Association (IATA) and the WCO on matters relating to dangerous goods. Within the POC, the Postal Security Group primarily deals with dangerous goods. However, there is extensive interaction with other groups such as the Transport Group, the IATA–UPU Contact Committee, the ICAO–UPU Contact Committee, the Customs Group, and the WCO–UPU Contact Committee.

Dangerous goods admitted exceptionally

In accordance with the UPU Convention and Regulations, some dangerous goods are "exceptionally admitted": they can be mailed, but only under stringent conditions, namely, in limited quantities, with special packaging and labelling, and when addressed in accordance with the restrictions identified by the destination country. This includes admissible radioactive materials, infectious substances and equipment containing lithium batteries. With the exception of equipment containing lithium batteries, exceptionally admitted dangerous goods are typically mailed by and to specialized institutions such as medical laboratories.

Equipment containing lithium batteries

The conditions for mailing equipment containing lithium batteries, as agreed between the UPU and ICAO, are outlined on the UPU website at www.upu.int/en/activities/postal-security/dangerous-goods.html. The website also contains a list of DOs that have met the necessary conditions, which includes authorization from the relevant civil aviation authorities.

Objective

As related in this guide, the primary objective of Posts regarding dangerous goods is to prevent such articles from being included in postal items or, where dangerous goods are exceptionally admitted with specific conditions (e.g. quantities, labelling), to ensure that the requisite conditions are met.

i Chemical, biological, radioactive, nuclear and explosive materials (CBRNE)

The possibility that terrorist groups or extremists might gain access to sensitive strategic and dual-use goods represents a clear and present danger to both domestic and international security.

The international community is engaged in counter-proliferation of weapons and materials of mass destruction through various international instruments, including UN Security Council resolution 1540. The resolution imposes binding obligations on all states to adopt legislation to prevent the proliferation and means of delivery of nuclear, chemical and biological weapons, and establish appropriate domestic controls over related materials to prevent their illicit trafficking. Among other things, the resolution calls on states to develop and maintain appropriate and effective border controls, and to continue law enforcement efforts to detect, deter, prevent and combat illicit trafficking.

Customs has a responsibility to monitor and control all cross-border flows of goods, people and conveyances. Customs aims to fulfil these functions through an intelligence-enabled risk-based approach that focuses controls on high-risk consignments, while at the same time facilitating low-risk transactions. The key building blocks of such an approach include the use of pre-arrival information and intelligence, systematic deployment of risk analysis, use of non-intrusive inspection technologies, and Customs–business partnerships.

In relation to cross-border trafficking of strategic and dual-use goods and CBRNE, Customs Administrations, together with their law enforcement partners, have a critical role in the government-wide control systems. Postal consignments provide a potential vehicle for criminals and extremists to smuggle materials or components that can be used to create or launch weapons of mass destruction. The international customs community has acknowledged this risk and is actively taking measures to effectively manage it.

In 2011, the WCO produced a comprehensive Customs Risk Management Compendium, which includes a generic module in relation to commodities that are of concern from a security perspective. The WCO Information and Intelligence Strategy Project Group has created an additional risk indicator module in relation to postal consignments, which was included in the compendium in June 2013.

The two aforementioned modules provide Customs Administrations with a solid basis to develop their risk management practices in preventing cross-border trafficking of CBRNE in postal supply chains. The WCO strongly encourages its members to consult these modules and to apply them in practice. The documents are law-enforcement sensitive and for WCO Members only. They can be accessed through the member section of the WCO website.