ICS and Risk Analysis:
A Comparison Demonstrating the Effectiveness of the Data

The annual WCO Information Technologies Conference was held in the beginning of May 2011 in Seattle, US. Though the theme of the conference was "Cloud Computing", the subject of EU's recently implemented Import Control System (ICS) was briefly discussed.

Mr. David Hesketh of British customs (HMRC) and Mr. Heijmann of Dutch Customs co-presented an intervention on ICS. Their illustration of the current system was very effective. Passenger security for air flights asks several basic questions about accompanying belongings; imagine if the responses are not "normal".

1

- How many bags are you checking in? *Just the one.*
- Did you pack it yourself? *No, I did not.*
- Did anyone besides you handle the bag since it was packed? *Yes, several people…*
- Do you know what's in the bag? *No, I don't. I know what I wanted in the bag, though…*
- Are there any dangerous articles in the bag? *Not to my knowledge.*

There are high chances that this passenger does not board the plane. Why? Because his bag will be flagged as potentially dangerous. But the way that ICS is currently being implemented within the EU is much like these abnormal responses. In most cases, it is the carrier who is declaring the ICS related declarations and he did not pack the containers he is declaring, several parties handled the container before he receives it, he does not know what's inside and he does not know if the goods being transported are dangerous or not.

For effective risk management analysis, the customs administration needs to know who, what and where. Who is the original consignor and the final consignee, what is being transported and where it is coming from, where it is destined and all points in between. With the concessions that TAXUD has made to accommodate the transport industry, much of this information is being lost.

Their proposal to remedy this is a data pipeline from exporter to importer that each actor on the supply and data chain can access (according to their needs and ensuring commercial confidentiality of certain information) and of course which customs could access in order to get a global vision of data from the sources of those data… This proposition would be driven by the private sector in their vision.

Regardless of the proposed solution, they quite effectively have put their finger on one of the major downfalls of the current ICS system: the data being communicated is not effective for a true risk analysis. This opinion seems to find echo among individual customs officials across Member States, but not in TAXUD, the regulatory body for such issues within the EU.

Conex has created a very flexible solution for ICS which allows any actor of the supply chain to declare the ICS related declarations. It can also be possible to consolidate the information for a declaring party (the carrier or other) for their validation and declaration. Furthermore, Conex is working on enhancing B2B communication among the actors of the supply chain moving towards the above mentioned vision of a data pipeline.

2