



MANAGEMENT
COMMITTEE
Revised Kyoto Convention
-
20th Meeting
-
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Brussels, 29 May 2019.

UPDATE OF THE RKC ICT GUIDELINES

(Item VII on the Agenda)

I. Introduction

1. Information and communication technologies (ICT) enable Customs to improve the quality of risk management and, where required, carry out effective control activities, while at the same time enhancing the level of trade facilitation. Customs' use of ICT in automating office work flows, publishing and disseminating information, as well as digitalizing clearance systems, performing risk management, undertaking data validation and processing, and ultimately issuing various approvals.
2. When ICT is used effectively, it also has the potential to produce a number of outcomes such as: improved compliance through increased accessibility to regulatory information and services by those engaged in international trade and improved coordination among various Customs units, as well as Customs and other border regulatory agencies at national and international levels.
3. ICT could help improved objectivity and transparency in regulatory process and decision making, reduced clearance time, enhanced detection of irregularities and illicit consignments through effective analysis of available data, and improved performance management through the application of business intelligence and analytics.
4. The WCO, with the strong support of Members, has developed Guidelines to elaborate, and provide practical guidance on the implementation of standards of Chapter 7 of the General Annex of the Revised Kyoto Convention (known as 'RKC ICT Guidelines'). The intent of the ICT Guidelines of the Revised Kyoto Convention is to focus the attention of Customs administrations on the impact of ICT on Customs' business process, and to outline the potential advantages for Customs that will result from the use of ICT in terms of enhancing their programmes and service delivery.
5. Under the overall guidance of the RKC Management Committee (RKC-MC), the Information management Sub Committee (IMSC) is the technical body within the WCO tasked with a regular review of the RKC ICT Guidelines. This review is needed in order to ensure that the Guidelines are kept up-to-date and abreast with new technologies and best practices relating to the development, implementation and management of ICT in Customs administrations.

6. The RKC ICT Guidelines were last updated in 2014 through the IMSC and the Permanent Technical Committee (PTC) as supporting bodies. Subsequently, in accordance with the provisions of Article 6, paragraph 5 (d) of the RKC1, the updated guidelines² had been endorsed by the RKC Management Committee and published.

II. Needs for initiating new review cycle

7. Since the last update of the RKC ICT Guidelines in 2014, a number of new developments in the area of the use of ICT had taken place in the WCO. From 2015 to 2019, the WCO has introduced several themes³ of the year that were closely associated with the use of ICT. Working on these themes, the WCO has been promoting a greater uptake of ICT in Customs and border management processes and further developing and updating related standards, tools and resource guidance, as well as providing the necessary technical assistance and capacity building support to Members in their pursuit of Customs modernization and reforms.
8. In 2016, the WCO launched its Digital Customs initiatives to enhance the ability of Customs Administrations, working in close collaboration with relevant government agencies, to communicate, receive and exchange information, coordinate border activities, rapidly process goods and passengers, collaborate on law enforcement actions, promote transparency and digital capabilities.
9. The Digital Customs initiatives encompassed a comprehensive Work Programme that includes among others: support the implementation of the WTO Agreement on Trade Facilitation (TFA); promote the implementation/consolidation of e-services; promote connectivity/interoperability/exchange of information with partner government agencies and other stakeholders; as well as the use of ICT in performance measurement and enhancement of integrity. In addition, the Work Programme also includes monitoring new and emerging technological developments (e.g., 3D Printing, Big Data - Data Mining and Predictive Analytics, Drones; Blockchain) from the Customs perspective and developing related solutions.
10. More specifically, 'updating the RKC ICT Guidelines' is one of the key activities of the Digital Customs Work Plan, approved the Policy Commission and the Council in July 2016, and the current Strategic Plan.
11. In the context of ongoing work in the area of Digital Customs, the RKC ICT Guidelines have been an important tool for the WCO in providing capacity building and technical assistance, as well as diagnostic mission. In order to keep the RKC ICT Guidelines most up-to-date, it is imperative that all of the ongoing initiatives, the new technological developments, the associated opportunities and best practices are appropriately incorporated into the Guidelines.

III. Discussion by the IMSC

12. At its 76th meeting in May 2019, the IMSC discussed the proposal to initiate the review process. A number of areas put forward to the IMSC that could potentially be considered for incorporating in the Guidelines to enable a more sophisticated

¹ The article 6, paragraph 5(d) of the RKC stipulated that the RKC Management Committee shall review and update the Guidelines

² The latest version of the RKC ICT Guidelines is available in the WCO Member' website:

<http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/ict-guidelines.aspx>

³ "Coordinated Border Management - An inclusive approach for connecting stakeholders (2015), Digital Customs: Progressive Engagement (2016); Data Analysis for Effective Border Management (2017); A secure business environment for economic development (2018); and the SMART borders for seamless Trade, Travel and Transport (2019)

implementation of ICT by Customs working in conjunction with other relevant government agencies, include (but are not limited to) the following :

- enabling agile implementation of ICT, such as through the use of modern system development methodology; the use of new ICT development / operating model (e.g. public private partnership); the use of flexible infrastructure (e.g. through the use of cloud service);
- ensuring business continuity through a contingency plan to support 24x7 operation;
- using diverse service channels, such as, but not limited to mobile apps, and Web apps, as well as Application Programming Interface (API) to enable a more effective engagement with new economic operators and stakeholders in the evolving trade business models such as E-Commerce;
- organizing systematic digital portfolio management;
- re-organizing relation between Customs systems and Single Window platform;
- managing publication and communication channels;
- enabling high-quality business decision through business intelligence and performance measurement; and
- enabling the use of common/integrated/interfaced digital platforms that are accessible for the entire supply chain ecosystem including regulatory authorities and economic operators to enhance traceability, and visibility, as well as streamline processes, reuse of data, and improve data quality. Such an approach could also assist with the implementation of integrated supply chain management and data pipeline concepts through the application of modern technologies (e.g., Blockchain, data analytics and Artificial Intelligence).

13. The IMSC agreed that the review process would adopt an inclusive approach by involving WCO Members and stakeholders to examine the current version of the RKC ICT Guidelines, identify gaps, and provide update proposals based on their experiences / practices in writing at the meeting as well as during the intersession.
14. The delegate of the United States (US) expressed the reservation in supporting the plan taking into account that it might interfere with the ongoing comprehensive review process of the RKC undertaken by the RKC Working Group (WG). The IMSC took note of the reservation and concern of the delegate of the US.
15. However, the IMSC agreed to continue the review/update process as in the below schedule, taking into account the suggestions and comments from the IMSC delegates. The IMSC further recommended that a close coordination with relevant Working Bodies, namely the Working Group on the Comprehensive review of the RKC (WGRKC) as well as the RKC/MC, should be established to avoid potential duplication or divergence of processes, a concern raised by the delegate of US.
16. The review process would include several activities, such as: the collection of proposals, development of draft text based on proposals, discussion and refinement of the draft text through the IMSC and other related WCO working bodies. Accordingly, the RKC ICT Guidelines review process would be planned as below :

Activity	2019	2020	2021

	inter-session	inter-session	IMSC 76	RKC MC		IMSC 77	inter-session	inter-session	inter-session		IMSC 78	inter-session	inter-session	IMSC 79				RKC MC	PTC 231/232	PC /Council					
Initiate the review/update process																									
Inform RKC MC on the ongoing review/update process																									
Circulate Invitation for the submission of update proposal																									
Examine the current version of the RKC ICT Guidelines																									
Receive update proposals																									
Discuss update proposals																									
Complete update process																									
Report to the PTC on the draft updated RKC ICT Guidelines																									
Approval of draft update by the RKC MC																									
Information of the Policy Commission and the Council																									
Publication of new version of the RKC ICT Guidelines																									

IV. Action required

17. The RKC/MC is invited to:
- take note of and approve the above IMSC plan to initiate a review/update process to the RKC ICT Guidelines;
 - discuss and provide guidance on how the review/update process could be done in such efficient and coordinated manner based on indicative timeline suggested by the IMSC.
