CROWN AGENTS CUSTOMS REFORM PROGRAMME & THE FIRST TWO YEARS PROGRESS
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- INCEPTION PHASE
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PROGRAMME DELIVERY

- ORGANISATION AND MANAGEMENT
- LEGISLATION
- BORDER AND INLAND CONTROL
- INTELLIGENCE AND INVESTIGATION
- INTERNAL AUDIT
- REVENUE COLLECTION
- CUSTOMS ETHICS
- TRADE FACILITATION AND CO-OPERATION WITH BUSINESS
- COMPUTERISATION
- TRAINING
Figure 1: Percentage Revenue uplift
January 2002 - March 2004

- Clear and substantial pattern of increase in customs revenue
- 500m leva more than 2002
- 18.5% an overall increase
- 720m leva more than 2001, before the Programme began.
- This was achieved despite
- 17% U.S. dollar depreciation
- falling and/or zero custom duty rates
- an unchanged Value Added Tax (VAT) rate
Figure 2: Monthly Revenue Figures 2001-2004

- Record high 2003 revenue has resulted from:
  - New anti-smuggling measures
  - MATs operations
**MAT deployment**

Result of MATs activities:

- 692 cases of undervaluation;
- 195 cases of misdescription;
- 381 cases of non-declaration
These cases have identified an estimated direct loss to the revenue of approximately 19.1 million leva.
CA Advisors prepared and delivered

- ‘Capacity Building’ report highlighted two major areas for attention:
  - Development of the Inspectorate to enable effective identification, planning and undertaking of EU-type ‘System Based Audits’, and
  - Development of the management control and reporting procedures within the BCA.
- Two Inspectorate workshops
- A three-year Strategic Audit Plan
- A three-day management training event
- A high-level visit for senior managers from the BCA to the UK
A new structure that will provide an effective functionality within the Central Intelligence and Investigation Directorate as well as regionally throughout Bulgaria.

- A draft plan for the modernisation and re-organisation of the intelligence and investigation - June 2002
- Proposal was agreed in October 2002.
- The new structure was introduced from January 2004
- A target date for full implementation has been set for the end of July 2004
Risk Profiling

Figure 4: The level of MAT activity in performing examinations of suspect importations.

Note - These figures do not include numerous road stops and checking of passenger vehicles at border crossing points.
Creating closer cooperation with the business community

- Contacts with trade organizations and individual companies
- Discussions have taken place relating to a diverse range of commodities
- Risk profiling in the area of Intellectual Property Rights.
- A number of operational exercises have taken place during which measures were taken to ensure that as far as possible, the effect on legitimate trade was minimal. - The ring road exercise, where several MAT road stops were operating simultaneously
- BCA worked alongside other law enforcement agencies.
- Positive feedback is now being received from the trading community. - Movement by a company back into previously abandoned commercial activity.
- BCA adopted the EU principle of acceleration of customs procedures.
State Public Commission on the Development of the Customs Administration

• Established by Government decree on 8 July 2002
• The Commission includes representatives from Government departments, trade representation and the Crown Agents Customs Advisor to the Minister of Finance.
• Since 8 July 2002 the Commission has met on nine occasions.
IMPACT OF THE PROGRAMME

General
In measuring the real impact of the programme we have assessed the following key areas:

- Macro economic effects;
- Customs revenue uplift;
- Reforms to the BCA;
- Changes in criminal activity;
- Public/press reaction;

Direct Impact on Customs Revenue
Impact on Wider Macro Economic Indicators
Long-Term Impact on the BCA
Impact on Criminal Activity
Impact on the Media and the General Public
ACTIVITIES PLANNED FOR THE REMAINDER OF 2004

- Continued and enhanced structured risk testing by the MATs;
- Regular (quarterly) multi-agency exercises;
- Internal audits of inward processing relief, transit traffic and importations of vehicles;
- Full implementation of the I & I restructuring programme (followed by a post implementation review);
- Additional development of the external relations function of the BCA, and
- Additional assistance in trade cooperation measures