TIMS©

- TIMS and Customs and Excise processing control system
- Modular system to support customs operations
  - Increase Revenue Collections
  - Combat Fraud
  - Facilitate Legitimate Trade
  - Improve Customs Efficiency
TIMS© History

- Latvia 1996 Live
- Mozambique 1999 Live
- Angola 2002 Phase 1 Live
- Bulgaria 2002 Current Project
- Jamaica 2002 Current Project
- Kosovo 2003 Current Project
TIMS© Modules

- Declaration Processing
- Operational Intelligence
- Risk Management
- Price Analysis
- Transit Control
- Rummage
- Enquiries
- Seizure / Offence
TIMS© Modules II

- TIMS Local
- TIMS Central
- TIMS Operations
- TIMS Transit & Warehouse
- TIMS Price Reference
Customs and Excise Process

Importation of Goods

Import Declaration (SAD)  Data Entry and Error checking  Calculate Tax and Duty

OR

Risk Analysis

Inspection

Payment

Release
TIMS© Local

- Local Processing
  - Recording and validation of Import & Export Declarations.
  - Manages Declaration corrections.
  - Calculation of Taxes and Duty
  - Performs Risk Analysis of Declarations.
  - Records Inspection outcomes.
  - Electronic transfer to Declaration and Risk Management for analysis.
TIMS© Central

- Central Processing
  - Maintenance of commodity, tax and static data which form the tariff.
  - Distribution of data to the other TIMS modules.
  - Central archiving of all Declarations for analysis.
  - Maintenance of the register of Imports/Exporters.
TIMS© Operations - Intelligence

• Manages operational information for intelligence gathering, processing and analysis.
  • Suspect reports record operational information.
  • Records consolidated intelligence against:
    • companies, persons, vehicles, vessels, aircraft and containers
  • Analytical mapping tools
  • Connection to Risk Management to generate Risk Profiles.
TIMS© Operations - Risk Management

- Supports risk based inspection and analysis methodologies.
  - Documents identified risk.
  - Develop and record risk criteria.
  - Specify instructions and actions on risk detection.
  - Generate suspect reports.
TIMS© Transit Warehouse

• Combats the problems of transit cargoes leaking into the domestic market.
  • Reconciles entry and exit documentation.
  • Managers Guarantees on Transit Goods
  • Integrates with Risk Management to enable Risk based selection of cargoes for inspection.
Transit Process

Entry
- Transit Documents

Unauthorised unloading of goods

Exit
- Exit county or
- Warehouse
TIMS© I-Seals

Intelligent Seals

- Electronic Seal to record any open/close activity of goods in transit
- Detect Unauthorised opening of goods
- Live trials in Bulgaria and Mexico
TIMS© Price Reference

• Facilitates comparison of Goods prices
  • Records historical and reference product price information.
  • Records historical and reference freight cost information.
  • Supports “Like-for-like” comparison of prices.
  • Stores search profiles for later retrieval.
  • Free-text search of HS codes and Product records for easy retrieval.
Risk Management
Introduction

- TIMS has an integral part in many Customs Modernisation Programmes.
- Customs have to balance the need:
  - to collect the maximum revenue possible
  - to facilitate trade
- Risk management is the key element in achieving this objective.
- Programme needs
  - continuous support from senior management and staff
  - good legislation, organization and procedures.
Risk Management.

- Many will see facilitating trade as a risky business that may impede the collection of revenue.
- Traders must not be made uncompetitive as a consequence of the actions of Customs.
- Trade facilitation will increase overall prosperity and Customs revenue.
The Basic Philosophy.

- Risk management is successfully applied in the private sector.
- Risk management will determine where the greatest risk to revenue collection exist.
- It will support management in deciding how to allocate limited resources.
The Context.

- Risk areas have to be identified
- Criteria against which risk will be assessed established
- The structure of the analysis defined.
- Risk management can be strategic, operational or tactical.
- The risk management process can apply across all levels.
Strategic Risk Management.

- By examination of historical patterns of known fraud, statistics and intelligence,
  - Customs administrators can identify areas of risk
  - set strategic parameters for their staff.
- risk areas include revenue collection, drugs, intellectual property rights import/export prohibitions and restrictions etc.
Operational Risk Management.

• Determines the level of control necessary to deal effectively with the assessed risk.

• A typical example of this is:-
  • determining the audit controls applied to an importer; or
  • how to deploy limited staff and equipment effectively.

• Using this approach the Customs moves from being a "gatekeeper" checking every movement, to checking only selected movements which demonstrate the greatest risk.
Tactical Risk Management.

- Using set procedures officers combined with intelligence, experience and skill, they decide which movements require greater controls.
Risk Identification, Profiling and Targeting.

- Risk identification for dutiable goods, may for instance, rely upon:
  - the history of the importer, exporter, carrier, agent, etc;
  - the origin and routing of the goods; and
  - prohibitions or restrictions.
Risk Identification, Profiling and Targeting.

- Such criteria are known as risk indicators and other possible examples are:
  - specific commodity code,
  - rate of duty;
  - value of consignment;
  - country of origin,
  - country whence consigned,
  - licensing indicator,
  - value,
  - trader level of compliance,
  - type and cost of means of transport,
  - financial consequences.
Risk Identification, Profiling and Targeting.

• The trick is in identifying several risk indicators which combine to create an effective risk profile. TIMS is ideally suited to do this.

• Risk profiling is the means to put risk management into practice.

• Replaces random examination of documents and goods with a planned and targeted working method.

• Once established, the profiles along with other information and intelligence will provide a basis for targeting potentially high-risk movements of consignments, means of transport, or travellers.

• The TIMS computer system can deliver such profiles.
Evaluation and review.

- To remain effective any system of risk management has to:-
  - test the assessment of previously identified risks;
  - flexible enough to reflect newly identified risks.
- The success rate is important for evaluating the effectiveness of the risk profiles.
- Evaluation and review should be carried out through a regular compliance measurement process and should include:-
  - Any external government audits by statutory audit authorities
  - Risk indicators are emerging all the time from WCO and international databases.
- Feedback from staff is essential so that constant validation can take place and the necessary updating can be applied.
Random Checks.

- Random checks will:-
  - prevent companies becoming aware of profiling methods.
  - provide a cost effective means of identifying other types of risk;
  - monitoring or estimating the significance of any changes in the risk pattern.
Compliance Measurement.

- Customs should seek to identify the priority areas to focus their resources.
- In some countries, as few as 20% of the traders account for over 80% of the imports and exports.
- By focusing on the top 5-10% of these highest volume manufacturers, importers, exporters can ensure that those which have the most significant impact on the national economy are being reviewed most effectively.
- Another approach would be to concentrate upon trade categories or individuals or companies that yield the largest evasion of duty.
Crown Agents

Bulgarian Customs

Intelligence
Risk Management
Overview

• Applications
  • TIMS Operations
  • TIMS Risk Analysis Server
TIMS Operations

- Modules
  - Operational Intelligence
    - Suspect/Seizure Reports
    - Entity Intelligence
    - Entity Associations
  - Risk Management
    - Profile Creation and Control
    - Detection Analysis
  - Rummage
    - Ship and aircraft identification
    - Seizure recording
TIMS Operations

- Deployed at Sofia HQ on the Central TIMS Server
- Remote access via the Customs Intranet
TIMS Risk Analysis Server

• Modules
  • Risk Analysis
    • Automatic analysis of declaration against profiles
    • Generates inspection instructions
    • Records detection information
    • Provides statistical information on results of profiles
    • Profiles can be national or local
• System can switch from English:
• To Bulgarian:

• Simply right click on the mouse and choose the language
• Wide variety of search options available

• This is a search by the declaration reference

• Note that risks have been detected on this consignment
• Now a search using BULSTAT

• Produces a list of SAD’s

• Note that this one has live intelligence relating to the importer
• The intelligence can be viewed by a simple mouse click
Operational Information Form

Suspicion BCASI000000000020

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<thead>
<tr>
<th>MATS1111038</th>
<th>2004/02/04 5:2</th>
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</thead>
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<tr>
<td>Ref No</td>
<td>Date</td>
</tr>
<tr>
<td>UNKNOWN: RAW IMPORT FROM MAT</td>
<td>Investigation Ref</td>
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</tbody>
</table>

Case Handling

| 5300/4-5142/10111 |
| Case Ref |

Location

KALOTINA

Evaluation Type

Evaluation of Risk

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Goods</th>
<th>Description</th>
</tr>
</thead>
</table>

RESULT: FULL EXAMINATION OF GOODS. AGREED THE MAJORITY OF VALUES WITH THE LOCAL OFFICER FROM KALOTINA. HOWEVER, IT WAS AGREED THAT THE VALUES FOR THE FOLLOWING POSITIONS SHOULD BE RAISED: POSITION 4 - GAS FUEL CANS RAISED FROM 0,10 TO 0,30 LEVA. POSITION 24 GAS H

Comments

A1

Source

Source Reliability

Add Risk  Rem Risk  Save  Close
• Risk Profiles can be viewed at any Customs Office with access to the Customs Intranet.
• Results of any action taken are keyed in and transmitted to the Central Server.
• Information is available immediately so that analysts can amend profiles
TIMS Bulgaria Central Risk Analysis Overview Diagram