

Improving Efficiency through the World Customs Organization (WCO)'s Time Release Study



INTERNATIONAL & INDUSTRY LIAISON UNIT

TRADE BEAT



The global increase in cross-border trading has brought into focus the need for efficient processing of trade and regulatory activities across borders. As technology advances, and businesses try to meet consumer demands, accountability and efficiency in getting goods to market becomes a priority. Customs, as the primary border control agent, is not only charged with trade facilitation, but also the effective execution of revenue collection and border protection.

Customs procedures extend beyond the release of goods, incorporating other functions such as passenger clearance, as well as administering regulatory provisions for multiple cross-border agents. These agents represent various government ministries, departments and agencies (MDAs), who may have conflicting interests in executing their responsibilities. An effective mechanism is therefore needed to measure the efficiency of such processes, all of which are integral to the Customs clearance process. Across the international customs community, the preferred mechanism used is the Time Release Study (TRS). This tool, conceptualized by the World Customs Organization (WCO),

is a comprehensive study of customs operations targeting the measurement of release times of various customs activities. According to the WCO, the TRS is considered both a tool and a method for measuring the actual performance of Customs activities as they directly relate to trade facilitation at the border.

The activities relating to the calculation and recording of the time required by Customs to release goods, have been brought into focus as a key issue for both private and government interests. The overarching objective of the TRS is to enhance strategic decisions aimed at improving customs efficiencies, by accurately measuring all elements relating to the flow of trade. The TRS thereby measures relevant aspects of the effectiveness of operational procedures that are carried out by customs and other regulatory actors in the standard processing of imports, exports and in transit movements. It is a critical tool for effective trade facilitation, using the information derived from the study to target areas for process improvements, or identifying necessary regulatory changes that would result in improved efficiency for the participating customs administration.

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Trade Facilitation

Trade facilitation relates to standardizing processes and lowering transaction costs through “expediting the movement, release and clearance of goods, including goods in transit.” This definition is derived from the Doha Declaration coming out of the World Trade Organization (WTO), which negotiated the Trade Facilitation Agreement (TFA). The TFA entered

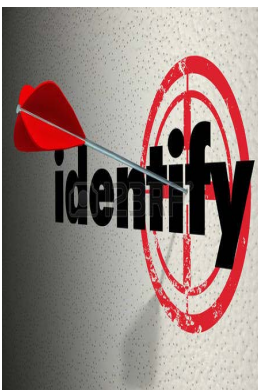
into force, February 22, 2017 and became binding on all Members of the WTO. The vast majority of TFA provisions are customs related, thrusting global administrations at the forefront of cultivating the most efficient measures to ensure compliance with the TFA. To realize the objectives of the TFA, Customs procedures should be harmonized and streamlined over internationally agreed protocols and guidelines applied by all members to create a universal effect of trade efficiency. The WCO in support of global harmonization, has promoted several of its international instruments and tools which aid in the trade facilitation objectives, such as the Revised Kyoto Convention (RKC), SAFE Framework, Single Window and Risk Management Compendiums, and the TRS.

Performance Measurement

The TRS is a performance measurement system, aimed at improving the specific process being measured, such as the measurement of clearance procedures. For this specific function, the time taken between the arrival of the goods and their release is measured. This seems simple enough to measure, but can be problematic if there is ambiguity in what constitutes arrival and what constitutes release, therefore an agreed



universal definition of date of arrival and date of release of goods may be established to ensure that all administrations are measuring the function within the same context. According to the WCO TRS guide, “the time required to release goods has increasingly become the measure by which the international trading community assesses the effectiveness of border clearance processes.” In this process of internal review, each Customs administration is called upon to identify the various elements that are integral to the clearance process, and examine their correlation in the context of the particular border. This allows for the identification of problem areas and potential corrective actions that may be used to increase trade efficiency.



Trader Engagement

The TRS guide emphasizes the need to account for the trader’s perspective, to ensure that all elements affecting the clearance process is properly identified. By pinpointing the concerns of traders regarding delays experienced in the clearance process, Customs is able to respond to trade requirements that facilitate operators. This deliberate approach allows traders to do better forecasting and improve on systems that require forward planning, such as, tight production schedules and just-in-time inventory systems. This methodology supports a trend in international trading, that requires increased engagement with the private sector in establishing solutions to ensure that improved trade facilitation occurs. The TRS also encourages the incorporation of automation and other sophisticated selectivity methods, in reviewing clearance procedures, which facilitates improved compliance and facilitation for low risk goods.

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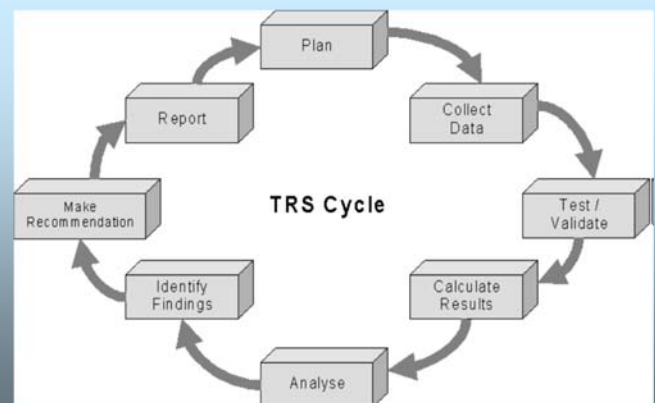
Stakeholder Consultation

In order to ensure that the international movement of goods is conducted in the most efficient manner, all trade stakeholders involved, should be coordinated and accounted for in the TRS. Although Customs is the most visible border clearance agent, it is vital to have consultations with other national authorities such as the port, health, veterinary, agriculture and other relevant MDAs, to ensure that all trade processes are properly accounted for. Also vital to the study is engagement with the private sector, where collaboration and consultation with trade stakeholders such as, brokers, forwarding and shipping agents, carriers, banks and other intermediaries should take place. Predictability is important to all trade entities, and measures to ensure efficient execution of responsibilities, should be endorsed by all stakeholders to facilitate faster clearance of goods. Delays in the release of goods are often attributed to the procedural and documentary requirements of Customs. As such, Customs should be well supported by the private sector and the MDAs, in leading the implementation of measures to improve the efficiency of the clearance process, as well as mechanisms for monitoring release times through a process of regular reviews.



TRS methods to address different trade policy objectives:

- (a) identifying bottlenecks in the international supply chain and/or constraints affecting Customs release
- (b) assessing newly introduced and modified techniques, procedures, technologies and infrastructure, or administrative changes
- (c) establishing baseline trade facilitation performance measurement
- (d) identifying opportunities for trade facilitation improvements
- (e) estimating the country's approximate comparative position as a benchmark tool



Time Release Study (2009), Jamaica

As part of the strategic vision of the Government of Jamaica (GOJ) to improve efficiency and service delivery in the Public Sector, a TRS was undertaken in 2009 to provide meaningful insights into the JCD's operations and possible solutions to increase efficiency. The TRS was commissioned by the then Jamaica Customs Department (JCD), to measure its trade facilitation performance. The key objectives were to calculate the average time taken for the release of goods for import and export; determine where in the procedures problems exist and the nature of such problems; and develop corrective measures and recommendations. The scope of the study included cargo arriving by sea over the period June 24 - July 24, 2009, and was conducted over 3 main phases, namely design; data extraction and measurement; and analysis and reporting.

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The findings of the 2009 TRS Jamaica, were concluded in the context of the World Bank "Trading Across Borders 2008", which included:

- The time taken for the release of imports did not compare favourably with international standards, taking an average of 8 days; while the time taken for exports were more favourably aligned, averaging 1 day to a maximum of 2 days.
- Payment was identified as the shortest process in goods clearance, with an average time of 10 minutes taken, while entry processing registered as the longest, taking an average of 1 day.
- It was noted that the entities and variables which contribute to and influence trade facilitation performance are numerous, inter-dependent and span several organisations.
- Whilst the goods clearance process is documented, it is not followed and is interpreted on an ad hoc basis e.g. manifesting and verification.



Robert Lindsay
Operations Officer
Kingston Wharves
Limited

"anxious to help find a way to improve on this time sensitive procedure.....I learnt that this Time Release Study encompassed the release of cargoes throughout the entire Shipping Industry from arrival to final delivery to customers."

"I was mainly captivated with the construction of the Process Flow Map that would be used to follow the movement of activities involved in getting the cargo to the customer. This map implicated every aspect of the industry and proved a delightful challenge to construct."



Opening of the National TRS Workshop, Jamaica, December 4-7, 2017.

Time Release Study Workshop - Jamaica

A National Workshop on the TRS was held at the Jamaica Customs Agency (JCA), December 4-7, 2017, which was coordinated by the JCA and the WCO. The CEO/Commissioner of the JCA opened the workshop, stressing the importance of implementing the



Earl Stewart, Director Planning & Research, JCA, flanked by WCO Technical Attachés, Olui-mo Da Silva and Eui-Taeg Kim

"The TRS workshop was successfully delivered by the facilitators of the WCO and serves to aid in the capacity development of the JCA and other stakeholders."

The greatest takeaway of the TRS workshop is that it brought clarity regarding WCO methodology in executing the study and a comprehensive understanding of the role of each stakeholder along the trade supply chain in ensuring efficiency."

By examining our position in 2009 and discussing our modernization efforts and how we have grown with the implementation of our automated platform, I'm excited to conduct the actual TRS and track the progress we've made."

Earl Stewart, Director Planning & Research, Executive Services, JCA.

"Triple E" concept of Effectiveness, Efficiency and Excellent Service among all stakeholders, to improve the trade profile of Jamaica. Presentations were made by Mr. Olui-mo Da Silva and Mr. Eui-Taeg Kim, Technical Attachés to the WCO, which focused mainly on an overview of the trade facilitation instruments of the WCO, the TRS guidelines and WCO Member experiences in conducting the TRS. JCA presenters, namely Mrs. Selina Clarke-Graham, Mr. James Glanville, Mr. Andre Williams and Mr. Earl A Stewart Jr. (Moderator), represented various units across the Agency including Customs Operations, Legal, Information Services and Executive Services, respectively. Presentations by JCA facilitators covered an overview of the TRS in Jamaica, the TRS software and the formulation of the TRS action plan. The workshop was attended by key employees of the JCA, representatives of Ministry of Health (MOH), Kingston Freeport Terminal Limited (KFTL), Kingston Wharves Limited (KWL), Trade Board Limited (TBL), Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA), National Compliance and Regulatory Authority (NCRA), Port Handlers Limited (Montego Bay) and Bureau of Standards Jamaica (BSJ).

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The TRS workshop was an initial step towards developing the benchmarks necessary to measure the effectiveness of Jamaica's cross border activities, and the efficiency of the JCA and other trade stakeholders. The TRS is aligned with Jamaica's National Development Goal and is pursuant to Jamaica's international obligations under the TFA. A national Trade Facilitation Reform Program (TFRP) has been launched, with a major output being the

publication of average release times. As part of this reform mandate, a draft Time Release Study Action Plan was developed at the end of the workshop, which will be subject to wider stakeholder consultation and validation. Another output of the TRS workshop was the creation of a process flow map, for what will be the second TRS to be undertaken by Jamaica. In accordance with the timelines outlined in the national TFRP and the TRS Action Plan, the TRS will be conducted at the earliest possible time, with follow up studies being conducted every three years thereafter.



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The International and Industry Liaison Unit is committed to raising the level of awareness on topics relating to the Caribbean Community, as well as issues concerning the wider topic of international trade, to both our internal and external stakeholders. Our monthly newsletter seeks to highlight global trade topics and their importance to Customs Administrations worldwide and specifically how they affect the Jamaica Customs Agency. As we realize our vision of becoming a modern Customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA. The International Liaison Unit is located at the Myers Wharf head office and our officers are available to respond to your queries and clarify any points of concern.

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