

# Global Air Cargo Advisory Group (GACAG)

## Position Paper on Customs Harmonization

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Harmonized Customs procedures facilitate the international transportation of air cargo and, more broadly, benefit all involved in global trade - including manufacturers, farmers, transportation companies involved in all modes, consumers, and nations themselves. In short, international trade promotes development and enhances economic growth, and harmonized Customs procedures promote international trade.

The Global Air Cargo Advisory Group (GACAG) believes that the World Customs Organization (WCO) should play a paramount role in driving harmonization of global Customs procedures to establish e-Customs platforms, and pledges the support of the entire air cargo supply chain in this effort. Air cargo transports goods worth in excess of \$5 trillion, representing roughly one third of global international trade.

Specifically, GACAG urges WCO members to embrace and implement the principles of the Revised Kyoto Convention, to shift from a dependency on paper to an e-Customs environment. Accordingly, GACAG believes that, at a minimum, the following should be accomplished through electronic means:

- Export and import goods declarations to Customs, as provided by exporters, importers and/or their forwarders or customs brokers;
- Export, import and transit cargo declarations, as provided to Customs by airlines;
- Release of shipments into free circulation, following completion of Customs formalities; and
- Recordkeeping and archiving for all participating parties. (There should be no requirement for participating parties to print and archive paper documents, and printouts of electronic records should be accepted for audit purposes.)

Furthermore, GACAG believes that:

- Customs should require supporting documents only on an exceptional basis, for examination purposes;
- authorities should accept printouts of electronic records, including air waybill, house waybill and manifest transport documents exchanged between forwarders and airlines, and all key commercial documents (e.g. commercial invoice, packing list, hazardous materials documentation, certificates of origin);
- data transmission requirements should not be duplicated between different programs; and
- authorities must ensure that all proprietary data is kept confidential.

These e-Customs procedures should be accomplished through the harmonized implementation of relevant WCO instruments, including:

1. Data Model: Version 3 of the model contains the data required for specific Customs procedures as well as data required by some other government agencies. The model can support and enable a “single window” environment where industry can provide all the information required for a given country to a single access point, i.e., a single window controlled by Customs.

*GACAG believes that industry stakeholders should only have to provide data that is included in the model.*

2. Framework Of Standards To Secure And Facilitate Global Trade (SAFE):

The SAFE Framework outlines the procedures and data requirements for advance electronic information for security risk assessment purposes. This information is provided to Customs and is analyzed by their security and targeting personnel.

*The data requirements in SAFE are intended to contain the maximum data necessary for security. Thus, GACAG believes that industry stakeholders should not have to provide any data that is not included in the SAFE framework, nor should that data be required outside the timelines indicated by SAFE.*

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3. Unique Consignment Reference (UCR): The WCO UCR Recommendation promotes application of a unique identifier as soon as possible in the international supply chain, ideally provided by the seller of the goods. To date, only a few countries have implemented the UCR and, unfortunately, their implementations are not aligned. While it is only a recommendation, the WCO UCR text should nevertheless address how to implement this initiative, to ensure harmonization and uniformity.

*GACAG believes that the UCR should be implemented in a harmonized manner.*

4. Globally Networked Customs (GNC) Initiative: The GNC initiative envisions export data submitted by export Customs administrations to a global data repository, with allowance for appropriately controlled access to that data. Import and transit customs authorities could obtain the data that they require from the repository.

*GACAG supports this initiative and sees it as an impetus for the UCR. Stakeholders' provision of the UCR to import and transit Customs administrations would be the cross reference to the data that they need, thereby reducing the amount of data that stakeholders normally have to provide at import or transit, and increasing efficiencies for both industry and authorities.*



#### **About GACAG**

The Global Air Cargo Advisory Group (GACAG) is an industry advisory group formed in November 2010 to ensure the air cargo industry has a strong, unified voice in its dealings with worldwide regulatory authorities and other bodies whose decisions directly impact on air cargo. The four founding members of GACAG are the International Federation of Freight Forwarders Associations (FIATA), the International Air Transport Association (IATA), the Global Shippers' Forum (GSF), and The International Air Cargo Association (TIACA). The group has targeted four priority areas: security, e-commerce, customs and trade facilitation, and sustainability of the global air cargo industry.



#### **About TIACA**

TIACA is a not for profit trade association for the air cargo industry, pledged to support and assist progressive liberalization of the global market, and easier, enhanced trade between developing and developed economies. It is a worldwide organization that serves a membership which includes all major segments of the air cargo and logistics industry; airlines, forwarders, airports, ground handlers, all-cargo carriers, general sales agents, road carriers, customs brokers, third party logistics companies, integrators, technology and equipment providers, shippers, and educational institutions.

To accomplish its mission and role, TIACA engages in activities that are geared to improve industry cooperation, promote innovation, share knowledge, enhance quality and efficiency, and develop educational programs. TIACA's activities are aimed to inform both the public and its membership about the role and importance of air cargo, industry developments and technical trends. TIACA is committed to representing and advocating the interests of the air cargo industry at meetings of relevant regulatory bodies including the WCO, ICAO, UNCTAD, OECD and others that are open to trade observers.



#### **About IATA**

IATA (International Air Transport Association) represents some 240 airlines comprising 84% of global air traffic. Over 60 years, IATA has developed the commercial standards that built a global industry. Today, IATA's mission is to represent, lead and serve the airline industry. IATA works with its members and global regulatory authorities to improve aviation safety, security, environmental performance and efficiency. It seeks to improve understanding of the industry among decision makers and increase awareness of the benefits that aviation brings to national and global economies. IATA can be followed at <http://twitter.com/iata2press> for news specially catered for the media.



#### **About FIATA**

FIATA, the International Federation of Freight Forwarders Associations was founded in Vienna, Austria on May 31, 1926. It is a non-governmental organization that today represents an industry covering approximately 40,000 forwarding and logistics firms, employing around 8-10 million people in 150 countries.

FIATA has consultative status with the Economic and Social Council (ECOSOC) of the United Nations (inter alia ECE, ESCAP, ESCWA), the United Nations Conference on Trade and Development (UNCTAD), and the UN Commission on International Trade Law (UNCITRAL). It is recognized as representing the freight forwarding industry by many other governmental organizations, governmental authorities, private international organizations in the field of transport such as the European Commission (through CLECAT), the International Chamber of Commerce (ICC), the International Air Transport Association (IATA), the International Union of Railways (UIC), the International Road Transport Union (IRU), the World Customs Organization (WCO), the World Trade Organization (WTO), etc.



#### **About GSF**

The Global Shippers' Forum is the world wide body that represents shippers and transport users internationally. The GSF comprises the major national and regional shippers' organizations in Europe, North America, Asia and Africa representing over 50 countries across the world's major trading regions.

The GSF was established to promote competitive global transport markets and supply chains to further the development of international trade and commerce. In this regard, a prime policy objective of the GSF is to promote efficient and competitive global supply chains.