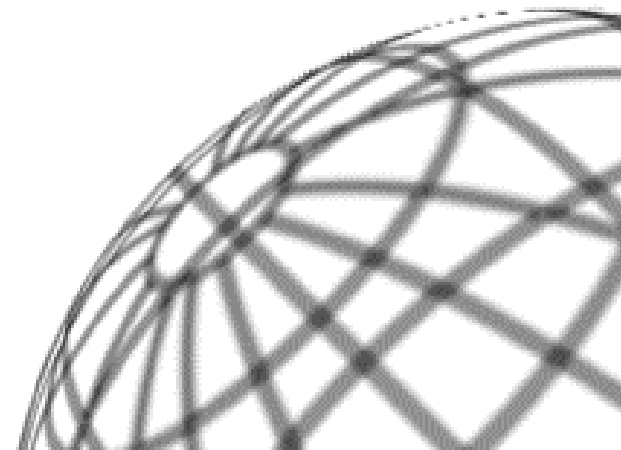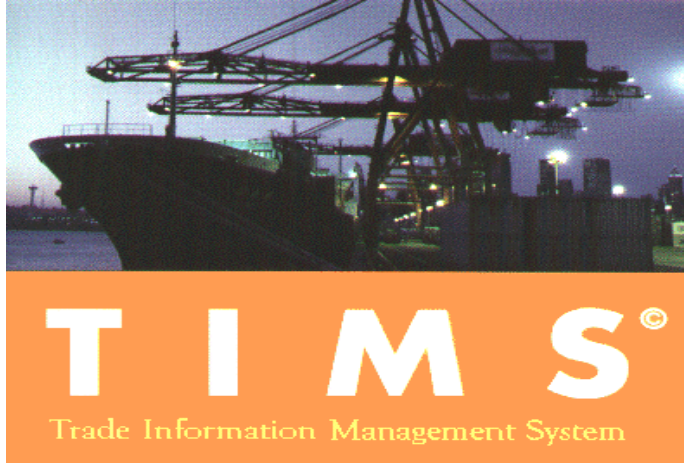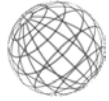# Crown Agents

# 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

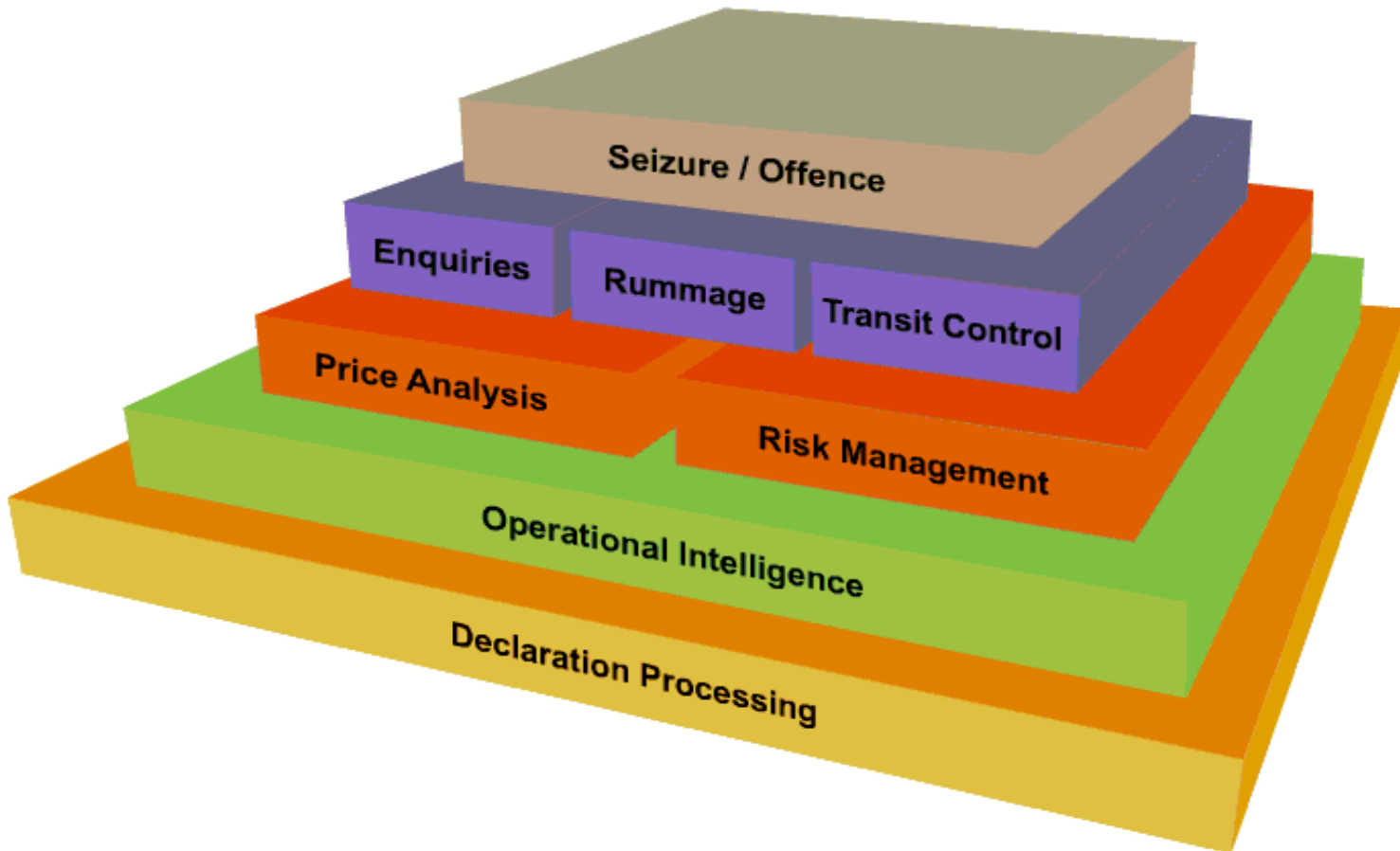- Latvia         1996         Live

- Mozambique     1999         Live

- Angola         2002         Phase 1 Live

- Bulgaria        2002         Current Project

- Jamaica        2002         Current Project

- Kosovo        2003         Current Project

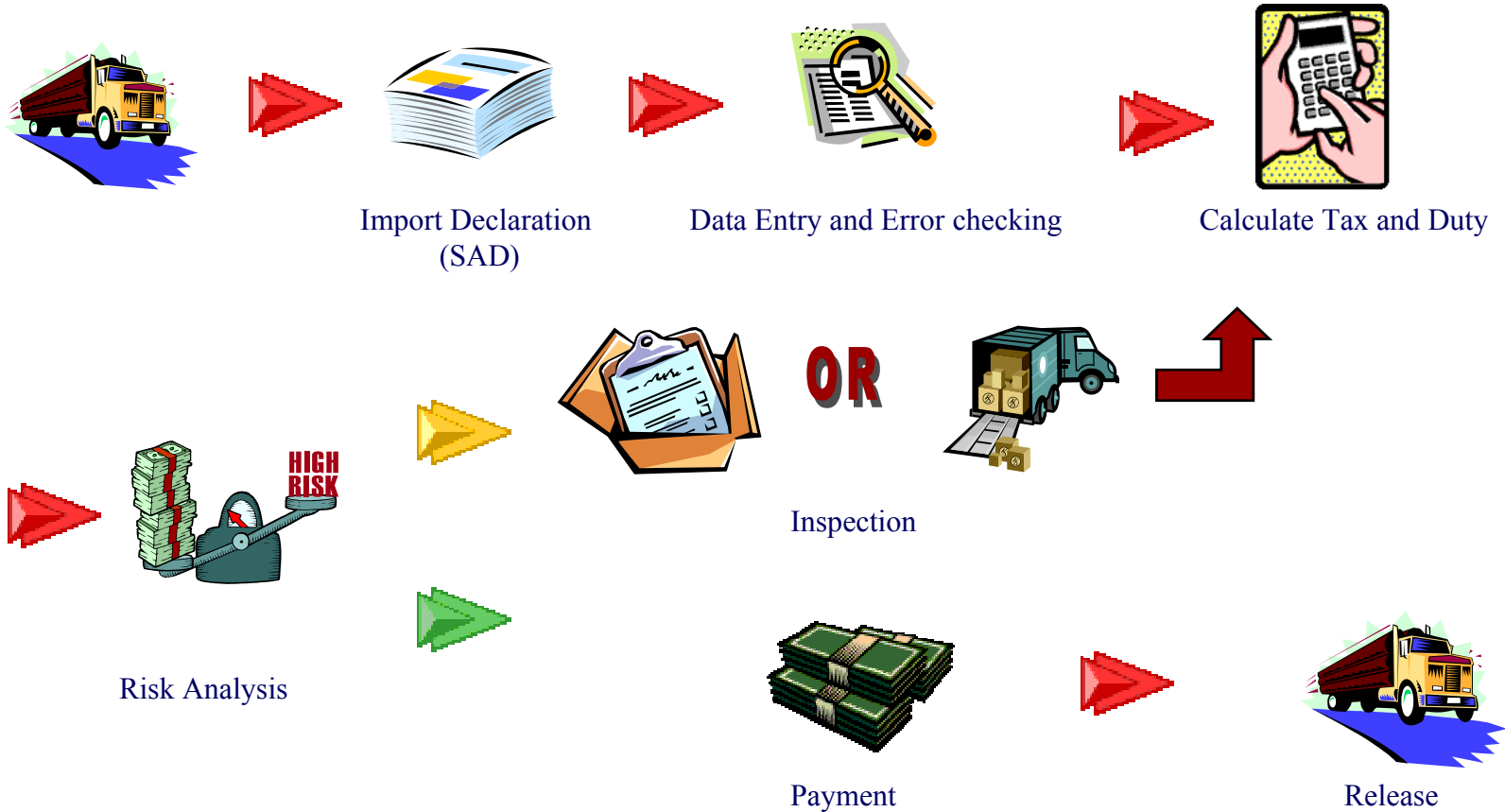Crown Agents

# TIMS© Modules

# 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

Risk Analysis

HIGH RISK

OR

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.

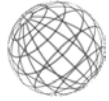  - Electronic transfer to Declaration and Risk Management for analysis.

# 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.
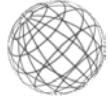
# TIMS© Operations - Intelligence

- 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<sup>©</sup> 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.
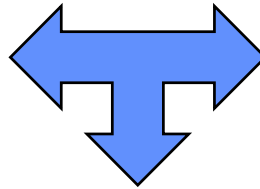
# Transit Process

Entry

Exit



Exit county
or

Unauthorised unloading of goods

Transit Documents

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.

# Crown Agents

**TIMS** ©
Trade Information Management System
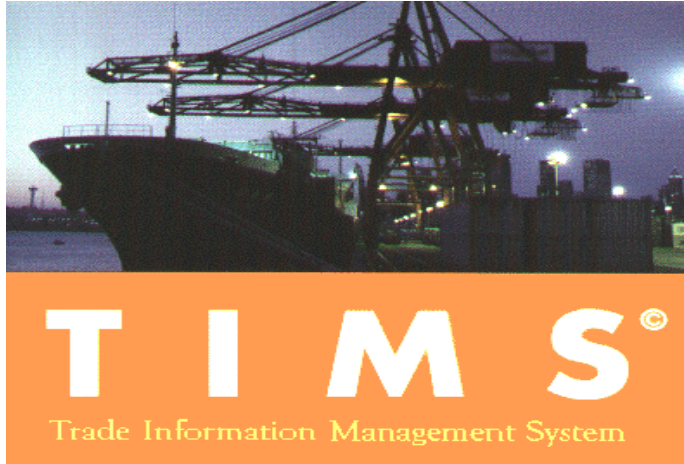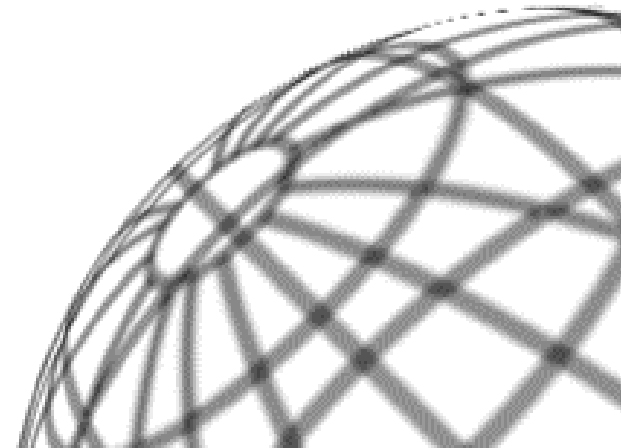
Risk Management

# 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 <u>and</u> 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.

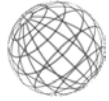# Risk Identification, Profiling and Targeting.

- 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

**TIMS**

Trade Information Management System
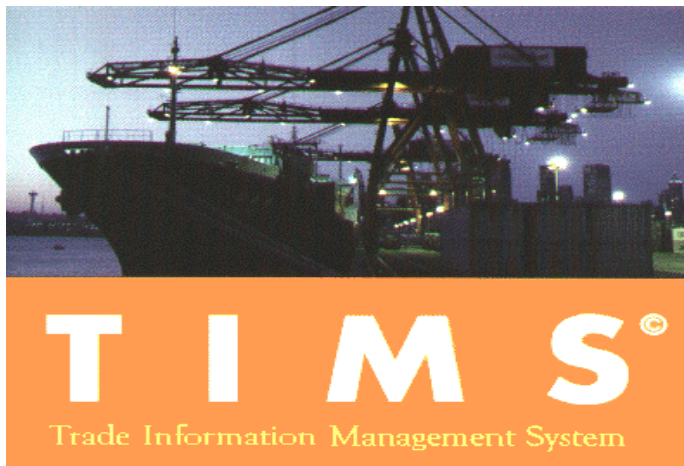
**Bulgarian Customs**

Intelligence

Risk Management
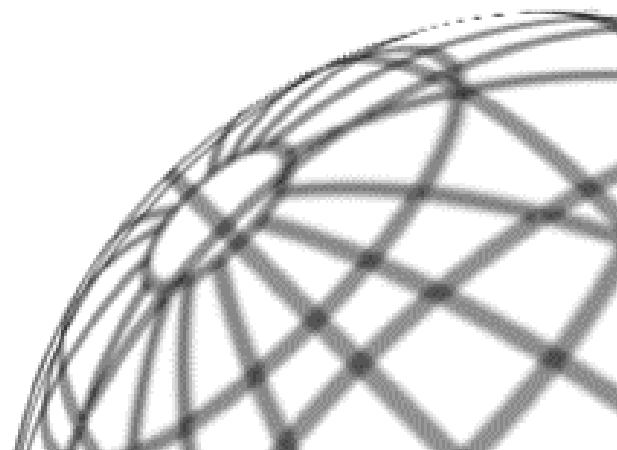
# Overview

- 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

# T I M S

Bulgaria Customs

Crown Agents

Разузнаване

Сведения

Претърсване

Търговци

ЕАД

Данни от ММГ

Инспекции

Заподозряни

Поддръжка

Управление на риск
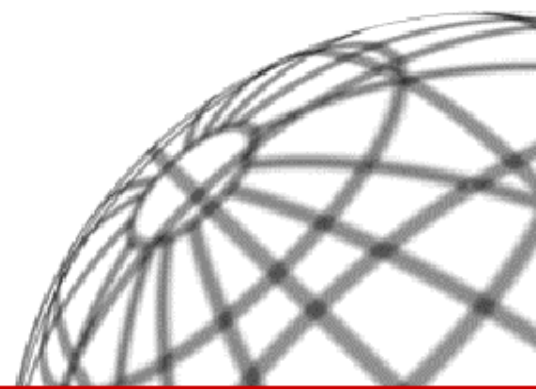
- Wide variety of search options available

- This is a search by the declaration reference

- Note that risks have been detected on this consignment

HMS Bulgaria Customs

Go To    Help

View Exporter Intel.    View Importer Intel.    View Declarant Intel.

Intelligence

**Suspicions**

**Rummage**

ader Research

ad Research

ort MATS Data

**Inspections**

**Suspects**

Maintenance

k Management

## Search

5

| SAD Reference | like 'x%' |
| N | |
| Risk Actioned | like 'x%' |
| | |
| Country Of Origin | like 'x%' |
| | |
| Not Used | = x |
| | |
| Not Used | = x |

Search        Clear

Drag a column header here to group by that c

| SAD Reference ▽ | Risk A... | Destin... |
| 5000/4-3154/210104 | N | |

1

## SAD Details

| 5000/4-3154/210104 | 045000350003154 | 4 | 5000 |
| SAD Reference | SAD ID | Regime | Office |

| 58 | 19 | 117413 | 26119 |
| Items | Packages | Value | Total Tax |

| Country of Despatch | First Dest. Country | Final Dest. Country |
| 2004/01/20 | 68134 | |
| Date Of Arrival | Place Of Loading | Location Of Goods |

Goods | Trader Details | Transport Details | Bank Details

### Details of Goods

| Item No | Commodity | Description | Value | Country Of Origin |
|---|---|---|---|---|
| 1 | 392690990 | ЩИПКИ - 5 БР. | 47 | US |
| 2 | 392690990 | ГРИФ - 11 БР. | 763 | DE |
| 3 | 401693900 | МАНШЕТИ - 2 БР. | 587 | US |
| 4 | 401693900 | МАНШЕТИ - 7 БР. | 3346 | DE |
| 5 | 420231000 | КАЛЪФ ЗА ДОКУМЕНТИ - 30 | 143 | US |
| 6 | 621510000 | ВРАТОВРЪЗКА - 2 БР. | 43 | US |
| 7 | 650590300 | ШАПКА С КОЗИРКА - 9 БР. | 80 | US |
| 8 | 660199900 | ЧАДЪР - 15 БР. | 111 | US |
| 9 | 700721910 | ЧЕЛНО СТЪКЛО - 1 БР. | 319 | US |
| 10 | 700721910 | ЧЕЛНО СТЪКЛО - 5 БР. | 1052 | DE |
| 11 | 700910000 | ОГЛЕДАЛО - 4 БР. | 753 | US |
| 12 | 700910000 | ОГЛЕДАЛО - 8 БР. | 915 | DE |
| 13 | 731815900 | ВИНТОВЕ И БОЛТОВЕ - 14 | 31 | US |
| 14 | 731815900 | ВИНТОВЕ И БОЛТОВЕ - 116 | 313 | DE |
| 15 | 732690980 | ПЛАНКА - 2 БР. | 61 | US |
| 16 | 732690980 | ВТУЛКА - 10 БР. | 859 | DE |
| 17 | 830230000 | ГАРНИТУРИ И ОБКОВИ - 5 | 88 | US |
| 18 | 830230000 | ГАРНИТУРИ И ОБКОВИ - 18 | 1193 | DE |
| 19 | 840999000 | ВЕНТИЛ - 2 БР. | 1164 | US |

**Risks Detected**        Print        View Items

- Now a search using BULSTAT

- Produces a list of SAD's

- Note that this one has live intelligence relating to the importer

Go To    Help

View Intel.

## Intelligence

Suspicions

Rummage

ader Research

Sad Research

port MATS Data

Inspections

## Search

|  | Name | like 'x%' |
| --- | --- | --- |
| 831660610 | | |
|  | BULSTAT | like 'x%' |
|  | Country | like 'x%' |
|  | Phone | like 'x%' |
|  | Not Used | = x |

Search    Clear

Drag a column header here to group by that column

| TA... | Name | Phone | BULSTAT |
| --- | --- | --- | --- |
| 12230 | ВИТ - 94 ООД СОФ | | 831660610 |

1

Suspects

Maintenance

k Management

## Trader Details

### Trader BCATR0000004050

ВИТ - 94 ООД СОФИЯ
Name

View Intel

Trading As

Create Intel

Trader Details | Trader Types | SADS

### SADS

| Ref | Office | Regime | Date | Destination | Risk Action... |
| --- | --- | --- | --- | --- | --- |
| 3103/T-7574/180104 | 3103 | T | 2004/01/18 | BG | |
| 3103/T-10829/25010 | 3103 | T | 2004/01/25 | BG | |
| 3103/T-12546/29010 | 3103 | T | 2004/01/29 | BG | |
| 3103/T-14269/31010 | 3103 | T | 2004/01/31 | BG | |
| 3103/T-14519/01020 | 3103 | T | 2004/02/01 | BG | |

New    Edit    Save    Cancel

- The intelligence can be viewed by a simple mouse click

# Operational Information Form

## Suspicion BCASI0000000020

| | |
|---|---|
| MATS1111038 | 2004/02/04 5:2 ▼ |
| Ref No | Date |
| UNKNOWN: RAW IMPORT FROM MAT | |
| Evaluation Type | |

## Case Handling

| | |
|---|---|
| 5300/4-5142/1011( | |
| Case Ref | Investigation Ref |
| KALOTINA | |
| Location | |

Contact | Evaluation | Suspects | Seizure | Offence | Risk Profiles

### Evaluation of Risk

| Risk Type | Goods | Description |
|---|---|---|
| | | |

CITY: TR/TR

EST.LOSS: 391

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