



# **The Role of Electronic Customs in Facilitating the Customs Affairs Process (A Case study of the Islamic Republic of Iran Customs Administrations)**

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## customs



- Why traditional duties and missions of Customs can no longer meet the national development goals?
- The emergences of **digital economy**
- **globalization**
- the changes having occurred in the **international system**
- the high volume of trade and the **increasing speed** of **business transactions**



## the major challenges facing customs



- Customs is an organization that pursues two goals in performing its duties. First, facilitating the international trade and, secondly, applying rules and regulations (Memarnejad, et al, 2013). Achieving these two goals simultaneously is one of the major challenges facing customs.



## Role of customs

- improve the **efficiency** of import and export process and other customs procedures provide and **analyze the figures and information** related to foreign trade (Jahangiri, 2011).
- **How** do it:
- By **transparency** and **clearance** Faster than before and others advantages for customer and government to Facilitating trade.



## What is electronic business



■ **e-business** means doing business electronically so that the parties **interact** with each other **electronically** instead of the **physical exchanges** or direct physical contact.

(Jahangiri, 2011)





# E-business



Business to Business

B2B

Business to consumer

B2C

Government to Business

G2B



Consumer to consumer

C2C



Government to Consumer

G2C





# the advantages of e- Business in customs



## Advantages of e-commerce in customs

### Customers

- Improving the services
- Access to information
- Supplying the needs of reliable businessman
- Reducing the time wasted for issuing certificates, licenses and releasing the goods

### National economy

- An increase in commercial competition via faster release of goods
- An increase in revenues
- Security and protection of borders

### Customs

- Easy and effective operations of Customs
- Better integration and efficiency of customs-related affairs via automation of daily operations
- provide the way for more concentrate on application of rules
- Better assessment of compliance with regulations



## Electronic customs

- Electronic Customs plays an important role in reducing the **transaction costs**, **speeding up** to the transfers, **Improving the communications**, and providing **easier participation** of commercial partners and **greater transparency** (Aqajani, et al, 2010) and the use electronic customs will help us perform all operations, calculations and Customs monitoring easily, which will help **facilitate** the Customs affairs process and leave no problem called **work postponement**.



## customs



IRI customs provides services by understanding right expectation of beneficiaries like government, consumers, producers and businessmen in order to facilitate and develop commerce, bring predicted incomes, implement external business policies and supporting consumers and producers (Memarnejad, et al, 2013).



## The capabilities of electronic Customs in Customs procedures



- the following systems were gradually implemented in the Islamic Republic of Iran's Customs:

<b>Systems</b>	<b>capabilities</b>
The CODING System	the correct identity information of natural and legal persons.
The transit routes system	designed and installed in order to select the transit routes.
The system of international transportation companies	to address the performance and monitor the activities of these companies in order to improve their performance.
The ASYCUDA System	The new web-based version of ASYCUDA was designed and implemented based on the modern technology of the world by UNCTAD
The Manifest System	registering and clearing the manifestos and bill of lading mechanically and etc.



# The capabilities of electronic Customs in Customs procedures



<b>Systems (continue)</b>	<b>capabilities (continue)</b>
The centralized value system	exchange information, and information (computer forms of values along with appended pictures and reference information along with images) is exchanged via the internet and intranet.
The Information Integration system	analytical and management reports in the area of customs performance management.
The Review System	the selection of transcripts, controlling the distribution sector, inspection of declaration, the Chairman's view and so on.
The judicial system	the information related to the cases and to extract the information related to the incoming and outgoing goods to the judiciary warehouse.
The bank guarantee system	record the information about the identity of the natural or legal persons providing bank guarantees regarding the clearance of imported goods
The Commercial Information System	This system has been designed to facilitate and accelerate access to the foreign trade (exports and imports) information



## The capabilities of electronic Customs in Customs procedures



<b>Systems (continue)</b>	<b>capabilities (continue)</b>
The Remote Declaration System	the owners of the goods or their legal representatives can complete the declaration form with different options including definite export, definite import, and temporary login.
The Management Information System	This system makes it possible to manage all of the regulations and risk indicators related to natural and legal persons on the moment and for all executive customs.
The Vehicle Certification System	creates a database of imported vehicles, and makes it possible to exchange information electronically with other organizations such as the General Directorate of Police Numbering.
The electronic system to receive warehouse receipts and manage it	This system include facilitating and speeding up the issuance of Warehouse Receipts and preventing the entry of the available information, monitoring and controlling the loading and unloading of goods and so on.
The electronic debt control system	The system not only shows the debts automatically, but also prevents the debtor from doing any operation throughout the country.



## The capabilities of electronic Customs in Customs procedures



<b>Systems (continue)</b>	<b>capabilities (continue)</b>
The authentication system	receives the needed inquiries from the neighboring organizations directly.
The system to receive the necessary permits electronically	receives certain permits from the neighboring organizations directly and this will have a great impact on the customs clearance process.
The Electronic Licensing Green Card) System	the license (green card) is issued electronically and is regulated based on the actual amount of goods output.
The electronic seal system	warnings will be automatically sent to managers in case the system is turned on or delayed
Intelligent system for insurance	the co-insurance activities can be controlled electronically in order to save time and money, and prevent the occurrence of potential violations.
The Digital document archiving system	Preventing from any changes in the documents and from their missing is among the capabilities of this system.



## advantages of using electronic Customs in Customs affairs



- Electronic customs by eliminating the customs procedures in the exchange of services and products, facilitating the movement and transfer of physical goods, reducing the necessity for physical inspection of cargo, better physical inspection better, less delay for trusted businessman and immediate clearance of shipments. Besides, the online customs rules and regulations which are available at any time and place significantly increase the transparency in customs affairs.



## Project establishment achievements in Iran



- Reduce import clearance time from 26 days to 3 days.
- Reduce export confirmation time from 7 days to 1 day.
- Reduce the time taken for transit cams from 45 days to 4 days.
- Increasing industrial support rates from 6% to 9%.
- Electronic communication with 22 organizations involved in customs formalities and clearance, and issuance of licenses and the exchange of information electronically.
- Applying centralized experts and eliminating the direct contact of the recipients from the staff in the customs formalities.
- Prevent forgery paper by launching electronic documents such as electronic license.
- etc



## Conclusion

- electronic customs is a win-win game, as both the Customs Administration wins, as it can execute its laws and regulations and takes the government's rights and owners of goods win, because they can do their work within the shortest time possible.
- By providing the remote declaration for cargo owners, it becomes possible to have unattended evaluation for them. In other words, carrying out customs procedures electronically will result in the reduced time of doing customs formalities in import and export and other customs procedures. If we move towards the electronic system, the government's regulations, rules and policies will be implemented as quickly as possible

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