



**Asia-Pacific  
Economic Cooperation**

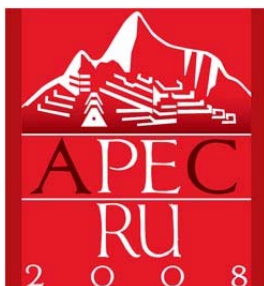
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**2008/SOM3/CTTF/STAR/008**

Session: 3

**Current Approaches Towards Supply Chain  
Security: Harmonization of Measures and Mutual  
Recognition of Standards and Practices**

Submitted by: World BASC Organization



**6<sup>th</sup> Secure Trade in APEC Region Conference**  
**Lima, Peru**  
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## **EXECUTIVE SUMMARY**

### **Current Approaches towards Supply Chain Security: Harmonization of Measures and Mutual Recognition of Standards and Practices**

International trade could be considered as the essential driver for economic prosperity; however, the global trading system is vulnerable to terrorist exploitation that could severely damage the entire global economy.

Several successful global security initiatives, such as C-TPAT and BASC, have been implemented to strengthen the securing of global trade, both working under the common WCO Framework of standards which is a regime that will enhance the security and facilitation of international trade.

Mutual Recognition have been an important part of the process, since it creates a system whereby all participants in an international trade transaction are approved

On the other hand, pilot projects around the world have been implemented thanks to the cooperation of four different institutions, BASC, private sector, nations' customs administrations and WCO, in order to impulse the securing of global trade in different countries.

These initiatives have been all created, developed and implemented to improve and increase security in international trade, therefore, facilitating it.



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## **Current Approaches Towards Supply Chain Security:**

### **Harmonization of Measures and Mutual Recognition of Standards and Practices”**

**Lima, 2008**

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## **Overview**

- ◆ Global Security Environment
- ◆ Successful global security initiatives:
  - WCO Framework of Standards
  - C-TPAT Program
  - BASC Program
- ◆ Mutual Recognition & Pilot Projects
- ◆ Summary & Conclusion
- ◆ Q & A

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## Introduction

- ◆ International trade is an essential driver for economic prosperity.
- ◆ The global trading system is vulnerable to terrorist exploitation that would severely damage the entire global economy.
- ◆ There is a need for a World Customs Organization - **WCO** endorsed strategy to secure the movement of global trade in a way that does not impede but, on the contrary, facilitates the movement of that trade.



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## Introduction (cont.)

- ◆ Modernized Customs administrations use automated systems to risk manage for a variety of issues.
- ◆ The **WCO** has the membership of 174 Customs administrations, representing 99% of global trade.
- ◆ The **WCO** Framework also considers the critical elements of capacity building and requisite legislative authority.



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## What is the WCO SAFE Framework of Standards?

- ◆ This Framework sets out principles and Standards
- ◆ It is aimed at providing uniformity and predictability

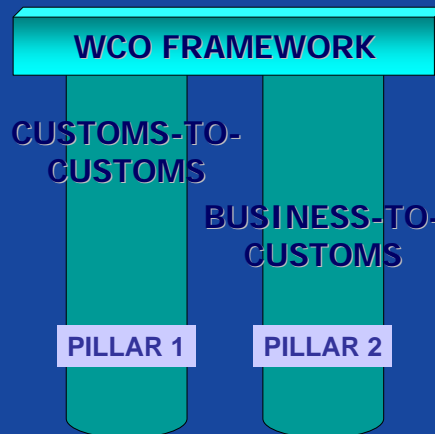


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## Pillars of WCO Framework



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## WCO Standards

- ◆ Business-Customs Cooperation
- ◆ Conveyance/Container Security
- ◆ Physical Security
- ◆ Personnel Security
- ◆ Procedural Security
- ◆ Information Systems Security
- ◆ Employee Awareness Training
- ◆ Continuous Improvement Process
- ◆ Risk Assessment

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## What is CTPAT?



### U.S. Customs Response to 9/11:

- ◆ Voluntary
- ◆ Establishes Security Standards
- ◆ Requires ISO Seals
- ◆ Key Feature: Business Partners
- ◆ Tangible Benefits
- ◆ Participants: Carriers, Brokers, Freight Forwarders & NAFTA Companies

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## C-TPAT Security Profile



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- ◆ Business Partners
- ◆ Container Security (ISO Seals)
- ◆ Physical Access Security
- ◆ Personnel Integrity
- ◆ Procedural Security
- ◆ Physical Security
- ◆ Information Technology
- ◆ Security Training and Awareness

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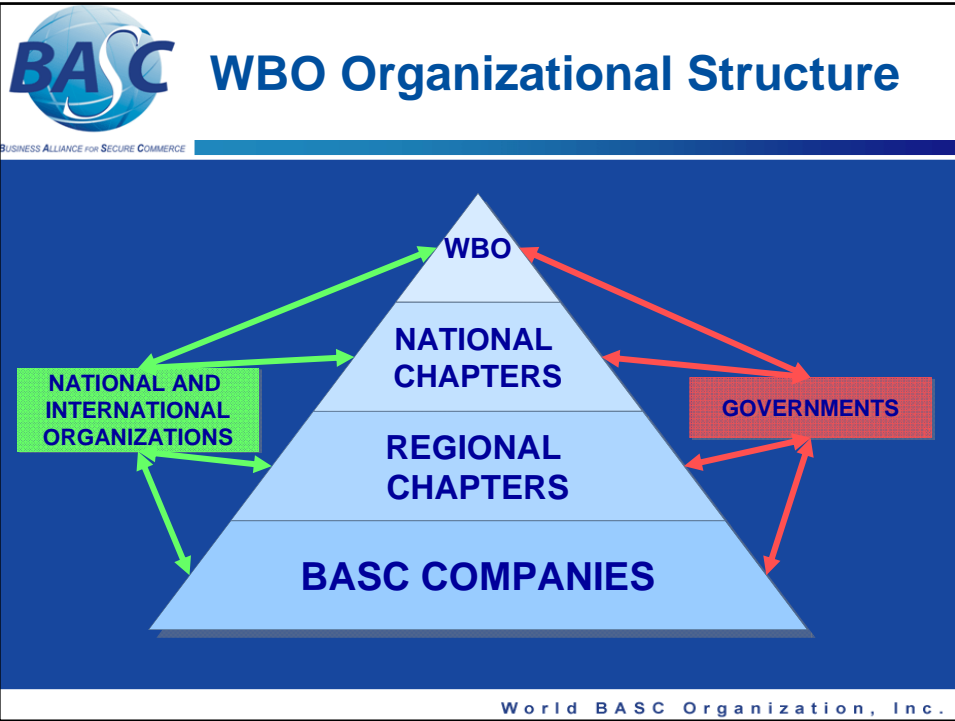


## What is BASC?

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- ◆ **BASC** (Business Alliance for Secure Commerce), is a business-customs partnership created to promote a safe international trade in cooperation with governments and international organizations
- ◆ It is a non-profit organization

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## BASC Partnerships

### ◆ Organizations:

- World Customs Organization
- International Chamber of Commerce
- Organization of American States (OAS/ CICAD)
- American Association of Exporters and Importers
- Maritime Security Council- MSC
- United Nations – Office of drugs and Crime
- Latin-American Logistic Association
- Cross Border Research Institute
- American Chambers of Commerce

### ◆ Customs:

- United States
- Mexico
- France
- Spain
- Italy
- Colombia
- Venezuela
- Ecuador
- Uruguay
- Argentina
- Dominican Republic
- Nicaragua
- Costa Rica
- Salvador
- Panama
- Bolivia
- Paraguay

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## BASC Standards

- ◆ Prove Legitimate Business
- ◆ Conduct management Background Check
- ◆ Business Partners
- ◆ Physical Security
- ◆ Container Security (ISO seals)
- ◆ Personnel integrity
- ◆ Procedural Security
- ◆ Information & Technology
- ◆ Employee Training
- ◆ Risk assessment
- ◆ Continuous Improvement Process
- ◆ Security MOU with partners and service providers

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## BASC –CTPAT standards harmonization



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## **World Customs Organization**

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"For nine years the **BASC** Organization ... has been a leading authority on business quality and security in the international trade supply chain."

"The 1660 BASC-accredited businesses, in 10 countries, provide an excellent platform for extending the business standards in the WCO Framework of Standards to a broad cross-section of trade in Latin America."



*Michel Danet - Secretary General  
World Customs Organization*



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## Pilot Projects

- ◆ BASC- WCO MOU: to promote the establishment of the SAFE Framework of Standards and thereby contribute to security and dignity for mankind and improved conditions for securing commerce. The collaboration between the WCO and WBO will be based on partnership and shared responsibility.
- ◆ Pilot projects: designed for small and medium sized enterprises to implement supply chain security measures
  - Panama
  - Dominican Republic
  - Uruguay
  - Paraguay



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## Benefits

- ◆ This Framework provides a new and consolidated platform which will enhance world trade
- ◆ Ensure better security against terrorism
- ◆ Increase the contribution of Customs and trade partners to the economic and social well-being of nations
- ◆ It will improve the ability of Customs to detect and deal with high-risk consignments
- ◆ Increase efficiencies in the administration of goods
- ◆ Expediting the clearance and release of goods

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## Summary

- ◆ Border Security is Global & Permanent
- ◆ Security Investments Produce Tangible Benefits
- ◆ Long Term Direction: WCO/AEO Program
- ◆ BASC: A platform for implementing AEO

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# Thank you

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