

Development Strategy of the Customs Service by 2010

Introduction

The Slovenian Customs Service is a modern, well-organized, well-equipped and highly-skilled organization, performing its activities in a professional and public-friendly manner. By exercising control over the movement of goods, the Customs Service protects the society against the introduction of harmful and banned goods (drugs, arms, dual-use items, substances harmful to the environment and health, etc.), and at the same time plays an important role both in promoting the international trade and collecting the budget funds of the Republic of Slovenia (by collecting import duties and excise duties, it contributes 15% of the total tax revenues of the Republic of Slovenia). As a reliable and fair partner to economic operators, the Customs Service will strive to act in such manner as to improve the competitive position of Slovenian companies in the international trade.

The Slovenian Customs Service will to continue its efforts to remain a modern European customs administration, successfully protecting the legal economic flows and safeguarding life and health by preventing the illegal import of products and substances. High-standard services, dedication to the implementation of entrusted tasks in sound working conditions and to the satisfaction of customers and passengers are and will continue to be the guidelines of the Slovenian Customs Service. The Slovenian Customs Service is well-aware that membership in the family of the EU States is not just an opportunity but also implies serious responsibility.

Franc Košir, General Director of CURS

Mission

The condition for a single customs territory of the Community is harmonized action of all customs administrations of the Member States. Finally, this is also a justified expectation of the European economy, which will become even more successful in terms of international trade if its competitive edge is enhanced. Customs administrations of the EU Member States share the same objectives and values. For this purpose, the mission of customs administrations of the EU Member States was adopted at the meeting of the general directors at the beginning of July 2005, supported also by the Slovenian Customs Administration.

In performing their tasks and assignments related to the control over the external borders and providing security to the supply chain, the EU Customs Services will be responsible both for the protection of the society and for promoting the international trade.

We hereby undertake to:

- provide security and protection to the people;*
- safeguard the financial interests of the Community and its Member States;*
- protect the Community against the unfair and illegal trade while supporting the legal economic activities;*

- *contribute to the enhanced competitive edge of the European economy by applying modern working methods, supported by easily accessible electronic customs environment.*

In implementing these activities, we will be active in preventing and suppressing frauds and in combating criminal organizations and terrorism both at the national and international levels. For this purpose, we will cooperate with other authorities, particularly those that are equally responsible for detecting and prosecuting illegal activities. Our objectives are fair acting and providing a high level of services¹.

Major strategic documents at the level of EU and Slovenia

Target-oriented implementation of activities will facilitate faster achievement of the desired objectives. It is therefore urgent that all activities of the Customs Administration are set within the broader strategic guidelines both at the Community and at the national levels.

The Lisbon Strategy, adopted by the European Council (the Council) in March 2000, set a new strategic objective to the European Union, namely that it should become “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” by 2010. The Slovenian Customs Service will strive to support the set objective by its activities as far as possible.

In preparing the development strategy for CURS, other strategic documents, affecting the national development strategy of the Slovenian Customs Service, have also been duly considered.

Strategic documents at the EU level:

- Council Resolution on a strategy for the Customs Union²;
- Decision No 253/2003/EC of the European Parliament and of the Council adopting an action programme for customs in the Community (Customs 2007)³;
- Council conclusions on the role of customs in the integrated management of external borders⁴;
- Strategy for customs cooperation:
 - Council Resolution on a strategy for customs cooperation⁵;
 - Strategy for customs cooperation under the third pillar⁶;
 - Work plan for the strategy for customs cooperation⁷;
 - Working methods for implementation of the work plan.⁸

¹ Translation of the document *Customs in the European Union – A Joint Mission Statement*, confirmed at the meeting of the Customs Policy Group in July 2005.

² Council Resolution of 30 May 2001 on a strategy for the Customs Union (OJ C 171/2001).

³ EP and Council Decision 253/2003/EC of 11 February 2003 adopting an action programme for customs in the Community (Customs 2007), (OJ L 36/2003).

⁴ Council conclusions of 4 November 2003 on the role of customs in the integrated management of external borders (13689/03 Presse 306).

⁵ Council Resolution of 2 October 2003 on a strategy for customs cooperation (OJ C 247/2003).

⁶ Strategy of 30 March 2004 (11167/5/03 Enfocustom 29 Enfopol 84 Rev 5).

⁷ Work plan of 30 March 2004 for the strategy (15315/2/03) Enfocustom 41 Rev 2).

⁸ Working methods for implementation of the work plan (15309/03 Enfocustom 40).

Strategic documents at the national level:

- Strategy of the development of Slovenia⁹;
- Strategy of the further development of the Slovenian public sector 2003-2005¹⁰.

Strategic fields

The operation and the most important fields of work of the Customs Service are included in five development fields, listed under the main development objectives:

1 Simplification of legislation and efficient implementation of customs and excise procedures

The requirements of the economic sector for simplification and greater security in international trade and the need for a more effective fight against frauds and various forms of international crime constitute the reasons for further amendments in the customs legislation. The aim of these amendments is a uniform implementation of customs procedures and the promotion of the use of modern methods and flow of information in order to help the Customs Service and the economic operators apply the legislation in a uniform, fast, reliable and transparent manner.

Objectives:

1.1 Introduction of amendments to the Community Customs Code

The revised Community Customs Code will simplify and harmonize the work of customs administrations, facilitate the further development and modernisation of customs service operation and establish the grounds for the development of e-customs. CURS will thus have to revise the single administrative document, introduce a single summary declaration and carry out comprehensive activities for the efficient implementation of the revised Community Customs Code (amendments to the national regulations, method of implementing the customs procedures, introducing the status of an authorized economic operator, of security criteria, etc.).

1.2 Introduction of new simplifications and changes in the field of customs tariff and the rules of origin

The international Convention on the Harmonized Commodity Description and Coding System foresees a five-year cycle of changes in the harmonized system (HS). Within the procedure of amending the HS, CURS will represent the positions of the Republic of Slovenia in cooperation with the economic sector and jointly with the Statistical Office of the Republic of Slovenia. CURS will forward the amendments to the HS to the economic sector and perform all the activities required for their proper application in the customs procedures.

⁹ Strategy of the development of Slovenia, UMAR, Decision of the Government of RS dated 23 June 2005.

¹⁰ Strategy of the further development of the Slovenian public sector 2003–2005, Decision of the Government of RS dated 17 July 2003.

An in-depth simplification of the combined nomenclature (KN) that will be implemented gradually is being prepared within the framework of the European Commission. The Customs Administration will cooperate actively in the simplification process by coordinating the requirements of the Slovenian economic sector and the needs for compilation of statistical data.

Within the framework of preparing radical changes of the rules applying to the origin of goods in the European Community, a project on the registered exporter that will necessitate a new form of cooperation between the customs offices and exporters, is being prepared. CURS will conduct activities in the field of issuing, supervision and control of the registration certificates issued to the exporters, maintain the evidence (database) of the registered exporters and provide access to information on the registered exporters in partner states.

1.3 Integration of economic operators in the adoption and introduction of legislation

CURS will be active in transmitting novelties to the economic sector and in facilitating the integration of the economic sector into the announced amendments of the customs and excise legislation. For this purpose, it will organize training, seminars, prepare information for the public and provide for the updated publication of information on the website.

1.4 Introduction of simplifications and conclusion of agreements on mutual cooperation with the economic sector

CURS intends to continue with introducing simplifications for the authorized economic operators and with concluding agreements on the mutual cooperation, providing for a simplified implementation of procedures and setting up the mechanisms for greater transparency and security of procedures. Combined with a greater responsibility assumed by economic operators, the simplified, transparent and secure procedures will be regulated by authorisations issued under the new conditions, while the agreements will further reinforce the legitimate movement of goods and protect the society.

2 Effective collection of duties and implementation of trade policy measures

Modern methods of customs clearance of goods require (under the introduction of numerous simplifications and transition to a paper-free operation, where the majority of goods are released into free circulation in a simplified manner), additional efforts and activities from the customs service for the efficient collection of all duties and implementation of trade policy measures. A sound operation of the customs system in Slovenia, provided also through the upgrading of financial modules, is important for the efficient operation of the common European market and the financing of the European budget, thus the system is placed under the direct supervision of the EU institutions.

Objectives:

2.1 Reinforcing the supervising mechanisms

CURS will reinforce the mechanisms of implementing the customs and excise supervision, and will also reinforce its role in subsequent control and inspection supervision. By the internal expert supervision of sectors of the General Customs Directorate and internal auditing performed by the internal auditing service, the quality of work of the Customs Service will be unified and improved. The extent and quality of supervision will be increased, resulting in a faster movement of goods and enhanced competitive edge of the legal trade.

In the field of customs tariff, customs value and origin of goods, CURS will continue to provide expert supervision and counselling to the economic sector (issuing binding information on the classification of goods under the customs tariff, issuing binding information on the origin of goods, licences, etc.). Further development and improvement of the quality of work of the Customs Service laboratory will also be required.

Special attention will be paid to efficient controls in the field of the common agricultural policy or concerning those activities of this policy that are in charge of CURS.

2.2 Application of the risk analysis

CURS will continue its activities for improving the system of risk analysis, which is the most important tool of the customs service in all stages of customs procedure and facilitates a rational allocation of available sources while rendering the maximum effect. Introduction of common criteria and standards of operation and efficient exchange of data in this field within the framework of the Community Member States will involve adjusting on the part of CURS (taking into consideration the common profiles of risk, reporting, etc.), and a special attention will be paid to highly taxable goods and goods subject to restrictions.

2.3 Cooperation with the economic sector and other national authorities and inspection services

CURS plans to improve the cooperation and increase the extent of data exchange with other services and expand the common inspection supervision (in liaison with the tax service and other inspectorates). Trade policy will be implemented in such manner as to provide regular information to the economic sector and facilitate its integration in the process of amending legislation, while various information and systems for assistance at work will be available to the companies. Comprehensive cooperation with other national authorities and inspection services will provide rapid, efficient and customer-friendly procedures.

3 Protection of EU citizens and fight against organized crime

The role of the customs service is being reinforced in different fields such as the protection of people against the introduction of substances harmful or hazardous to health, prevention of trade with illicit goods and a broader fight against organized crime. By implementing controls at the border, the customs service can prevent the introduction

of goods that may jeopardize the health or safety of the EU residents. By controlling the goods and trade flows, the customs can contribute substantially to the suppression of international crime organizations and terrorism.

Objectives:

3.1 Development and mastering of methods of risk analysis and selectivity in detecting illicit trade and crime

The collection and appropriate treatment of data and their use are the key elements for a successful fight against crime and other illicit activities threatening the international trade and the society. For the purpose of fight against the abuse of the customs system and the provision of security, CURS intends to continue the development of information system of risk analysis and selectivity, which will enhance the effectiveness of the Customs Service in detecting offences.

3.2 Improved operational competence of the Customs Service in detecting various forms of illicit trade

Illicit trade (for example, counterfeit goods) has negative effects on the single Community market. In case of introducing radioactive substances or arms for mass destruction, the population or the wider environment may be seriously threatened. CURS will therefore carry on the activities in the field of fight against all types of frauds and counterfeit goods by applying modern methods and techniques, by cooperation, exchange of data and training and education. The use of the common information databases facilitates dissemination and operational use of data. Within the framework of customs cooperation in the field of justice and internal affairs, the customs service will participate actively in the common customs actions involving several states for the suppression of smuggling of drugs, arms, cigarettes, etc.

3.3 Improved cooperation and exchange of data with the national authorities, other customs administrations and EU authorities in the field of fight against illicit trade and organized crime

CURS will maintain its sound cooperation with other national law enforcement authorities in the fight against crime. It will also strive for a better intersectoral cooperation and will actively participate in the governmental working parties.

CURS will reinforce operational cooperation with other customs administrations and particularly with the EU institutions (OLAF, EUROPOL, CEPOL, ...) By exchanging data and using international databases (for example, the customs information system, the Schengen information system, the World Customs Organization database, etc.), it will detect more efficiently the breaches of the customs legislation and contribute to the more successful prosecution of smuggling and international crime. CURS will continue cooperation with other customs administrations and particularly with the EU institutions also by the secondment of liaison officers in these institutions.

3.4 Better operational competence of the Customs Service in the field of security and protection of health, environment and intellectual property rights

Security and protection will be improved by introducing pre-arrival and pre-departure import and export information and the system of risk analysis. Security and political measures at the United Nations or EU level will be established through the system of risk management. CURS will prevent the spreading of illegal activities (child pornography, trafficking in persons, illegal trafficking in human organs, etc.), which constitute criminal acts and impose special assignments to customs authorities.

Increased protection of intellectual property rights will be achieved through close cooperation with the holders of such rights and simultaneous improvement of the efficiency of the Customs Service.

4 Use of information technology and expanding of e-operation

The appropriate information support of the Customs Service is important both for the Customs Service and its customers as well as for business partners. A modern, constantly available and efficient information system is the basis for a smooth, fast, professional and uniform implementation of the customs legislation to the satisfaction of the users. In order to provide complementarity with all EU Member States and in order to achieve the uniformity of customs procedures, the customs information system (CIS) needs to be adapted to the new business and technological requirements. Thus the system will be upgraded by applications that the European Commission intends to provide by 2010 in compliance with the strategic plan. CURS will follow the long-term plan of e-customs service, prepared by the European Commission and subject to the amendments of the Customs Code.

Informatisation of CURS is based on the following positions:

- Customs operation is continuous, therefore it requires the support of information system operating 24 hours per day throughout the year with the maximum possible capacity and reliability.
- Operational functioning of the customs information system is based on the infrastructure and services (database centre, fast communication network of state authorities, post-warranty maintenance system, electronic mail, common applications), for which the Directorate for e-administration and administrative procedures at the Ministry for Public Service and Administrative Reform with its contract service providers is the authorized and responsible body.
- Contract service providers possessing the appropriate knowledge and experience in the customs field provide for the development, maintenance and operation of the customs information system in coordination and with close cooperation of the competent sectors of the General Customs Directorate.
- The Customs Administration of the Republic of Slovenia is becoming integrated in the strategic informatisation plan of the Ministry of Finance as an important source of data for providing data integrity of the information system of the Ministry of Finance, where, however, the interior structure, functionality, organization, competences and

technological basis of the CURS information technology are not included in the strategic informatisation plan of the Ministry of Finance.

Objectives:

4.1 Greater reliability, availability, applicability and user-friendliness of the existing customs information system for a more efficient implementation of customs, excise and administrative procedures

Reliable operation of the customs information system, based on the appropriate hardware, software and communication equipment, is of vital importance for the updated and quality implementation of customs procedures. Consequently, a long-term systemic regulation of competences, responsibilities and business relations with the Directorate for e-administration and administrative procedures at the Ministry for Public Service and Administrative Reform and the contract providers of services for providing the operation, maintenance, supply and optimisation of hardware, software and communication equipment and upgrading the CURS information security policy, will be required. The provision of services will include its implementation, upgrading the server, communication and user infrastructure, updating technological infrastructure of the customs information system and defining and providing technological and organizational infrastructure for operation in emergencies.

4.2 On-time and quality development of new applications and upgrading of the customs information system owing to the amended legislation and integration in the European Commission projects

Owing to the amendments of the national legislation and provision of complementarity and gradual building of the harmonized information system of the European Community, constant upgrading of the national customs information system and active participation in the projects of the European Commission for the development and establishment of the new uniform subsystems are required. The respective activities will be aimed at introducing modern methods of project management and the development of applications and of the quality assurance system.

4.3 Updating technological infrastructure and upgrading and optimisation of systems for preparation and exchange of data with the environment

The customs information system is an important source (and also the user) of data, therefore a system for the efficient and safe exchange of data with state institutions, companies and other eligible users in the state and also with the EU institutions and other customs administrations needs to be set up. Indispensable are cooperation in upgrading the CCN network and the systems for the exchange of data with the European Community and other customs administrations, cooperation in setting up the common EU customs portal and CURS website, upgrading the system of electronic data exchange with partners in customs procedures, setting up database storage and application of tools for a more efficient analysis of data and compilation of reports, cooperation in designing and introducing data exchange system in the Ministry of Finance, and participation in e-administration projects.

5 Modernising the Customs Service and reinforcing cooperation

The flow of data and documents is parallel to the movement of goods and is destined to different members in international trade, of which the customs service is the member providing the implementation of procedures in compliance with the international and national legislation. The cooperation of customs administrations and exchange of customs information may substantially contribute to the security, maintenance of the fiscal function of the Customs Service and prevention of customs irregularities.

Cooperation with international organizations such as the World Customs Organization, and particularly with the European Commission and its services, helps to set up the best practice in the work of the customs service and offers a multitude of operational data that are of assistance to the Customs Service in carrying out the customs legislation, market protection measures, protection of the consumers or fight against crime.

Objectives:

5.1 Further reorganization and reinforcement of the Customs Service

When preparing its reorganization in view of Slovenia's accession to the EU, CURS undertook that in the period after the accession (two to three years) and taking into consideration the operation of the Customs Service under the conditions of Slovenia's full membership in the EU, it would perform an additional analysis of traffic flows, structure and volume of trade and the structure and scope of tasks or assignments of the Customs Service in the particular fields falling under its competence. In accordance with the results of the performed analysis, the required appropriate organizational and staff-related activities within the Customs Service will be carried out.

The accession of the Republic of Croatia to the EU in the following years will involve essential organizational and staff-related changes in the operation of the Customs Service. In view of this, CURS will start with particular activities and drafting of positions or bases for reorganization of the Customs Service even before the actual accession of Croatia to the EU.

Increased powers of CURS will facilitate its greater efficiency. For successful acting in the fight against criminal acts, the Criminal Procedure Act will have to be amended in order to provide the customs service with the procedures of collecting and preserving evidence in the pre-trial procedure. Simultaneously, the Customs Service Act will have to be duly amended.

Introducing performance criteria (productivity, economy and cost-efficiency) facilitates better management and control of the Customs Service, organizational units and the workplace. Therefore, the introduction of performance and work-efficiency criteria for the Customs Service as a whole and for each particular organizational unit regarding the work efficiency, rational use of working time, economic use of means of work, cost reduction, etc., is deemed appropriate.

5.2 Reform of training and education system

In compliance with the amendments in the field of legislation, CURS will reform the existing programmes of professional exams concerning the training and education of customs staff, and will continue to adapt them to the new requirements and needs of the working environment also in the future.

In preparing and implementing the system of education and training, modern methods and techniques will be applied, providing greater efficiency and better educational and training results and the economy of the process (internet learning). Such programmes may also be used in offering training to the outside audience.

5.3 Maintaining and improving the image of Customs Service in the public

The public will be kept informed about the achievements of the Customs Service, particularly in suppressing the smuggling (of drugs, arms), protection of the environment, protection of the consumer and protection of the cultural heritage, and about the positive effects of the customs service on the general social conditions. Communication with mass media will be carried out in a modern, planned, organized and professional manner.

5.4 Reinforcing cooperation within EU and on the wider international level

CURS will reinforce cooperation particularly with the EU Member States, neighbouring states and other customs administrations. By means of bilateral agreements and other agreements, the Slovenian Customs Service will increase cooperation with customs administrations of other countries, reinforce control over the external EU border and improve its operational competence.

CURS will participate actively in the working bodies of the European Commission and the EU Council and will build an easily identifiable image of a professional and well-organized administration. Through its proposals, CURS will try to influence the development of systems useful for the Slovenian economy, strengthen the single economic area and provide the required security in the international trade.

To enhance the fight against irregularities, the European Commission intends to conclude several agreements on the customs cooperation with other countries. In addition, CURS intends to conclude special agreements with third countries in the field of cooperation under the third pillar.

CURS will cooperate even more actively in the European Commission committees and working bodies (for example, in the Committee for the Customs Code), and will treat them as strategic fields of work of the European Commission. The Committee for the Customs Code and its sections are the bodies where CURS is cooperating with other customs services within the EU on a professional level and where it may also influence amendments to customs regulations. In this manner, it may actively contribute to the uniform and correct implementation of customs regulations.

CURS will implement the activities for successful preparation and implementation of Slovenia's presidency of the EU in the first half of 2008.

5.5 Expert assistance to the countries with the European perspective

By its experience and knowledge in the field of modernising the customs system and in the field of approximation to the EU, the Customs Service will support the efforts of Slovenia and other international institutions (EU, WCO, UN, WTO, ...) for the development of countries with the European perspective. In particular, CURS will actively participate in EU actions providing assistance in the field of customs to the countries that are of priority importance for Slovenia's political and economic cooperation.