



# Destination Inspection Services

**COTECNA**

# Control and facilitation services at destination

## The evolving challenge of Customs

The needs underlying the demand for inspection services have evolved over time. Early concerns focused on the manipulation of transfer pricing by multinational companies to avoid capital controls. As those receded, attention shifted to the control of tax avoidance through the misclassification of goods and under-declaration of import values. Finally, new markets have recently emerged, focusing on trade facilitation, and increasingly on security, conformity and traceability concerns.

Moreover, governments are now under heavy pressure from donors and regulators to improve their governance standards (transparency, accountability, and performance evaluation).

As a consequence, Customs authorities must be efficient when making swift and accurate decisions and optimizing their resources whilst facing more and more stringent requirements related to:

- Improving trade facilitation to cope with increased demand by traders for faster clearance of goods
- Securing revenue collection
- Combating fraud and smuggling
- Guaranteeing national security and fighting against terrorism
- Complying with the prevailing international regulations and guidelines in the domain of Customs valuation, trade facilitation, conformity and security
- Addressing congestion at ports and in-land border posts

However, inappropriate or insufficient information still hampers Customs authorities to make a reliable decision and in consequence to collect proper duties and taxes.



## Cotecna solution

With the successful introduction of the Destination Inspection (DI) scheme over ten years ago, Cotecna has demonstrated its willingness and ability to adapt to these evolving challenges by modulating the nature of its service offering.

Under DI, the cargo inspection and import declaration controls are carried out at the port of destination. This means that the services are provided in the importing country, thus facilitating the dialogue with the client.

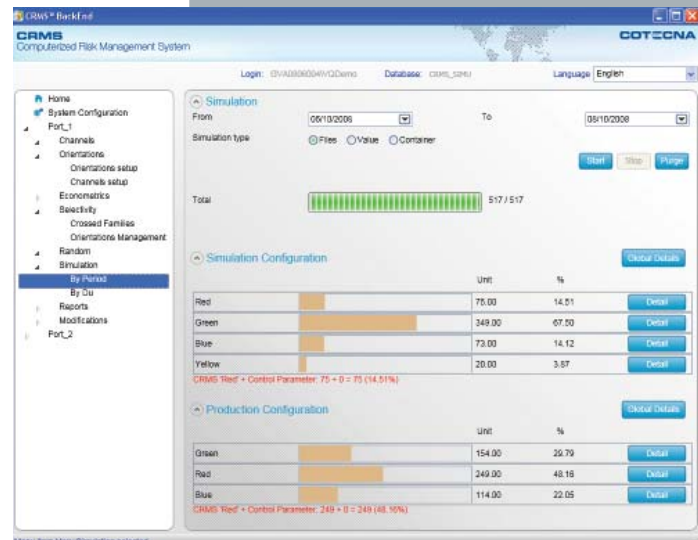
The Cotecna DI offering relies first on core valuation and investigation services that can assist Customs in validating the declared information. But the real added value of the solution lies in the fact that it also includes a range of state-of-the-art technologies and innovative procedures which bring visible improvements in terms of the speed of the entire inspection procedure and consequently of the Customs clearance process.

The use of modern valuation tools combined with Computerized Risk Management System (CRMS®), containing selectivity and econometric tools and Non Intrusive Inspection (NII) using scanner imaging, significantly improves the entire import process to:

- Focus on risky transactions
- Efficiently control the declared information
- Rapidly inspect the targeted cargoes

In addition, DI services encourage the implementation of standards and best practices by also delivering training, capacity building and technology transfer to reinforce Customs efficiency and autonomy.

With the objective to assist Customs in complying better with the international regulatory framework, the DI solution provides a good balance between trade facilitation, security and revenue protection.



## Benefits

- Revenue protection
- Trade facilitation
- Increased security
- WTO & WCO compliance
- Capacity building
- Valuation and classification
- Risk management

# Destination Inspection offering

## Comprehensive and modular

The DI offer, as designed by Cotecna to efficiently support Customs activities, aims at being comprehensive, modular and customizable to meet specific Customs authorities' objectives whilst remaining flexible enough to adapt to the evolving needs of our Customs clients and the local context.

**Documentary check and investigation** to control transaction veracity as well as the contractual specifications of the goods before certification.

**Tariff classification** to detect the misclassification of goods and provide Customs with an independent opinion on the declared tariff code thus preventing unjustified payment of lower tax rates or other evasive fraudulent action.

**Valuation** to provide Customs with an independent opinion on prices presented on the commercial invoices. The various price components are examined in order to ensure they correspond to those prevailing in the country of origin or on the

international market and taking into account commercial relationships between stakeholders. Cotecna's worldwide network of specialists assists Customs in building up a reliable transactional price database.

**Non Intrusive Inspection (NII)** with scanner imaging technologies to swiftly control containers, cargoes and vehicles, to better combat fraud and smuggling and increase security.

**Risk management** to improve Customs targeting efficiency. Cotecna's innovative risk management solution analyses trade transactions to recommend the appropriate level of intervention, taking into consideration the risk of fraud and the availability of human and physical resources. This assists Customs to efficiently manage large volumes of transactions, thus enabling trade facilitation whilst fighting fraud and terrorism. Combined with cargo NII, it allows Customs to concentrate their resources on high-risk transactions.

**Technical support** during installation, operations, systems maintenance and assistance services to advise Customs authorities on specific technical, operational, administration or management issues.

**Regular reporting** to provide Customs with essential data used for statistical interpretation. These reports serve as management tools and allow a performance review of systems and processes.

**Training and capacity building** based on practical training methods leading to an increased autonomy in managing and operating the solution.

**Transfer of technology** through Build Operate Transfer (BOT) solutions and concession contracts. Cotecna currently manages several BOT contracts representing significant investments.



## Tailor-made

DI is a flexible set of services configured in close collaboration with the Customs authorities to meet their specific objectives and are adapted to their local constraints.

The feasibility study represents the first key step that conditions the whole implementation plan. Its scope notably includes:

- Analysis of the overall Customs environment and organization
- Assessment of the available infrastructure and equipment
- Analysis of the port's organisation and container flow
- In-depth study of the Customs operational procedures and their existing systems and tools
- Technical feasibility study of the integration of the Cotecna solution within the Customs information systems

The final customization results in a unique combination of the customized modules and services.

Further flexibility exists in terms of financing, e.g. with respect to transaction fees, licensing models or concession schemes such as BOT, etc.

## Transferable

DI services systematically include a full training and capacity building programme with the aim to transfer the solution to the client.

The early stages of the solution implementation entail a high level of involvement from Cotecna, especially in:

- Operational organization with the setup of management committees
- Adaptation of the modules to the applicable regulations and Customs needs and integration within Customs and port workflows
- Capacity building and training programme on new procedures and tools as well as on system monitoring and maintenance
- Daily operational and technical support
- Support Customs in raising the awareness of the benefits of the DI scheme within the trading community

Thus, as the solution is gradually rolled out, the Customs teams are increasingly empowered as their level of experience and know-how grows. Cotecna can then transfer the entire management to the client.



# The Cotecna advantage

## Unique package solution

Cotecna's DI integrated services provide our clients with a unique combination of features, such as:

- Improved quality of control thanks to the use of the most advanced technologies and the application of a systematic and fair impartial process via harmonized methodologies
- Tailor-made solution and implementation scheme, designed to meet clients' specific needs. The client always decides on its scope of his involvement at each project stage
- Transferable solution, notably facilitated through appropriate training and capacity building, provided by experts
- Business intelligence allowing our clients to adapt actions based on risk through the implementation of sophisticated investigation tools

The DI packaged offering plays a central role in Cotecna's comprehensive trade facilitation portfolio.

All of the above services can be complemented by:

- Our comprehensive and tailor-made valuation system (ValueQuest®) which fosters capacity building in valuation while making a key contribution to risk management
- Our transit monitoring solution (Cotrack®)
- Our supply chain security services

Thus having an even stronger and more positive effect by further enhancing the performance of our clients and maximizing their efficiency.

## References in Destination Inspection services

Cotecna implemented its first Destination Inspection solution in 2000 in Ghana. Since then, this innovative approach has been set up in many other countries including: Tanzania, Nigeria, Senegal, Togo and Mexico.

After 10 years of continuous improvement, Cotecna is currently delivering these high level services and technological tools as an integrated solution for Customs, contributing to sharpen the trend of Customs revenue growth.

## About Us

Cotecna is the worldwide leader in government inspection services, a pioneer and recognized authority in risk management programmes using scanning technologies.

Founded in Switzerland in 1974, as a privately owned company, Cotecna was first established to meet the demand for professional inspection services in the Middle East. Our entrepreneurial spirit and excellent understanding of emerging economies have enabled us to become a leading supplier of trade security and facilitation services with international credibility in inspection and testing.

Our Group offers a wide range of Customs support services, combining state-of-the-art technology and knowledge transfer with innovative, tailor-made solutions to improve and secure trade environments around the world. In addition to risk management, destination inspection and scanner integration projects, we also offer Customs modernization and valuation assistance, verification of conformity and commercial inspections.

With strong revenue growth over the past 10 years, the Cotecna group has a combined workforce of 4 000 employees and agents in close to 100 offices around the world. Our tried and tested experience is drawn from over 35 contracts in government inspection services.



**TRIED AND TRUSTED**



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