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WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

WCO–UPU Postal Customs Guide

(Final edition of 2024)

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I. Introduction

This WCO–UPU Postal Customs Guide (guide) is a joint WCO–UPU tool, envisaged as a “living document” that can be easily updated as experience is gained or conditions change.

The guide is an information source for Posts and for Customs administration staff dealing with postal Customs clearance. For Posts, it is intended as a means of acquainting staff with the various aspects of the postal supply chain’s Customs component and with the different WCO standards, instruments and tools. For Customs administrations, the guide will help staff responsible for postal Customs clearance (a rapidly growing challenge for Customs administrations in the new e-commerce-driven environment) to become more familiar with the postal processes involved in the international exchange of mail.

This document also seeks to form a common basis for dialogue and discussion at the national level between the Designated Operators (DOs) of Universal Postal Union (UPU) member countries and their respective Customs administrations as represented within the World Customs Organization (WCO).

The 2024 edition of the WCO–UPU Postal Customs Guide is to be reviewed by the WCO–UPU Contact Committee. It is available on the Customs section of the UPU website (www.upu.int) and on the WCO website (www.wcoomd.org).

II. Roles of Customs and Posts

a *Posts and Customs administrations at the national level*

The Post has an important role with regard to global trade facilitation via the exchange of information in the form of letters and printed material (letter post) and of goods sent as packages (typically sent as parcel post and Express Mail Service (EMS) items).

Customs administrations, in close cooperation with Posts (also referred to as Designated Operators), should facilitate the Customs clearance of postal items while implementing standards/procedures in a coordinated manner to secure the overall postal supply chain and meet their important legislated mandates and goals.

Although a Post may, or may not, be a government department, it is the member country that designates the DO as regards international mail. The UPU Convention and Regulations, which govern these international operations, are multilateral treaties between governments.

Accordingly, in each UPU member country and postal territory, both the DO and the Customs administration are linked to their national administration in fulfilment of public functions. In the case of DOs, this relates to the obligation to provide a universal service. In the case of Customs, this pertains to the implementation of policies and legislation governing goods crossing borders.

It is very much in the interest of the Post, the Customs administration and the respective government that these entities operate in a collaborative and efficient manner in each country. This applies not only to day-to-day operational matters but also to strategic planning and other initiatives.

b *Role of the Universal Postal Union (UPU)*

The mission of the Universal Postal Union, as stated in the UPU Constitution and reiterated in the Abidjan Postal Strategy (2021–2025), is as follows:

To stimulate the lasting development of efficient and accessible universal postal services of quality in order to facilitate communication between the inhabitants of the world by:

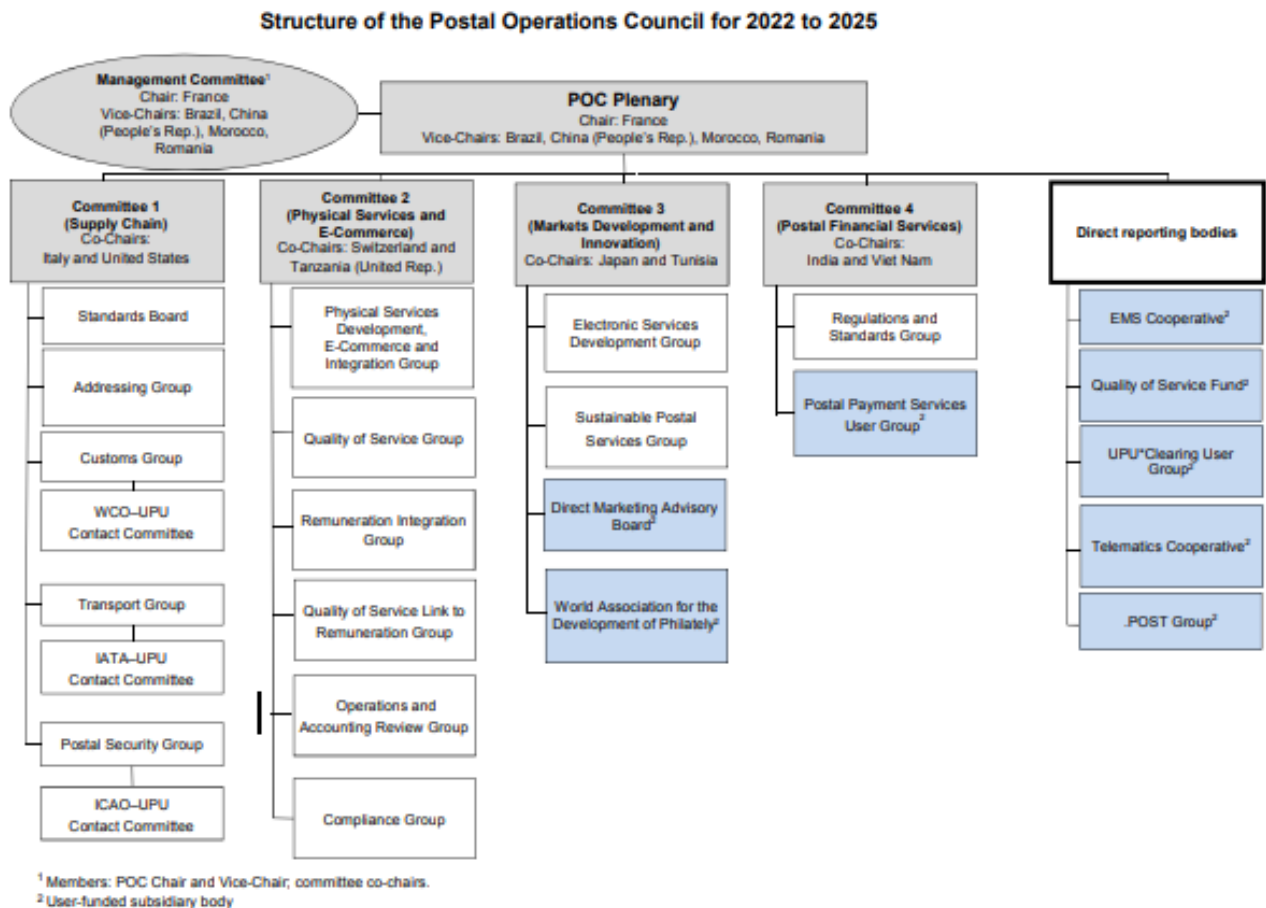
- guaranteeing the free circulation of postal items over a single postal territory composed of interconnected networks;
- encouraging the adoption of fair common standards and the use of technology;
- ensuring cooperation and interaction among stakeholders;
- promoting effective technical cooperation;
- ensuring the satisfaction of customers’ changing needs.

1 Organization of Customs matters within the UPU and Postal Operations Council

Within the UPU, the bodies most involved with issues relating to Customs are the Council of Administration (CA), the Postal Operations Council (POC) and the International Bureau (IB). The overall role of each of these bodies is described on the UPU website.¹ In general, the CA is involved with Customs issues at the governmental level, and the POC is involved at the operational level. The IB is the body supporting the CA and the POC.

The CA and the POC both consist of elected UPU member countries and are organized into committees and, within the committees, groups. Because of the nature of the work of the CA versus the POC, there are no CA groups that are involved specifically with Customs issues, whereas there are such groups in the POC.

The current structure of the POC is shown in the following diagram:



The Customs Group, reporting to the Supply Chain Integration Committee, is the POC body dealing specifically with issues relating to Customs. However, other POC groups may influence Customs issues, and these groups collaborate within the framework of the POC. The groups that may interact frequently on Customs issues are highlighted in the diagram.

c Role of the World Customs Organization (WCO)

The World Customs Organization, established in 1952 as the Customs Co-operation Council, is an independent intergovernmental body whose mission is to develop international standards, foster cooperation and build capacity to facilitate legitimate trade, to secure fair revenue collection and to protect society, providing leadership, guidance and support to Customs administrations.

Today, the WCO represents 185 Customs administrations around the globe, which collectively process approximately 98% of world trade. As the global centre of Customs expertise, the WCO is the only international organization with competence in Customs matters. This applies to all modes of traffic, including postal traffic, which has proved to be vulnerable to different forms of illicit activities.

¹ Information on the UPU bodies is available at www.upu.int/en/Universal-Postal-Union/About-UPU/Bodies.

As a forum for dialogue and the exchange of experience between national Customs delegates, the WCO offers its Members a range of conventions and other international instruments, as well as technical assistance and training services, provided either directly by the Secretariat or with its participation. The Secretariat also actively supports its Members in their endeavours to modernize and build capacity within their national Customs administrations.

Besides the vital role played by the WCO in stimulating the growth of legitimate international trade, its efforts to combat fraudulent activities are also recognized internationally. The partnership approach championed by the WCO is one of the keys to building bridges between Customs administrations and their partners. By promoting the emergence of an honest, transparent and predictable Customs environment, the WCO directly contributes to the economic and social well-being of its Members.

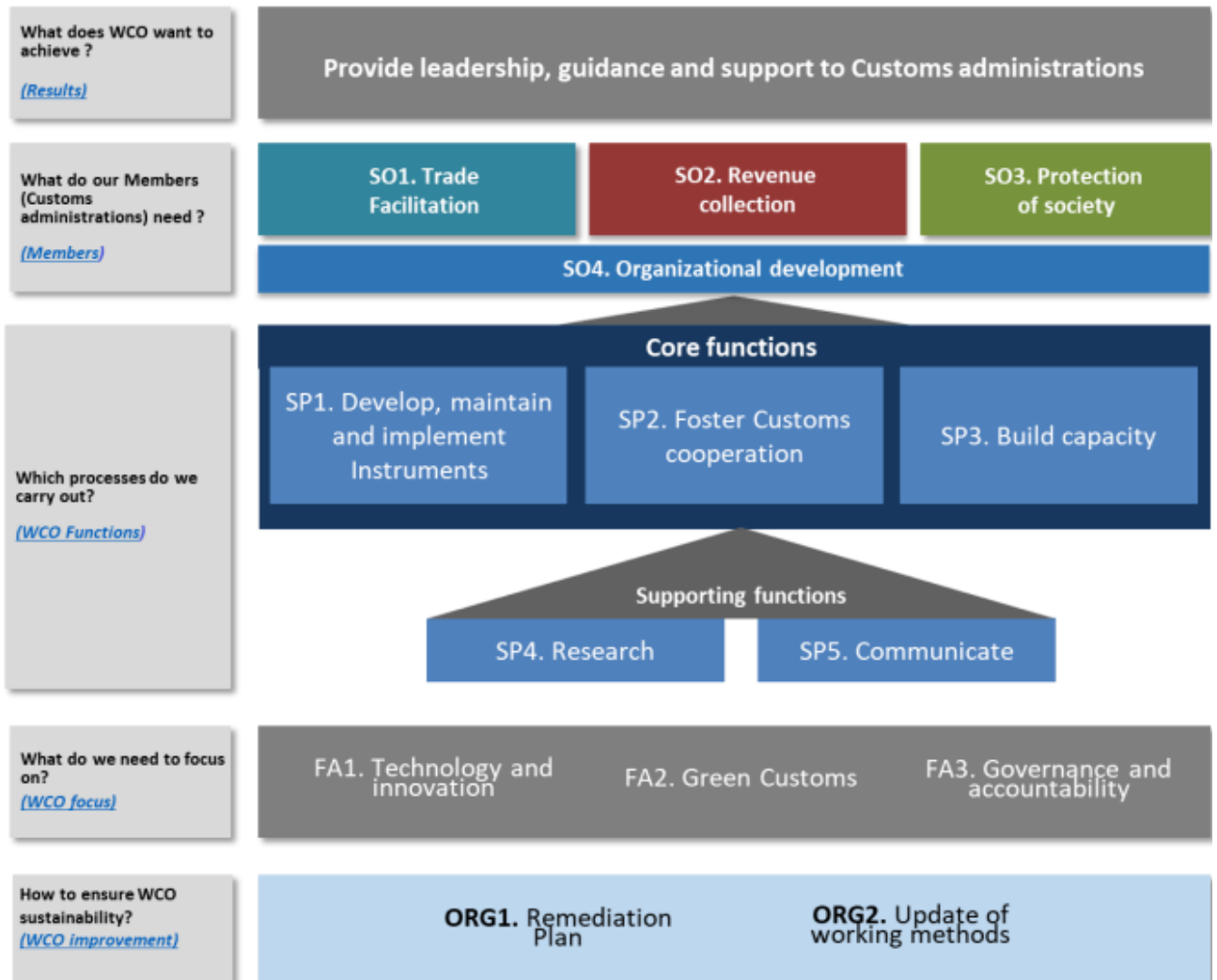
Furthermore, in an international environment marked by instability and the ever-present threat of terrorist activity, the WCO's mission to enhance the protection of society and the national territory, and to secure and facilitate international trade, takes on its full meaning.

In order to guide the programmes, projects and other initiatives implemented by the WCO Secretariat, a high-level policy instrument has been developed. The three-year WCO Strategic Plan is defined as a living document with annual updates, comprising a set of indicators and concrete activities to respond to Customs administrations' needs with regard to trade facilitation, revenue collection, protection of society and organizational development in an increasingly complex environment.

The Strategic Plan for 2022–2025 consists of the following five layers:

- i Strategic goal (Results): Provide leadership, guidance and support to Customs administrations
- ii Four strategic objectives (Members)
 - Trade facilitation
 - Revenue collection
 - Protection of society
 - Organizational development
- iii Five strategic processes (WCO Core Functions)
 - Develop, maintain and implement instruments
 - Foster Customs cooperation
 - Build capacity
 - Research
 - Communicate
- iv Three focus areas (WCO Focus)
 - Technology and innovation
 - Green Customs
 - Governance and accountability
- v Two organizational improvement areas (WCO Improvement)
 - Remediation plan
 - Update working methods

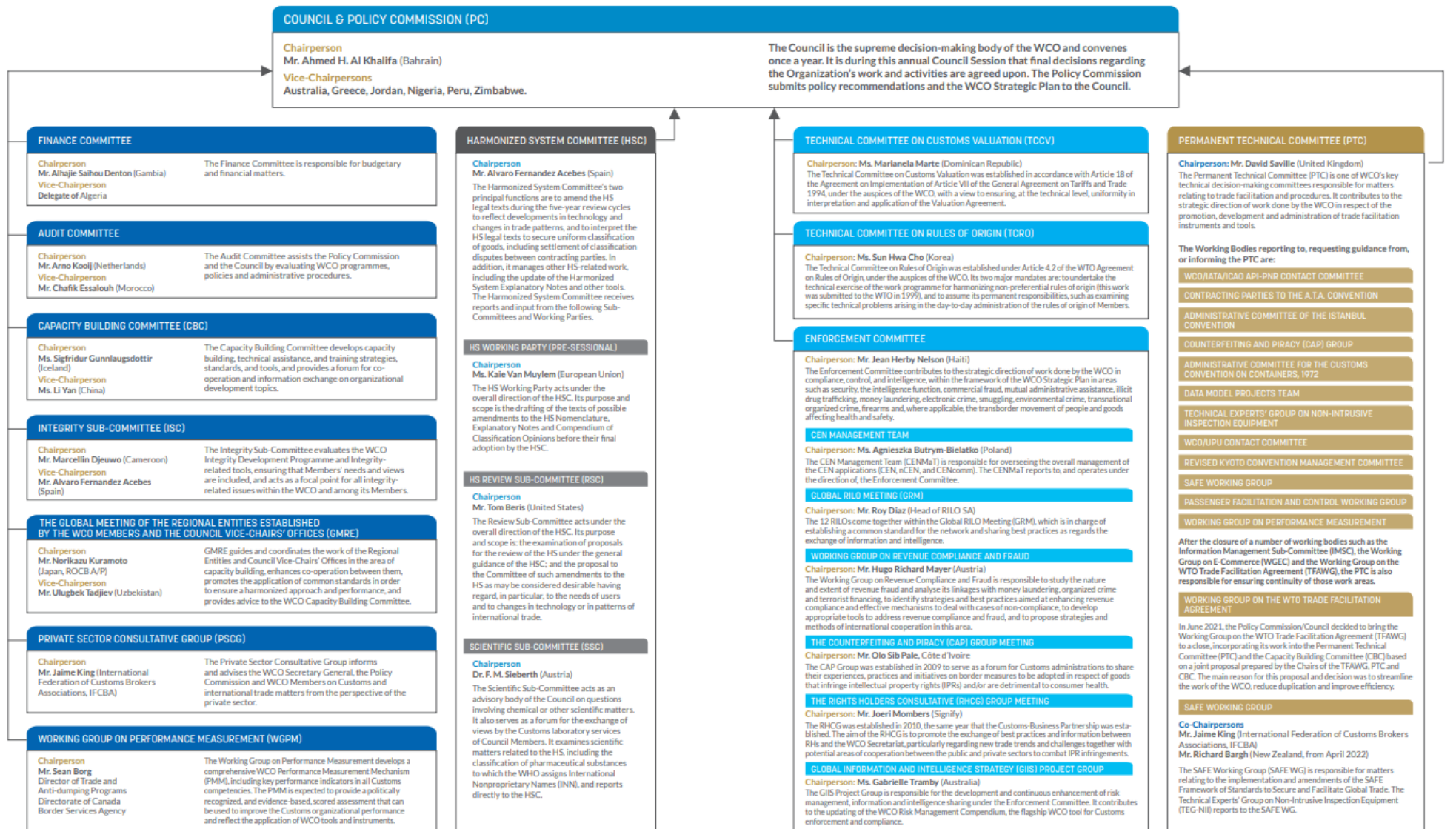
WCO Strategic Plan 2022–2025



1 WCO structure: WCO working bodies

The WCO's governing body – the Council – is the supreme decision-making body of the WCO and normally convenes once a year. It is during this annual Council session that final decisions regarding the WCO's work and activities are agreed upon. The Policy Commission submits policy recommendations and the WCO Strategic Plan to the Council. The working bodies responsible for dealing specifically with Customs procedures in postal traffic are the WCO–UPU Contact Committee and the Permanent Technical Committee. Nevertheless, issues addressed by most of the other working bodies (such as the Enforcement Committee and the SAFE Working Group) are of relevance for the postal sector.

WCO MAJOR WORKING BODIES



More information can be found on the WCO website (www.wcoomd.org).

d Collaboration between the UPU and the WCO

1 Cooperation Agreement between the UPU and the WCO

The UPU and the WCO have a longstanding history of collaboration and consultation. This can be illustrated by the Cooperation Agreement signed by the two organizations in 2022, which can be found in the Customs section of the UPU website (www.upu.int) and on the WCO website (www.wcoomd.org). This Cooperation Agreement identifies areas of cooperation and consultation, along with specific guidelines. The WCO and the UPU further consolidated their collaboration through the signature of a Joint Declaration at the first WCO–UPU Global Conference, held in Tokyo, Japan, from 6 to 8 June 2023. The declaration sets out common objectives in the areas of digitalization, data exchange, supply chain security and capacity building.

2 WCO–UPU Contact Committee

The WCO–UPU Contact Committee was established in 1965 by an agreement between the WCO and the UPU, following a resolution adopted by the UPU at its 15th Congress, held in Vienna, Austria. Issues common to Posts and Customs are managed primarily through this joint committee. The Contact Committee ensures that the WCO has a voice in UPU issues and vice versa.

The WCO–UPU Contact Committee has the character of a standing group; its conclusions are submitted to the competent WCO and UPU bodies for approval. Within the WCO, the competent body is the Permanent Technical Committee; within the UPU, it is the Postal Operations Council (POC). Within the POC, the WCO–UPU Contact Committee reports to the Customs Group.

According to the Terms of Reference of the WCO–UPU Contact Committee, the two organizations are each represented by eight member countries and by their own secretariat. The Contact Committee does not include representatives from the Post and Customs of the same country. However, the Post of an official Customs administration representative on the Contact Committee can (and should) take part in the work of the committee as an observer. This joint participation by a country is very helpful towards the Contact Committee's work.

The Contact Committee is usually reconstituted every four years, following a decision by the supreme bodies in both organizations, namely, the WCO Council and the UPU Congress.

The Contact Committee deals with issues of common interest and, in particular, seeks to speed up and simplify Customs formalities in the postal service. To this end, the WCO–UPU Contact Committee seeks to:

- a work as a contact point between the two organizations on issues raised by the respective organizations;
- b exchange information on issues of common interest related to postal traffic, in particular issues related to the clearance of postal items;
- c facilitate, simplify and harmonize Customs formalities and ensure effective Customs control in respect of postal items, particularly in the e-commerce environment;
- d ensure that effective security arrangements are made for the carriage of all postal items through the harmonized implementation of WCO, UPU, International Civil Aviation Organization (ICAO) and other relevant security standards;
- e encourage DOs and Customs administrations to develop a joint strategy to combat prohibited activity, including money laundering and the transport of illicit/dangerous goods and materials, at the national level;
- f promote the harmonized application of UPU postal security standards S58 (General security measures) and S59 (Office of exchange and international airmail security) and the WCO SAFE Framework of Standards;
- g promote the transportation of postal items by alternative modes, such as rail and road, and identify solutions for associated transit and security-related issues;
- h facilitate the work of Customs in promoting and ensuring movements of legitimate trade through the postal network;

- i promote the participation of DOs in National Trade Facilitation Committees and National Single Windows to facilitate the inclusion of micro, small and medium enterprises (MSMEs) and underserved communities, which are served by DOs, in relevant trade facilitation programmes;
- j enhance Customs control at export level by improving compliance with rules and regulations;
- k develop and promote standards and tools and their use, including the exchange of electronic advance data (EAD) between DOs and Customs administrations and safeguard data privacy;
- l develop and regularly update the WCO–UPU Postal Customs Guide and other instruments and tools to assist in ensuring compliance and improving data quality;
- m strengthen capacity-building actions by promoting the organization of joint WCO–UPU Customs workshops in different regions of the world, delivered on site and/or online, as appropriate;
- n develop and implement capacity-building initiatives for DOs and Customs administrations in areas of common interest, including digitization to enable process automation and paperless treatment of postal items, the use of available data to identify risks/threats and improvement of compliance with Customs and other regulatory requirements.

The WCO–UPU Contact Committee is the means by which the UPU and WCO coordinate such things as i) regulatory proposals impacting both Posts and Customs; ii) development of standards common to Posts and Customs; and iii) joint initiatives affecting both Posts and Customs.

Members of both organizations can consult the WCO–UPU Contact Committee's meeting reports on the website of each organization (www.upu.int and www.wcoomd.org).

III. Regulatory framework

a UPU Convention and Regulations

The UPU Convention and the Regulations to the Convention have many references to Customs issues. These are available on the UPU website, in the section dealing with the Acts of the UPU.²

The table below contains the regulations thought to be the most significant, as well as comments regarding their operational interpretation. An ellipsis (“...”) refers to text from the article or regulation that has been omitted to shorten the text in the table. With the exception of Convention articles adopted by the 2012 Congress, readers can refer to the complete text in the UPU Convention Regulations.

This table is periodically updated by the POC Customs Group. It is reviewed after every POC session, to incorporate any changes made by the POC.

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Postal security	Convention articles 8.1 and 8.2	8.1 Member countries and their designated operators shall observe the security requirements defined in the Universal Postal Union’s security standards and shall adopt and implement a proactive security strategy at all levels of postal operations to maintain and enhance the confidence of the general public in the postal services provided by designated operators, in the interests of all officials involved. This strategy shall include the objectives defined in the Regulations, as well as the principle of complying with requirements for providing electronic advance data on postal items identified in implementing provisions (including the type of, and criteria for, postal items) adopted by the Council of Administration and the Postal Operations Council, in accordance with the Union’s technical messaging standards. The strategy shall also include the exchange of information on maintaining the safe and secure transport and transit of mails between member countries and their designated operators.	<p>This specifies a responsibility of the Post as regards screening of mail to support aviation security. It also refers to a strategy to provide electronic pre-advance of information from Customs declarations.</p> <p>The UPU security standards referenced in this article are UPU Technical Standards S58 (General security measures) and S59 (Office of exchange and international airmail security), available from the UPU Standards Programme. They are also available on the postal security section of the UPU website.</p>

² Information on the UPU Acts is available at www.upu.int/en/Universal-Postal-Union/About-UPU/Acts.

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Postal security	Convention articles 8.1 and 8.2	8.2 Any security measures applied in the international postal transport chain must be commensurate with the risks or threats that they seek to address, and must be implemented without hampering worldwide mail flows or trade by taking into consideration the specificities of the mail network. Security measures that have a potential global impact on postal operations must be implemented in an internationally coordinated and balanced manner, with the involvement of the relevant stakeholders.	
Processing of personal data	Convention article 10	<p>10.1 Personal data on users may be employed only for the purposes for which they were gathered in accordance with applicable national legislation.</p> <p>10.2 Personal data on users shall be disclosed only to third parties authorized by applicable national legislation to access them.</p> <p>10.3 Member countries and their designated operators shall ensure the confidentiality and security of personal data on users, in accordance with their national legislation.</p> <p>10.4 Designated operators shall inform their customers of the use that is made of their personal data, and of the purpose for which they have been gathered.</p> <p>10.5 Without prejudice to the foregoing, designated operators may transfer electronically personal data to the designated operators of destination or transit countries that need these data in order to fulfil the service.</p>	<p>Postal activities are becoming increasingly globalized, and the security and processing of data are frequently discussed at international forums. It is therefore very important that the Convention should provide for not only the confidentiality of the data gathered by DOs, but also the protection and security of that data.</p> <p>The need to inform customers and obtain their authorization to use their personal data is emphasized. It is specified that the purpose for which the personal data has been gathered should be notified to customers.</p> <p>The UPU multilateral data sharing agreement (MDSA), adopted by the POC in April 2021, is a legal instrument created to facilitate the exchange of data required for the operation of international postal services and to enable the implementation of such exchanges in accordance with the UPU Acts.</p> <p>The MDSA incorporates and expands on the substantive provisions of existing and privately established multilateral data sharing arrangements concluded by the DOs of Union member countries. The goal is to better reflect the relevant data sharing obligations set out in the UPU Acts and to establish the relevant conditions for a UPU-managed instrument with global reach.</p> <p>Eligible postal sector entities are invited to adhere to the MDSA and to contribute to the development of an evolving global framework for the sharing of international postal data in accordance with the relevant provisions of the UPU Acts.</p>

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Responsibility of Posts as regards information on Customs declarations	Convention article 23	23 Non-liability of member countries and designated operators 23.3 Member countries and designated operators shall accept no liability for customs declarations in whatever form these are made or for decisions taken by the Customs on examination of items submitted to customs control.	This clarifies that the sender and not the Post is responsible for the information on CN 22 and CN 23 forms, but also that the Post must have processes in place (trained staff, etc.) to advise and assist senders in completion of the forms. The following text on the back of the CN 22 and CN 23 Customs declarations is relevant to this issue as well: "To accelerate customs clearance, fill in this form in English (preferably), French or in a language accepted by the origin and destination countries."
	Regulations art. 20-001	20-001.1 Designated operators shall accept no liability for the customs declarations. Completion of customs declarations shall be the responsibility of the sender alone. However, designated operators shall take all reasonable steps to inform their customers on how to comply with customs formalities, and specifically to ensure that CN 22 and CN 23 customs declarations are completed in full, in order to facilitate rapid clearance of items.	
Prohibitions and restrictions, dangerous goods	Convention article 19	19.2 Prohibitions in all categories of items 19.2.1 The insertion of the articles referred to below shall be prohibited in all categories of items: [...] 19.3 Dangerous goods 19.3.1 The insertion of dangerous goods as described in the Convention and Regulations shall be prohibited in all categories of items. 19.3.2 The insertion of replica and inert explosive devices and military ordnance, including replica and inert grenades, inert shells and the like, shall be prohibited in all categories of items.	This Convention article, as well as the Regulations to the Convention, deals with articles that are prohibited (not admitted in the destination country) or restricted (admitted, but with specific conditions related to packaging, licences, quantities, etc.), as well as with dangerous goods. It defines dangerous goods that are not allowed in the mail, and identifies the conditions (packaging, labelling) under which some dangerous goods may be mailed. This allows for the transport of dangerous goods admitted on an exception basis, as defined in the Convention, between countries that mutually agree to the transport thereof via the post. It requires Posts to define, in clear language, their own country-specific prohibitions and restrictions, which are then published by the International Bureau in the Customs section of the UPU website. ³

³ The Customs section of the UPU website can be found at www.upu.int/en/Postal-Solutions/Programmes-Services/Postal-Supply-Chain/Customs.

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Prohibitions and restrictions, dangerous goods (cont.)		19.3.3 Exceptionally, dangerous goods may be admitted in relations between member countries that have declared their willingness to admit them either reciprocally or in one direction, provided that they are in compliance with national and international transport rules and regulations. 19.4 Live animals 19.4.1 Live animals shall be prohibited in all categories of items. [...]	
	Regulations art. 19-001, 19-002, 19-003, 19-004, 19-005, 19-006, 19-007, 19-008, 19-009 Regulations art. 17-003 Regulations art. 17-004	19-001 Dangerous goods admitted exceptionally 19-001.1 Exceptionally, the following dangerous goods shall be admitted: 19-001.1.1 the radioactive materials sent in letter-post items and postal parcels mentioned in article 19-003.1; 19-001.1.2 the infectious substances sent in letter-post items and postal parcels mentioned in article 19-003.2; 19-001.1.3 the lithium cells and lithium batteries sent in letter-post items and postal parcels mentioned in article 19-003.3. 17-003 Information to be supplied by designated operators 17-003.1 Designated operators shall communicate to the International Bureau, on the forms sent by the latter, the necessary information concerning the operation of the postal service. 17-004 International Bureau publications 17-004.2 It shall also publish, from information supplied by member countries and/or designated operators [...] 17-004.2.5 a list of prohibited articles [...]	This outlines the few dangerous goods that are generally acceptable for transport via international post. The article also includes the provision that countries can mutually agree to the admission of other materials via surface-only transportation. These articles encourage and enable Posts to make every effort to: – ensure that senders are aware of what constitutes dangerous goods, and that they do not mail such articles. – ensure that their own prohibitions and restrictions are accurate and clearly worded. – make every effort to inform their customers about articles that may be prohibited or restricted in destination countries.
Duty and taxes	Convention article 20	Customs control. Customs duty and other fees 1 The designated operators of the countries of origin and destination shall be authorized to submit items to customs control, according to the legislation of those countries.	This Convention article defines the key features of postal Customs clearance (as distinct from commercial Customs clearance).

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Duty and taxes (cont.)		<p>2 Items submitted to customs control may be subjected to a presentation-to-Customs charge, the guideline amount of which is set in the Regulations. This charge shall only be collected for the submission to Customs and customs clearance of items which have attracted customs charges or any other similar charge.</p> <p>3 Designated operators which are authorized to clear items through the Customs on behalf of customers, whether in the name of the customer or of the designated operator of the destination country, may charge customers a customs clearance fee based on the actual costs. This fee may be charged for all items declared at Customs according to national legislation, including those exempt from customs duty. Customers shall be clearly informed in advance about the required fee.</p> <p>4 Designated operators shall be authorized to collect from the senders or addressees of items, as the case may be, the customs duty and all other fees which may be due.</p>	<p>Paragraph 2 refers to the typical situation where a destination Post may collect duty and tax from an addressee. It enables the Post to charge the customer (typically the addressee) a fee for the processes involved with being responsible for the collection of duty and tax. It does not permit this fee to be collected on items that are free of duty and tax.</p> <p>Paragraph 3 refers to the atypical situation where the country is obliged to declare all items, including those exempt from duty or tax, and incurs additional cost in doing so. In this case, the Convention article enables the Post to charge the customer a fee for all items, including those that are free of duty and tax.</p> <p>While the typical situation is that the destination Post collects duty and tax from the addressee, paragraph 4 enables other business models, depending on national legislation. One example of this is called “landed costs”, where the sender pays the duty and tax to the origin Post, which then arranges payment to Customs at destination.</p>
Barcoded item identifiers on letter-post small packets ⁴	Regulations art. 17-107 6.4	Designated operators shall apply a single barcode identifier conforming to UPU Technical Standard S10 to small packets containing goods to enable the provision of cross-border customs electronic advance data [...]. However, the presence of such an identifier shall not imply the provision of a delivery confirmation service. [...]	<p>Unlike for parcels, EMS items and registered small packets, a barcoded item identifier is not mandatory on unregistered small packets, even though they are subject to Customs control and such an identifier can be very important for processes involving Customs.</p> <p>The regulation requiring a UPU Technical Standard S10 barcode on ordinary small packets containing goods is effective as of 1 January 2018.</p>
Placement of CN 22 on item	Regulations art. 20-001.2.1	Items to be submitted to customs control shall bear on the outside a CN 22 customs declaration, or be provided with a tie-on label in the same form.	This ensures that the CN 22 is highly visible – important for Customs processing at destination.

⁴ The differences between a letter-post small packet and a parcel, as defined in the Regulations to the Convention, are outlined later in this document.

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Electronic transmission of CN 22 and CN 23 data	Regulations art. 20-001.2.2	In accordance with article 08-002, customs data provided in accordance with the instructions on the CN 22 or CN 23 customs declarations, including the names and addresses of the sender and addressee, shall be transmitted electronically, in compliance with UPU EDI Messaging Standard M33 (ITMATT V1), to the designated operator of the country of destination. The designated operator of origin may share all or part of these data with the customs administration in the country of origin for export purposes, and the designated operator of destination may share all or part of these data with the customs administration in the country of destination for customs import purposes.	This enables Posts to exchange CN 22 and CN 23 data via electronic data interchange (EDI), in accordance with the implementing provisions for the provision of electronic data via the ITMATT message (described later in this guide).
Electronic transmission of CN 22 and CN 23 data (cont.)	Regulations art. 08-002.1	Items containing goods may be subject to specific import customs- and security-based requirements for providing electronic advance data as referred to in article 8.1 of the Convention and further specified in the respective provisions of the Regulations. All member countries and their designated operators shall have the option of informing other member countries and their designated operators of their specific security requirements (in accordance with the aforementioned provisions) via the relevant compendium. Letters, postcards, printed papers (other than books) or letter-post items containing correspondence or items for the blind, which are not subject to customs duties, shall be exempted from these requirements.	

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Use of CN 23 on small packets	Regulations art. 20-001.2.5 (from 1 June 2023)	<p>If the sender prefers, the items shall also be accompanied by the prescribed number of separate CN 23 customs declarations. One of these declarations must be affixed to the item. If the declaration is not directly visible on the outside of the item, the detachable part of the CN 22 customs declaration shall be affixed to the outside of the item. It shall also be possible to replace the detachable part of the CN 22 customs declaration with a gummed or self-adhesive white or green label inscribed as follows:</p> <p>Inscription in black</p> <div style="text-align: center; border: 1px solid black; border-radius: 15px; padding: 10px; width: fit-content; margin: 10px auto;"> <p>CN 23 enclosed May be opened officially</p> </div>	This article specifies the conditions of using a CN 23, rather than a CN 22, for letter-post products such as small packets and M bags.
Transparent adhesive envelope	Regulations art. 20-001.2.6	CN 23 customs declarations shall be securely attached to the outside of the item, preferably in a transparent adhesive envelope.	This article encourages the use of transparent envelopes so that the CN 23 form is visible but can be removed for inspection by Customs and then put back into the envelope.
Application of Customs declarations for small packets	Regulations art. 20-001.2.8	Small packets shall always be provided with a customs declaration, [...]	This article clarifies that letter-post small packets must have either a CN 22 or CN 23.
Priority of mail	Regulations art. 17-113.4.3 (similar text in Regulations art. 20-001.3.1)	<p>Priority treatment of priority items and airmail items</p> <p>4 Designated operators shall take all necessary steps to: [...]</p> <p>4.3 speed up the operations relating to customs control of priority items and airmail items addressed to their countries;</p>	<p>Similar regulations apply to parcels.</p> <p>This article requires destination Posts to give priority to airmail/priority mail over surface/SAL/non-priority.</p> <p>This is typically done by arranging operations in the inward office of exchange such that airmail/priority mail is presented to Customs ahead of surface/non-priority/SAL mail.</p>

<i>Subject</i>	<i>Reference</i>	<i>Text</i>	<i>Comments</i>
Returned or redirected items	Regulations art. 20-003.1	<p>1 Designated operators shall undertake to seek from the appropriate services in their country cancellation of customs duty and other fees on items:</p> <p>1.1 returned to origin;</p> <p>1.2 destroyed because of total damage to the contents;</p> <p>1.3 redirected to a third country;</p> <p>1.4 in the specific case of parcels:</p> <p>1.4.1 abandoned by the sender;</p> <p>1.4.2 lost, rifled or damaged in their service.</p>	This article requires Posts to have arrangements in place with Customs such that the duty or tax applied to an item that is returned or redirected can be cancelled.
Format segregation	Convention article 17	<p>4 Letter-post items shall be classified on the basis of both the speed of treatment of the items and the contents of the items in accordance with the Regulations.</p> <p>5 Within the classification systems referred to in 4, letter-post items may also be classified on the basis of their format as small letters (P), large letters (G), bulky letters (E) or small packets (E). The size and weight limits are specified in the Regulations.</p>	Article 17.5 of the Convention refers to format segregation. It enables and encourages Posts to segregate letter post into receptacles depending on the format of the letter-post item. For example, Posts may bilaterally agree to have receptacles (bags) containing only small packets, and to have letters/printed papers in different receptacles (i.e. to not commingle small packets with letters/printed papers). Among other potential benefits, this can bring efficiencies in the destination country's Customs clearance processes.

In addition to these regulations, there are other important regulations in the form of instructions that appear on the back of the CN 22 and CN 23. These are covered elsewhere in this guide. Congress resolutions typically instruct the bodies of the UPU (e.g. POC, CA, IB) as regards strategies and priorities. The resolution relevant to Customs from the most recent Congress (see work proposals of the Abidjan Business Plan in Congress–Doc 14.Rev 1) can be consulted on the UPU website by registered users.

b WCO instruments and tools

The WCO is a standard setting organization which has in the past 70 years developed a large number of instruments and tools to help Customs administrations around the world carry out their goals and objectives. These instruments and tools largely relate to all modes of traffic and are therefore relevant for Customs formalities in postal traffic.

The WCO is focusing on the development of instruments that support the adoption and quality administration of modern Customs practices and that raise awareness of the vital role of Customs in international trade. Great emphasis is placed on core Customs competencies, instruments, tools and technical assistance that support the achievement of key Customs objectives, especially in revenue collection, trade facilitation, border security, combating of smuggling and organizational development.

With regard to revenue collection, the WCO is working to develop instruments that support efficient and fair revenue collection, especially related to commodity classification, valuation, and rules of origin. Collection of revenue remains a top priority for many Customs administrations, particularly in economies where a substantial portion of government revenue is derived from Customs duties. A modern Customs administration needs to apply the relevant tools and instruments – developed by the WCO and other international bodies – in a consistent manner in order to achieve fair, efficient and effective revenue collection.

In trade facilitation, the WCO is working on instruments that support economic competitiveness through trade facilitation and security, especially the Revised Kyoto Convention, the SAFE Framework of Standards and the Framework of Standards on Cross-Border E-Commerce (E-Commerce Framework of Standards). The WCO is working with its Members to ensure growth by securing and promoting economic competitiveness. Trade security and facilitation are one of the key factors for economic development of nations and is closely tied into national agendas on social wellbeing, poverty reduction and economic development of countries and their citizens.

In terms of compliance, the WCO is working on instruments that support protection of society through enforcement-related tools, partnerships with stakeholders, advanced technology and infrastructure, and coordination of law enforcement operations, ensuring goods, people and means of transport comply with laws and regulations, the attainment of safe and secure communities, the economic competitiveness of nations, the growth of international trade and the development of the global marketplace. The WCO will continue to develop and maintain standards and guidelines with respect to the goal of protecting society. The exchange of Customs enforcement information and intelligence is crucial to the WCO's Enforcement Strategy. To this end, the WCO will coordinate and implement Customs law enforcement initiatives and operational activities with assistance from key stakeholders.

Regarding organizational development, the WCO is working on instruments that support holistic institutional and human resource development, with a dedicated focus on gender equality and diversity, complemented by providing strategic advisory support for delivery and strengthening stakeholder engagement and integrity. Effective and efficient Customs administrations are vital for the economic, social and security development of States. The WCO, as the global centre of Customs excellence, plays a central role in development, promotion and support for the implementation of modern Customs standards, procedures and systems and has positioned itself as a global leader in capacity building delivery. The development of capacity building tools is linked to three enablers that were emphasized by the Capacity Building Committee as essential for sustainable development and modernization: Political Will, People and Partnerships.

1 Instruments and tools of particular relevance to postal traffic

A number of WCO instruments and tools are specific to, or have greater relevance for, Customs procedures in postal traffic. These include the Revised Kyoto Convention (Chapter 2 of Specific Annex J), the E-Commerce Framework of Standards, Immediate Release Guidelines, Recommendation on Flat Rate Assessment, Recommendation on Free Admission of Gifts, Risk Management Compendium (Volume 2 – Postal/Express Consignments Risk Indicators and Manual) and the HS Convention. However, most of the other WCO instruments and tools relate to all modes of traffic and therefore should be taken into consideration by Customs administrations when dealing with formalities in postal traffic. Of particular relevance is the SAFE Framework of Standards which is covered in Chapter V on Postal and Customs Safety and Security Issues.

Revised Kyoto Convention, Specific Annex J, Chapter 2

The International Convention on the Simplification and Harmonization of Customs procedures (Kyoto Convention) entered into force in 1974 and was revised and updated to ensure that it meets the current demands of governments and international trade.

The WCO's Customs Cooperation Council adopted the Revised Kyoto Convention (RKC)⁵ in June 1999 as the blueprint for modern and efficient Customs procedures in the 21st century. The RKC promotes trade facilitation and effective controls through its legal provisions that detail the application of simple yet efficient procedures. It elaborates several key governing principles; chief among these are the principles of:

- transparency and predictability of Customs actions;
- standardization and simplification of the goods declaration and supporting documents;
- simplified procedures for authorized persons;
- maximum use of information technology;
- minimum necessary Customs control to ensure compliance with regulations;
- use of risk management and audit-based controls;
- coordinated interventions with other border agencies;
- partnership with the trade.

The RKC entered into force on 3 February 2006. As of June 2023, the RKC had 134 Contracting Parties.

The RKC covers Customs business broadly and provides a set of comprehensive Customs procedures to facilitate legitimate international trade while effecting Customs controls, including the protection of Customs revenue and society. Specific Annex J, Chapter 2, provides simplified Customs clearance procedures for postal traffic, ensuring compliance with both UPU and WCO instruments, as well as national regulatory requirements. As of June 2023, 35 countries or Contracting Parties to the RKC had accepted Specific Annex J, Chapter 2.

In an era where the speed of Customs clearance has become crucial to ensuring quality of service, it is in the interest of the WCO and the UPU that as many WCO members as possible accede to the RKC and accept Chapter 2 of Specific Annex J. It is in the interest of Designated Operators and Customs administrations alike that as many countries as possible accede to the RKC and accept Specific Annex J, Chapter 2, to improve Customs–Post processes. This takes on greater significance in view of growing e-commerce volumes leading to increased demand in terms of the quality and speed of Customs clearance and postal delivery, combined at the same time with a need for compliance with various regulatory requirements.

Thus, Specific Annex J, Chapter 2, should be shared widely among officials of bodies dealing with policy and operational matters relating to postal traffic at the national level for their respective uses. It helps to ensure compliance with the UPU's universal service obligation and the concept of a single postal territory. It protects the universal exchange of mail and complements the UPU's acts and regulations. In addition, the standards place special emphasis on the use of information technology and the exchange of electronic advance data.

Specific Annex J, Chapter 2 (Postal traffic), contains five definitions, 10 standards and one recommended practice, which are outlined below together with a UPU interpretation in order to enable Posts to better understand the WCO publication.

	<i>Text</i>	<i>WCO–UPU interpretation</i> ⁶
Definition	“ CN 22/23 ” means the special declaration forms for postal items as described in the Acts of the Universal Postal Union currently in force.	This definition enables Customs officials to use the postal forms CN 22 and CN 23 for Customs purposes. This then implies that changes to the CN 22 or CN 23 involve consultation with the WCO.

⁵ Information on the RKC is available at www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv.aspx.

⁶ Text from the WCO document “Guidelines to Specific Annex J Chapter 2 (Postal Traffic)” is included in some cases. Some of the material in that WCO document is also inserted elsewhere in this guide.

	<i>Text</i>	<i>WCO–UPU interpretation⁶</i>
Definition	“Customs formalities in respect of postal items” means all the operations to be carried out by the interested party and Customs in respect of postal traffic.	This definition illustrates a distinction between postal Customs clearance and commercial Customs clearance.
Definition	“Postal items” means letter-post and parcels, as described in the Acts of the Universal Postal Union currently in force, when carried by or for postal services.	The WCO accepts this definition as provided by in the Acts of the UPU.
Definition	“Postal service” means a public or private body authorized by the government to provide the international services governed by the Acts of the Universal Postal Union currently in force.	While in the past mainly a public body, the postal service (Designated Operator) is in a growing number of countries a private body authorized by the government to provide the international services governed by the Acts of the UPU.
Definition	“The Universal Postal Union” means the inter-governmental organization founded in 1874 by the Treaty of Bern as the “General Postal Union” which, in 1878, was renamed the “Universal Postal Union (UPU)” and which since 1948 has been a specialized agency of the United Nations.	
Standard 1	The Customs formalities in respect of postal items shall be governed by the provisions of this Chapter and, insofar as applicable, by the provisions of the General Annex.	Annex J Chapter 2 specifically deals with postal items. However, this standard clarifies that the provisions of the General Annex (GA) of the Revised Kyoto Convention are applicable to all Specific Annexes, including Specific Annex J and its Chapter 2. RKC Guidelines specify that of particular importance are Chapter 3 of the GA on clearance and other Customs formalities, Chapter 6 on Customs control and Chapter 7 on information technology, which should be read in conjunction with the Annex J Chapter 2 on postal traffic.
Standard 2	National legislation shall specify the respective responsibilities and obligations of the Customs and of the postal service in connection with the Customs treatment of postal items.	This standard clarifies that postal services and Customs have certain obligations and responsibilities which derive from the Acts of the UPU with the parts relevant to Customs having been established in consultation with Customs. In particular these relate to the documents accompanying postal items, the information to be supplied and the methods of forwarding the items and documents. Other responsibilities and obligations of the postal services and Customs may be decided upon by mutual agreement between the Post and Customs.

	<i>Text</i>	<i>WCO–UPU interpretation⁶</i>
Standard 3	The clearance of postal items shall be carried out as rapidly as possible.	As postal traffic is subject to the normal payment of applicable duties and taxes and to national legislation relating to prohibitions and restrictions, there will be a consequential impact on delivery times. Standard 3 requires Customs to limit these impacts to the greatest extent possible. However, nothing in this provision should be seen as limiting Customs controls. RKC Guidelines recognize three possible levels of involvement by the postal service in the clearance of goods imported by post: a) the postal service presents items requiring clearance to Customs; b) the postal service carries out certain operations, under Customs' control, which are normally the responsibility of Customs; and c) the postal service acts as a Customs clearing agent, in particular in dealing with EMS items.
Standard 4	The exportation of goods in postal items shall be allowed regardless of whether they are in free circulation or are under a Customs procedure.	These standards serve to clarify that exportation and importation must be allowed regardless of the Customs procedure under which the goods have been or will be placed. This principle applies equally to postal items, providing that all normal formalities prescribed for the particular procedure are complied with.
Standard 5	The importation of goods in postal items shall be allowed irrespective of whether they are intended to be cleared for home use or for another Customs procedure.	
Standard 6	The Customs shall designate to the postal service the postal items which shall be produced to them for the purposes of Customs control and the methods of production of these items.	This standard clarifies that it is the Customs administration that determines the mail that the Post must present to Customs. The "method of production" (i.e. presentation) refers to physical, copies of documents, electronic, etc.
Standard 7	The Customs shall not require postal items to be produced to them at exportation for the purposes of Customs control, unless they contain: <ul style="list-style-type: none"> – goods the exportation of which must be certified; – goods which are subject to export prohibitions or restrictions or to export duties and taxes; – goods having a value exceeding an amount specified in national legislation; or – goods which are selected for Customs control on a selective or random basis. 	This standard clarifies that Customs controls at export should be limited. However, risk management and selectivity should maintain sufficient controls of outbound items.

	<i>Text</i>	<i>WCO–UPU interpretation⁶</i>
Recommended practice 8	<p>The Customs should not, as a general rule, require the following categories of imported postal items to be produced to them:</p> <ul style="list-style-type: none"> a postcards and letters containing personal messages only; b literature for the blind; c printed papers not subject to import duties and taxes. 	<p>Note that this is a recommended practice and not a standard. This illustrates that the determination of items to be presented to Customs is a national issue. Also the phrase “as a general rule” provides flexibility, in that Customs may require all mail from a specific country to be presented to them either on an ongoing basis or from time to time.</p>
Standard 9	<p>When all the information required by the Customs is available from the CN 22 or CN 23 and supporting documents, the form CN 22 or CN 23 shall be the Goods declaration, except in the case of:</p> <ul style="list-style-type: none"> – goods having a value exceeding an amount specified in national legislation; – goods which are subject to prohibitions or restrictions or to export duties and taxes; – goods the exportation of which must be certified; – imported goods intended to be placed under a Customs procedure other than clearance for home use. <p>In these cases, a separate Goods declaration shall be required.</p>	<p>This standard clarifies that the CN 22 or CN 23, and accompanying documents, such as a commercial invoice, are all that is required for postal Customs clearance, except in the circumstances outlined, when a separate Goods declaration should be required. Guidelines specify that a Goods declaration may be a national document which is the same as that prescribed for other means of transport or it may be specially designed for postal clearance. Alternatively some Customs administrations accept an international document such as an ATA carnet for temporary admission.</p>
Standard 10	<p>Postal items shall not be subject to Customs formalities whilst they are being conveyed in transit.</p>	<p>This makes it clear that mail in receptacles being handled in closed transit, as well as items being handled in open transit, are not subject to Customs formalities by the Customs administration of the transit country.</p> <p>In accordance with the WCO–UPU formal opinion on items in transit in closed mails or à découvert (open transit) suspected of containing narcotics or psychotropic substances, Customs in the transit country may take appropriate measures to inform Customs in the country of destination of its suspicions.</p>
Standard 11	<p>The Customs shall make the simplest possible arrangements for the collection of duties and taxes on the goods contained in postal items.</p>	<p>This standard clarifies that simplicity is an objective as regards postal Customs clearance. It recognizes that Customs brokers are not typically utilized by users of the postal Customs clearance process, except in circumstances where national legislation requires a formal Customs entry. Guidelines also recommend the use of a flat-rate assessment for non-commercial goods imported for home use up to a value specified in national legislation, as well as use of admission free of import duties and taxes for gifts.</p>

Guidelines to Specific Annex J, Chapter 2 (Postal traffic) of the Revised Kyoto Convention

In order to ensure uniform interpretation and implementation of the RKC provisions, each annex (i.e. the General Annex and the Specific Annexes and Chapters therein) of the RKC is accompanied by guidelines, which are of an informative and non-binding nature. The guidelines provide a set of explanations of the provisions indicating the possible courses of action to be considered in applying the standards, transitional standards and recommended practices and, in particular, describe best practices and recommend examples of facilitated procedures.

The Guidelines to Chapter 2 of Specific Annex J were updated in November 2016 within the framework of the WCO–UPU Contact Committee and were approved by the WCO RKC Management Committee.

The guidelines explain the underlying concepts and principles identified in Specific Annex J, Chapter 2. They describe the obligations and responsibilities of Designated Operators (DOs) and Customs administrations in day-to-day business. In the updated guidelines, special emphasis has been placed on the use of information technology. New text has been added on electronic advance data (including an advance data flow chart), as well as information on a standard adopted by the WCO and UPU for electronic Customs information messaging, and commentary on future directions for the exchange of electronic Customs information between DOs and Customs.

Given that Customs forms an essential part of the postal supply chain, it is recommended that these two basic documents (Specific Annex J, Chapter 2, and its updated guidelines) be included in the curriculum for postal and Customs staff in order to provide necessary training on Customs–postal matters.

These documents are available in English and French in the Customs section of the UPU website.⁷

HS Convention

The Harmonized Commodity Description and Coding System (generally referred to as the “Harmonized System” or simply “HS”) is a multi-purpose international product nomenclature developed by the WCO. It is governed by the International Convention on the Harmonized Commodity Description and Coding System, which was adopted in June 1983 and entered into force in January 1988. The current edition comprises 5,612 commodity groups (this number varies between editions). Each commodity group is identified by a six-digit code arranged in a hierarchical structure. In addition, the HS contains binding legal notes to further define and direct classification. The process for classifying goods is governed by a set of legally binding rules (the General Rules for the Interpretation of the Harmonized System) to achieve uniform classification.

The system is used by 212 economies as a basis for their Customs tariffs and for the collection of international trade statistics (as of June 2023, 161 of these were Contracting Parties to the HS Convention). Over 98% of the merchandise traded internationally is classified in terms of the HS.

The HS contributes to the harmonization of Customs and trade procedures and the paperless trade-data interchange in connection with such procedures, thus reducing the costs related to international trade. It is also extensively used by governments, international organizations and the private sector for many other purposes, such as internal taxes, trade policies, monitoring of controlled goods, rules of origin, freight tariffs, transport statistics, price monitoring, quota controls, compilation of national accounts and economic and trade research and analysis. The HS is thus a universal language for referencing goods, as well as an indispensable tool for international trade and trade policy.

The maintenance of the HS is a WCO priority. This activity includes measures to secure uniform interpretation of the HS and its periodic updating in the light of developments in technology and changes in trade patterns. The WCO manages this process through the Harmonized System Committee (representing the Contracting Parties to the HS Convention), which examines policy matters, takes decisions on classification questions, settles disputes and gives guidance on the interpretation and use of the HS.

Guidance on the HS is provided in the form of HS tools. The two principal tools are the Harmonized System Explanatory Notes (HSEN) and the Compendium of Classification Opinions (CCO). While not legally binding, the HSEN provides official guidance on the scope of the provisions. The CCO provides classification opinions from the HS Committee on the classification of specific goods that Customs administrations have presented

⁷ The Customs section of the UPU website can be found at www.upu.int/en/Postal-Solutions/Programmes-Services/Postal-Supply-Chain/Customs.

for consideration. As there are two HS Committee meetings per year, these publications are normally updated every six months, but not before the period for reservations on decisions from the relevant meeting has expired.

The HS Committee reviews proposals for amendments to the HS, with a new edition of the HS normally produced every five years and entering into force on 1 January of the year of the edition. The package of changes resulting in a new edition must be unanimously accepted by the WCO Council members. The accepted changes are made public approximately two years before the new edition comes into force.

As of the date of publication of this guide, the edition of the WCO HS Nomenclature currently in force and applicable in international trade transactions is that of 2022.⁸

Recommendation on Flat Rate Assessment

The Recommendation of the Customs Co-operation Council Concerning the Application of a Flat Rate Assessment System to Goods Sent in Small Consignments to Private Individuals or Carried in Travellers' Baggage (Flat Rate Assessment)⁹ was adopted in 1968 having in mind the need to handle expeditiously the large number and diversity of goods sent in small consignments. A flat rate assessment is recommended as a system which can simplify and expedite the clearance of such goods and, subject to certain conditions, safeguard Members' revenue and economic interests. This recommendation applies to importations that are of a non-commercial nature and whose aggregate value does not exceed a figure which, so far as possible, should not be less than 60 U.S. dollars.

Recommendation on Free Admission of Gifts

The Recommendation of the Customs Co-operation Council Concerning the Free Admission of Gift Consignments¹⁰ was developed with a view to recommending that members grant admission free of import duties and taxes consignments containing only gifts, the value of which does not exceed 30 SDR (a "special drawing right" is a monetary unit used between Posts). It also determines what can be considered as a gift.

E-Commerce Framework of Standards and E-Commerce Package¹¹

In June 2018, the WCO Council endorsed the E-Commerce Framework of Standards, with the tools supporting the implementation thereof and forming part of the E-Commerce Package subsequently being endorsed by the Council in June 2019 and December 2020.

The E-Commerce Framework of Standards provides 16 baseline global standards with a focus on the exchange of electronic advance data for effective risk management and enhanced facilitation of the growing volumes of cross-border small and low-value business-to-consumer (B2C) and consumer-to-consumer (C2C) shipments, through simplified procedures with respect to areas such as clearance, revenue collection and returns, in close partnership with e-commerce stakeholders. It also encourages the use of the authorized economic operator (AEO) concept, non-intrusive inspection (NII) equipment, data analytics and other cutting-edge technologies to support safe, secure and sustainable cross-border e-commerce.

The Technical Specifications to the Framework provide guidance with regard to the implementation of the 16 standards and contain six annexes covering e-commerce business models, e-commerce flowcharts, reference datasets for cross-border e-commerce, descriptions of revenue collection approaches and the roles and responsibilities of e-commerce stakeholders.

⁸ Information on the WCO HS Nomenclature 2022 edition is available at www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2022-edition.aspx or can be viewed in database form at www.wcotradetools.org.

⁹ Information on the Flat Rate Assessment is available at www.wcoomd.org/en/about-us/legal-instruments/recommendations/pf_recommendations/pfrecomm310applictravellersbaggage.aspx.

¹⁰ Information on the Recommendation on Free Admission of Gifts is available at www.wcoomd.org/en/about-us/legal-instruments/recommendations/pf_recommendations/pfrecomm27freeadmnconsign.aspx.

¹¹ Information on the E-Commerce Framework of Standards and E-Commerce Package is available at www.wcoomd.org/en/topics/facilitation/instrument-and-tools/frameworks-of-standards/ecommerce.aspx.

The E-Commerce Package includes definitions, an implementation strategy, an action plan and a capacity-building mechanism. It also contains two case study templates, developed with the objective of collecting information to support the effective implementation of the E-Commerce Framework of Standards and the compilation of the Compendium of Case Studies on E-Commerce, which is updated annually.

The E-Commerce Package is regularly reviewed to ensure that the tools it contains remain up-to-date and relevant to the needs of WCO Members and stakeholders.

The first four-year periodic review of the E-Commerce Package was completed in June 2022, resulting in endorsement by the Council of the 2022 edition of the E-Commerce Framework of Standards and the Technical Specifications to the Framework.

An annual review of the annexes on e-commerce business models and e-commerce stakeholders (roles and responsibilities) was completed in June 2023, giving rise to the 2023 version of the Technical Specifications to the E-Commerce Framework of Standards.

Immediate Release Guidelines

After recognizing that a part of a country's trade requires immediate Customs clearance, the WCO devised a set of release/clearance procedures in the early 1990s with a view to helping Customs and businesses speed up the clearance of goods requiring immediate release, in particular documents and low-value goods. These guidelines have been revised and updated following the revision of the Kyoto Convention, the development of the WCO Data Model and the exponential growth of e-commerce, and in the light of certain concerns expressed by Customs and the private sector. The revised guidelines, now known as the Immediate Release Guidelines,¹² were adopted in June 2018 by the Permanent Technical Committee. The guidelines essentially provide that Customs shall generally release/clear all goods immediately, subject to compliance with the conditions set by Customs and to the transmission of the necessary information required under national legislation prior to the arrival of the goods. The immediate release is made possible in particular because of the electronic exchange of data between DOs (postal service) and Customs and the risk assessment carried out before the arrival of the goods. In the guidelines, goods are categorized into one of four categories: Category 1 – Correspondence and documents; Category 2 – Low-value consignments for which no duties and taxes are collected; Category 3 – Low-value dutiable consignments; Category 4 – High-value consignments.

Risk Management Compendium

Risk management has been one of the key vehicles in modernizing the operations of Customs administrations.

The development and implementation of an intelligence-enabled risk management framework, together with the growth of a risk management culture within a Customs organization, has enabled more effective decision-making at all levels of the organization, with a view to achieving effective Customs control and trade facilitation at the same time.

The WCO Customs Risk Management Compendium¹³ comprises two separate but interlinked volumes. Volume 1, available to the public, sets out the organizational framework for risk management, gives details of the risk management process, describes the different building blocks of an organizational risk management framework, and discusses embedding risk management as an organizational culture and building risk management capacity.

Volume 2, which is available to WCO Members only, deals with operational risk assessment, profiling and targeting tools that inform selection criteria for identifying high-risk consignments, passengers, conveyances, economic operators and other parties for Customs intervention. It also contains "enforcement-sensitive" material for "Customs only" purposes, including numerous practical guides and templates for assessing risks.

¹² Information on the Immediate Release Guidelines is available at www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/immediate-release-guidelines.aspx.

¹³ Information on the Risk Management Compendium is available at www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/risk-management-compendium.aspx.

A document entitled “Postal/Express Consignments Risk Indicators and Manual” has been incorporated into Volume 2. The indicators listed in the document could be used to select possible high-risk movements/consignments involving all types of Customs fraud (revenue protection, narcotics, security, intellectual property rights, etc.).

In June 2023, Volume 2 was revised to meet the evolving challenges faced by Customs administrations and their priorities, which include data analysis, e-commerce and supply chain infiltration.

WCO Security Programme

Terrorism, the proliferation of weapons and materials of mass destruction, the trafficking of small arms and explosives, and the illicit diversion of dual-use goods pose a serious threat not only to the security and safety of people, but also to the economic development, political stability and social cohesion of countries across the globe.

The WCO Security Programme¹⁴ concentrates on strengthening the capacity of Customs administrations to deal with security-related issues at the national level and aims to facilitate the global Customs community’s ability to deal with these threats at the international level.

The activities of this programme relate to six key work areas, namely i) passenger controls, ii) improvised explosive devices (IEDs) (Programme Global Shield), iii) the strategic trade control enforcement (STCE) programme, iv) the small arms and light weapons (SALW) project, v) radiological and nuclear detection, and vi) terrorist financing.

2 Other instruments and tools

As already mentioned previously, the WCO has developed numerous other instruments and tools. These include the SAFE Framework of Standards, WCO Data Model, Single Window Compendium, ICT Guidelines, recommendations, Istanbul and ATA Conventions, the Nairobi Convention, Guidelines on Post-Clearance Audit, Customs Valuation Compendium and many more. A number of them will be mentioned in other chapters. The vast majority of these instruments and tools are publicly available and can be found on the WCO website.

3 WCO Glossary of International Customs Terms

The glossary of international Customs terms¹⁵ is aimed at capturing, in a single document, definitions of certain Customs terms in order to establish a common Customs terminology, with the objective of not only facilitating the work of the WCO, but also assisting Members and non-Members, international organizations and the private sector in the development of a uniform approach to the use of Customs terminology. The glossary also provides updated definitions to facilitate the interpretation of a number of key WCO instruments and guidelines.

Additionally, the glossary is an important tool for the general public and wider trade community to secure a broad and uniform understanding of Customs issues. Consistent use of Customs terminology should not be underestimated, particularly when rules and regulations are developed.

The glossary of international Customs terms is constantly updated. This is due to the evolution of the role of Customs and international trade over the last few years, the countless developments that have taken place in the Customs and international trade environments, and the development of several instruments.

c World Trade Organization (WTO) Trade Facilitation Agreement

The WTO Trade Facilitation Agreement (TFA) was concluded at the 2013 Bali Ministerial Conference. It entered into force on 22 February 2017 following its ratification by two-thirds of the WTO membership.

¹⁴ Information on the WCO Security Programme is available at www.wcoomd.org/en/topics/enforcement-and-compliance/activities-and-programmes/security-programme.aspx.

¹⁵ Information on the WCO Glossary of International Customs Terms is available at www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/glossary-of-international-customs-terms.aspx.

Currently, WTO members are implementing the mandatory TFA measures in a phased manner based on the categorization of these measures in the 12 articles of section I of the TFA. Category A refers to those measures that will be implemented at the time of the agreement's coming into force, B to those requiring more time, and C to those requiring additional capacity building. Further details can be found at www.tfafacility.org.

The TFA advocates for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between Customs and other appropriate authorities on trade facilitation and Customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

The WCO has a range of instruments and tools to support the expeditious and harmonized implementation of the TFA.¹⁶

For Designated Operators (DOs), the most relevant facilitation measure would be article 7 of the TFA, covering provisions for the release and clearance of goods. This includes, among others, pre-arrival processing, risk management, and expedited shipments. The TFA brings all government agencies – Customs administrations and DOs – together to facilitate the implementation of the agreement.

Article 23.2 of the TFA stipulates that each member shall establish and/or maintain a national committee on trade facilitation (NCTF) or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of the agreement. DOs should engage with their NCTF and make efforts to be members of the NCTF, in order to play an active role in the oversight and implementation of the TFA.

The NCTF is an appropriate forum to highlight the ongoing work of the WCO–UPU Contact Committee, as well as to seek high-level support for prioritizing the implementation of key postal–Customs issues such as electronic advance data.

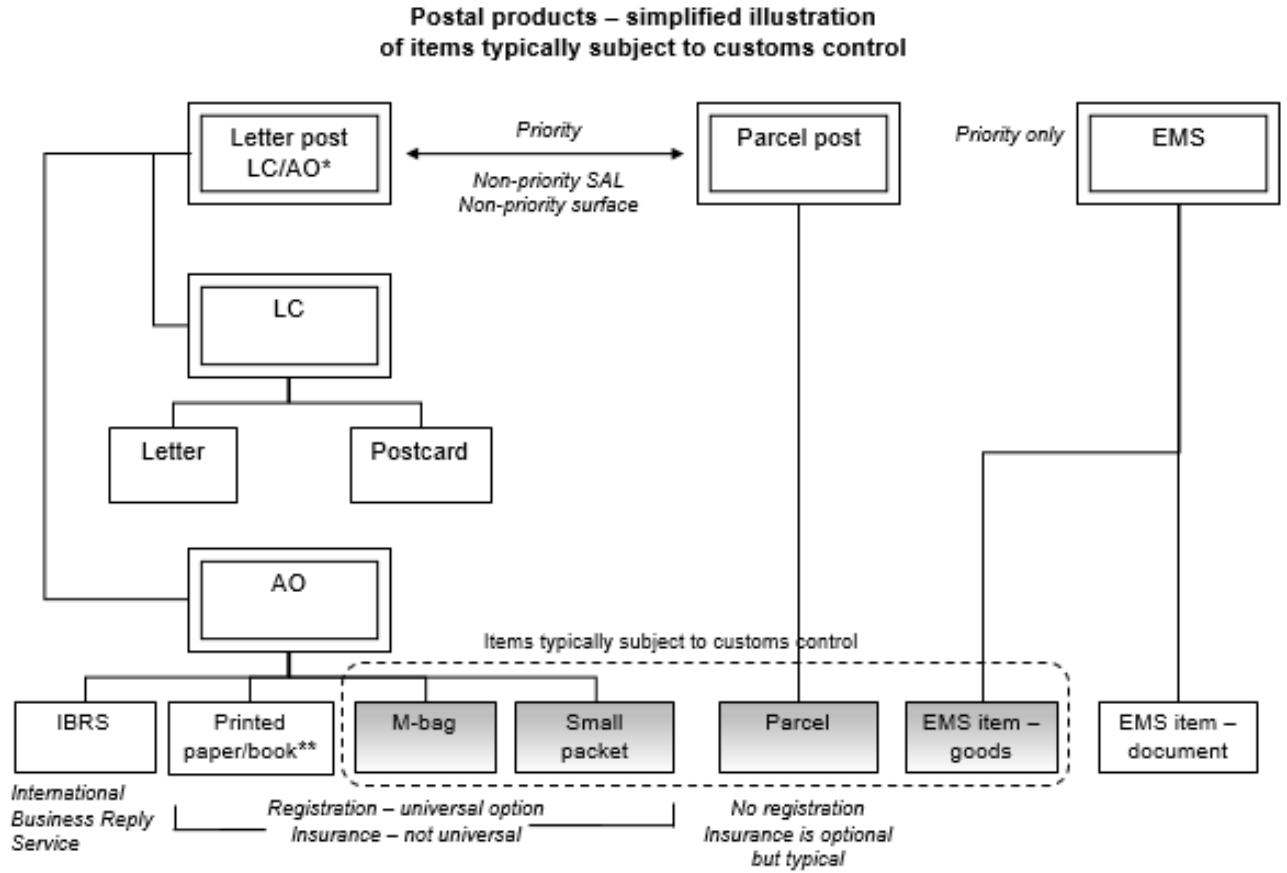
Lastly, the WCO, through the Mercator Programme (launched in 2014), its strategic capacity-building initiative, has been assisting governments worldwide in implementing TFA measures in a harmonized manner by using WCO instruments and tools. This programme could be a way to address the required capacity building for effective TFA implementation, not only for Customs administrations but also for other key stakeholders, including DOs.

¹⁶ Information on the TFA is available at www.wcoomd.org/en/topics/wco-implementing-the-wto-atf.aspx.

IV. Operational environment

a Postal products and services

The following diagram depicts the UPU products and services, highlighting those typically subject to Customs control:



* Letter post is often referred to as LC/AO from the French "Lettres et Cartes / Autres Objets" (in English: Letters and Cards / Other Objects)
 ** Printed papers/books may be subject to customs control if the items concerned are considered as merchandise.

As depicted above, postal products are classified as letter post, parcel post or EMS. Letter post contains items such as letters and postcards, which are documents and typically not subject to systematic Customs control. Letter post also includes small packets (which contain goods) and M bags (direct bags of printed papers for the same address), both of which are subject to Customs control. All parcel-post items are subject to Customs control. EMS items can contain either documents or goods. EMS items containing goods are subject to Customs control. EMS items containing documents may be subject to Customs control, depending on the destination country.

The distinction between a letter-post small packet and a parcel is one that often causes confusion. To a customer, they are much the same. In general, to Customs, they are also the same, as the assessment of duty and tax is the same for a small packet or a parcel. However, the postal labelling of the items, the handling by the Posts, and the remuneration between Posts is different for small packets versus parcels, as indicated below:

	<i>Small packet (letter post)</i>	<i>Parcel</i>
Regulatory basis	UPU Convention Regulations	UPU Convention Regulations
Customs declaration	CN 22 – optionally CN 23	CN 23 (may be part of CP 72 manifold set)
Weight	0–2 kg (or up to 5 kg if bilaterally agreed)	0–20 kg (or up to 30 kg if bilaterally agreed)

	<i>Small packet (letter post)</i>	<i>Parcel</i>
Remuneration between Posts	Terminal dues	Inward land rates
Dispatch bill/receptacle label	CN 31 letter bill/CN 34, CN 35 or CN 36 receptacle labels	CP 87 parcel bill/CP 83, CP 84 or CP 85 receptacle labels
Barcoded item identifier	A 13-character S10-format barcoded item identifier is mandatory. This may be applied separately or included on the CN 22 or CN 23 form. This barcode is not for tracking purposes, unless the item has other characteristics implying tracking (registered, insured, tracked).	A 13-character S10-format barcoded item identifier is mandatory. This may be applied separately or included on the CN 23.
Electronic advance data	<p>From 2021, DOs at origin may be required to capture and exchange EAD for international postal items containing goods, in order to comply with the specific import Customs and security requirements laid down in the UPU Acts. More specifically, this means that:</p> <ul style="list-style-type: none"> – all items containing goods must bear a barcode identifier compliant with UPU technical standard S10; – ITMATT corresponding to the information on the CN 22/CN 23 Customs declaration and relating to the item must be provided and comply with UPU messaging standard M33; – S10 item identifiers for all items containing goods must be included in the PREDES message (standard M41) sent to the destination DO, and electronically linked (nested) to the S9 identifier of the receptacle containing that item; such identifiers may not be duplicated within a period of at least 12 months; – from 1 January 2023, under article 08-002.6 of the Convention Regulations, DOs must assist their air carriers in complying with pre-landing security requirements by ensuring that, where applicable, the relevant CARDIT message is transmitted to the airline, including the applicable regulations (AR) flag, in compliance with UPU messaging standard M48, so as to confirm that EAD has been filed with the destination authorities; – under articles 08-002.7 and 08-002.8 entering into effect from 1 January 2025, the DO of origin shall take reasonable measures to ensure that no “Do Not Load” referrals have been received, and that any “Request for Information” or “Request for Screening” referrals received via ITMREF have been processed and responded to via REFRSP, in compliance with UPU EDI messaging standards M53 and M54. 	

b Postal dispatch processes

1 Postal perspective

The processes involved with postal dispatches form the basis for all postal operations and accounting between Posts. These processes are important to Customs (and airlines) as they are necessary for ensuring the control of the postal supply chain. In their simplest form, the processes operate as described below.

Postal dispatch

Each dispatch from an origin office of exchange (OE) to a destination OE, for each mail subclass (as defined in UPU code list 117), is sequentially numbered, and the number is reset for the first dispatch of the calendar year. This is the “dispatch number”. Unless the Designated Operators involved have agreed to only exchange information electronically, each dispatch is accompanied by a paper (letter or parcel) bill which describes the dispatch, in terms of the number of receptacles, weight, etc. For the first dispatch of the calendar year, the last dispatch number of the previous calendar year is also included on the (letter or parcel) bill.

Destination OEs file the (letter or parcel) bills¹⁷ in order of dispatch number for each origin office of exchange and product. In so doing, a missing dispatch can be detected immediately on receipt of the next dispatch.

For example, if priority letter-post dispatch number 0123 of 2022 from Zurich OE to Montreal OE has been received, but dispatch number 0122 has not, then Montreal immediately knows that dispatch number 0122 may have gone astray and can initiate investigations.

A dispatch may also consist of only one receptacle (e.g. bag or tray), or may comprise several receptacles, depending on the volume of mail at the time. Unfortunately, individual receptacles of a dispatch do not always stay together as they progress through the supply chain. The (letter or parcel) bill also identifies the number of receptacles dispatched, so the destination can ensure not only that there are no missing dispatches, but also that each of the receptacles in a dispatch has been received. In a paper-based process, it is of critical importance that the destination receives the bill. Accordingly, the label of the receptacle carrying the bill is marked with a large “F” (for “forms”). This receptacle is often called the “F bag”.

These principles for dispatch and receptacle numbering, and receipt controls, form the basis for both manual and automated processes for exchange of mail between countries, thereby ensuring the integrity of the supply chain. It is very important that Posts rigorously apply these principles.

Postal consignment¹⁸

As noted, receptacles of a dispatch may not all travel together, and may not all travel on the specific transport that was planned when the dispatch was created. Receptacles of several different dispatches may travel on a specific transport. A Post may receive receptacles created by another Post and forward them onwards along with its own originating receptacles. (This is called closed transit.)

Thus, a consignment is a list of the receptacles assigned to a specific transport, regardless of the dispatch (or dispatches) to which the receptacles belong. Whereas a dispatch is generally defined by a letter or parcel bill (forms CN 31, CN 32 and CP 87), a consignment is defined by a delivery bill (forms CN 37, CN 38 and CN 41).

The existence of these UPU forms (delivery bill, receptacle labels) enables a shipment of mail to be moved from the custody of the airline at an airport to the custody of the Post at the inward office of exchange (which may be located a distance away from the airport) for postal Customs clearance.

Thus, the hierarchy of terms commonly used by the Post for the exchange of mail is as follows:

- Postal item: A letter, postcard, letter-post small packet, letter-post M bag, parcel, EMS item, etc.
- Postal receptacle: A component of a dispatch. It is typically a bag or a tray. It has a standard 29-character barcoded receptacle identifier. In addition to Posts, airlines use postal receptacles.
- Postal dispatch: Each postal receptacle is a component of a postal dispatch which has a standard 20-character dispatch identifier. The dispatch identifier is part of the 29-character receptacle identifier.
- Postal dispatch series: Postal dispatches are sequentially numbered within a dispatch series established between the origin OE and destination OE. This dispatch series is 15 characters and is also part of the receptacle identifier.
- Postal consignment: Postal receptacles are also included in consignments, for transport purposes. Thus, a consignment is a list of the receptacles assigned to a specific transport, regardless of the dispatch (or dispatches) to which the receptacles belong.

¹⁷ As well as the EMS equivalent of the CN 31 letter bill.

¹⁸ The term “consignment” is used in several contexts in UPU regulatory publications. In this case, the context is that of article 17-010 of the UPU Convention Regulations (a consignment is composed by the dispatches included in a delivery bill).

2 *Article description*¹⁹

From both a Customs and postal perspective, this is another level in the hierarchy. The article description refers to the content of postal items as indicated in the rows on the CN 22 or CN 23 titled “description of contents”. For example, a postal item that is a parcel might contain three dinner plates and six coffee cups. The three dinner plates would be one article description, and the six coffee cups would be another. The article description is a key element of many Customs processes. It is the article description that relates to the Harmonized System (HS) code which may be on the Customs declaration from commercial customers. The HS code is vital to ensuring effective fiscal clearance and is important for e-commerce volumes. The HS Convention provides for six-digit harmonization, though countries can go up to eight or 10 digits as required under their national legislation. UPU Convention Regulations article 20-001.2.8, entering into effect from 1 September 2025, requires senders of items containing goods of a commercial nature to provide six-digit WCO Harmonized System tariff codes on the Customs declaration for each article contained in an item.

3 *Airline perspective*

The delivery bill (e.g. CN 38) and receptacle labels (e.g. CN 35, CN 36, CP 84, CP 85) are very important to airlines for many reasons, including Customs at airports. For the airline, the delivery bill and UPU standard receptacle labels define a shipment as being mail, rather than cargo or freight, and enable the airline processes relating to mail to be applied.

c Acceptance and dispatch (export)

It is very important that Customs declarations be properly completed in English, French or in a language accepted in the destination country, and be legible. It is also very important that they be visible and readily accessible, i.e. securely affixed to the outside of the item, yet also protected from the rigours of transport.

It is important that the declared value of the item, as indicated by the sender, is accurate.

Failure to follow these guidelines typically means that the postal item has to be opened at destination (either by the Post or Customs), the articles inside inspected and assessed, and then the item re-packaged. This delays delivery of the item and adds, considerably, to the cost incurred by the destination. It also typically causes delays in delivery of other items because of the resources diverted to deal with these items.

There are two critical points in the supply chain at origin that can affect Customs processing at the destination: acceptance and dispatch.

- **Acceptance:** The acceptance of the item from the customer at the post office is the only place to ensure that the information on the Customs declaration is properly completed and the form is signed. While the sender is responsible for the information on the Customs declaration, the Post is responsible for training its acceptance staff to ensure that the form is properly completed, signed and affixed to the item. If a sender is unable to complete the Customs declaration or is unwilling to sign the form, the Post should not accept the item from the sender. The processes for ensuring the quality of Customs declarations for commercial customers (which may have large volumes and sometimes use automated systems to create Customs declarations) can be different from those for consumer customers, who may be occasional senders of international items. Posts need to ensure that their quality compliance processes at acceptance deal with and are respected by both types of customers.
- **Dispatch:** The dispatch process at the outward office of exchange is the second and last point in the supply chain where the quality of the Customs declarations can be assessed. Posts should train their OE staff, wherever practicable, to carry out a cursory check of the Customs declaration as the item is being dispatched, especially with regard to EAD requirements. Posts should have appropriate processes in place to deal with an item when the Customs declaration is found to be incomplete or illegible, or to have any other defect which may affect the Customs processing of the item at the destination. Manual checks are challenging in countries with large, high-volume operations. Electronic checks and other means, such as the use of automated optical character recognition technologies, should be built in whenever resources allow and volumes demand.

¹⁹ In the UPU standard on ITMATT V1 and joint WCO–UPU standards of CUSITM V2 and CUSRSP V2, this is called “content piece”.

d *Export controls*

Depending on national legislation, origin countries may have specific requirements for export controls, in addition to those covered by UPU publications (which cover dangerous goods and country-specific prohibitions and restrictions).

These export controls may be destination country-specific, based on the value of the item or on the quantity of specific commodities.

Origin Posts with such export controls must ensure that acceptance staff are suitably trained to be able to implement the controls effectively.

e *Summary of UPU forms, standards, EDI messages (including Customs-related messages)*

<i>Level</i>	<i>UPU letter post form</i>	<i>UPU parcel post form</i>	<i>Combined letter post or parcel post form</i>	<i>UPU technical standard</i>	<i>UPU messaging standard</i>
Article description	Customs declarations				
	CN 22	CP 72 ²⁰	CN 23 ²¹		M33 ITMATT V1 M55 ²² CUSITM V2 M56 CUSRSP V2
Item	Item-level labels			S10 item-ID (13-character barcode)	M40 EMSEVT M41 PREDES M53 ITMREF M54 REFRSP
	CN 04 registered CN 05bis tracked delivery CN 06 insured	CP 73 ordinary parcel CP 74 insured parcel			
	Forms listing items				
	CN 33 special list – registered items CN 16 special list – insured items	CP 87 parcel bill ²³			
Receptacle	Receptacle-level labels			S9 receptacle-ID (29-character barcode) S47 receptacle label	
	CN 34 surface CN 35 air CN 36 S.A.L.	CP 83 surface CP 84 air CP 85 S.A.L.			
	Referral handling				
Dispatch	Dispatch-level forms			S8 dispatch-ID	M41 PREDES M13 RESEDES
	CN 31 letter bill CN 32 letter bill for bulk mail	CP 87 parcel bill			

²⁰ The CP 72 is a manifold form set that includes a CN 23 Customs declaration and a CP 73 parcel label.

²¹ The CN 23, rather than the CN 22, can optionally also be used for letter post.

²² M55 CUSITM and M56 CUSRSP are joint WCO–UPU messaging standards.

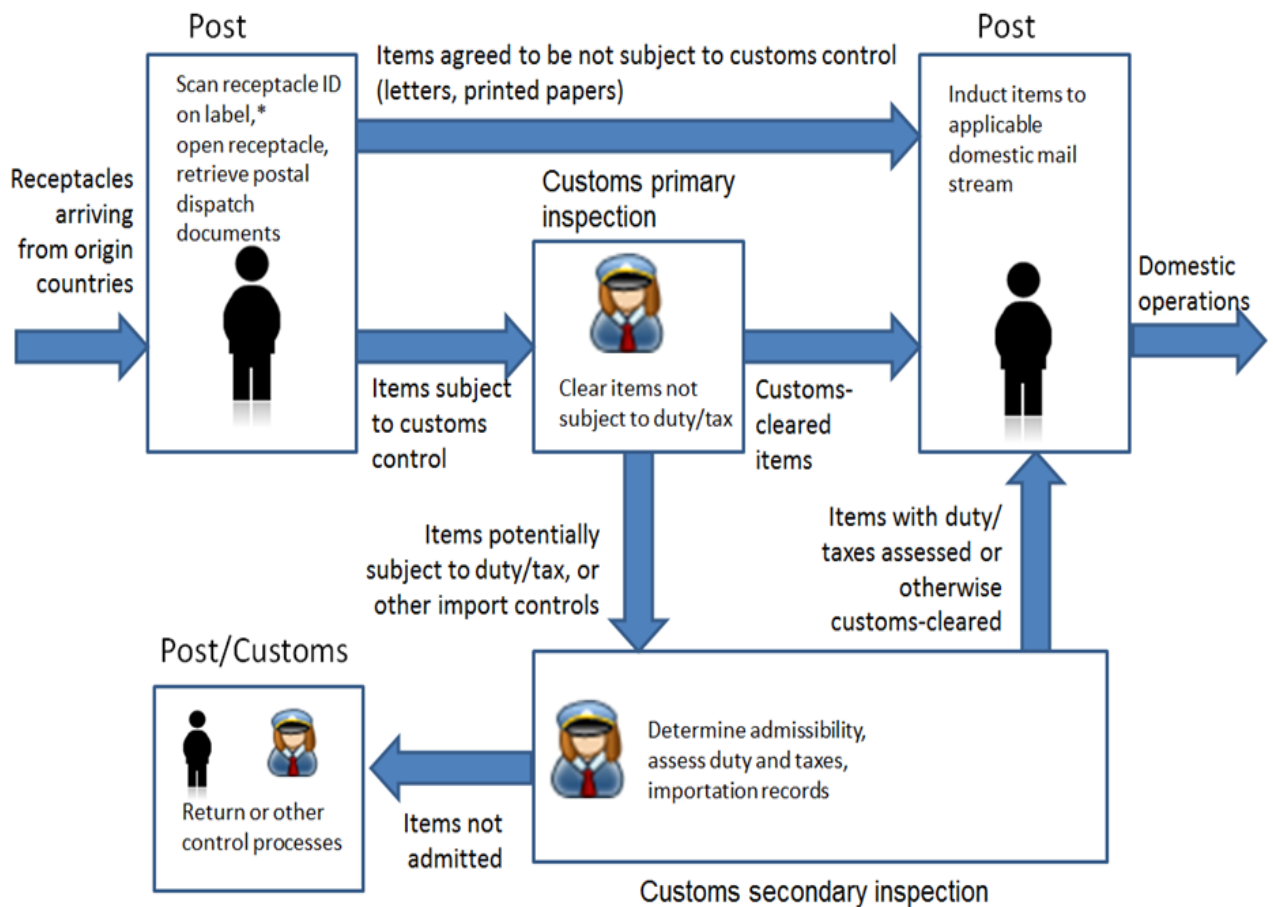
²³ Parcels are individually listed on the CP 87 parcel bill, functionally similar to the CN 33 for registered letter post.

Level	UPU letter post form	UPU parcel post form	Combined letter post or parcel post form	UPU technical standard	UPU messaging standard
Consignment	Consignment-level forms			S32 consignment ID	M10 PRECON M12 RESCON M48 CARDIT M49 RESDIT
			CN 37 delivery bill – surface CN 38 delivery bill – air CN 41 delivery bill – S.A.L. CN 47 delivery bill – empty receptacles		

f Postal Customs clearance process at an office of exchange

The diagram below illustrates a typical postal Customs clearance process flow at an inward office of exchange. Depending on the availability of data and its pre-arrival assessment, several channels and levels for targeted Customs inspection can be defined (e.g. pre-clearance, primary, phytosanitary, X-ray, secondary) for a more efficient and effective postal Customs inspection process.

Typical postal/customs processes at an inward office of exchange



* This is the 29-character identifier defined in UPU standard S9. It may be scanned on arrival at the OE, or as part of the opening process

g Key principles

The key principles of postal Customs clearance are outlined in the Revised Kyoto Convention, Specific Annex J, Chapter 2, covered elsewhere in this guide. They are based on the principles of universal postal service for the people of the world, with simplicity as a key objective.

h Typical postal/Customs processes

In the model depicted above:

- The Customs administration typically determines which items are subject to Customs control, taking into consideration the national regulations concerning Customs and those of any other government department for which Customs acts as an enforcement agency (refer to Revised Kyoto Convention Specific Annex J, Chapter 2 – Standard 6). It should be noted that Customs has the right to inspect all postal items. The right to open letters is subject to national legislation.
- The Customs primary inspection typically enables the release of a significant number of items very quickly. These generally include many small packets, gifts, etc., that are free of duty and tax.
- A Post receiving letters and printed papers in trays rather than bags may agree with Customs that all such mail be included with that not subject to Customs control, thereby accelerating postal and Customs processes.
- The processes within the office of exchange leading to the Customs primary inspection may be organized by class of mail, i.e. a separate process for letter post, parcel post and EMS. However separate processes for each class of mail typically would not apply to the Customs secondary inspection process.
- The Customs primary inspection process and secondary inspection process may be physically separate, as depicted above, or may be combined.
- It is up to the Post to present the mail to Customs in a manner that ensures that airmail/priority mail and surface/non-priority mail both meet their quality of service requirements (reference: article 17-113 of the Regulations to the UPU Convention on the priority treatment of priority items and airmail items).
- For items that must be opened for Customs inspection, the opening and re-closing may be done either by Customs or by the Post, in accordance with national legislation.

Posts and Customs may agree to variants of the model depicted above, for example:²⁴

- The Post could provide the documents (CN 22, CN 23, and commercial invoice) or images of the documents to Customs for inspection, rather than the physical items themselves.
- The Post could act on behalf of Customs for certain operations. As examples:
 - The Post could perform the Customs primary inspection process, based on procedural instructions and training from Customs.
 - The Post could determine the duty to be collected, with Customs validating the Post's process and helping the postal service with any difficulties in identifying the precise tariff applicable to the item.
 - The Post could also act as a Customs clearing agent, directly or indirectly representing the declarant (typically the addressee). In such a scenario, the Post would pay the duty and taxes to Customs and in turn receive payment from the addressee.

Flexible approaches to the above-mentioned three types of involvement should be developed to meet local needs while bearing in mind national legislation, resource considerations and national commitment under the Acts of the UPU.

²⁴ The WCO document "Guidelines to Specific Annex J Chapter 2 (Postal Traffic)" is the source of some of these alternatives.

To enhance the efficiency of the Customs clearance process, as well as the safety and security of the postal supply chain, the postal service should strive to use electronic interfaces with Customs and the origin Post to transmit content data electronically prior to the item physically arriving in the destination country. This will enable the Customs administration or Customs clearing agent to either perform pre-arrival clearance or prepare for import clearance.

Lastly, the electronic exchange of the CN 22/CN 23 Customs declaration or invoice information between origin and destination Posts should be promoted as a means of speeding up the clearance of postal items. In order to ensure that this information can be used for fiscal clearance, it is vital that the data transferred be accurate, complete and of good quality.

i Postal Customs clearance versus commercial Customs clearance

Postal staff in an office of exchange, or dealing with a customer, may have experience only with postal Customs clearance and may be unfamiliar with commercial Customs clearance. They may be called upon to understand or explain the differences. Here is a brief explanation of the key similarities and differences:

- Postal Customs clearance and commercial Customs clearance are similar in that the amount of duty and tax to be collected is the same.
- However, the assessment and collection of duty and tax can be a complex process, and there can be a significant difference in the cost of providing the assessment and collection service.
- Traditionally, commercial Customs clearance is aimed primarily at businesses. There is heavy emphasis in commercial Customs clearance on risk assessment and on the concept of the “known shipper”, for example, a company that complies with all Customs, security and financial requirements and has strict in-house procedures to ensure that packages only contain those items described on the documentation. However, with the growth of e-commerce, the shippers and consignees of small shipments ordered online are often individuals, who are unknown traders from a Customs perspective.
- Commercial Customs clearance relies on the provision of a combination of many data elements obtained from shipping manifests, commercial invoices, certificates, etc. This often involves more mandatory elements than are required for postal Customs clearance on the CN 22 and CN 23.
- Commercial Customs clearance typically involves a Customs broker, who has “security” filed with the Customs administration in the form of a surety bond or other security that may be specified in the importing country’s Customs legislation. Upon arrival in the country of destination, the goods remain in Customs control and are not released by Customs until the requisite documentation is submitted for Customs clearance. Customs administrations often introduce certain facilitation measures for e-commerce shipments.
- Generally, commercial Customs clearance is more suited to importing goods for resale. Such goods are often imported in larger quantities than can be accommodated in the postal supply chain.
- Commercial Customs clearance offers some flexibility, as there are commonly used additional options for assessment and payment of duty and tax. For example, whereas postal Customs clearance is based primarily on having the addressee pay the duty and tax, commercial Customs clearance provides more options for the sender to pay the duty and tax.
- One condition for postal Customs clearance is the fact that the shipments are sent from one office of exchange to another accompanied by postal transport documents only (e.g. the CN 37 or CN 38 form). These shipments are pre-advised from the OE of origin, with limited information at dispatch level, not content level.
- Commercial shipments must be accompanied by cargo manifests and, in some cases, transit procedures must be in place. Moreover, commercial shipments are pre-advised at content level between the forwarding agent and receiving agent. Commercial shipments must comply with the procedures established for pre-notification between Customs administrations worldwide.

In summary, from the perspective of a customer wishing to send an item to another country, commercial Customs clearance may be considerably more complicated than postal Customs clearance. On the other hand, commercial Customs clearance provides additional options.

j CN 22, CN 23 and CP 72 manifold set or commercial invoice

At its 41st meeting, in November 2021, the WCO–UPU Contact Committee agreed in principle to update the CN 22 and CN 23 Customs declaration forms. The changes were formally endorsed by the relevant UPU and WCO governing bodies in 2022. The amended forms were set to enter into force on 1 June 2023. They are available on the UPU website.


The amendments are in line with the topical requirements of day-to-day business, particularly in terms of carrying out effective risk management and enhancing service delivery, with special emphasis on:

- incorporating the sender’s instruction block from the former CP 71 form in the CN 23;
- progressing towards an integrated CN 22/CN 23 postal Customs declaration form by allowing the resizing of the CN 22;
- removing the value threshold for CN 22/CN 23, and allowing the use of a CN 22 form on all letter post provided the full declaration can be included;
- supporting the provision of electronic advance data by reformulating the language used on the forms.

1 CN 22 Customs declaration

The CN 22 Customs declaration is a resizable form that is smaller than the CN 23 and specifically intended for items such as small packets, where the physical space on the item can be quite limited. However, the CN 23 Customs declaration can also be used for letter-post items, if the sender prefers and space permits.

The CN 22 Customs declaration is depicted below. Small packets containing goods require a UPU Technical Standard S10 barcode identifier. It may be noted that the S10 barcode can be on the CN 22 or separate from the CN 22 on the item.

CUSTOMS DECLARATION CN 22				
 <small>UL 500 500 914 0A</small>		May be opened officially		
Designated operator			Important! See instructions on the back	
<input type="checkbox"/> Gift	<input type="checkbox"/> Commercial sample			
<input type="checkbox"/> Documents	<input type="checkbox"/> Returned goods			
<input type="checkbox"/> Sale of goods	Other (please specify):			
Quantity and detailed description of contents (1)	Net weight (2)	Value and currency (3)	H S tariff number* (4)	Country of origin* (5)
Total weight (in kg) (6)		Total value (7)		
I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations Date and sender's signature (8)				

Optional. Must meet S10 standard, including barcode height

CN 22 (Back)

Instructions

To accelerate customs clearance, you must complete all applicable fields, and fill in this form in English (preferably), French or in a language accepted by the origin and destination countries. If the content of the fields does not fit in the space available, you must use a CN 23 form. You must give the sender's full name and address on the front of the item.

For commercial items, it is recommended that you complete the fields marked with an asterisk (*), and attach an invoice to the outside, as it will assist Customs in processing the items.

Select a reason for export. ("Gift" is not an acceptable reason for export for commercial items.)

(1) Give a detailed description (generic descriptions such as "clothes" are not acceptable), quantity and unit of measure for each article, e.g. two men's cotton shirts.

(2), (3) Give the weight and value with currency for each article, e.g. CHF for Swiss francs.

(4*) The HS tariff number (6 digits) is based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization.

(5*) Country of origin means the country where the goods originated, e.g. were produced, manufactured or assembled.


(6), (7) Give the total value and weight of the item.

(8) Your signature and the date confirm your liability for the item.

Minimum size 74 x 105 mm, white or green
 Maximum size 105 x 148 mm, white

Note (Deleted)

The following diagram shows the purpose and use of each of the elements on the CN 22 Customs declaration.

 UL 800 800 014 CA				
CUSTOMS DECLARATION		May be opened officially		CN 22
Designated operator			Important! See instructions on the back	
Gift	Commercial sample			
Documents	Returned goods			
Sale of goods	Other (please specify): _____			
Quantity and detailed description of contents (1)	Net weight (2)	Value and currency (3)	H S tariff number* (4)	Country of origin* (5)
Total weight (in kg) (6)		Total value (7)		
I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations Date and sender's signature (8)				

Minimum size 74 x 105 mm, white or green
Maximum size 105 x 148 mm, white

Barcode: Optional. It must meet the requirements of UPU Technical Standard S10, including with respect to barcode height. Alternatively, the S10 barcoded item identifier may be affixed to the item separately from the CN 22. In either case, the postal item must have the S10 barcode identifier.

Designated Operator: The name of the DO is typically pre-printed on the form.

This may be a detachable part of the CN 22.

Important!: This is to ensure that the sender reads the important instructions on the back of the form

Content boxes: These boxes are to accelerate Customs clearance at destination. For example, many countries have a different threshold for duty for items that are gifts, etc.

(1) It is very important that the descriptions of the contents be precise and detailed in order to accelerate Customs clearance. Otherwise, it may be necessary to open the package at the destination, leading to delays and added cost. The descriptions may be in English or French (the two working languages of the UPU), or in a language accepted by the destination country.

(2) The weight of the individual contents is applicable only for those contents that are weight-based (e.g. "chocolates 0.5 kg"). The weight of other items (e.g. shirts) is not needed.

The values in **(3)** and **(7)** should also indicate the currency used (e.g. CHF for Swiss francs).

(4) DOs should encourage businesses that mail significant volumes internationally to include the HS tariff number (6 digits) based on the Harmonized Commodity Description and Coding System developed by the WCO, and also to attach an invoice to the outside of the item. This information and the invoice will assist Customs in processing the items.

(5) The country where the goods originated, i.e. were produced, manufactured or assembled, and not necessarily the country from which they are mailed.

The total weight in **(6)** is the gross weight of the item. The accepting postal official may weigh the item and inform the sender of this weight.

(8) This confirms the sender's liability for the item, certifying the accuracy of the content information and, very importantly, that the item does not contain dangerous articles. For commercial mailers with computer-printed CN 22s, the company name is acceptable.

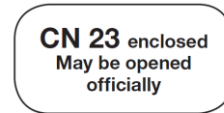
Further comments relating to the descriptions at the back of the CN 22 form:

CN 22 (Back)

Instructions
<p>To accelerate customs clearance, you must complete all applicable fields, and fill in this form in English (preferably), French or in a language accepted by the origin and destination countries. If the content of the fields does not fit in the space available, you must use a CN 23 form. You must give the sender's full name and address on the front of the item.</p> <p>For commercial items, it is recommended that you complete the fields marked with an asterisk (*), and attach an invoice to the outside, as it will assist Customs in processing the items.</p> <p>Select a reason for export. ("Gift" is not an acceptable reason for export for commercial items.)</p> <p>(1) Give a detailed description (generic descriptions such as "clothes" are not acceptable), quantity and unit of measure for each article, e.g. two men's cotton shirts.</p> <p>(2), (3) Give the weight and value with currency for each article, e.g. CHF for Swiss francs.</p> <p>(4*) The HS tariff number (6 digits) is based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization.</p> <p>(5*) Country of origin means the country where the goods originated, e.g. were produced, manufactured or assembled.</p> <p>(6), (7) Give the total value and weight of the item.</p> <p>(8) Your signature and the date confirm your liability for the item.</p>

Note (Deleted)

The (larger) CN 23 form is to be used for items with longer declarations that do not fit on a CN 22. The CN 23 can also be used if the sender prefers. If the CN 23 is not directly visible on the front of the item, the detachable part of the CN 22 or a label (see below) is to be affixed to the front of the item.



(Size 50 x 25 mm, colour white or green)

The CN 22 form is too small to include the sender identification on the form. However, the sender's full name and address must be on the front of the item for Customs clearance purposes.

If an M bag is registered, insured or tracked, the applicable S10-format barcoded identifier is applied, and the item should not have any other S10-format barcoded identifier. If the Post has included an S10-format barcoded identifier on all of its CN 22 or CN 23 forms, then this barcode should be obliterated so that the only S10-format barcoded identifier is that of the registered, insured or tracked item.

2 CN 23 Customs declaration

The CN 23 Customs declaration form is also used in letter post items and has the same business purpose as the CN 22 but makes it possible to include more optional information, as indicated in the diagram below. The elements that do not appear on the CN 22 are indicated:

				CUSTOMS DECLARATION		CN 23		
(Designated operator)								
From	Name		Sender's customs reference (if any)		No. of item (barcode, if any)		May be opened officially Important! See instructions on the back	
	Business							
	Street		Tel. No.					
	Postcode		Not on CN 22 (but must be on item)					
	Country							
To	Name							
	Business							
	Street		Tel. No.		Importer/addressee reference (if any) / tax code / VAT No. / importer code (optional)			
	Postcode		City		Not on CN 22			
	Country				Importer/addressee fax/e-mail			
Detailed description of contents (1)			Quantity (2)	Net weight (in kg) (3)	Value (5)	For commercial items only		
						HS tariff number (7)	Country of origin of goods (8)	
			Total gross weight (4)	Total value (6)	Postal charges/Fees (9)			
Category of item (10)		Commercial sample	Other (please specify):			Office of origin/Date of		Not on CN 22
<input type="checkbox"/> Gift		Returned goods	Explanation:					
<input type="checkbox"/> Documents		Sale of goods						
Comments (11): (e.g.: goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions)						Insured value SDR		
						Total gross weight of the parcel(s)		
						Charges		
Licence (12)		Certificate (13)	Invoice (14)		Sender's instructions in case of			
No.(s). of licence(s)		No.(s). of certificate(s)	No. of invoice		Treat as abandoned <input type="checkbox"/>			
						Not on CN 22		
I certify that the particulars given in this customs declaration are correct and that this item does not contain any dangerous article prohibited by legislation or by postal or customs regulations						I have received the parcel described on this note		
						Date and addressee's signature		
						Declaration by addressee		

Size 210 x 148 mm

The instructions on the back of the CN 23 Customs declaration form are as follows:

Instructions

You should attach this customs declaration and accompanying documents securely to the outside of the item, preferably in an adhesive transparent envelope. If the declaration is not clearly visible on the outside, or if you prefer to enclose it inside the item, you must fix a label to the outside indicating the presence of a customs declaration.

To accelerate customs clearance, complete this declaration in English (preferably), French or in a language accepted by the origin and destination countries. If available, add importer/addressee telephone number and e-mail address, and sender telephone number.

To clear your item, the Customs in the country of destination need to know exactly what the contents are. You must therefore complete your declaration fully and legibly; otherwise, delay and inconvenience may result for the addressee. A false or misleading declaration may lead to a fine or to seizure of the item.

Your goods may be subject to restrictions. It is your responsibility to enquire into import and export regulations (prohibitions, restrictions such as quarantine, pharmaceutical restrictions, etc.) and to find out what documents, if any (commercial invoice, certificate of origin, health certificate, licence, authorization for goods subject to quarantine (plant, animal, food products, etc.) are required in the destination country.

Commercial item means any goods exported/imported in the course of a business transaction, whether or not they are sold for money or exchanged.

- (1) Give a detailed description of each article in the item, e.g. “men’s cotton shirts”. General descriptions, e.g. “spare parts”, “samples” or “food products” are not permitted.
- (2) Give the quantity of each article and the unit of measurement used.
- (3) and (4) Give the net weight of each article (in kg). Give the total weight of the item (in kg), including packaging, which corresponds to the weight used to calculate the postage.
- (5) and (6) Give the value of each article and the total, indicating the currency used (e.g. CHF for Swiss francs).
- (7) and (8) The HS tariff number (6-digit) must be based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization. “Country of origin” means the country where the goods originated, e.g. were produced/manufactured or assembled. Senders of commercial items are advised to supply this information as it will assist Customs in processing the items.
- (9) Give the amount of postage paid to the Post for the item. Specify separately any other charges, e.g. insurance.
- (10) Tick the box or boxes specifying the category of item.
- (11) Provide details if the contents are subject to quarantine (plant, animal, food products, etc.) or other restrictions.
- (12), (13) and (14) If your item is accompanied by a licence or a certificate, tick the appropriate box and state the number. You should attach an invoice for all commercial items.
- (15) Your signature and the date confirm your liability for the item.

3 CP 72 manifold set or commercial invoice

The CN 23 form used for parcels is one part of the CP 72 manifold set, which is a multi-purpose form. The CP 72 manifold set also incorporates the customer receipt, the parcel labels (CP 73 or CP 74), as well as parts that can be used for address labels.

The S10-format barcoded identifier on the CP 72 manifold set is prefixed with a “C”, indicating that the item is a parcel. For EMS, it is prefixed with an “E”, indicating that the item is EMS.

Because the CP 72, as applied to parcels, has the S10-format barcoded identifier, the CP 72 also incorporates the CP 73 parcel label for ordinary parcels and the CP 74 parcel label for insured parcels. As long as the barcoded identifier on the CP 72 is readily visible, the CP 73 or CP 74 label is not required.

The postal dispatch block on the CP 72 has postal information that is intended for use by the addressee and the destination Post. For example, it is the form used to capture the addressee’s signature and the date of delivery, the sender’s instructions in case of non-delivery, and the insured value. Many Posts do not actually use this block, as they have their own tracking systems and processes to capture the addressee signature and delivery date.

UPU Regulations article 17-210.1 indicates that:

- 1 A CP 72 manifold set, or a CN 23 customs declaration (in duplicate where requested by the destination designated operator), shall accompany each parcel. The contents of the parcel shall be shown in detail on the customs declaration and indications of a general kind shall not be admitted. The CP 72 manifold set, or the CN 23 customs declaration (in duplicate where requested), shall be attached to the outside of the parcel, in such a way as to prevent its loss.

Other components of the CP 72 manifold set:

Labels for exceptionally admitted dangerous goods

Some dangerous goods are exceptionally admissible with proper packaging and labelling. Convention article 19 makes provision for the exceptional admission of dangerous goods, which may include items containing infectious substances or radioactive materials. In such cases, special labels and text markings are to be included on the items. These are described in articles 19-005 (infectious substances) and 19-006 (radioactive materials) of the Convention Regulations.

CN 15 return label

If an item is returned, the CN 15 return label is to be affixed, with the reason for return clearly indicated, as well as the date the item is returned. The fact that an item is a return item has implications for Customs, so the CN 15 return label should be highly visible on the postal item.

RETURN	CN 15
<input type="checkbox"/> Unknown	<input type="checkbox"/> Refused
<input type="checkbox"/> Moved	<input type="checkbox"/> Unclaimed
<input type="checkbox"/> Insufficient/ Non-existent address	<input type="checkbox"/> Refused by Customs
<input type="checkbox"/>	
Return date:	

Convention, Istanbul 2016, art. 19-103 –
Maximum size 52 x 52 mm

Envelope for documents

UPU regulations refer to the CP 91 and CP 92 forms. These are transparent adhesive envelopes to carry the Customs declarations and other shipping documents. The only difference between CP 91 and CP 92 is the size. It is important that origin Posts develop the envelope design in consideration of the design of the forms (e.g. CN 22, CN 23 or CP 72), to ensure that the forms can be easily inserted and removed and that the important information is visible. This will accelerate the Customs clearance processes at the destination.

Commercial invoice and pro-forma invoice

A commercial invoice is a document used in foreign trade. It may be used as the basis for a formal Customs declaration provided by the person or corporation that is exporting an item across international borders. Although there is no standard format, the document must include a few specific pieces of information, such as the parties involved in the shipping transaction, the goods being transported, the country of origin, and the Harmonized System codes for those goods. A commercial invoice must also include a statement certifying that the invoice is true, as well as a signature. Commercial invoices may need to contain tax identification numbers, VAT (value-added tax) information, and other information required by the country of origin and/or destination.

A commercial invoice is used to calculate tariffs and international commercial terms and is commonly used for Customs purposes.

A pro forma invoice can be used for shipments containing items that are not being bought or sold, such as gifts, samples and personal belongings, whereas a commercial invoice is used when the commodities shipped are being bought or sold.

k Relevant UPU publications

The following publications can be found in the Customs section of the UPU website.²⁵

1 List of prohibited and restricted articles

The list of prohibited and restricted articles is an online system available to UPU member countries. Using this tool, national Customs information on prohibited and restricted articles in the mail can be searched and updated. It also provides the UPU's standard prohibitions and restrictions, which are applicable globally.

²⁵ The Customs section of the UPU website can be found at www.upu.int/en/Postal-Solutions/Programmes-Services/Postal-Supply-Chain/Customs.

2 UPU Customs Compendium

This publication provides Designated Operators with relevant, up-to-date information regarding country-specific Customs procedures so that they can inform their customers and facilitate the postal Customs clearance process.

The topics covered are:

- i Import processing of Customs duties and postal charges;
- ii Delivery of taxable/dutiable items;
- iii Other agencies responsible for Customs clearance of postal items;
- iv Questions relating to Customs declarations;
- v Miscellaneous information.

3 UPU Customs EAD Compendium

This publication provides Designated Operators with relevant and up-to-date information regarding country-specific EAD procedures, so that they can prepare the dispatch process at origin.

The topics covered by this compendium are:

- i National regulations enforcing UPU EAD requirements;
- ii Preferred declaration language(s), and whether a duplicate CN 23 form is required;
- iii Ability to process referrals;
- iv Consequences of items arriving without EAD (delays, costs, refusals);
- v Contacts for ITMATT exchanges and operational processing in relation to EAD.

4 Letter and parcel compendia and EMS Operational Guide

The two compendia provide information specific to each Post, for letters and parcels respectively. They are available on the UPU public website. The EMS Operational Guide also has information specific to each Post as regards EMS. It is maintained by the EMS Cooperative and is accessible to registered users.

These publications contain the following information relevant to Customs:

<i>Letter Post Compendium</i>	<i>Parcel Post Compendium</i>	<i>EMS Operational Guide</i>
Whether a duplicate CN 23 Customs declaration is needed (expressed as a number: 1 or 2) Languages in which the CN 22 label and CN 23 Customs declarations may be filled in Whether the address label of M bags (direct bags of printed papers to the same addressee) requires a CN 22 label Special conditions for applying the CN 22 label to M bags	Threshold level below which parcels are free of Customs duties and charges Customs treatment or clearance fee for a parcel subject to import Customs inspection/clearance? Administration fee for a parcel subject to export Customs inspection/clearance? Delivery procedures for parcels for which Customs duty and taxes are payable Whether a duplicate CN 23 Customs declaration is required for inbound and transit parcels Languages in which the CN 23 Customs declaration can be completed	Source of information regarding prohibited and restricted articles Items exempt from Customs duty and required documents National Customs Administration website Customs broker, if applicable Charge to addressee, if any, for the presentation of the item to Customs

<i>Letter Post Compendium</i>	<i>Parcel Post Compendium</i>	<i>EMS Operational Guide</i>
	Method of dispatching accompanying documents (CP 72/CN 23) Details of delivery standards for both air and surface parcels including indication of average Customs clearance time	

5 *International Bureau circulars*

IB circulars are communiqués issued to all UPU member countries and Designated Operators (DOs). They can contain information that a Post asks the IB to issue on its behalf to all other Posts. They can also contain information that the IB needs to communicate to Posts. The circulars are accessible to registered users on the UPU website.²⁶

IB circulars are often used to highlight changes in prohibitions or restrictions, and occasionally for other Customs-related information. Many IB circulars refer to problems caused by inadequate or missing Customs declarations.

1 *Other relevant joint WCO–UPU publications*

1 *WCO–UPU guidelines for developing a Memorandum of Understanding (MoU) between Customs and Post at national level*

The main thrust of this joint document is to provide guidance and ideas to Designated Operators (DOs) and Customs administrations for formalizing contacts at the national level. These guidelines do not seek to impose a specific model on the entities concerned. The division of the document into three sections is meant to add clarity and to provide entities with greater freedom in drafting the MoU, in line with their national requirements and needs.

The first section sets out principles/recommendations for developing an MoU; the second section contains details for supplementing and implementing the guidelines (if deemed appropriate, DOs and Customs administrations may incorporate the details into their MoUs); and the third section contains an example of an existing MoU between a Customs administration and a DO.

The drafting of an MoU will help DOs and Customs administrations examine and clarify their practical obligations and responsibilities as regards the Customs clearance of postal items. An MoU would therefore enable national DOs and Customs to work together harmoniously, ensuring efficient Customs clearance and the timely delivery of cleared items.²⁷

2 *WCO–UPU guidelines on the exchange of EAD between Designated Operators and Customs Administrations*

The WCO and the UPU launched these guidelines as a joint WCO–UPU tool that can easily be updated as experience is gained and the exchange of EAD grows. The guidelines provide an entry-level information source for Posts and Customs administrations working together to establish the exchange of EAD, offering advice on how to gain support within the respective organizations for the adoption of this development project.

As the volume of e-commerce merchandise continues to grow, it is important that Customs administrations and DOs collaborate on a global scale to improve overall safety and security and risk management, while maintaining efficient service and high-quality end-to-end service standards within the postal stream.

²⁶ UPU IB circulars are available at documents.upu.int.

²⁷ The WCO–UPU guidelines for developing a Memorandum of Understanding (MoU) between Customs and Post at national level are available at www.upu.int/en/Postal-Solutions/Programmes-Services/Postal-Supply-Chain/Customs.

The capture and transmission of EAD facilitates the exchange of critical Customs and security information between DOs, Customs administrations and carriers and their agents within the supply chain. It also provides Customs administrations with the information they need to undertake risk assessment prior to the arrival of a parcel or its loading on the conveyance. EAD also facilitates the Customs procedures associated with revenue collection, as items are subjected to electronic fiscal assessment for the collection of the appropriate duties and taxes. This helps DOs to improve quality of service, while strengthening the integrity of the postal supply chain.

Rapid and ongoing IT developments now enable DOs and Customs administrations to connect the physical flows of postal items with corresponding electronic data flows. The intended purpose of these guidelines is to offer guidance in clear language to aid all DOs and Customs administrations in jointly developing new arrangements, or to enhance or upgrade existing procedures, so that they can meet or exceed their emerging processing, fiscal and safety/security requirements in a timely manner. To this end, the guidelines provide:

- i Information to assist in the development of a business case for DOs and Customs administrations to begin exchanging EAD;
- ii Information on tools, standards and regulations;
- iii A step-by-step approach to assist in process and system development;
- iv Key considerations for this type of project, as well as lessons learned.

Customs data will need to be collected for most items and exchanged using specific and detailed UPU standards and joint WCO–UPU Customs–Post messages. Once collected, the data can be used to process the items through Customs for risk assessment and for fiscal charging. From a safety and security perspective, the data can be used to strengthen aviation security. In addition, the data can be used for domestic sorting, delivery planning and customer service purposes, adding further value for the DO. However, there are limitations on data usage, which is dependent on the terms of the data sharing agreements signed between DOs, in compliance with data privacy and protection laws.

Comprehensive step-by-step guidance forms the key component of this document, explaining how to move forward using a phased approach to implementation. Lastly, the sharing of key considerations and best practices will enable DOs and Customs administrations to take the lessons learned and apply them when developing and implementing their own programmes and processes.

3 WCO–UPU guidelines on data capture and compliance with the CN 22/23 (flow zero)

These joint WCO–UPU guidelines are intended to offer guidance and best practices for designated postal operators (DOs) of origin countries sending international mail items (e.g. letters, packets or parcels subject to Customs control) with regard to the capture of Customs data at source, with a view to improving data quality and compliance with Customs declarations.

The main objective of collecting data from Customs declarations (CN 22 and CN 23 declaration forms) is to transfer this information from the paper form to its electronic equivalent – namely an ITMATT EDI message (ITeM-ATtribute – see UPU technical standard M33 ITMATT V1) – for transmission to the destination country of the mail item.

Where electronic data is received directly from a customer, a printed form signed by the declarant (i.e. sender of the mail item) must be attached to the mail item, to confirm that the sender has agreed to the terms of the declaration provided and assumes liability for the item. The data provided electronically and on paper must match and comply with the requirements of the CN 22 and CN 23 postal Customs declaration forms.

The guidelines include a table listing all data elements on the revised CN 22 and CN 23 forms, along with the corresponding item attributes in ITMATT relevant for electronic Customs declaration purposes. The last column of the table contains an explanation of what is required from customers when completing the CN 22/23. This information has been compiled to support customers and to help postal staff involved in the data capture process advise customers on correct completion of the forms. The table could serve as a guide for use in post offices, postal service points, customer service departments and offices of exchange, and for publication on websites.

DOs may use information from these guidelines for web portals, manuals, training, support for staff at post office counters, sales staff assisting business customers, staff at offices of exchange performing data entry into IT systems, etc. Customs administrations may use the guidelines to agree on the conversion of electronic Customs declarations received by the destination DO in ITMATT form into a CUSITM (CUSToms ITeM) message according to the WCO–UPU joint messaging standard, or its local equivalent.

These guidelines are available on the UPU website.²⁸

m Best practices between Posts and Customs

A number of best practices are described below:

- According to the WCO–UPU guidelines for developing a memorandum of understanding between Customs and the Post, there should be regularly scheduled meetings between Posts and Customs at both the office of exchange and national level, to discuss issues, plan and coordinate staffing levels, and resolve problems.
- Posts and Customs should work together towards establishing national interfaces to exchange information and data between them and also with all postal supply chain stakeholders, thereby enabling the digitalization of postal and Customs working processes to facilitate more efficient and effective collaboration.
- Posts and Customs should prioritize the use of technology and innovation to improve the efficiency, transparency and security of Customs and postal processes, including the exploration of interconnection of data exchange platforms and interfaces, the deployment of advanced screening technologies and the digitalization of the global postal supply chain.
- Posts should encourage businesses that mail significant volumes of package-type items and print out Customs declarations to codify the products in their catalogue with the six-digit Harmonized System tariff number, based on the WCO Harmonized Commodity Description and Coding System, and to include the HS tariff code on forms CN 22 or CN 23 in order to accelerate Customs processing at destination.
- Posts should encourage business customers to attach an invoice to the outside of the item and to use a transparent plastic envelope.
- Posts should regularly review their entries in the UPU Customs Compendium, the country-specific list of prohibited and restricted articles, the EAD Compendium, the Letter and Parcel Post Compendia, and the EMS Operational Guide to ensure that the Customs information is accurate, clearly stated and up to date.
- Posts should ensure that they have an effective mechanism for advising their customers about the prohibitions and restrictions of destination countries, as published by the International Bureau.
- Posts and Customs should put in place integrated automated systems at national level to expedite postal Customs clearance.
- Wherever possible, the integrated system should utilize, or cross reference with, the 13-character S10 postal item identifier.
- Posts and Customs should jointly establish processes for contacting senders who repeatedly have incorrect Customs declarations. This may be detected by the destination Customs administration and referred to the destination Post, which in turn advises the origin Post.

The WCO has published the “Revised Kyoto Convention Guidelines to Specific Annex J Chapter 2 (Postal Traffic)”, which contain a number of points that may also be considered when reviewing best practices:

- Under Standard 2, the WCO recommends that:
 - Posts and Customs administrations adopt formal MoUs and that the relevant details be publicly available;

²⁸ The WCO–UPU guidelines on data capture and compliance with the CN 22/23 (flow zero) are available at www.upu.int/en/Postal-Solutions/Programmes-Services/Postal-Supply-Chain/Customs.

- origin Posts should ensure that correctly completed CN 22 and/or CN 23 forms have been provided and, in particular, that such forms are signed. Posts should not accept the items when the declarations are missing or evidently incomplete;
 - inward offices of exchange should be joint Post/Customs operations, with accommodation for Customs provided by Posts.
- Under Standard 6, the WCO recommends that:
- Customs use X-ray or detector dogs in clearing processes;
 - Posts and Customs jointly consider a process according to which Customs administrations are presented with information about postal items (from the CN 22 or CN 23) rather than the items themselves.
- Under Standard 7, the WCO recommends that Customs administrations, in conjunction with Posts, insert a note to the addressee in any items that have been examined for Customs clearance purposes because of a missing or incomplete CN 23 declaration, suggesting that the sender be advised to ensure that declarations are properly completed.
- Under Standard 11, the WCO recommends that national legislation should enable the tax- and duty-free importation of gifts up to a nationally specified value. In this regard, a gift could be defined as an item that:
- a is sent to a private person by or on behalf of another private person residing abroad;
 - b is occasional; and
 - c consists of goods for personal use by the addressee or his/her family, the nature and quantity of which are such that the item is obviously not of a commercial nature.
- The WCO recommends that joint consideration (Post/Customs) should be given such that, when postal items are opened for examination, Customs may advise addressees by inserting a note or adding a stamp indicating that the item has been opened.
- The WCO recommends that databases be used for mutually beneficial purposes, including information on mail volumes and advance information on mail en route.
- The WCO recommends that Customs consider offering training to postal staff, provided that the staff trained are expected to remain in their jobs for a duration that makes the training worthwhile.

n Improving the quality of information regarding Customs declaration data and forms

1 Impacts

A missing, illegible or otherwise poorly completed Customs declaration may affect customers, Posts and Customs administrations in many different ways. A single missing or poorly completed Customs declaration may cause delays in the processing of other items, as staff at the destination (Posts and/or Customs) must take time to deal with the problem.

2 Factor – the customer experience

Many customers sending international items are occasional mailers. They arrive at a post office with a package to be mailed and are handed a Customs declaration to be completed, typically with the instructions written on the back of the form. In the case of a CN 22, the instructions are in a very small font and may be difficult to read. There may be other customers waiting in line. There may also be language issues, as customers who mail internationally may not be proficient in the local language.

Such an environment is not conducive to customers' learning about how to properly complete postal Customs declaration forms.

3 *Recommendations*

Inform and remind the customer

Digital information campaigns through social media channels and web portals are the most direct way of reaching out to customers to inform them of their responsibility to provide complete and accurate Customs declaration forms.

A one-page poster-type document (A4 and/or A3 size) could be displayed in post offices to show customers how to fill in Customs declaration forms, including an explanation of the reasons for the information. This would help customers review the material prior to bringing items to the counter. Posters should also be available at the post office for customers to pick up and take away.

Posts should make every effort to include important information regarding Customs declaration forms on their websites and in any other publications customers may use.

Empower the customer

Enabling data capture through digital front-end tools such as web portals, mobile applications and self-service kiosks is a way of including customers upfront in the Customs declaration process, empowering them to proactively fulfil their responsibility towards Customs. It also translates into an improved customer journey through the international postal service, and enables DOs to better fulfil their EAD obligations.

Posts should consider the development of incentives, interfaces and tools for large international shippers, to encourage these customers to prepare the Customs declaration via online or other self-service systems, prior to lodgement with the Post. This will encourage improved quality of data and creation of a legible (printed) label, and permit the electronic capture of the content of the Customs declaration which can then be used to facilitate Customs clearance on arrival at the destination.

Quality control and feedback

Employees who erroneously accept international items will continue to do so until they are made aware of their error; otherwise, the error will recur indefinitely.

In many Posts, the dispatch process is a key point in the supply chain process during which it is appropriate to monitor compliance with Customs declarations. A Designated Operator may have many post offices where international mail is accepted from customers, but very few offices of exchange where international dispatching takes place (in some cases only one). Regardless of the office of posting, all items requiring a Customs declaration pass through an outward office of exchange, making it an ideal place to assess the quality of Customs declarations.

With digitalization, there is now an effective and inexpensive way to precisely document problems with the completion of Customs declaration forms, as well as an opportunity to deploy optical character recognition technologies to fulfil DOs' obligations with respect to data capture and transmission.

Origin Posts could establish a quality control feedback process that:

- takes place during the dispatch process at the outward office(s) of exchange;
- focuses on a sample of outbound items subject to Customs control – i.e. those items that have, or should have, a CN 22 or CN 23 Customs declaration;
- includes the photographing of items with wrongly completed or missing Customs declaration forms and the sending of a report, along with the photo, by mail or e-mail to the origin post office;
- requires the origin Post to then confirm that the error has been corrected.

This quality control feedback process at dispatch should also ensure that EAD requirements have been met, namely;

- all items containing goods must bear a barcode identifier compliant with UPU technical standard S10;
- ITMATT messages relating to the item must comply with UPU messaging standard M33;
- S10 item identifiers for all items containing goods must be included in the PREDES message (standard M41) sent to the destination DO, and electronically linked (nested) to the S9 identifier of the receptacle containing that item; such identifiers may not be duplicated within a period of at least 12 months; and
- DOs must assist their air carriers in complying with pre-landing security requirements by ensuring that, where applicable, the relevant CARDIT message is transmitted to the airline, including the applicable regulations (AR) flag, in compliance with UPU messaging standard M48, so as to confirm that EAD has been filed with the destination authorities.

Involve the addressee

In many cases, a poorly completed Customs declaration will cause a delay in delivery of the item, thus penalizing the addressee. Often an addressee can take steps to inform the sender of the problem to avoid future issues.

Destination Posts or Customs could apply a form or label to items delayed on account of poor Customs declarations. The objective would be to inform the addressee of the problem caused by the sender, and to encourage the addressee to inform the sender.

Inform the origin Post

If a destination Post notices a large number of incorrectly completed Customs declarations arriving from a specific origin Post, it should notify the origin Post of the problem and include digitally photographed examples. This may be more effective than the destination Post requesting the International Bureau to issue a circular to all Posts.

For example, if a destination (Post and/or Customs) detects items from commercial senders with the value under-declared on the Customs declaration (e.g. as compared with the invoice), the origin Post should be informed and, in turn, should take the issue up with its customer.

Seek feedback from Customs on electronic data

When CN 22/23 data is exchanged in electronic form, the receiving Post should have regular discussions with Customs with regard to the quality of the data, and obtain information on the feedback that Customs seeks to provide to senders regarding data quality. The receiving Post should then provide these observations to the sender Post(s), to try and increase the quality of the electronic data. The sender Post(s) should, on their side, engage in regular communication with their high-volume customers to continuously improve the quality of the information provided.

o Related projects, systems, instruments and tools used by Posts/Customs

Posts and Customs may use a number of systems, some of which are intended for use by Posts but not by Customs, and vice versa. Some systems may be used by both Posts and Customs. Posts and/or Customs may purchase systems from commercial suppliers or develop their own systems.

1 Customs IT systems

Around the world, public authorities are now expected to deliver public services electronically. It was natural for Customs, with their key responsibilities for goods control, revenue collection and border enforcement, to introduce automation systems, initially, to control the inspection and examination of goods, and the collection of associated revenues. Customs administrations then began to use information and communication technologies to shift the focus of inspection from goods to relevant information on paper-based import and export declarations. They found that they could also reduce obligations on traders to submit numerous copies of original paper documents, as key information was being captured by an automated system, which could not only validate and process data but also stock them at a cost far below that of storing paper records.

Nevertheless, given the then rudimentary state of information and communication technologies, Customs still needed the physical presentation of paper by declarants or their representatives, at a place and time convenient to, and specified by, Customs. Subsequently, with advances in IT, the later use of enhanced ICT, originally by businesses and shortly afterwards by Customs administrations, created the possibility of instant and direct communication. These technologies finally replaced paper documentation and transformed the prevailing procedural structures and rules. For instance, Customs could now meet their own needs and those of their commercial trading partners by separating release from clearance. Electronic information received well in advance of the goods could give Customs all of the necessary physical control information to apply controls.

Customs administrations use a variety of information technology systems. Some have developed their own systems, while others have adapted packages that can be tailored to national requirements.

In a Customs IT system, data may be captured through:

- keying of data by Customs officers;
- keying of data through direct trader input (DTI), by trading partners or bureau services;
- scanning of barcodes, auto-identification devices and optical character recognition (OCR);
- sensors and location-aware devices;
- data transmission.

Most countries use either direct trader input or electronic data interchange (EDI).

A typical automated Customs system performs the following functions:

- cargo inventory control;
- management of licences, permits, certificates, etc.;
- release notification;
- selectivity (including risk assessment and targeting);
- revenue accounting;
- external trade statistics and management information system (MIS) reporting.

Some countries have separate systems for postal clearance, while others have integrated postal clearance functions into their national Customs systems. It is, however, not unusual that even when Customs clearance procedures in one country are automated, this functionality is missing in clearance of postal items.

2 *WCO Data Model*

The WCO Data Model²⁹ is a compilation of clearly structured, harmonized, standardized and reusable sets of data definitions and electronic messages designed to meet the operational and legal requirements of Customs and other cross-border regulatory agencies responsible for border management.

The WCO Data Model is an international standard developed and maintained in alignment with other commonly used international data standards that have been widely adopted by the international trade and transport communities. The WCO Data Model was developed by WCO Members in cooperation with industry and international organizations.

Cross-border regulatory formalities are associated with burdensome, inefficient, redundant and unclear processes and data requirements. The WCO Data Model was created with the objective of reducing those regulatory barriers by providing clear, simplified, harmonized and standardized regulatory requirements. It benefits economic operators by reducing costs to comply with cross-border regulatory formalities, and regulatory agencies by supporting them in enhancing efficiency in the management of borders.

²⁹ Information on the WCO Data Model is available at www.wcoomd.org/datamodel.

The WCO Data Model also provides the solution for optimized electronic data exchange. It provides a global standard for cross-border data requirements for the release and clearance of goods and containers, for means of transport and for stakeholders. It is published in two parts:

- standardized components that include the data elements and their names, definition format representation, coded value, and corresponding United Nations Trade Data Elements Directory (UNTDDED) element. Class structures help arrange related data elements into meaningful information;
- information packages that are created by combining relevant standardized components of the WCO Data Model. The information packages include standard templates of electronic messages relating to a business context. They illustrate a particular business function.

To keep the model up to date with recent developments, a data maintenance procedure has been put in place. The procedure enables WCO Members, based on clear and strong business needs, to request changes to the current specification. The procedure includes a governance mechanism on how the requested changes could be approved.

The WCO–UPU Customs–Post standard electronic messages are aligned with the WCO Data Model. Effective from version 3.6.0, the WCO Data Model contains a derived information package explaining how the WCO–UPU Customs–Post messages use the WCO Data Model.

3 *Joint WCO–UPU Customs–Post EDI messaging standards*

The UPU and WCO have jointly developed Customs–Post EDI messages (CUSITM and CUSRSP messages) in line with the WCO Data Model. CUSITM pre-advice messages are intended to be sent from the post office of export receiving an item, to the Customs administration in the country of import. Such messages provide Customs with pre-advice regarding an item, including the sender, addressee, contents, postage paid, and declared value. This information allows the Customs administration to decide whether or not an item should be held for security inspection, and whether taxes and duties should be assessed. CUSRSP messages, intended to be sent from a Customs administration to a post (usually in response to a CUSITM pre-advice message), advise the post on whether an item can be released for onward processing or whether it must be retained for security inspection or the assessment of taxes and duties.

A new version (V2) of the joint WCO–UPU messaging standards has been developed to address emerging requirements stemming from the pre-loading advance cargo information (PLACI) risk analysis process. This new version was endorsed by the WCO–UPU Contact Committee at its 41st meeting in November 2021. The update was reviewed by the UPU Standards Board at its 2022.1 meeting and subsequently published as CUSITM V2 (M55) and CUSRSP V2 (M56). On the WCO side, the Permanent Technical Committee (at its 235th and 236th sessions in April 2022) and the WCO Council (at its 139th and 140th sessions in June 2022) approved the new version of the standards and agreed to their publication as joint WCO–UPU messaging standards CUSITM–CUSRSP V2.

4 *UPU messaging standards*

The UPU messaging standards directly applicable to Customs-related processes are described in the table below.

<i>Message standard</i>	<i>From/to</i>	<i>General description</i>	<i>Business purpose</i>
M17 EMSEVT V1 Newer version: M40 EMSEVT V3	Exchanged between DOs handling trackable items (e.g. registered letter post, parcel post and EMS).	Item-level event tracking message for trackable items as they progress along the supply chain. S10 is the most commonly used postal item ID standard (13 characters).	Track and trace for customers, enabling visibility of their items on DOs' websites. Quality of service measurement, in some cases as an element of postal financial settlements.

<i>Message standard</i>	<i>From/to</i>	<i>General description</i>	<i>Business purpose</i>
M17 EMSEVT V1 Newer version: M40 EMSEVT V3 (cont.)		The primary benefit of M40 is that it supports more item tracking events than M17, several of which are related to Customs, both at export and import level.	
M33 ITMATT V1	Origin DO to destination DO Related UPU forms: CN 22 and CN 23	Item-level message. Includes information about the contents of postal items.	Primarily to provide Customs-related data to the destination DO. The data can be used for both Customs clearance and risk assessment. ITMATT is intended as a source of data for M43 and M55 CUSITM.
M14 PREDES V2.0 Newer version: M41 PREDES V2.1	Origin OE to destination OE ³⁰ Related UPU forms: – Letter bills CN 31 and CN 32; – Parcel bill CP 87 – Special lists CN 16 and CN 33; – Receptacle labels CN 34, CN 35, CN 36, CP 83, CP 84, CP 85.	Dispatch, receptacle and item-level message defining the item-to-receptacle relationship, i.e. the logical location or receptacle ID, for trackable items (e.g. registered letter post, parcel post and EMS). M41 supports postal accounting and can therefore replace the paper letter/parcel bill as the basis for international accounting.	PREDES/RESDES enables: – operational control of receptacles; – analysis of the OE-to-OE component of the supply chain for quality of service; and – volume-related network analyses. It also supports financial settlement processes (with M41).
M13 RESDES V1.1	Destination OE to origin OE	RESDES is a receptacle-level message according to which the destination OE advises the origin OE of the date/time of processing (either arrival or opening) of receptacles pre-advised by PREDES.	
M43 CUSITM V1 M55 CUSITM V2	Destination DO to destination Customs	Item level. Includes information about the contents of postal items.	To provide Customs with information to enable Customs control, such as determination of duty or tax. V2 supports communicating responses on referral instructions.

³⁰ PREDES/RESDES messages are electronically exchanged between Designated Operators. However, from a business standpoint, they are communications between offices of exchange.

<i>Message standard</i>	<i>From/to</i>	<i>General description</i>	<i>Business purpose</i>
M44 CUSRSP V1 M56 CUSRSP V2	Customs to destination DO	Item level	To provide destination DO with feedback from Customs concerning the item, including Customs clearance information. V2 supports communicating referral instructions.
M53 ITMREF	Destination DO to origin DO	Item level	Supports communicating referral instructions from the destination to the origin country.
M54 REFRSP	Origin DO to destination DO	Item level	Supports communicating responses on referral instructions from the origin country to the destination country.

5 *Electronic Advance Data (EAD) Global Postal Model – Conceptual overview*

The following schematic provides a more detailed look at the components developed to allow the postal sector to comply with emerging requirements for the provision of EAD for both fiscal and security purposes. Each data flow component of the EAD Global Postal Model is discussed, culminating in a diagram that shows the model in its entirety. One key goal is to standardize understanding of the operational protocols supporting this model and the data flows, ensure uniformity of messaging, and pave the way for a practical integration of the electronic systems of the different postal partners in each part of the postal supply chain.

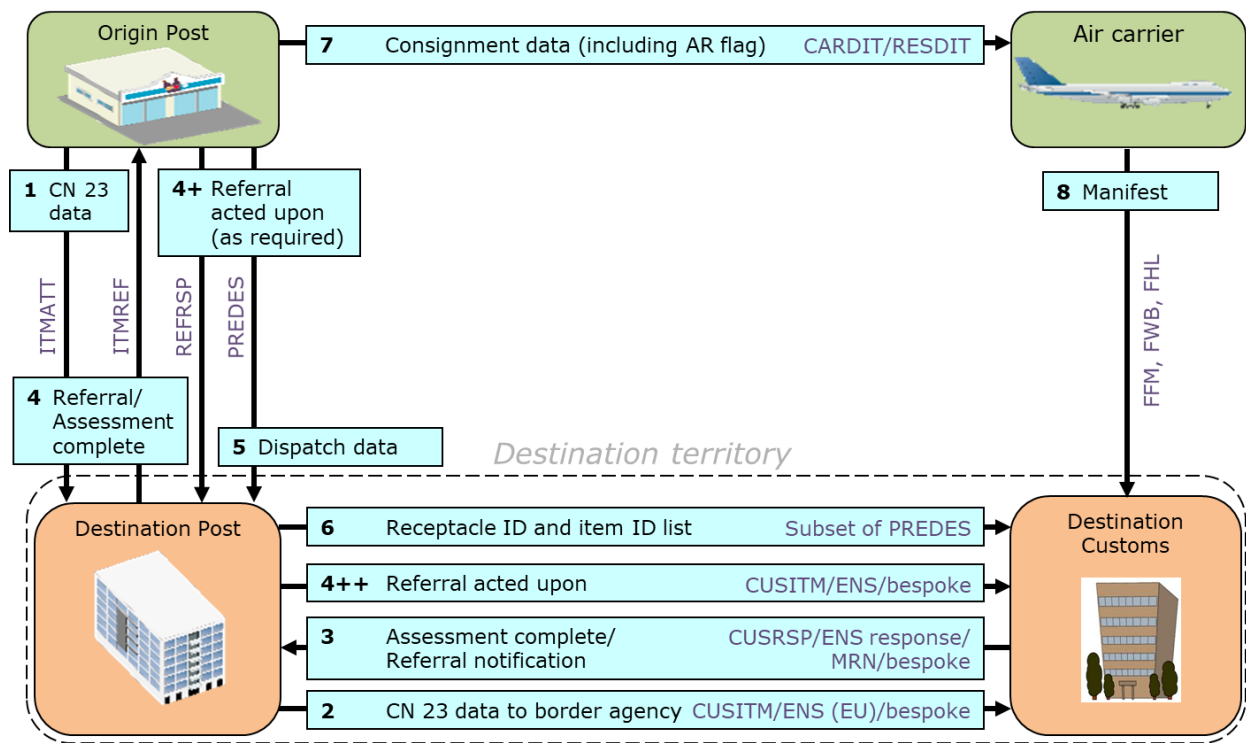
Posts, airlines, and Customs administrations are the parties involved in EAD. The UPU EAD Global Postal Model has eight data flows, with the flows taking place between these parties. This model has been developed in collaboration with the WCO, ICAO, the International Air Transport Association (IATA) and other bodies, such as the European Commission.

The eight flows of the EAD Global Postal Model are explained as follows:

- *Flow 1:* The origin DO is responsible for:
 - the electronic capture of the content of the Customs declaration (CN 23) prepared by the sender;
 - passing on the CN 23 content information to the destination DO via the UPU's ITMATT standard message as early as possible – at least prior to handover but ideally prior to dispatch make-up (bagging) for all items subject to EAD requirements.
- *Flow 2:* The destination DO is responsible for providing the CN 23 data as received from the origin DO to the destination Customs administration via CUSITM (or a mutually agreed method).
- *Flow 3:* The destination Customs administration conducts its initial assessment (risk, items subject to duty, etc.) and communicates its initial assessment to the destination DO via CUSRSP (or a mutually agreed method.)
- *Flows 4, 4+, 4++:* In the context of PLACI and aviation security, these flows support the communication of referral instructions from the destination to the origin country via ITMREF (flow 4), and the ability of the origin DO to provide a response via REFRSP to the destination DO (flow 4+), which will then relay the response to the destination Customs administration (flow 4++) by means of a CUSITM V2 message, or its local equivalent.

- *Flows 5–6:* The origin DO provides the dispatch-level information (item-receptacle S9-S10 link) to the destination DO via a PREDES message (flow 5), and the destination DO shares this information with the destination Customs administration so that it is possible to enable the rapid location of items within the postal supply chain, where potential threats have been identified by the risk assessment processes.
- *Flows 7–8:* The origin DO provides the consignment-level information to the air carrier via a CARDIT message (flow 7), and the air carrier provides the manifest to the destination Customs administration (flow 8).

EAD flowchart (Global Postal Model)



The following are the core principles underlying the Global Postal Model:

- 1 In line with article 8.2 of the Universal Postal Convention, EAD must be implemented without hampering trade and mail flows.
- 2 Roles and responsibilities must be defined for origin and destination Posts and security authorities (e.g. Customs administrations, border agencies, aviation security bodies) to ensure monitoring and reliability of end-to-end message flows.
- 3 ITMATT messages and their corresponding responses must be able to be exchanged 365 days a year, 24 hours a day.
- 4 "Assessment complete for air conveyance" denotes that the appropriate destination authorities have, subject to any further advice, cleared the item to be conveyed by air to the destination country.
- 5 Aviation security decisions in response to the receipt of item-level data will be communicated rapidly, within minutes.
- 6 Only items that have obtained "assessment complete for air conveyance" status or that have been processed in compliance with defined security referral procedures will be dispatched.
- 7 A flag will be set in the CARDIT message (pre-advice message from Posts to airlines on the mail to be conveyed) to signal that the mail has cleared EAD requirements or is exempt.
- 8 The origin Post sends item data and dispatch data to the destination Post (ITMATT, PREDES).
- 9 The destination Post sends data to the destination Customs administration (CUSITM or local equivalent).
- 10 The destination Customs administration sends Customs response to the destination Post (CUSRSP or local equivalent).

- 11 The destination Post sends data to the origin Post (ITMREF). The origin Post responds (REFRSP).
- 12 The origin Post sends dispatch data to the destination Post (PREDES).
- 13 The destination Post sends dispatch data to the destination Customs administration.
- 14 The origin Post sends consignment data to the origin carrier (CARDIT).
- 15 The origin carrier sends manifest data to the destination Customs administration.

6 *EAD roadmap*

The EAD roadmap provides an overview of the proposed way forward for UPU Designated Operators (DOs), the International Bureau (IB), and other relevant stakeholders involved with postal supply chain security to meet emerging requirements in the postal sector for the provision of electronic advance data.

The roadmap seeks to clarify the roles, goals, and timelines that the UPU is pursuing. It sets out the collective actions required of UPU groups and the IB, and alerts DOs about actions they will need to take in order to comply with these requirements before they come into full force.

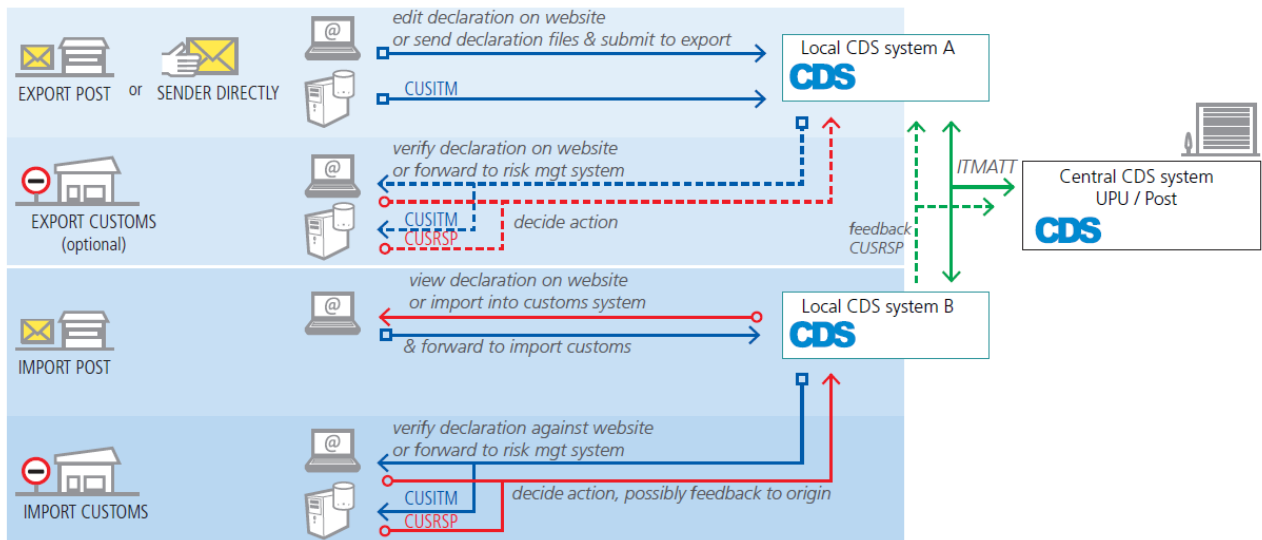
The roadmap is a living document that is updated as it evolves and as progress is made on its action items. The latest version can be found on the UPU website.³¹

7 *UPU Customs Declaration System (CDS)*

The UPU CDS is a software application provided by the UPU's Postal Technology Centre (PTC) and developed on the basis of the WCO–UPU Customs–Post EDI messages. It performs the following functions:

- Implements and supports Customs-related UPU–WCO standard EDI messaging (CUSITM/CUSRSP V1 and V2), inter-postal standard messaging (ITMATT), and referral-response messaging (ITMREF/REFRSP);
- Links DOs with Customs and other border/security agency systems;
- Conveys pre-advised electronic Customs declarations and responses;
- Assists in manual data entry and the sharing of declarations and responses using a web interface;
- Enables interconnectivity with other systems to import/export mail item declaration and Customs response data through a platform-independent standard interface (SOAP protocol);
- Supports automated risk assessment through a rules engine, and plug-in API (access for other IT systems);
- Facilitates the automated calculation of duties and taxes through a rules engine, and a plug-in API (access for other IT systems);
- Provides a watchdog list functionality that can be integrated into operational processes handled by mail management systems (e.g. International Postal System);
- Allows for the provision of security or other feedback from import country to origin Post via a CUSRSP V2 message;
- Offers two implementation modes:
 - Infrastructure-free: a central system hosted at the UPU;
 - Self-hosted CDS: a locally installed version of the system operated by Posts or Customs (or both), allowing for tighter system integration, better performance, fine-tuning for high volumes, and local control of the data held by the system.

³¹ Information on the UPU EAD roadmap is available at www.upu.int/en/Postal-Solutions/Programmes-Services/Postal-Supply-Chain/Postal-Supply-Chain-Integration.



More information on CDS is available on the PTC website at www.ptc.upu.int.

8 EAD Customs Declarations app

The EAD Customs Declarations app is a mobile application developed by the UPU's Postal Technology Centre. The application allows for electronic data capture of Customs declarations (CN 22/CN 23) by postal end customers. In this way, when end customers arrive at the counter of a domestic postal branch to ship their mail items abroad, counter staff can quickly obtain and review the declaration data already captured by the user, and finalize the declaration. In other words, counter staff do not have to perform manual data capture, as this stage has already been completed directly by the end customer.

At the end of the data capture process, end customers will obtain a temporary number (and a 1D barcode) referring to a declaration stored in CDS/CDS.post. When customers are ready to ship their item abroad, this temporary number (or 1D barcode) will be required at the counter to enable the postal staff to retrieve the data already stored in CDS.

It is also possible for DOs to use the application with a third-party system (not CDS). In this case, on completion of the data capture process, end customers will obtain a full 2D barcode reflecting the entire content of the Customs declaration. This 2D barcode will be required at the counter to enable the postal staff to transfer the data between the end customer's device and the third-party system.

The EAD Customs Declarations app is available via the main mobile application stores.



9 Dematerialization of supporting documentation

Customs administrations by and large have introduced automated systems for cargo clearance, and are committed to applying information technology to support Customs operations, where it is cost-effective and efficient for Customs and trade. However, paper-based documentation in international trade is still prevalent. This method is expensive, time-consuming, and prone to error and fraud. Chapter 3 of the General Annex to the Revised Kyoto Convention provides ample guidance on the electronic submission of supporting documents to Customs. Meanwhile, owing to advances in information technology, there has been a rapid development of cost-effective, secure and trusted solutions for electronic document management, and repository services have been developed and are being adopted extensively by governments and businesses. International organizations, government agencies and industry associations are increasingly introducing standard formats

for electronic documents such as licences, certificates and permits, and are promoting their use in the entire course of international trade transactions.

The WCO therefore recommends that its Members adopt measures to comprehensively dematerialize supporting documents. The aim is to promote paperless transactions for Customs clearance as an alternative to paper-based documentary requirements. The benefits of paperless trade are obvious. IT reduces the cost of trade and simplifies trade procedures by alleviating the burden of delivering, storing and presenting original paper-based supporting documents during Customs procedures.

Customs and other cross-border regulatory agencies require supporting documents for verification purposes. With digitized supporting documents, such verification would be automatic and can be linked through a risk-based approach to verification.

In order to achieve effective dematerialization, cross-border regulatory agencies are advised to identify supporting documents that are normally required to accompany cargo and goods declarations, and to examine the need for those documents for Customs clearance with a view to eliminating them. Firstly, it is suggested to discontinue the requirement of presenting supporting documents in hard copy if they have already been presented in electronic form. The release and clearance of cargo should be based only on electronic declaration and automated verification. To support a seamless cargo clearance process, Customs administrations should enable their automated Customs clearance systems to automatically verify information contained in dematerialized supporting documents, where such information is accessible electronically. Information required for release is typically available in the databases of other government agencies, in single window solutions, in cargo community systems and in repositories operated by private sector entities.

In single window solutions, supporting documents are also one of the main causes of cargo clearance processing delays. There must be a comprehensive approach to address the issue of handling supporting documents through digital means.

Recommendation of the WCO on the dematerialization of supporting documentation (June 2012):

The Customs Co-Operation Council,

Acknowledging

that the Customs administrations by and large have introduced automated systems for cargo clearance and have committed to apply information technology to support Customs operations, where it is cost-effective and efficient for Customs and for the trade,

Considering

that the use of paper-based documentation in international trade is expensive, time-consuming and prone to error and malpractice,

Having regard

to provisions of Chapter 3 of the General Annex to the revised Kyoto Convention, with regard to electronic lodgement of the supporting documents with Customs,

Recognizing

the rapid development of cost-effective, secure and trusted solutions for electronic document management and repository services, and extensive adoption of these solutions by the industry and administrations,

Recognizing

that international organizations, government agencies, and industry associations are increasingly introducing standard formats for electronic documents such as licences, certificates, and permits, and are promoting their use in the entire course of the international trade transaction,

Aiming

to promote paperless transactions for Customs clearance as an alternative to paper-based documentary requirements,

Desiring

to reduce the cost of trade and to simplify trade procedures by alleviating the burden of delivering, storing, and presenting original paper-based supporting documents during Customs procedures, and

Desiring

to enhance Customs control through the effective use of automated verification and by adopting the principle of risk management,

Recommends

that Members of the Council and all members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions should as far as possible:

- 1 identify supporting documents that are normally required to accompany the cargo and goods declarations and examine the need for those documents for Customs clearance with a view to eliminating them;
- 2 discontinue the requirement of presenting supporting documents in hard copy, if they have already been presented in electronic form;
- 3 process the release and clearance of cargo based only on electronic declaration and automated verification;
- 4 enable automated Customs clearance systems to automatically verify information contained in dematerialized supporting documents where such information is accessible electronically in:
 - a other government agencies' databases;
 - b single Window environments (and Cargo Community Systems);
 - c private repositories,

Requests

Members of the Council and members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions which accept this Recommendation to notify the Secretary General of the Council of the date from which they will apply the Recommendation and of the conditions of its application. The Secretary General will transmit this information to the Customs administrations of all Members of the Council. The Secretary General will also transmit it to the Customs administrations of the Members of the United Nations Organization or its specialized agencies and to Customs or Economic Unions which have accepted this Recommendation.

10 E-commerce matters

Matters relating to e-commerce figure prominently in the WCO–UPU global strategies, with both organizations carrying out work on e-commerce issues.

UPU:

- UPU e-commerce programme, which incorporates all UPU e-commerce activities under one framework programme;
- Congress approval of the Integrated Product Plan, the UPU's product development strategy which includes instructions for aligning product specifications with supply chain requirements such as electronic advance data;
- Implementation of the operational readiness for e-commerce programme, which focuses on capacity-building activities to align the quality of service of the postal supply chain with the needs of the e-commerce market;
- UPU E-Commerce Guide;
- EAD Global Postal Model;

- Presentations on best practices in Post–Customs cooperation in the area of EAD to facilitate e-commerce;
- Launch of the operational readiness for e-commerce (ORE) initiative, now in its third edition, encouraging more agile postal processes in order to enhance Post–Customs cooperation and facilitate cross-border trade.

WCO:

- A study report on Member practices/initiatives;
- Resolution of the WCO Policy Commission (December 2017) on the Guiding Principles for Cross-Border E-Commerce;
- Framework of Standards on Cross-Border E-Commerce and the accompanying resolution of the WCO Council (June 2018). The E-Commerce Framework of Standards is based on eight key principles, as follows:
 - electronic advance data and risk management;
 - facilitation and simplification;
 - safety and security;
 - fair and efficient revenue collection;
 - measurement and analysis;
 - partnerships;
 - public awareness, outreach and capacity building;
 - leveraging transformative technologies;
- A package of tools to support the implementation of the E-Commerce Framework of Standards, including the Technical Specifications to the Framework and annual updates to the Compendium of Case Studies on E-Commerce;
- Enhancement of the Immediate Release Guidelines.

Within the framework of the WCO–UPU Contact Committee, the following work is being done on e-commerce for the current 2022–2025 cycle:

- Simplified and streamlined processes for managing increasing volumes of postal items (including return/refund procedure);
- Fair and efficient revenue collection that has minimal or no impact on border clearance times for low-value postal items;
- Safety and security in the international mail environment (e-commerce goods);
- Collection of good practices and initiatives for adoption and inclusion in relevant guidelines;
- Leveraging of work being done by other international bodies, including awareness and outreach programmes.

11 *Establishing an international postal rail transport service*

The postal rail project provides unique opportunities to improve business processes and to facilitate and promote global trade, thus leveraging vast postal and rail networks and promoting regional integration and economic competitiveness.

In order to exploit opportunities available through this mode of transportation across continents, particularly in the thriving e-commerce environment, all stakeholders need to work together to i) remove obstacles to the seamless movement of postal items by rail, ii) improve the exchange of electronic advance data, iii) simplify procedures and formalities (including transit and the acceptance of transport documents for Customs formalities), and iv) enhance security and safety measures through effective risk management and robust seal integrity programmes.

In March 2017, the UPU set up a task force on the transportation of postal items by rail. The initiative involves the development of regulations, procedures and common standards for the new service. These tools, along with operational standards for the transportation of postal items, are being developed and will continue to be updated, based on the results of pilots and once the international transportation of postal items by rail commences on a regular basis.

To date, more than 65 pilots for the transportation of postal items by rail have been carried out. The pilots were conducted along different routes and involved various transit countries, with distinct Customs regimes. The current guidelines are based on the results of these pilots. The goal is to harmonize and simplify postal, Customs and rail regulations, standards and formalities, to better support world trade facilitation efforts.

UPU guidelines for establishing an international postal rail transport service have been developed by all stakeholders participating in the UPU task force for the transportation of postal items by rail. In addition to the UPU and the WCO, this includes the DOs, national Customs administrations and international rail organizations that took part in the pilots.

The guidelines are non-mandatory and neutral in nature, and could serve as a model for DOs and rail companies in other parts of the world. The UPU is an intergovernmental organization and caters to the needs of its 192 member countries, irrespective of geographical location.

The objective of the guidelines is to provide an information source for DOs, Customs administrations and railway companies dealing with the international transportation of postal items by rail. The guidelines comprise key elements and experiences learned from the pilots to facilitate the establishment of an international postal rail transport service, and to promote cooperation and discussion at the national and international levels among DOs, Customs administrations and railway companies.

V. Safety and security issues

While safety has always been very high on the list of concerns for governments in cross-border movements, the security agenda has been growing steadily in the last decade. The development of the SAFE Framework of Standards to Secure and Facilitate Trade in 2005 represents an important milestone. Ever since, the WCO has invested major efforts in supporting the ability of its Members to develop capacity to achieve strong supply chain security while at the same time facilitating and meeting the demands of international trade today.

The potential vulnerability of the supply chain has been at the forefront of mitigation efforts since a foiled air cargo bomb plot involving express couriers in 2010, which, although significant, did not occur within the postal supply chain and did not involve a passenger aircraft. This brought together international organizations in their efforts to enhance air cargo security in a coordinated manner. Since then, ICAO, IATA, the UPU and the WCO have been working actively together and have participated in each other's security-related meetings.

a UPU physical and procedural security standards

The physical and procedural security standards developed by the UPU are applicable to critical facilities in the postal network:

- S58 Postal security standard: General security measures defining the minimum physical and process security requirements applicable to critical facilities within the postal network.
- S59 Postal security standard: Office of exchange and international airmail security standard defining minimum requirements for secure operations relating to the transport of international mail.

UPU security standards S58 and S59 are mandatory for all UPU member countries. For a full description of S58 and S59, please visit the Postal Security Standards section of the UPU website at www.upu.int.

b WCO SAFE Framework of Standards

The WCO's SAFE Framework of Standards to Secure and Facilitate Global Trade³² is a Customs instrument covering all modes of transport to secure and facilitate goods moving through international supply chains. The framework has both national and international implications and is composed of distinct standards that call for, *inter alia*:

- partnerships to be established between Customs administrations, between Customs administrations and the private sector, and between Customs administrations and other government agencies at borders;
- harmonized electronic advance information requirements for conducting risk assessments to address security threats;
- the use of modern, non-intrusive detection equipment;
- the introduction of authorized economic operators (AEOs) which, having satisfied pre-determined security standards, receive the benefit of enhanced facilitation; and
- mutual recognition between Customs administrations of their respective AEOs and Customs control procedures.

Traditionally, Customs has been responsible for implementing a wide range of government policies, spanning areas as diverse as revenue collection, trade compliance and facilitation, interdiction of prohibited substances, protection of cultural heritage, and enforcement of intellectual property laws. This breadth of responsibility reflects the fact that Customs administrations have long been entrusted with administering matters for which other government ministries and agencies have policy responsibility, such as health, agriculture, environment, trade statistics and, in some cases, immigration. Border management responsibilities stem from the more traditional Customs role of collecting duties on internationally traded commodities, a common extension of which is the collection of other forms of tax, such as value-added tax, and excise duties.

Customs has the authority to inspect cargo and means of transport entering, transiting or exiting a state. It may even refuse entry, transit or, in certain cases, exit. While these powers are extensive, a holistic approach is required to optimize the securing of the international trade supply chain, while ensuring continued improvements in trade facilitation. Customs administrations have therefore developed cooperative arrangements with other government agencies in a so-called coordinated border management environment.

Following the terrorist attacks of 11 September 2001, the United States of America asked Customs administrations to reassess and strengthen the global cargo security regime. At the June 2005 annual session of the WCO Council in Brussels, Directors General of Customs representing the Members of the WCO adopted the SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). This international instrument advocates for end-to-end management of goods moving across borders and recognizes the significance of closer partnerships between Customs and other government agencies and between Customs and businesses. It is kept up to date and relevant by the WCO SAFE Working Group.

The WCO also issued its SAFE Package, which groups together all WCO instruments and guidelines that support implementation of the SAFE Framework.

Capacity-building assistance is a vital part of the SAFE implementation strategy, and WCO Members that have requested support are receiving it in a structured and ongoing manner, which will ensure sustainability in implementing the provisions and spirit of the SAFE Framework. Implementation is further supported by Customs and private sector bodies working in close collaboration to maintain the relevance of the SAFE Framework in a changing trade environment.

As the SAFE Framework has developed, the importance of export controls, including controls on dual-use goods, is now widely recognized by the international community.

³² Information on the SAFE Framework of Standards is available at www.wcoomd.org/en/topics/facilitation/instrument-and-tools/frameworks-of-standards/safe_package.aspx.

c Authorized Economic Operator (AEO) status for Designated Operators

A core element of the SAFE Framework of Standards is its Authorized Economic Operator (AEO) programme. An AEO is defined as a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards.

AEOs mainly include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders.

Designated Operators (DOs) who fulfil the specified AEO criteria and obtain AEO accreditation will benefit from enhanced facilitation such as reduced data sets for cargo release, expedited processing and release, minimum cargo security inspections, improved postal chain security, priority services, enhanced international visibility and reputation, and additional trade facilitation in Mutual Recognition Agreement partner countries. Meanwhile, Customs administrations that work with AEO-accredited DOs will benefit from improved postal supply chain security, efficient and effective compliance and revenue collection, efficient allocation of resources, and enhanced partnership with DOs, further supporting Customs reform and modernization.

One may argue that the current AEO rules strongly limit the ability of DOs to achieve accreditation, especially as they have a defined universal service obligation to provide a nationwide access channel that is open to all at multiple access points. Customs administrations and DOs may jointly look into specific circumstances and find the best way to meet the security requirements by following, among others, the “principle of proportionality” in the application of security criteria, based on the DO’s business model.

Some DOs, such as in India, the Netherlands and Slovenia, have already received AEO status from their respective Customs administrations.

d Mapping of AEO programme and UPU standards S58 and S59

In view of increased global security concerns, the WCO and the UPU have incorporated supply chain security and facilitation as one of the key goals in their respective strategic goals/activities. Both organizations have already developed several standards and programmes towards this goal. While WCO Members are moving forward in implementing a set of measures/standards as stipulated in the SAFE Framework of Standards and AEO programme, DOs are consistently working to ensure and exceed compliance with UPU security standards (S58 and S59).

As previously indicated, S58 (Postal security standards – General security measures) defines the minimum physical and process security requirements applicable to critical facilities within the postal network, and S59 (Postal security standards – Office of exchange and international airmail security) defines minimum requirements for securing operations relating to the transport of international mail.

The mapping of the WCO and UPU security standards shows a great deal of consistency. This mapping could be useful in enhancing the understanding of each other’s security requirements and potentially exploring the possibility of working towards alignment/harmonization, where necessary.³³

There is an increasing need to promote these standards in each organization’s working environment. One way forward could be to promote the AEO concept in the postal supply chain by adopting a harmonized approach in the implementation of AEO requirements and the S58 and S59 requirements by DOs, with well identified and tangible benefits to be extended by Customs administration to their respective DOs.

In order to have a secure end-to-end postal supply chain, DOs may also consider encouraging other entities/actors in the postal chain to adopt security standards and, wherever possible, to work with Customs administrations to promote the AEO programme.

³³ The UPU oversees a process through which DOs can seek certification of their security programmes in accordance with the standards set out in S58 and S59. This process includes an equivalency option whereby DOs with equivalent security certifications obtained through other recognized global or national certifying bodies and/or achieving AEO certification would be recognized by the UPU as having certification equivalent to S58/S59.

e Integrated Customs supply chain (pre-arrival and pre-departure information)

Everything entering or leaving a Customs territory is subject to Customs control. In an integrated Customs supply chain, the integrity of a consignment has to be ensured from the time the goods leave the place of origin until they arrive at the absolute final place of destination.

This usually starts with the advance electronic transmission of prescribed information by the exporter or its agent. This information should be filed with Customs before the goods are loaded onto the means of transport (or container) used for their exportation.

A further initial transmission may be required from the carrier at an agreed later stage. For security purposes, Customs administrations usually limit their information requirements to the information available in carriers' normal documentation, based on the requirements set out in Annex II to the SAFE Framework of Standards.

Similarly, there will be advance electronic transmission of prescribed information by the carrier or its agent to the Customs administration at entry, followed by the complementary transmission by the importer at an agreed later stage.

The WCO SAFE Framework includes provisions for any business involved in moving goods through the international supply chain to become validated as AEOs by Customs if they meet supply chain security requirements. AEOs are allowed to submit reduced data sets, which must nonetheless contain the minimum information necessary for Customs to conduct a security risk assessment.

These arrangements may be extended by the concept of an authorized supply chain, in which all operational participants in a transaction are approved by Customs as meeting specified standards in the secure handling of goods. Consignments passing from origin to destination entirely within such a chain will ordinarily be assessed as low risk and may benefit from enhanced facilitation as they cross borders.

In the integrated Customs control chain, Customs administrations carry out risk assessment for security on an ongoing basis. This may commence on receipt of the initial export declaration, and be updated as further information becomes available at later stages, e.g. data from the cargo declaration. This ongoing process prevents the unnecessary duplication of controls.

At any point in the supply chain where Customs has reason to suspect that a consignment presents a risk, it has the authority to ask for more information, carry out further inquiries, subject the goods to non-intrusive inspection, or open the consignment for physical examination.

Goods are released (for export or import) as soon as all Customs formalities have been met. Customs will, within a specified time limit, notify the party having submitted prescribed information whether the goods may be loaded, unloaded or released. Consignments being moved by AEOs within a secure supply chain enjoy enhanced facilitation, including priority treatment for examination and clearance.

Customs at the office of departure will usually take action to enable the office of destination to identify the consignment and to detect any unauthorized interference. In addition, Customs administrations at departure and destination should agree to use an electronic messaging system to exchange Customs data. In particular, this should apply to control results and arrival notifications for high-risk consignments.

As part of the integrated Customs control chain, Customs administrations along the supply chain may have routine Customs-to-Customs data exchange, in particular for high-risk consignments.

Information management

In cases where electronic systems allowing for the exchange of information between interested parties (so-called "cargo community systems") have been established at airports by transport chain stakeholders, Customs administrations usually participate to access data required for risk assessment. Modernized Customs administrations use automated systems to manage security risks. They also seek to avoid the burden of different sets of requirements to secure and facilitate commerce and, where possible, recognize other international standards to avoid duplicating or contradicting other intergovernmental requirements.

For the purpose of standard and harmonized Customs data requirements at import and export, the WCO has developed the WCO Data Model, which defines a maximum set of data for completing export and import formalities and electronic message formats. The WCO Data Model includes the data necessary for Customs control and risk assessment purposes, as well as data elements required by other border agencies.

f Principles and processes of the use of pre-loading advance cargo information (PLACI)

PLACI is the term used to describe a specific dataset (“7+1”) drawn from consignment data and provided to regulators by freight forwarders, air carriers, DOs, integrators, regulated agents, or other entities as soon as possible in a pre-load time frame (i.e. prior to loading of cargo on an aircraft, as specified by the regulations and authorities of the requesting state). Customs, civil aviation and other government agencies can use this data to perform an initial assessment of the potential security risk represented by the consignment, which may indicate a need for additional actions, such as asking for additional information and high-risk cargo screening.

The PLACI regime can be practically applied as an additional layer to existing air cargo security measures with minimal disruption to the supply chain. The data elements for PLACI regimes have already been included in the 2021 version of the WCO’s SAFE Framework of Standards. Members who wish to implement the PLACI regime should follow the guidance and/or standards of ICAO and the WCO as they become established.

Adopting PLACI should require the submission of the following data elements, known as the “7+1”, to initiate a risk assessment for aviation security purposes:

- Consignor name
- Consignor address
- Consignee name
- Consignee address
- Number of packages
- Total gross weight
- Brief cargo description
- Identifier (e.g. HAWB and/or MAWB)

g UPU Convention article 8 on postal security

In 2021, the Abidjan Congress endorsed a revised strategy direction on postal security, as outlined in article 8 of the UPU Convention:

1 Member countries and their designated operators shall observe the security requirements defined in the Universal Postal Union’s security standards [S58-4 and S59-4] and shall adopt and implement a proactive security strategy at all levels of postal operations to maintain and enhance the confidence of the general public in the postal services provided by designated operators, in the interests of all officials involved. This strategy shall include the objectives defined in the Regulations, as well as [in particular] the principle of complying with requirements for providing electronic advance data on postal items identified in implementing provisions (including the type of, and [identification] criteria for, postal items) adopted by the Council of Administration and Postal Operations Council, in accordance with the Union’s technical messaging standards. The strategy shall also include the exchange of information on maintaining the safe and secure transport and transit of mails between member countries and their designated operators.

2 Any security measures applied in the international postal transport chain must be commensurate with the risks or threats that they seek to address, and must be implemented without hampering worldwide mail flows or trade by taking into consideration the specificities of the mail network. Security measures that have a potential global impact on postal operations must be implemented in an internationally coordinated and balanced manner, with the involvement of the relevant stakeholders.

Implementing provisions of postal security standards

In short, the text of the article urges Posts to make efforts to develop a mechanism for sending EAD on international postal shipments, to be used for both Customs and aviation security purposes. The provision of EAD is complementary to the use of scanning equipment to perform non-intrusive inspections.

Efforts are to be made to ensure people's safety and the sustainability of the postal sector through the integrity of the global supply chain. The goal is to prevent sudden changes in procedures that could disrupt postal traffic and cause problems around the world. Increased security measures in 2010 temporarily forced DOs to partially or totally suspend mail services, causing backlogs of mail, shutdowns of transit hubs and increased transportation costs.

The perceived threat level is high, as a result of which individual countries, groups of countries and other intergovernmental organizations are enforcing new security requirements and regulations. Some of these requirements and regulations are already in force, and others will come into force in the near future. Member countries and their DOs have to urgently anticipate these requirements and regulations or risk having them unilaterally imposed upon them. If quality of service – and consequently the competitiveness of the Posts – is to be maintained, member countries and their DOs have to work proactively and urgently to improve their security measures and bring them up to meet accepted global minimum standards, if they have not already done so.

Given the need for heightened security, and with a view to maintaining the ability of DOs to meet their customers' needs, it is imperative that international security measures be taken collectively and collaboratively, involving all stakeholders in the preparation and decision-making process.

UPU members will also benefit, as expeditious Customs clearance and the secure transportation of postal items are essential components of the overall quality of international postal services. Providing Customs and other border or security authorities with advance information about postal shipments in an electronic format can accelerate the processing of postal items and enhance transportation security across the board.

WCO Members should endeavour to adopt national legislation to support the postal electronic submission of data. In the development of practices and regulations pertaining to the exchange of electronic postal data, it will be important to support appropriate security of the data to prevent misuse or compromise by unauthorized entities which could violate individual privacy or divulge proprietary business information.

h Certification of UPU security standards

The UPU Postal Operations Council endorsed a process to certify and recognize DOs that have demonstrated consistent compliance with UPU security standards S58 and S59. The methodology includes self-assessment, (optional) peer review, and a comprehensive audit to validate compliance. The compliance certification process was piloted, modified, and enhanced in international offices of exchange within 10 member countries. The certification process has been aligned, to the extent possible, with the existing UPU Quality Management Certification Process. It has also been developed in alignment with security standards and compliance certification processes in place with relevant external stakeholders, including ICAO, IATA and the WCO. The UPU has developed and delivered workshops and other activities to further expand the implementation of the certification process throughout UPU member countries.

i Dangerous goods

Dangerous goods, by definition, are articles or substances that are capable of posing a risk to health, safety, property or the environment and meet the criteria for classification in one or more of the nine UN hazard classes, as follows:

- Class 1 – Explosives
- Class 2 – Gases
- Class 3 – Flammable/combustible Liquids
- Class 4 – Flammable solids
- Class 5 – Oxidizing substances and organic peroxides
- Class 6 – Toxic and infectious substances

- Class 7 – Radioactive material
- Class 8 – Corrosives
- Class 9 – Miscellaneous dangerous substances and articles, including environmentally hazardous substances

With few exceptions (described below), all dangerous goods are prohibited in the international postal service.

It should be noted that these materials are separate and distinct from articles that may be prohibited by a UPU member country for reasons other than being dangerous. Although most dangerous goods are prohibited, not all prohibited postal articles are prohibited because they are dangerous.

The UPU interacts with ICAO, IATA, the International Atomic Energy Agency (IAEA) and the WCO on matters relating to dangerous goods. Within the POC, the Postal Security Group primarily deals with dangerous goods; however, there is extensive interaction with other groups such as the Transport Group, the IATA–UPU Contact Committee, the ICAO–UPU Contact Committee, the Customs Group and the WCO–UPU Contact Committee.

It should be noted that, as per UPU Convention Regulations article 19-008.2, all DOs must establish procedures and training programmes with a view to controlling the introduction of undeclared or inadmissible dangerous goods into its postal services, in compliance with national and international rules and regulations.

Dangerous goods admitted exceptionally

In accordance with the UPU Convention and Regulations, some dangerous goods are “exceptionally admitted”: they can be mailed, but only under stringent conditions, namely, in limited quantities, with special packaging and labelling, and when addressed in accordance with the restrictions identified by the destination country. This includes admissible radioactive materials, infectious substances and equipment containing lithium batteries. With the exception of equipment containing lithium batteries, exceptionally admitted dangerous goods are typically mailed by and to specialized institutions, such as medical laboratories or research facilities, and often require oversight by the relevant national authorities.

Individual countries can forge agreements to transport additional classes of dangerous goods (in addition to exceptionally admitted radioactive materials, infectious substances and equipment containing lithium batteries) through the international post. However, in such cases, all origin, destination and transit countries must be in agreement, transport must be limited to surface routes (air transportation is forbidden under this condition), and all applicable national and international dangerous goods rules and regulations must be respected.

Equipment containing lithium batteries

The conditions for mailing equipment containing lithium batteries, as agreed between the UPU and ICAO, are codified in UPU Convention Regulations articles 19-003.3 and 19-007 and outlined on the UPU website.³⁴ These requirements include the authorization of any DOs accepting these materials for transport by their respective civil aviation authorities. The UPU website provides a list of DOs that have met the necessary conditions to accept these materials, including authorization from the relevant civil aviation authorities.

Objective

As related in this guide, the primary objective of Posts regarding dangerous goods is to prevent such articles from being included in postal items or, where dangerous goods are exceptionally admitted with specific conditions (e.g. quantities, labelling), to ensure that the requisite conditions are met.

j Chemical, biological, radioactive, nuclear and explosive materials (CBRNE)

The possibility that terrorist groups or extremists might gain access to sensitive strategic and dual-use goods represents a clear and present danger to both domestic and international security.

The international community is engaged in counter-proliferation of weapons and materials of mass destruction through various international instruments, including UN Security Council resolution 1540. The resolution

³⁴ Information on the conditions for sending equipment containing lithium batteries is available at www.upu.int/en/Postal-Solutions/Programmes-Services/Postal-Supply-Chain/Security#dangerous-goods.

imposes binding obligations on all states to adopt legislation to prevent the proliferation and means of delivery of nuclear, chemical and biological weapons, and establish appropriate domestic controls over related materials to prevent their illicit trafficking. Among other things, the resolution calls on states to develop and maintain appropriate and effective border controls, and to continue law enforcement efforts to detect, deter, prevent and combat illicit trafficking.

Customs has a responsibility to monitor and control all cross-border flows of goods, people and conveyances. Customs aims to fulfil these functions through an intelligence-enabled risk-based approach that focuses controls on high-risk consignments, while at the same time facilitating low-risk transactions. The key building blocks of such an approach include the use of pre-arrival information and intelligence, systematic deployment of risk analysis, use of non-intrusive inspection technologies, and Customs–business partnerships.

In relation to cross-border trafficking of strategic and dual-use goods and CBRNE, Customs administrations, together with their law enforcement partners, have a critical role in the government-wide control systems. Postal consignments provide a potential vehicle for criminals and extremists to smuggle materials or components that can be used to create or launch weapons of mass destruction. The international Customs community has acknowledged this risk and is actively taking measures to effectively manage it.

In 2011, the WCO produced a comprehensive Customs Risk Management Compendium, which includes a generic module in relation to commodities that are of concern from a security perspective. The WCO Global Information and Intelligence Strategy Project Group has created an additional risk indicator module in relation to postal consignments, which was included in the compendium in June 2013.

The two aforementioned modules provide Customs administrations with a solid basis to develop their risk management practices in preventing cross-border trafficking of CBRNE in postal supply chains. The WCO strongly encourages its Members to consult these modules and to apply them in practice. The documents are law-enforcement sensitive and for WCO Members only. They can be accessed through the Member section of the WCO website.