

TRADE OBSERVER

The official monthly update by CustomsBridge

September 2022

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2 years now !

**DIGITIZATION OF CUSTOMS CLEARANCE :
WHERE DO WE STAND?**

**HISTORY OF THE CUSTOMS ADMINISTRATION
& START OF DELTA IE**

**CUSTOMS, A VECTOR OF SECURITY
OF INTERNATIONAL TRADE**

**Loïc Poisot, President**

Starting a company is a bit like changing your life: it's really an earthquake. On a personal level, it made me grow like never before, and taught me how to take a step back. On a professional level, I feel like I've done five different jobs in two years! It's exhausting, but so rewarding, especially for multifaceted like me.

A lot has happened in 2 years, through small adjustments, we have changed our course. The contact with our customers has been one of the most formative elements. The major evolutions were the birth of okiduty and the launch of our freemium offer. I'm even more excited about future developments!

Edito

of cofounders CustomsBridge

**Charles Devaux,**
Sales Director

Our victory in the SITL startup award in april marked a real turning point in terms of market credibility. Our innovative vision and our solution resulting from a co-design work with the actors of the sector were thus welcomed by the great decision makers who awarded us this distinction. The signs of interest then multiplied and sales accelerated. This naturally led to a significant media exposure, and I am personally proud to have been invited to speak on the Europe 1 business morning show.

In addition, our partnership with Soget and the creation of okiduty prompted us to rethink our commercial strategy with a new freemium offer. This is in line with our approach as innov'actors of customs to continue to evangelize the subject so that customs becomes more understandable and accessible to all.

Creating a company focused on new technologies has always been a dream for me. For the past two years, I have been honored to contribute as a co-founder to the launch of CustomsBridge. This adventure has allowed me to build unique friendships, especially with my co-founders, but also within the Alacrity ecosystem. It also allowed me to use my academic, scientific and managerial skills to develop an intelligent solution that facilitates and automates customs operations.

Through R&D work, accompanied by a strong will, I had the honor to lead my team towards the realization of several technical achievements. Today, CustomsBridge is more than ever turned towards the future, a bright commercial and technical future always oriented towards the needs of its customers.

**Hamza Saouli,**
Innovation Director

DIGITIZATION OF CUSTOMS CLEARANCE: WHERE DO WE STAND?

Customs has become much more digital recently. Many countries have created digital portals to avoid sending and filing paper documents. Declarations for e-commerce and individuals are often automated, requiring little or no action from the declarant. But what about international trade?

Given the number of stakeholders in each transaction, it is a difficult sector to digitize. Each has its own software, document and data formats, and they are very rarely interoperable. The solution for centuries has been to send documents containing information about the goods. The problem is that, because there is no international standard, each company has its own format, and the presentation of documents varies enormously from one supplier to another.

The result is complex documents, which the declarant must decode to check and re-enter the information into his customs software.

In addition to the fact that this manual work is a source of errors and wasted time, it does not do justice to the skill of the customs declarant, whose expertise is not to copy item lines as quickly as possible.

Solutions exist to relieve the declarant. EDI (Electronic Data Interchange) or RPA (Robotic Process Automation) can speed up data entry, but not in all cases. The first one requires that the companies concerned validate the investment and the connection, and a bridge is set up between their systems so that they communicate.

This is very interesting for large flows, but SMEs may not have the budget, and the interest is much less for rare or even unique flows.

The second one can automate internal company processes, but it needs its own data, otherwise the system wouldn't know what it was looking at. And international trade documents are anything but structured.

That leaves intelligent document processing platforms, which allow you to work directly on the documents.

These solutions require the declarant to take action, but they greatly accelerate the retrieval of information from the documents and automate the tasks to be done with this data.

With the proliferation of digital customs portals, there is a lot of talk about going paperless. In reality, documents have simply become PDFs, and declarants still have as much information to enter. RPA, EDI, intelligent document processing platforms, solutions exist to speed up customs clearance, but the sector is not very interoperable and documents remain king.



Article written by **Arnaud Doly** , Founder & CEO of Nabu



HISTORY OF THE CUSTOMS ADMINISTRATION AND THE ARRIVAL OF THE DELTA IE SYSTEM

As you know, the accuracy of customs declarations is a concern for the Customs Administration. Constantly on the lookout to develop trade, ensure the speed and reliability of customs clearance operations and the collection of statistics.

In 1974, a computer system for the processing of International Air Freight (SOFIA) was created. Very quickly operational at the Roissy and Orly sites, it was extended in 1978 to other modes of transport and renamed SOFI.

In 1971, the Computer Center (CID) ensured the deployment of this new system in the customs offices. In 2007, SOFI was replaced by the DELTA system.

The DELTA system is an online service dedicated to all operators who import goods from territories outside the European Union.

Initially, we are talking about DELTA G, DELTA X, DELTA X Export, ECSBS and then DELTA IE, which will eventually replace all of the above applications.

This is the end of the SAD (Single Administrative Document) and the birth of a new vocabulary, a series of new data and electronic messages. This system will be fully automated between the Member States for operations and for operators who currently have a DCC authorization.

Delta IE (import-export clearance) will become mandatory from July 1, 2023 for the H1 declaration. It will no longer be possible to file a direct import customs declaration in DELTA G/X. DELTA G import and DELAT X import can still be used until June 30, 2024 for rectification or invalidation requests.

For exports, DELTA IE Export will be phased in gradually, starting on October 2, 2023.



CUSTOMS, A VECTOR OF SECURITY FOR INTERNATIONAL TRADE

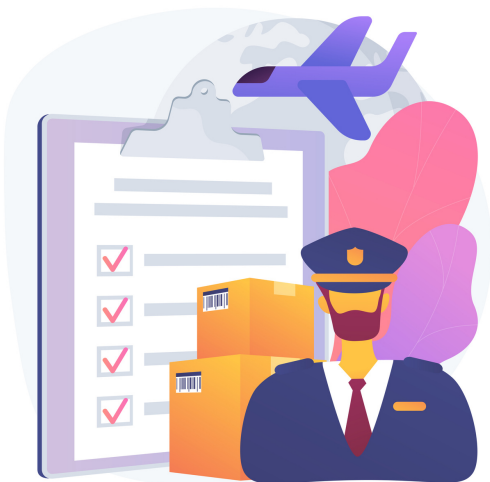
Considered in a context of trade globalization as a survival of a time when States were defined by their topographic limits, lived in a closed field of borders, and in any case as an "impediment to trade in circles", the Customs are finding a topicality that few have been able to anticipate.

This is evidenced by the place reserved for this function in the vast majority of companies working internationally: it is relegated in organizational charts to the rank of a second-class support function. It is sometimes attributed to finance, behind tax and insurance, and sometimes to logistics, where a presupposed antinomy is expressed, as misleading as it is harmful to efficiency, between the imperatives of fluidity, speed, and regulatory constraints. When it is not, within the TPI, PMI-SME, the accounting department which is in charge, with variable competences, of managing the aforementioned function.

And yet...

How can we deny, after a major health crisis, the resurgence of conflicts, not to mention climatic events of unprecedented magnitude, that perfect control of supply and distribution chains, knowledge of flows and the costs they generate, are vitally important issues?

No one can ensure that these challenges are met better than Customs, thanks to the permanent knowledge it provides of all the parameters that make up these chains.



From the origin and nature of the goods to their value, including their traceability during transport and the costs that these incur.

Elements that support a declarative process that, unfortunately, too often acts as a tree hiding the forest in the eyes of many decision makers.

Finally, if one had to finish convincing oneself of its interest, it would be enough to measure the structuring effect on the company of the status of Authorized Economic Operator (AEO) that the Administration grants to the one that guarantees a high level of Safety-Security of its organization, of its activities and a perfect regulatory compliance.

These are all reasons to raise the status of a poorly valued function to the highest level.

Article written by **François Mion**, Founder of Diogel Consulting

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YOUR CUSTOMS MONITORING



BREXIT AND UKCA MARKING: PRODUCT COMPLIANCE FOR THE UNITED KINGDOM

The UKCA (UK Conformity Assessed) marking is the new marking required to demonstrate that certain products comply with the technical requirements of Great Britain (England, Scotland and Wales). These markings cover products that previously required CE marking.

Following the postponement of the requirement to affix the UKCA marking until January 1, 2023, UK Customs has announced a series of changes to simplify the implementation of this requirement by businesses.



EU-VIETNAM FREE TRADE AGREEMENT

Since 1^{er} August 2020, products originating from Vietnam can benefit from tariff preferences under the EU-VIETNAM Free Trade Agreement (signed on 30 June 2019). Operators could therefore choose to continue to benefit from the unilateral concessions granted by the EU under the Generalized System of Preferences (GSP) until the end of December 2022, while respecting the rules of origin linked to the agreement.



PROHIBITION OF PRODUCTS FROM FORCED WORK

On September 14, the Commission proposed a ban on forced work products on the European Union market.

The proposal concerns all products, i.e. products manufactured in the European Union and intended for domestic consumption and export, as well as imported goods, without targeting specific companies or sectors.

For more information: see the legislative proposal of September 14, 2022 on the European Commission's website.

