

## A Review of *Customs: Inside Anywhere, Insights Everywhere*

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Customs controls the cross-border movement of goods. As such, customs agencies play an important role in the enforcement of government regulation in international trade. In recent decades, this role of the ‘police at the border’ has been complemented with a strong focus on the facilitation of trade, supporting the parties that aim to be compliant, and chasing the parties who don’t. Smooth logistics with smart enforcement.

This dual role of Customs is based on a deep vision of how customs supervision could and should work, and how the role of Customs can change but stay fit for the future. This vision, in all its depth and breadth, is laid out in this book. Such a book did not exist previously, but it fulfils a need. Customs agencies around the world, as well as companies engaging in the cross-border flow of goods, are witnessing tremendous change. They need to know that the age-old mechanisms of trading across borders, and the supervision of the resulting flows is still flexible and resilient enough to withstand the test of time going forward. This book holds that promise.

Heijmann and Peters structure the book around four parts: the bedrock of customs activities, the vision on Customs – pushing boundaries, building blocks for a changing Customs and part 4: the future.

This book is about Customs, therefore the first part of the book elaborates on its mission. The mission of Customs in Europe is defined in the Union Customs Code as the primary responsible party for the supervision of the European Union’s international trade. This means that Customs oversees enforcing the laws that regulate the cross-border movement of goods. This results in four main tasks for any customs agency: taxation, security, safety and facilitation. This part of the book expounds in some detail the intricacies of these four tasks. In particular, the discussion in this part elucidates the scientific views vis-a-vis supervision and its main elements in the customs domain: intervention, correction and intervention. Risk management is discussed as one of the main competencies of a customs agency to balance its roles of enforcement and facilitation. This is fully in line with the accepted state of the art of customs supervision formulated in the WCO SAFE Framework

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of Standards to Secure and Facilitate Global Trade. Risk assessment comes with the need for information. This part therefore also discusses informational requirements for customs agencies in some detail. It ends with the important insight that a solid customs enforcement approach is based on a well-considered balance between the constituent parts of Custom's mission.

The second part of the book elaborates on the vision – called 'Pushing Boundaries' – behind the enforcement approach of Dutch Customs. Apart from a forward-looking and ambitious statement, this title contains, in a nutshell, the core idea behind this vision: boundaries are no longer lines on a map dividing countries, which pinpoint the location of customs interventions. Effective customs agencies check and verify goods movements in many more instances and possibly in many more places than simply at the border at the moment of crossing. This way of thinking enables the facilitation of trade, unhindered logistics, efficient allocation of scarce customs resources, and effective enforcement on those goods flows that are assessed as high-risk.

This section discusses the 'Pushing Boundaries' vision in some detail. While the basic idea is the combination of smart enforcement and smooth logistics, there are many more components: information management, risk assessment, levels of compliance and a layered approach to enforcement, and finally, coordinated border management. Technology plays an important role as well, in autodetecting goods and data. The latter refers to the continuous improvement of selection profiles and risks. All these components can be divided into four constituent elements of the vision: information, risk management, trustworthiness and layered enforcement. These four components are discussed in some detail. The discussion shows repeatedly that the intelligent application of these components enables Customs to fulfil its dual role of law enforcement and trade facilitation.

Part three of the book takes a step back from the vision and considers the developments and events that have prompted the formulation of this vision. While this part is not intended as a history lesson, it does look back at the beginning of the 21st century, to 9/11 as a crucial turning point in the supervision of international trade. This 'big bang' event, as the book calls it, could have stopped world trade, because of all the new measures to control the flow of people and goods, containers, ports, ships, airplanes and global businesses. It did not, and this is in large part due to the inventiveness of customs agencies and regulators to introduce controls, but to also continue to enable trade. From this dual purpose emerges the dual role of Customs. This section elaborates on the development and influences that changed the view on how customs agencies could remain relevant, how trade could be maintained, and how the original mission of Customs could be sustained. Research played no small part in this, as well as the development of new ways in which a customs agency could maintain a dialogue with trade. This section therefore elaborates on many projects, initiatives, discussion groups and educational

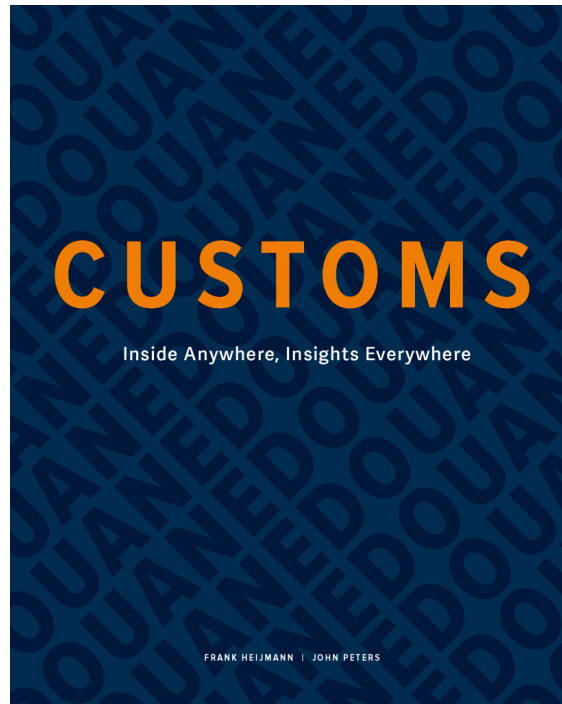
initiatives that played a part in shaping, testing and reformulating the central vision described in part two. After part three, the reader not only understands the vision, but also its origins, and how it evolved.

The final part, four, then looks at the future. The vision is not static. The world evolves; therefore, trade develops and so does the role of Customs. Customs is attributed a stronger role in the greening of society. Technology develops and people also change. This has not been lost on regulators, research institutes and customs agencies. This part of the book discusses a Joint Research Centre study that has been conducted on the role of Customs in the EU in 2040, by means of scenario analysis. It then continues to evaluate the current approach to Customs and formulates a view on the way Customs could continue to operate in the future. One of the key ideas discussed is the relative decline of customs duties as a source of income for the EU, and the introduction of a whole host of other regulatory requirements at the border, from the verification of responsible manufacturing to the verification of emission information. This last section then formulates a view on ‘Customs Supervision 2.0’ that is fit for the future.

A view into this future is the Artificial Customs Intelligence Depository (ACID). This is a neural network that, based on continuous data collection from approved and open sources, makes autonomous, predictive and proactive enforcement decisions. This system may or may not exist in 2040, but components of this system are currently being developed. These components will become elements of the way in which Customs can continue to play its complex, dual role: to enforce and facilitate international trade.

This is a book for everyone who works in Customs or with Customs, and who wants to know how their world will advance. This book contains a vision on Customs that will withstand the test of time.

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