

# ACADEMIC REFORM FOR THE TRAINING OF INTERNATIONAL TRADE PROFESSIONALS

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## **Abstract**

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The Argentine Republic acknowledges that, in order to strengthen the National State, all of its agencies must achieve efficiency, quality and transparency in the creation and implementation of public policies. In order to be successful, these objectives must be aligned with career development. To this end, the Federal Administration of Public Revenues (AFIP) Institute of Studies is being redesigned to meet the PICARD Professional Standards. The outcome will be twofold: firstly, customs officers will enhance their performance in detecting, for example, trade fraud, tax evasion, smuggling, and counterfeiting, and secondly, they will be more involved with the new requirements of Customs in the 21st century as their training will be endorsed by the World Customs Organization (WCO).

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## **Background**

The World Customs Organization (WCO) promotes customs modernisation through compliance with safety and transparency in international standards, and through the training of professionals specialised in the facilitation of international trade. The WCO Capacity Building Development Compendium states that ‘an effective, competitive modern Customs service must have in place or must develop an organisational structure which is capable of delivering the required results efficiently and effectively with resources allocated, delivered and managed to meet the priority needs’ (WCO 2009).

To this end, the government of the Argentine Republic has been working to strengthen the National State so that its different agencies achieve efficiency, quality and transparency in the creation and implementation of public policies. The Argentine Customs is part of this process. A well organised customs administration enables the government to meet its objectives in connection with revenue collection, trade facilitation, trade statistics and the protection of society from a range of security concerns.

To date the Argentine Customs has achieved substantial progress in addressing tax fraud, the risks of tax evasion, international trade transactions carried out through no-nominal tax jurisdictions, under-invoicing and other threats posed by globalisation and current international trade. In 2005, a customs modernisation process was begun by redesigning the internal structure of the agency. Through Executive Order No. 898/05 the Deputy Directorate General of Customs Control was created with a view to designing customs control strategic policies, collecting and analysing information for the definition of risk profiles, and articulating actions between Customs and other state agencies in relation to operational and technical issues.

The Deputy Directorate General of Customs Control is made up of the Directorate of Risk Analysis which focuses on areas such as selectivity and strategic management of customs valuation, and of the Directorate of Investigations which specialises in drug trafficking, counterfeiting and non-economic prohibitions.

Since 2005, the Argentine Customs, through its governing body, the Federal Administration of Public Revenues [*Administración Federal de Ingresos Públicos*] (AFIP), has taken the initial steps to improve the training provided to its officers. However, AFIP understands that it is now time to move forward by adopting a more comprehensive training program which is aligned with WCO standards. More knowledgeable and skilled officers will be able to respond more quickly to the demands of Customs in the 21st century. By providing professional customs training, the Argentine Customs is meeting its commitments to comply with international and regional standards related to the movement of people and goods.

### **Professional training of Argentine customs officers**

AFIP seeks to enhance its standard of professionalism and ensure that its personnel development go hand-in-hand with organisational development. In order to achieve these goals, the Argentine Customs professional training of its officers is threefold: through the AFIP Institute of Studies, the Training Directorate and the Cooperation Agreements signed with the private sector and other countries.

#### **AFIP Institute of Studies**

In 2006, through Disposition 178/2006 (AFIP 2006), the AFIP Institute of Studies was created with the aim of contributing to the professional training and technical specialisation of AFIP personnel, university graduates and staff in organisations focused on tax-related activities. The Head of the Federal Administration of Public Revenues is the President of the AFIP Institute of Studies and the Academic Council is made up of the Director General of Customs, the Director General of Tax and the Director General of Social Security Resources.

Since 2006, although training courses were organised and delivered, the Institute of Studies has focused mainly on research, publication of materials and exchange of information with other national and foreign academic institutions. From the experience gained throughout this time, AFIP acknowledges the importance of research but is, at the same time, aware of the gap still existing between academic research and practical customs operational activities. Customs carries out controls and inspections around the clock and its officers need to be trained to react immediately.

The existence of the AFIP Institute of Studies shows the commitment of the Argentine government to the technical and managerial training of Customs' operational staff and middle management who are often underrated. These officers possess valuable knowledge about trends and patterns in the movement of goods across borders that is instrumental in detecting trade fraud and illegal transactions.

For this reason AFIP is widening the scope of its Institute of Studies by promoting academic initiatives that foster personnel development and career planning in line with WCO capacity building guidelines. The WCO defines capacity building as 'activities which strengthen the knowledge, abilities, skills and behavior of individuals and improve institutional structures and processes such that the organization can efficiently meet its mission and goals in a sustainable way' (WCO 2009). AFIP recognises the key role of capacity building and is currently encouraging the execution of a Memorandum of Understanding between its Institute of Studies and one of the universities that adheres to the PICARD Professional Standards.

It is important to highlight the impact on capacity building of the strategic link between the AFIP Institute of Studies and universities. This alliance represents an opportunity for customs officers to be trained in skills and abilities which are endorsed by the WCO.

The synergy between the AFIP Institute of Studies and these centres of studies can assist the Argentine Customs in addressing the Customs in the 21st century ten building blocks (WCO 2008) by providing customs personnel with the necessary tools to optimise customs transactions on a global scale by, among others, implementing modern working methods, techniques and procedures.

Once the AFIP Institute of Studies actively implements the PICARD Professional Standards, it will be able to articulate policies and measures with tertiary level institutions and national and foreign universities so that their graduates acquire the necessary knowledge and develop the necessary skills to be recruited by Argentine Customs. This training will also pave the way for customs staff to feel more involved with and committed to the model of Customs in the 21st century without the uneasiness and resistance often associated with organisational change and transition.

The international customs community stresses the importance of global cooperation and harmonisation. To reach these objectives customs officers must be trained through a comprehensive program that is recognised internationally. In this way, all customs officers, regardless of their nationality, will acquire the same knowledge and develop the same abilities and skills to ensure effective controls.

### **Directorate of Training AFIP**

Apart from the courses, lectures and workshops organised by the AFIP Institute of Studies, AFIP has a Directorate of Training dependent on the HR Director General (AFIP 2005) for the training of its personnel in risk management, reliable economic operator and trade fraud, and other aspects of customs work. These are priority and essential elements when striving to become an effective and efficient customs agency in the 21st century. Some of the training activities have been centered around the functioning of the risk analysis laboratory; the use of non-intrusive control equipment; training to become dog handlers; and courses to identify the steps to detect false invoices, undervaluation, or the diversion of imports and exports through third countries.

### **Cooperation agreements signed with the private sector and other countries**

In forums, working days and workshops jointly organised with different trade and industry chambers and private organisations, AFIP fosters the dissemination of information regarding existing rules to address the risk-management issues mentioned above. As well, AFIP has shared best practices with Customs worldwide by signing cooperation agreements and memoranda of understanding with several foreign agencies.

### **Conclusions**

The activities that AFIP has implemented throughout this time have enabled it to develop a clear vision of the training needs that could be covered by adhering to the PICARD Professional Standards.

AFIP understands that, as a state agency, it must take the lead to establish training and development standards designed to raise the professionalism of customs officers. National universities may well follow suit. AFIP would now like to encourage universities to update their curricular content so that they can develop educational programs which provide professional qualifications for customs staff.

These guidelines could be reflected in subjects such as international customs law; best customs practices; auditing and risk management procedures based on intelligence information; rules on factory brands and copyright; border management; modern working methods, and techniques and procedures. In this way, the universe of essential issues for customs development and evolution pursuant to the demands of globalisation and international logistics and the directives and best practices recommended by the WCO would be present at the genesis of customs officers' training.

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