

# Digitalisation and automation of customs processes and procedures

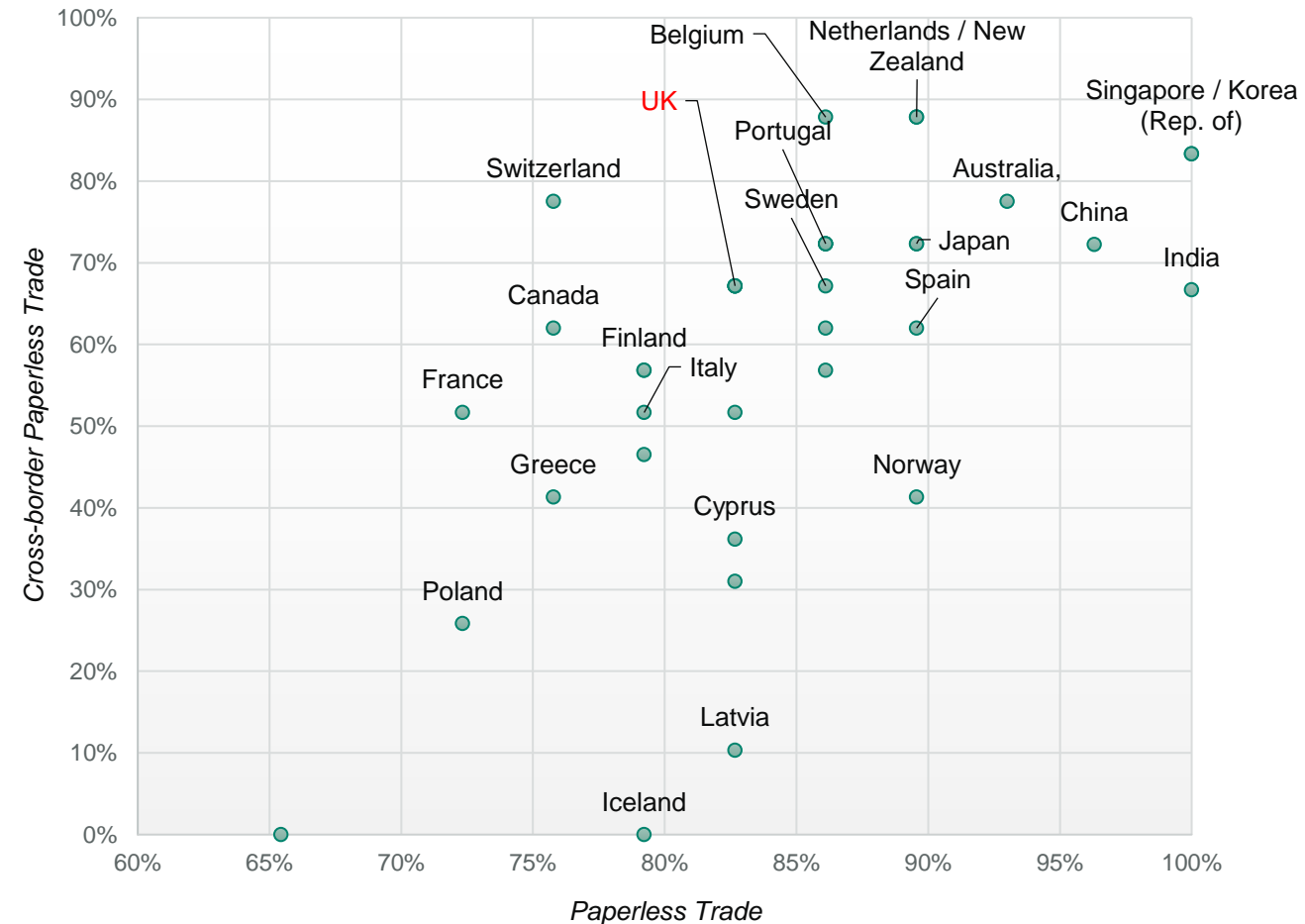


HM Revenue  
& Customs



# Overview of UK customs system digitalisation and automation

Digital Trade Facilitation – 2023 UN Survey



Sample: UN Survey definition of 'Developed Countries', plus selected countries

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2023; <https://www.untfsurvey.org/>

# Leveraging data and technology to transform the border

Further customs digitalisation and automation has the potential to:



**Reduce commercial trade process costs**



**Reduce trade burdens from customs**



**Increase security at the border**



**Enable the broader application of new AI technologies**

- Electronic transmission of customs declarations is efficient. But the process of bringing the data together from different sources and systems can be costly to business.
- Digitalisation would allow the integration of supply chain data direct from trade systems into customs, lowering customs admin costs and allowing better risking and compliance

# Assessment of digitalisation priorities informed by Pilot outcomes

UK's 2023 Ecosystem of Trust (EoT) pilots set out to test a high trade facilitation model with businesses and technology providers – how across all border regimes new technology and data insights can improve trade facilitation and security.

## Key findings included:

### Assured Supply Chain Data

- Most data required for customs declaration was available in commercial supply chain management systems.
- Industry possesses richer, timelier supply chain data which could be used to enhance risking.
- At present, industry data is largely not available in structured, digital formats

### Open & Effective Standards

- Efficient data transfer between businesses, government and other stakeholders is needed for a viable, scalable model.
- Important to ensure standards and models adopted in any UK model are compatible with international standards.

### IoT Devices / Augmenting Tech

- These can provide additional security & assurance.
- Government can use the intelligence provided (e.g., tampering detection or geolocation) to make better decisions.
- Industry developed standards are embryonic in many areas and may not yet be robust enough for government needs.

## EoT Evaluation report recommendation

Continue to work collaboratively with industry to identify and test use cases, benefits for government and incentives for industry.

Promote trade digitisation, the use of digital trade documents, and the use of Electronic Trade Document Act (ETDA) 2023 compliant digital trade documents by industry.

Test and evaluate key government use cases for augmenting technology

Further test how government could optimally integrate supply chain data, key use cases and the benefits provided.

Work collaboratively with industry and internationally, to identify how to make data interoperable between government and industry systems.

Work collaboratively with industry to further understand the scope for different forms of augmenting technology to provide necessary security, and assurance.

# Current activity

The UK's work and ongoing partnership with business on trade digitisation will address key challenges identified by the Ecosystem of Trust evaluation and support our ambition of further digitalisation and automation of the UK border model.

## Trade Digitalisation

**UK National Trade Facilitation Committee's** has taken on the purpose of supporting the digitalisation of trade, and will operate as a key forum for business and government to work to promote and work to address any barriers to the adoption of electronic trade documents

**Multilateral engagement** at key fora, e.g. WTO to support trade digitalisation initiatives and best practice, and concluding **bilateral agreements** (e.g. Digital Economy Agreements) which support companies to trade more efficiently through digital technology

## Supply chain

**Electronic Trade Document Technical Demonstrator** – test how HMRC can access and process electronic trade documents relating to UK trade, and how data and assurance from these documents can be used to improve customs administration

Consultation on **future legislation** to facilitate the collection and processing of supply chain data by UK Government

## Augmenting Technology / Internet of Things (IoT)

**Moving goods inland**– testing inland movement of goods under customs control, with movement tracked / assured by a GPS enabled smart seal.

HMRC Innovation Team and Brunel University London are collaborating on a research project aimed at automated compliance in cross-border trading using IoT devices.

Other UK Border departments also testing possibilities e.g. whether journey assurance evidence from augmenting technology can be used as part of sanitary and phytosanitary controls

## Artificial Intelligence (AI)

**The Windsor Framework Fast Parcel Operator Commodity Code Identification** - developed to help FPOs supply commodity codes on parcels moved from GB to NI

**Trialling of internal AI productivity tools**

**Customer facing guidance curation**

# Thank You



HM Revenue  
& Customs