

Annex to G20 Leaders Declaration

G20 High Level Principles on Countering Corruption in Customs

Trade and competition are powerful drivers of growth, increased living standards and job creation. The G20's growth strategies include reforms to facilitate trade by lowering costs, streamlining customs procedures, reducing unnecessary regulatory burdens and strengthening trade-enabling services.

Customs have significant responsibilities for regulating cross-border trade, including collecting taxes, deterring illicit trade, controlling goods subject to prohibitions or restrictions, and contributing to economic competitiveness by facilitating trade.

Ineffective and inefficient customs, whether caused by under-resourcing, cumbersome customs procedures, or corruption, can negatively impact the benefits of international trade, trust in government, as well as sound economic and public sector reforms.

Effectively preventing and combating corruption in customs is essential to an enabling business environment and investment climate. Corruption can be combated effectively only as part of a comprehensive strategy that is adapted to national and local contexts.

1. Leading by example

G20 Countries should ensure that customs administrations operate in accordance with a risk-based integrity strategy that, where applicable, is well-integrated with the national anti-corruption framework. G20 countries should also ensure that an adequate amount of resources is devoted to the implementation of customs' integrity strategies, and that customs administrations management lead by example in the discharge of their official duties.

G20 countries should ensure that customs administrations build a culture of integrity through transparent internal decision-making, integrity awareness-raising and training activities, as well as an open organizational culture that is responsive to integrity concerns.

2. Implementing appropriate integrity standards

G20 countries should set integrity standards for customs officials that encourage high standards of conduct, good governance, and adherence to public service values. Integrity standards should be established with a view to provide a clear basis for disciplinary, administrative, and criminal sanctions based on appropriate law enforcement processes.

3. Transparency

G20 Countries should ensure that its customs procedures are applied in a predictable, consistent and transparent manner, taking into account international standards and good practices. Appeal and administrative review mechanisms should be accessible for traders to challenge or seek review of customs-related determinations.

4. Automation

G20 Countries should endeavour to:

- (a) take into account, as appropriate, international standards and recommendations on customs related matters, particularly those related to procedures for the timely release of goods, including those developed by the World Customs Organization (WCO);
- (b) make electronic systems accessible to customs users. Automated customs systems should be configured in such a way as to increase efficiency, remove opportunities for corruption and increase the level of accountability; and
- (c) enhance automated systems for risk analysis and targeting.

5. Reform and Modernization

G20 Countries should periodically review their customs systems and procedures, aiming to streamline out-dated and burdensome practices and procedures, and increase transparency in decision-making with a view to minimize opportunities to engage in unethical, fraudulent or corrupt acts.

6. Human resources management

G20 Countries should ensure that customs administration human resources policies are based on principles of fair and transparent systems for recruitment, hiring, retention, promotion and

retirement of customs officials in accordance with their merits, equity and aptitude, as well as on organizational and ethical standards among customs officials. G20 countries should also ensure that customs administrations retain qualified and high performing individuals by providing them with adequate benefits and opportunities to enhance their professional careers.

7. Relationship with the Private Sector

G20 Countries should promote open, transparent and productive relationships between their customs administrations and the private sector.

8. Audit and Reporting

G20 Countries should enhance strategies to prevent, detect and reduce corruption in customs, including the implementation of appropriate monitoring and control mechanisms such as internal and external auditing, as well as effective investigation and prosecution regimes. Such strategies should encourage higher levels of integrity and effective mechanisms to detect incidents of corruption at all levels, and strengthen accountability.

Customs officials and customs users should be provided clear channels to report wrongdoing, misbehaviour and unethical activities and, when such information is provided, it should be investigated in a prompt and appropriate manner.

Collective action to promote integrity

Each G20 country should adopt a comprehensive strategy to promote integrity in customs, bearing in mind these High Level Principles and taking into account, as appropriate, the good practices identified in the OECD's Compendium on G20 Members practices on Integrity in Customs and other international recommendations, including those developed by the World Customs Organization, and the United Nations Convention Against Corruption. G20 countries are encouraged to continue sharing their respective strategies and experiences as well as to disseminate best practices to effectively address the risk of corruption in customs.