



LETTER OF INTENT

Between

WORLD CUSTOMS ORGANIZATION

AND

WORLD BASC ORGANIZATION

This Letter of Intent shall form the basis of cooperation between

WORLD CUSTOMS ORGANIZATION (WCO)

AND

WORLD BASC ORGANIZATION (WBO)

I. THE COOPERATING PARTNERS

1. World BASC Organization (WBO) and World Customs Organization (WCO) (the “Parties”), have a mutual interest in promoting the security of the global supply chain and to contributing to socio-economic development through the growth of commercial trade.

2. WBO is a Delaware, U.S., non-profit organization, whose mission is to secure and facilitate international trade by means of the establishment and administration of global supply chain security standards and procedures in association with customs administrations and government authorities. WBO seeks to foster economic growth, good governance and human resource development for the benefit of securing commerce among member countries through audit and monitoring procedures of supply chain companies and other entities engaged in the international trade of goods and services.

3. WCO has the membership and participation of 169 Customs administrations, representing nearly 99% of global trade. As government organizations, Customs are in a unique position to promote increased security within the global supply chain and contribute to socio-economic development through revenue collection and trade facilitation.

4. Representatives of WBO and WCO have held discussions with a view to enhancing their opportunities for collaboration. It is envisaged that enhanced collaboration will strengthen institutional capacities of the Parties and improve their efficiency and effectiveness in working towards common goals.

5. WBO and WCO have concluded that they should collaborate in the identified areas of mutual interest, without creating formal obligations for either Party.

II. THE GUIDING PRINCIPLES

6. WBO and WCO acknowledge that the collaboration that they seek to foster shall facilitate the realization of their aims to promote the establishment of the SAFE Framework of Standards and thereby contribute to security and dignity for mankind and improved conditions for securing commerce. Both Parties further acknowledge that collaboration will increase the relevance and effectiveness of their development-related work. The collaboration between WBO and WCO will be based on partnership and shared responsibility.

7. The collaboration between WBO and WCO shall be guided by the following principles:

- a. Long-term approaches to sustainable secure commerce are needed;
- b. Participation should be encouraged, consistent with available resources; and
- c. Development and/or capacity building programmes should be results oriented and built on transparent relationships between parties.

III. AREAS OF COOPERATION

8. WBO and WCO agree that they will collaborate at regional, country, sector, programme and project levels in line with the priorities of their partner countries and national BASC structures. Under their respective mandates, WBO and WCO undertake to explore possibilities for effective collaboration with a focus on:

- a. Seminars and Training programmes to promote among the trade community the implementation of the FOS
- b. Providing standards and guidance to companies and entities on secure commerce vulnerabilities;
- c. Promoting the cooperation between the private sector and customs administrations in order to involve them in ensuring the security of the international trade supply chain.

9. Other areas for mutual collaboration and cooperation may be identified and agreed to by the Parties from time to time.

IV. PARTICULAR ASPECTS OF COOPERATION

10. The collaboration between WBO and WCO may involve the following activities:

- a. WBO may actively participate in the Consultative Group established to provide advice on the WCO's Framework of Standards.
- b. WBO will promote cooperation and alliances as useful mechanisms for the integration of companies and national customs administrations
- c. WBO together with national customs administrations and/or WCO will design validation processes.
- d. WBO will cooperate with customs in the validation process of the companies if/when needed.
- e. WBO will assist companies on the self-assessment process measured against pre-determined security standards and best practices to ensure that their internal policies and procedures provide adequate safeguards to protect their shipments until they are released from customs formalities at destination.
- f. WCO will regularly update WBO to promote minimum security standards and best practices.

V. REVIEW OF THE ARRANGEMENT AND DESIGNATION OF FOCAL POINTS

11. WBO and WCO agree that a first review of activities under this Letter of Intent will be launched within six months of its signing to consider further ways to facilitate its implementation.

12. The progress in the implementation of this Letter of Intent will be reviewed regularly at intervals convenient to both Parties.

13. The designated focal point at WBO will be Mayra Hernandez, WBO Executive President

The designated focal point at WCO will be Larry Burton, Technical Officer.

14. Either Party can terminate this Letter of Intent by providing three months written notice (the Notice Period) to the other Party to this effect. During the Notice Period both Parties will take all measures to ensure that any joint activities being undertaken are finalized or arrangements made to minimize any adverse impact from the termination.

VI. FURTHER COOPERATIVE ARRANGEMENT

15. WBO and WCO do not intend to create legal obligations by the signing of this Letter of Intent. It is intended only that opportunities for cooperation and collaboration shall be identified, coordinated and facilitated.

16. In the event that opportunities are identified for further collaboration involving the provision or management of funds or the commitment of the resources of either Party, these shall be subject to agreements concluded for that purpose, if necessary, and be implemented in accordance with the established practices and procedures of the Parties.

Signed in Brussels June 2006.

World Customs Organization

World BASC Organization

Original firmado

Original firmado

Michel Danet
General Secretary

Mayra Hernández de Cavalier
Executive President