

# Pre-Shipment Inspection Services



**COTECNA**

# Safeguarding Customs' revenue

## Background

In the 1960s, governments' concerns were almost exclusively focused on how to combat the manipulation of transfer pricing by multinational companies avoiding capital controls.

As trade has been liberalized and exchange controls removed, concerns have gradually shifted to the monitoring of tax avoidance through false invoicing and wrong declaration of Customs classification.

Since then, worldwide trade volumes have continued to grow, cargo movements have become more complex and the illegal traffic of goods has also increased significantly. As a consequence, over the past 10 years, attention has again shifted towards new challenges related to trade facilitation, security and traceability, as well as governance of standards compliance (transparency, accountability and performance evaluation).

In this complex trade environment, Customs authorities are under pressure to become more efficient in the execution of their mission, optimize their resources, address ports and border posts congestion whilst being compliant with the prevailing regulations and guidelines in the domain of Customs valuation, trade facilitation and security.



## Cotecna's answer

Cotecna has been offering Pre-Shipment Inspection (PSI) services in five continents since 1984, and has become leader on this market.

PSI consists of a set of tailor-made verification services, primarily designed to assist Customs authorities in combating capital flight and ensuring the correct collection of import duties and taxes.

In a PSI scheme, shipments are inspected at the premises of the exporting firm or at the port of departure.

The Cotecna PSI offer relies on core verification services that entail:

- Physical inspection of goods
- Container examination and sealing
- Classification and valuation of goods
- Documentary checks

In addition, by providing technical support, advisory services, regular and comprehensive added-value reporting and customized training with a comprehensive capacity building program, Cotecna ensures successful implementation of its PSI services. This reinforces Customs monitoring ability and is fully compliant with the regulatory and WCO frameworks.



## Benefits

- Improvement of Customs monitoring activities
- Increase of import duties
- Protection of local production
- Facilitation of legitimate trade
- Safety enhancement
- Accelerated Customs clearance
- WTO & WCO compliance

# Pre-shipment Inspection offering

## Comprehensive and modular



The PSI offer, designed by Cotecna to efficiently support Customs operations, is proven to be comprehensive, modular, flexible and fully customizable in order to:

- Meet the specific objectives of Customs
- Take into account local parameters and prevailing regulations
- Adapt to evolving needs

**Detailed physical inspection of goods** to verify that the goods:

- Conform to the relevant agreed contractual specifications
- Meet the relevant quality and quantity requirements
- Are adequately and accurately described all along the invoicing control process

**FCL (Full Container Load) container inspection** to guarantee that the goods loaded are safely stored and remain untampered with during travel including loading / discharge services:

- Empty container integrity checking
- Stuffing witnessing
- Sealing with tamper-resistant devices

**Documentary check and investigation** to control transaction legality, contractual specifications of goods and document certification.

**Tariff classification assistance** to detect misclassification of goods and provide Customs with an independent opinion on the declared tariff codes thus indicating which duties and taxes should be paid.

**Valuation assistance** to provide Customs with an independent opinion on prices on the commercial invoices. The various price components are examined in order to ensure they correspond to those prevailing in the country of origin or on the international market and take into account commercial agreements.

**Duties and taxes calculation** based on the assessed dutiable value and appropriate Customs classification, in accordance with the tariff rates applicable under the local Customs' tariff code. Cotecna can be mandated to monitor exemptions which have been granted by authorities.

**Added value reporting on operations** to regularly provide Customs with essential data for statistical interpretation and reconciliation purposes. These reports serve as management tools and allow a performance review of systems and processes.

**Training and capacity building** based on practical training methods to increase Customs monitoring ability, practices and empowerment that results in concrete and tangible enhancements.

## Tailor-made

The feasibility study is the key step that will guarantee the successful implementation of the PSI project. Its scope includes:

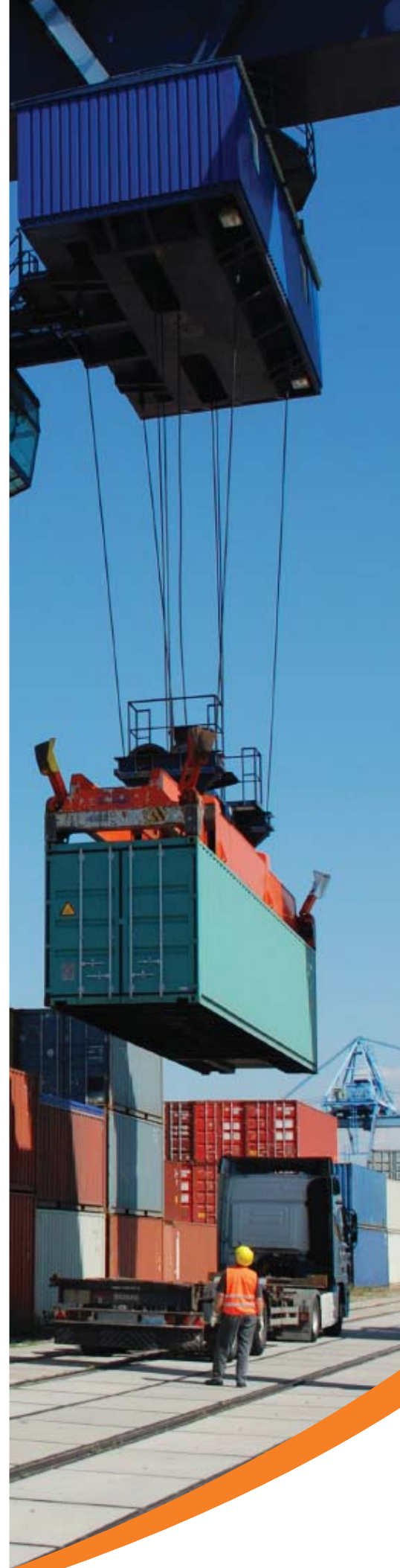
- Analysis of Customs' existing organization models
- In-depth study of the Customs' operational procedures and business objectives
- Analysis of applicable regulations
- Definition of training needs

Such in-depth study results in a unique combination of customized modules and services.

## Best practices

Cotecna's PSI services rely on a proven and professional combination of best practices:

- Implementation of modern and efficient control techniques
- Quality commitment entailing:
  - The use of quality assurance principles throughout the operational process
  - An international network of qualified people
  - The application of a systematic and impartial process via harmonized methodologies
- Business intelligence through the implementation of sophisticated reporting tools, allowing our clients to adapt actions and processes.



# Delivering professional excellence

## Business compliance and ethics

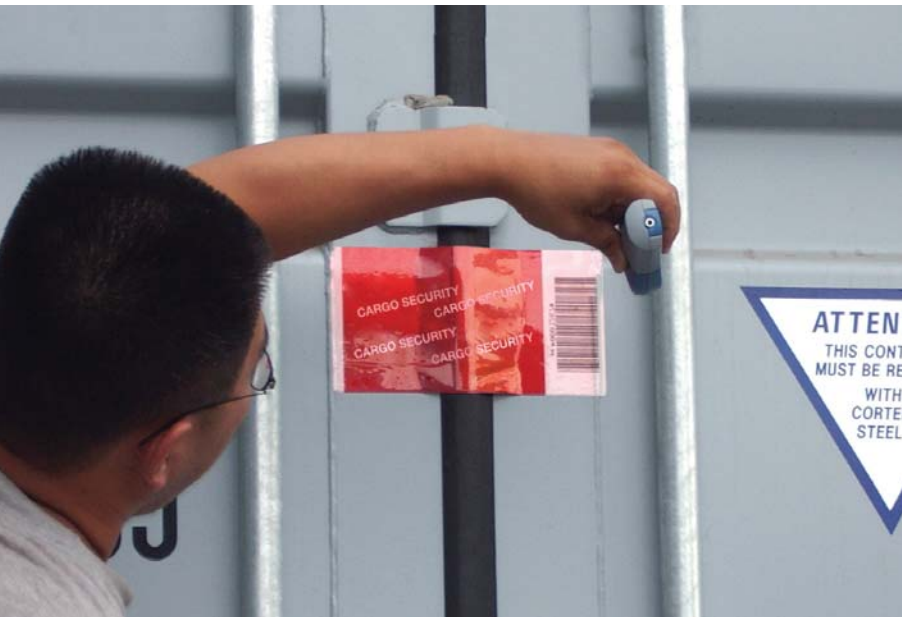
Cotecna commits to provide reliable and professional services. With a reliable track record in inspection, verification and certification, Cotecna complies with international standards such as:

- ISO 9001 multi-site management system certification
- ISO/IEC 17020 inspection management system accreditation
- ISO/IEC 17021 certification management system accreditation
- ISO/IEC 17025 laboratory management system accreditation

The PSI solution complies with the requirements of the IFIA (International Federation of Inspection Agencies) Code of Practice and the WTO (World Trade Organization) Agreement on Pre-Shipment Inspection.

The implementation of a strict Business Ethics & Compliance Code throughout Cotecna gives both performance effectiveness and quality / quantity control:

- International coverage
- Qualified technical resources in 60 countries
- Confirmed integrity of the Cotecna group



## References in Pre-Shipment Inspection services

Cotecna implemented its first Pre-Shipment Inspection program in Nigeria in 1984.

Since then, many countries in Africa and also Pakistan, Peru, Ecuador, Bangladesh have implemented this solution.

After 25 years of continuous improvement, Cotecna is currently delivering these high level services in Angola, Burkina Faso and Niger.

## About Us

Cotecna is the worldwide leader in government inspection services, a pioneer and recognized authority in risk management programmes using scanning technologies.

Founded in Switzerland in 1974, as a privately owned company, Cotecna was first established to meet the demand for professional inspection services in the Middle East. Our entrepreneurial spirit and excellent understanding of emerging economies have enabled us to become a leading supplier of trade security and facilitation services with international credibility in inspection and testing.

Our Group offers a wide range of Customs support services, combining state-of-the-art technology and knowledge transfer with innovative, tailor-made solutions to improve and secure trade environments around the world. In addition to risk management, destination inspection and scanner integration projects, we also offer Customs modernization and valuation assistance, verification of conformity and commercial inspections.

With strong revenue growth over the past 10 years, the Cotecna group has a combined workforce of 4 000 employees and agents in close to 100 offices around the world. Our tried and tested experience is drawn from over 35 contracts in government inspection services.



**TRIED AND TRUSTED**



**Cotecna Inspection SA**

58, rue de la Terrassière  
PO Box 6155  
1211 Geneva 6  
Tel. +41 22 849 69 00  
psi@cotecna.com  
www.cotecna.com