Use of EDI message in the postal logistic chain

Customs authorities are an important part of the postal logistic chain. The time that mail items spend at customs is a substantial part of postal end-to-end performance. To decrease end-to-end throughput time and to increase customer satisfaction for international mail, it is absolutely necessary to automate customs processing for mail as much as possible.

Designated Postal Operators are already quite advanced in using information technology and the linking of their automated international mail management systems by the use of Electronic Data Exchange (EDI). Even developing Designated Postal Operators have this possibility by using the UPU’s IPS services, which is already used by 171 Designated Postal Operators.

It is very important to extend the use of EDI to the entire postal logistic chain. An electronic data exchange with customs is necessary to achieve this objective.

How to facilitate the Postal Customs clearing and address Security issues?

The UPU is facilitating Postal Customs clearing and address Security issues through the introduction of electronic pre-advice and clearing. The UPU has already improved the quality of information on Customs declaration forms (forms CN22/23 and CP72) significantly. Since May 2011 the "UPU Postal Export Guide" (PEG) is available to Designated Postal Operators and Customs authorities.

The UPU Standard M43 describes the EDI messages, CUSITM and CUSRSP, which prepare the electronic interchange of customs-relevant data between Designated Postal Operators and Customs / Border control agencies.

CUSITM provides an electronic representation of the data specified on the paper forms CN22, CN23 and CP72. CUSRSP is the electronic ‘response’ from Customs, indicating the Customs decision and optionally provides feedback on information, security, tax/duty or additional information requests.

Since March 2011, CUSITM/CUSRSP is a joint standard message set by UPU and WCO and compliant to WCO data model V3.
The objective of the UPU CDS is:

1. to provide a standard IT system for the exchange of electronic customs declarations pre-advice
2. to implement a globally standardized interface (using the CUSITM/CUSRSP data exchange standard)
3. to link Customs’ systems and other security agencies’ systems to Postal systems and to enable Customs authorities who do not have its own system, to use the CDS software directly
4. to ensure affordable pricing by enabling all countries to use it regardless of their development status
5. to create a multilateral solution where any country can adhere and instantly exchange with all other countries

The major benefits of the CDS include:

1. Handling time at Posts and Customs will be reduced and throughput will be increased
2. CUSITM data can be fed into risk management systems which in return would respond with CUSRSP messages
3. More efficient mail flow process at Customs
4. Better communication between Post and Customs
5. Faster Customs clearance of mail items and improved service quality for postal customers
6. Pre-advice and Pre-clearance can be used to collect duties/taxes in advance
7. Security alerts and requests for additional information can be automatically sent to origin Post
8. Integration with e-commerce systems: direct injection of declaration by e-retailers, import restrictions and cost information

The UPU Customs Declaration System (UPU CDS) architecture consists of:

- A central UPU system (CDS.post) mainly aimed at designated operators preferring to delegate the cost of ownership/system administration to the UPU.
- A local CDS system aimed at designated operators requiring tight systems integration or local data storage.

Each designated operator in collaboration with their customs authority can decide:

- If they want to use the central/cloud solution or install CDS locally.

Both have a clear separation of data between the postal and customs users; with an interface to feed data automatically from/to other systems; and internationally interconnected for exchange. There will be a strict data confidentiality and separation between Postal and Customs data.
Export side:
1. Import shippers’ electronic Customs declaration data (including S10 ID) into CDS: CUSITM files or ITMATT (XML or EDIFACT) or via CDS API Web service interface
2. Capture declaration data using Web user interface at the Post Office or at home via Internet. Determine customs code (HS)
3. Check exported item against
   - Watchdog (e.g. canceled export by shipper)
   - Security alert from destination or origin customs / security authority
   - Prohibitions & restrictions in the destination country
4. Forward declaration to
   - Destination Post (ITMATT)
   - (optional) Export Customs (CUSITM)
5. (optional) receive response from Export Customs
   - Via CUSRSP file or web API
   - Via direct input in CDS
6. Receive feedback from destination post:
   - Parts of CUSRSP regarding Import (tax/duty/other) charges information or additional documentation needed
   - Security related CUSRSP

Import side:
1. Receive declaration from export Post (ITMATT)
2. Forward declaration to import Customs (CUSITM)
3. Receive response from import Customs including decision plus import cost
   - Via CUSRSP files or web API
   - Via direct input in CDS
4. Maintain Landed Cost information for imported merchandise
5. Provide an exclusive area for import Customs to configure
   - Selectivity rules for automated selection
   - Rating rules for tax / duty calculation
   - Determine which feedback (part of CUSRSP) is allowed to be sent back to the origin country.
     e.g.: - Security alerts
           - Request for additional information
           - Tax/duty or other import cost information
   - Customs decision can be updated by Customs at any time. (several CUSRSP for one CUSTIM)