



# Action Plan 2022 for the Realization of SMART Customs

<Provisional Translation>

Customs and Tariff Bureau, Ministry of Finance  
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- 5 Major Progress of Measures to Realize Smart Customs since the Launch of “SMART Customs Initiative 2020”

# *Introduction*



Japan Customs is working toward the world's leading Customs (SMART Customs) with a medium- to long-term vision for Customs administration, the "SMART Customs Initiative 2020" (announced in June 2020).

The environment surrounding Customs has been dramatically changing since the announcement of the Initiative. Changes are brought by the undergoing dynamic structural transformation both domestically and internationally, such as the prolonged impact of the COVID-19, changes in international commercial and logistical flows due to the rapid increase in imports resulting from the expansion of cross-border electronic commerce (EC) and the further development of economic partnership agreements, rapid progress in the digital transformation (DX) of the entire economy and society starting with the private sector, and the emergence of new needs including the expectation to address economic security threats.

Considering these changes, Japan Customs has upgraded the measures set forth in the Initiative by incorporating new measures to respond to the environmental changes and needs, and compiled the "Action Plan 2022 for the Realization of SMART Customs".

Japan Customs will continue to work toward the realization of SMART Customs by appropriately grasping environmental changes and needs, and by reviewing and revising measures in a timely manner.

# Action Plan 2022 for the Realization of SMART Customs

## Changes in the Customs Environment

Medium- to long-term Vision  
for Customs administration

### "SMART Customs Initiative 2020"

~Aiming to be the world's leading Customs (SMART Customs)  
for the sound development of trade, a safe society, and a prosperous future~

**[Official announcement in Jun 2020]**

#### "SMART Customs Initiative 2020"

**S**olution

Measures  
contributing to  
improved  
convenience

**M**ultiple-**A**ccess

Measures  
contributing to  
multidimensional  
cooperation

**R**esilience

Measures  
contributing to  
toughness

**T**echnology & Talent

Measures contributing to  
operational advancement  
with technologies and  
human resource  
development

**[Official announcement in Nov 2022]**

#### "Action Plan 2022"

("SMART Customs Initiative 2020" → Upgrade of measures)

**Ongoing measures**



**New measures**

as necessary  
Review of the Initiative  
Upgrade of the measures

**Realization of SMART Customs**



# **Action Plan 2022 for the Realization of SMART Customs**

**New Measures**



# New Measures in Action Plan 2022 to Realize Smart Customs

## 1. New Environmental Changes

## New Measures

### (1) Changes in International Commercial and Logistics Flows

Rapid Increase in Small Package Service due to the Expansion of Cross-Border E-Commerce



▶ Measures to Address Rapidly Growing Import Shipments

### (2) Emerging Needs

① Appropriate Export Control



▶ Addressing Economic Security  
▶ Consideration of Enforcement for Outbound Passengers  
(1) Efforts for Proper Enforcement of the Export Goods Sales Point System  
(2) Efforts to Respond to the FATF Recommendations

② Facilitation of Import Procedures



▶ Further Development of the Tax Payment Environment in Customs Clearance of Commercial Cargo  
▶ Further Simplification of Verification Procedures for Suspected Intellectual Property (IP) Infringing Goods

③ Utilization of Bonded Areas



▶ Utilization of Bonded Areas for Economic Revitalization

④ Promotion of International Cooperation



▶ Initiatives for Strategic Capacity Building in Customs

⑤ Responding to Digitalization



▶ Digitalization of Trade Procedures  
(1) Response to DX of Trade Information  
(2) Further Utilization of Big Data Held by Customs  
(3) Efforts to Exchange Data on Certificates of Origin

### (3) Advances in Technology

Sophistication of Smuggling Tactics



▶ Improving Efficiency of Examination and Inspection by Utilizing New Technologies and Equipment  
(1) Smooth Introduction of Equipment Utilizing Cutting-Edge Technology to Airport and Port Facilities, etc.  
(2) Efforts to Realize DX of Customs Inspection Areas  
(3) Research and Studies on Detection of Illicit Drugs by Using AI and Substance Identification with X-ray CT  
(4) Improving Efficiency of Examinations and Inspections, by Using Smart Glasses  
(5) Verification of Applicability of Underwater Drones

## 2. Finding New Needs and Seeds

Identification of New Needs and Seeds



▶ Accurate Understanding of Needs and Seeds through Exchange of Opinions  
(1) Enhancement of Exchange of Opinions with Related Organizations  
(2) Facilitation of Information Exchange with the WCO, Foreign Customs Administrations, and so on

# 1. (1) Changes in International Commercial and Logistics Flows

Rapid Increase in Small Package Service due to the Expansion of Cross-Border E-Commerce

## ▶ **New Measures ①** Measures to Address Rapidly Growing Import Shipments

The use of cross-border e-commerce is expanding, resulting in a rapid increase in import shipments.

In order to ensure the feasibility of border control and appropriate taxation, Japan Customs will take necessary measures, including revision of Customs regulations.



### Efforts

- Obtain useful information.
- Strengthen risk management using information.
- Revision of Customs regulations (Customs procedure agent system, etc.)
- Collaboration and cooperation with Customs brokers, EC platformers, etc.
- Enhance organizational capability.

New										Ongoing				Progress											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	R	T	S	M	R	T
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# 1. (2) Emerging Needs

① Appropriate Export Control

## New Measures ②

### Addressing Economic Security

Addressing economic security threats has become an important policy issue.

Based on the overall government policy, Japan Customs will promote efforts to "prevent unauthorized exports leading to the outflow of products and technologies that may be diverted to military use" by strengthening information collection and other necessary measures.



#### Efforts

- Reinforce relevant section in charge of economic security.
- Build up expertise on economic security.
- Strengthen information collection and analysis by promoting cooperation with relevant domestic and foreign agencies and utilize information in Customs examinations and inspections.
- Grasp the export performance of goods subject to control and ensure proper export Customs clearance.
- Cooperation with private sector operators such as Customs brokers.
- Strengthen information to be examined by Customs at export procedures.

New														Ongoing				Progress							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	R	T	S	M	R	T



# 1. (2) Emerging Needs

①Appropriate Export Control

## New Measures ③

### Efforts for Proper Enforcement of the Export Goods Sales Point System

The complete digitalization of the duty-free sales procedures (creation of purchase records, etc.) under the export sales point system enables tax authority and Customs to grasp actual use of the system and made it possible to identify the cases of fraud.

Japan Customs will work with the national tax authorities to identify and accumulate fraudulent cases, analyze and investigate fraudulent methods, and work toward the proper enforcement of the export sales point system.



#### Efforts

- Ensure proper enforcement of the export goods sales point system through close cooperation between Customs and national tax authorities.
- Tighten enforcement in particular high value purchasers.
- Establish formality for departing passengers to present passports to Customs.
- Strengthening the implementation of levy decisions, etc.

New										Ongoing				Progress													
1	2	3	4	5	6	7	8	9	10	1	1	1	1	1	1	1	1	1	1	S	M	R	T	S	M	R	T
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# 1. (2) Emerging Needs

①Appropriate Export Control

## ▶ **New Measures** ④ **Efforts to Respond to the FATF Recommendations**

In the Action Plan for anti-money laundering, countering the financing of terrorism and countering proliferation financing, which was developed in the wake of the Fourth Round Mutual Evaluation Report of Japan by Financial Action Task Force (FATF), it is stated that "Customs will strengthen its response" to "enhance cash seizure at the border".

In order to prevent illicit export of means of payment by passengers, it is necessary to conduct proper inspections of outbound passengers, while utilizing information from relevant agencies and other sources.



### **Efforts**

- **Revised relevant Customs regulations to ensure cooperation with the police and proper examination and inspection.**
- **Consideration of strengthening the inspection capability for outbound passengers, including enforcement in public-private partnerships and new enforcement methods such as the introduction of Currency Dogs (bill-sniffing dogs).**

New										Ongoing				Progress											
1	2	3	4	5	6	7	8	9	10	1	1	1	1	1	1	1	1	S	M	R	T	S	M	R	T

# 1. (2) Emerging Needs

②Facilitation of Import Procedures

## New Measures ⑤

### Further Simplification of Verification Procedures for Suspected Intellectual Property (IP) Infringing Goods

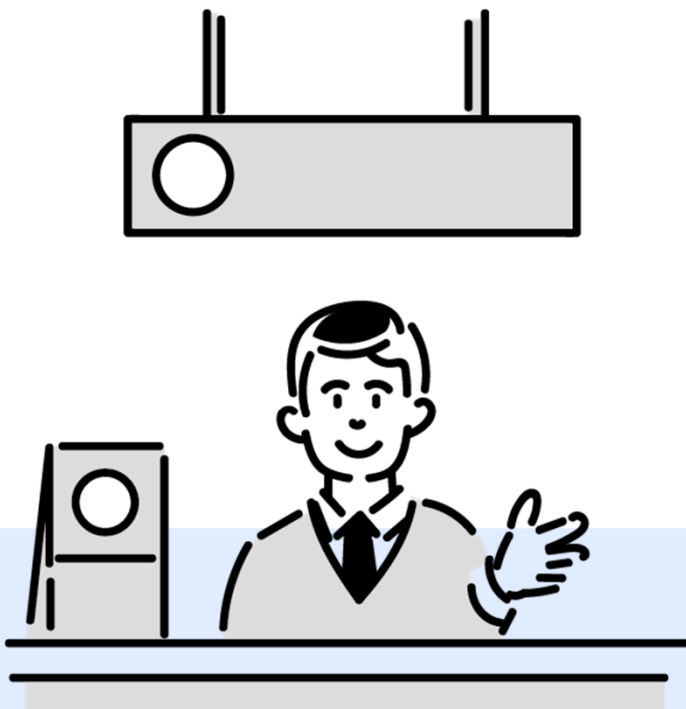
In recent years, the number of import suspensions against IP infringing goods related to patent rights, etc., which are not subject to the simplified procedures, has been increasing.

In addition, the scope of enforcement of IP infringing goods by Customs has been expanded since October 2022.

These affect the heavier administrative burden on right holders and Customs in connection with Verification Procedures.

#### Efforts

- Expansion of the scope of simplified procedures in the verification of IP infringing goods (Consider to revise the system so that patent rights and design rights, etc., which are not subject to the simplified procedures, would be included in the scope).



New														Ongoing				Progress									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	A	R	T	S	M	A	R	T

# 1. (2) Emerging Needs

②Facilitation of Import Procedures

## New Measures ⑥

### Further Development of the Tax Payment Environment in Customs Clearance of Commercial Cargo

For personal belongings carried by passengers, cashless payment has been applicable in a phased manner: by smartphone application in July 2021, by credit card in February 2022 and by the multi-payment network service method in April 2022.

Japan Customs will consider further improvement of the tax payment environment for Customs clearance of commercial cargo based on actual needs of both users (importers and Customs brokers) and Customs.



#### Efforts

- Conduct needs assessment survey on cashless payment in Customs clearance of commercial cargo.
- Consider further development of the tax payment environment based on the results of the needs assessment survey.

New														Ongoing				Progress									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	A	R	T	S	M	A	R	T

# 1. (2) Emerging Needs

## ③Utilization of Bonded Areas



### New Measures ⑦

### Utilization of Bonded Areas for Economic Revitalization

Collection of Customs duties on foreign goods is withheld while they are in the bonded area. Taking this advantage, new businesses such as Art Fair have emerged in recent years.

In order to contribute to economic revitalization of the nation, Japan Customs intends to utilize the Bonded Area system in various ways.

#### Efforts

- Identify needs by publicizing the system to businesses in various fields and respond to them.
- Consider strengthening the Customs organizational capability to ensure proper enforcement of the bonded area.



New										Ongoing				Progress													
1	2	3	4	5	6	7	8	9	10	1	1	1	1	1	1	1	1	1	1	S	M	R	T	S	M	R	T
																				A	A			A	A		

# 1. (2) Emerging Needs

④Promotion of International Cooperation

## ▶ **New Measures ⑧** Initiatives for Strategic Capacity Building in Customs

For the sound development of trade and realization of a safe society, it is imperative to enhance the capacity of Customs administrations in developing countries.

It is also important to build cooperative and trusting relationships among Customs administrations and contribute to securing the competitiveness of Japanese companies in an appropriate trade environment, in line with the national foreign and economic policies such as "Free and Open Indo-Pacific" and "Economic Security".



### Efforts

- **Implementation of the human resource development project to train experts in Customs administrations in Africa and Pacific island countries in collaboration with the WCO and JICA.**
- **Delivering effective and efficient capacity building activities using meeting methods of in-person and online appropriately.**
- **Developing human resources in Japan Customs systematically to develop human capital who are highly specialized in needed areas for capacity building activities.**

New								Ongoing				Progress													
1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8	S	M	R	T	S	M	R	T
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# 1. (2) Emerging Needs

⑤ Responding to Digitalization

## New Measures ⑨

### Response to DX of Trade Information

Japan and other countries are taking actions to put electronic trade-related documents to practical use. In addition, trade information linkage platforms that enable data sharing among related parties have been emerging; these accelerate the movement toward the digitalization of trade-related documents.

#### Efforts

- Keep a close eye on the trend of digitalization of trade-related documents at home and abroad.
- Explore possibilities of collaboration with various trade information platforms.



New										Ongoing				Progress							
1	2	3	4	5	6	7	8	9	10	1	1	1	1	S	M	R	T	S	M	R	T
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# 1. (2) Emerging Needs

⑤ Responding to Digitalization

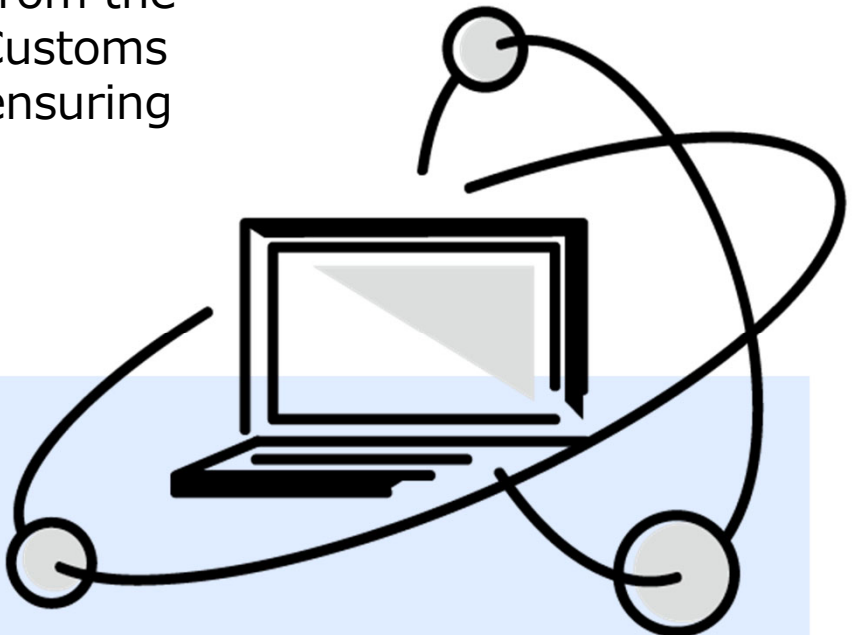
## ▶ **New Measures** ⑩ **Further Utilization of Big Data Held by Customs**

Customs holds big data such as information on import/export declarations. Customs has been studying various operational supports through big data analysis and promoting sophistication and efficiency in Customs operations from possible fields.

It is necessary to make more effective use of such data from the viewpoint of contributing to efficient implementation of Customs operations and consideration of Customs policies, while ensuring confidentiality protection and information security, etc.

### **Efforts**

- **Further use of big data analysis.**
- **Analyze data that contributes to the formulation of Customs policy.**
- **Human resource development for big data analysis.**
- **Further improve information analysis literacy of the entire Customs officers.**



New										Ongoing				Progress											
1	2	3	4	5	6	7	8	9	10	1	1	1	1	1	1	1	1	S	M	R	T	S	M	R	T
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# 1. (2) Emerging Needs

⑤ Responding to Digitalization

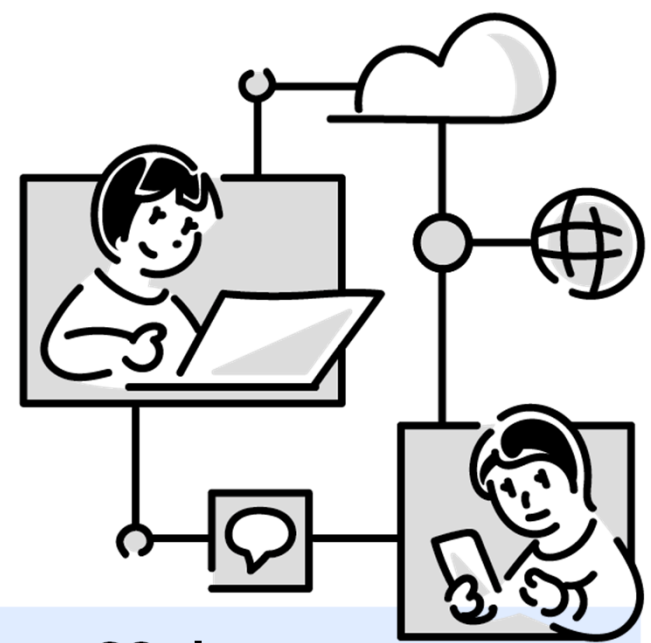


## New Measures ⑪

### Efforts to Exchange Data on Certificates of Origin

While various EPAs are developing including RCEP and other mega-EPAs, a third-party certification system in which competent authorities issue certificates of origin (CO), has been adopted in origin certification procedures of many EPAs that Japan has concluded.

As some of the Customs authorities in ASEAN countries require the submission of CO in paper format, there are needs from the industry for digitization of CO.



### Efforts

- Develop systems for the realization of data exchange on CO, in consultation with Thailand, Indonesia, and ASEAN, as well as domestic relevant ministries.
- Encourage the partner countries to secure their acceptance of CO in PDF format in parallel with the work toward the realization of data exchange.

New																		Ongoing				Progress			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	R	T	S	M	R	T

# 1. (3) Advances in Technology

Sophistication of Smuggling Tactics

## New Measures ⑫

Smooth Introduction of Equipment Utilizing Cutting-Edge Technology to Airport and Port Facilities, etc.

In light of facilitating logistics and improving operational efficiency at each airport and port, as well as further enhancing and improving the efficiency of Customs enforcement, Japan Customs will introduce equipment and other measures that utilize cutting-edge technology and promote the digitalization of inspections.



### Efforts

- Strengthen collaboration with related organizations to ensure smooth introduction of equipment utilizing cutting-edge technology.
- Establish a liaison and coordination system for the planned development of Customs facilities, etc.

New										Ongoing				Progress											
1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	S	M	R	T	S	M	R	T

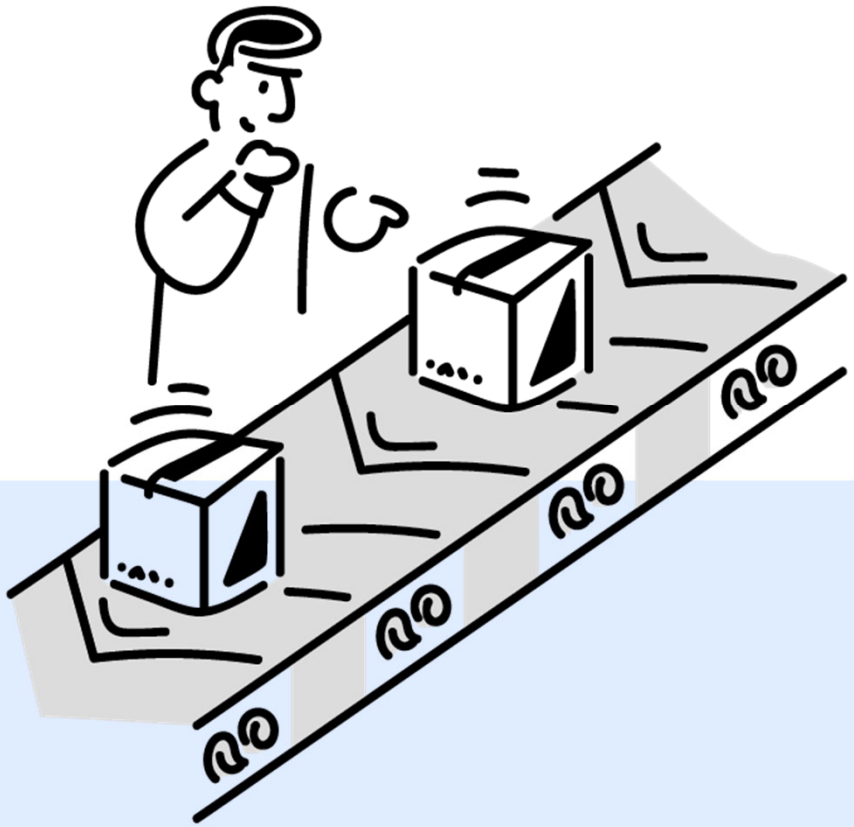
# 1. (3) Advances in Technology

Sophistication of Smuggling Tactics

## **New Measures** ⑬ **Efforts to Realize DX of Customs Inspection Areas**

In order to respond to the rapid increase in the number of imported cargo, Japan Customs needs to conduct inspections even more effectively and efficiently.

It is important to introduce equipment that utilizes cutting-edge technology and to promote the digitalization of inspections.



### **Efforts**

- **Promote smooth introduction of equipment, etc. utilizing cutting-edge technology and automation of inspection processes.**
- **Establish effective and efficient cargo inspection measures.**

New										Ongoing				Progress							
1	2	3	4	5	6	7	8	9	10	1	1	1	1	S	M	R	T	S	M	R	T

# 1. (3) Advances in Technology

Sophistication of Smuggling Tactics

## New Measures 14

### Research and Studies on Detection of Illicit Drugs by Using AI and Substance Identification with X-ray CT

In order to implement image analysis using X-ray CT systems more quickly, it is necessary to develop X-ray CT systems with an automatic detection function for illicit drugs.

Japan Customs will conduct research and studies on the detection of illicit drugs in line with the needs of inspection teams to contribute to more accurate and rapid inspections by utilizing advanced technology.



## Efforts

- Research and studies of automatic detection of illicit drugs.
- Developing the measure that meets the demands of the inspection teams.
- Verification in actual operations.
- Expanding the range of illicit drugs to be detected and improving accuracy.

New														Ongoing				Progress							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	1	1	1	1	S	M	R	T	S	M	R	T

# 1. (3) Advances in Technology

Sophistication of Smuggling Tactics

## New Measures 15

### Improving Efficiency of Examinations and Inspections, by Using Smart Glasses

There is a need for more efficient communication and coordination between physical inspectors and examiners in remote place. In addition to this, more effective examination and inspection of cargoes are also important.

Smart glasses, which enables real-time information sharing with remote locations, will be utilized to improve the efficiency of examinations and inspections.



## Efforts

- Effective inspections through real-time collaboration between physical inspectors and examiners in remote place.
- Remote support for physical inspectors by staff members with expertise and experience.
- Maintain and improve skills for examination by ensuring opportunities to see actual products.
- Consider utilizing smart glasses in other Customs operational areas.

New										Ongoing				Progress											
1	2	3	4	5	6	7	8	9	10	1	1	1	1	1	1	1	1	S	M	R	T	S	M	R	T
									5	6	7	8			A				A						

# 1. (3) Advances in Technology

Sophistication of Smuggling Tactics

## New Measures ⑩

### Verification of Applicability of the Underwater Drones

Underwater drones are used in various situations such as undersea surveys, infrastructure inspections, water rescue and fisheries. Japan Customs will verify the feasibility of its use for monitoring and control of coastlines.



#### Efforts

- Verify underwater drone performance.
- Investigate the possibility of utilizing the system for monitoring and control of coastlines and consider the prediction of introduction effect.

New											Ongoing				Progress										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	R	T	S	M	R	T

## 2. Finding new needs and seeds

Identification of New Needs and Seeds

### ▶ **New Measures** ⑰ **Enhancement of Exchange of Opinions with Related Organizations**

Japan Customs is actively exchanging opinions with private sector stakeholders in order to understand the current situation of logistics and issues faced in businesses, and to improve Customs policy and operations.

Since most of the organizations with which Japan Customs has exchanged opinions to date are comprised of businesses headquartered in Tokyo, it is necessary to listen to the voices of regional businesses as well.



#### **Efforts**

- **Improve Customs policy and operations by identifying new needs.**
- **Expand information exchange to include local private sector stakeholders.**
- **Focus on export support in cooperation with related ministries and agencies.**

New														Ongoing				Progress									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	A	R	T	S	M	A	R	T



## 2. Finding new needs and seeds

Identification of New Needs and Seeds

### New Measures ⑱

Facilitation of Information Exchange with WCO, Foreign Customs Administrations, and so on

Based on the development of cutting-edge technologies, AI and other advanced technologies are being actively used in foreign Customs operations.



### Effort

- Facilitate exchange of information on the status of utilization of advanced technologies in Customs operations and the status of specific initiatives at WCO and foreign Customs administrations.
- Promote the introduction of cutting-edge technologies into Customs operations in Japan.

New														Ongoing				Progress									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	A	R	T	S	M	A	R	T





# **Action Plan 2022 for the Realization of SMART Customs**



**Ongoing Measures**



# Solution (Measures to Improve Convenience)



Japan Customs aims to ensure more appropriate and prompter Customs clearance by providing trade-related businesses, travelers, and others with solutions to improve compliance and convenience in Customs procedures.

## 【Initiatives to realize this】

- 1 Further digitalization of Customs procedures for inbound passengers**
- 2 Further digitalization of other Customs procedures**
- 3 Support for the user of EPAs**
- 4 Improve the Japan Customs website**

# Solution 1 Further digitalization of Customs procedures for inbound passengers

While seeking cooperation by strengthening necessary coordination and information sharing with the Immigration Services Agency and other relevant ministries and agencies, Japan Customs will strive to further digitalize Customs procedures for inbound passengers.

## Efforts

- Strengthen cooperation and information sharing with relevant ministries and agencies. Promoting the digitalization of Customs procedures.
- Centralization of electronic reporting tools to further promote the use of E-gates.  
(Matters to be newly addressed after July 2022)



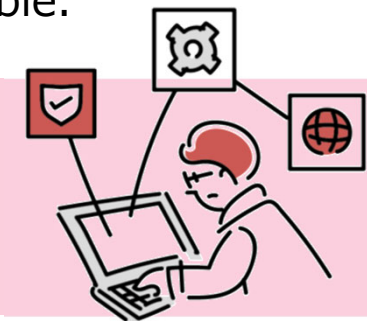
Customs checkpoint  
Electronic Customs  
Declaration gate (E-gate)

# Solution 2 Further digitalization of other Customs procedures

Japan Customs will constantly examine procedures that are involved in written applications and notices of disposition in writing in order to digitalize them as much as possible.

## Efforts

- Further promote the digitalization of tax reduction and exemption procedures.



New														Ongoing				Progress									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	A	R	T	S	M	A	R	T

## Solution 3 Support for the user of EPAs

Japan Customs will contribute to trade facilitation through promoting the use of EPAs by providing assistance in line with the needs of importers and exporters.

### Efforts

- Establishment of support structure and holding EPA seminars.
- Identifying the needs for support and enhancing the dissemination of EPA-related information.



## Solution 4 Improve the Japan Customs website

Japan Customs will improve the contents and functions so that users of the Customs website can easily see and easily search and obtain the necessary information.

### Efforts

- Improved access to Customs channels (YouTube videos).



New										Ongoing				Progress							
1	2	3	4	5	6	7	8	9	0	1	1	1	1	S	M	R	T	S	M	R	T

# Multiple-Access (Multi-Dimensional Collaboration)



Japan Customs aims to expand and strengthen information cooperation with related organizations and trade-related businesses, etc., and aims to further advance both the strengthening of border control and trade facilitation.

## 【Initiatives to realize this】

- 1 Further cooperation with relevant agencies**
- 2 Further cooperation with businesses**
- 3 Cooperation with universities, etc.**
- 4 Further cooperation with foreign Customs Administrations, etc.**

# Multiple-Access 1 Further cooperation with relevant agencies

Japan Customs will actively share information with relevant organizations such as the Immigration Services Agency, the police, the Narcotics Control Department, and the National Tax Agency and strive to strengthen information collection.

## Efforts

- Actively share information and strengthen cooperative relationships in human resource development.
- Study of advanced utilization methods of large-scale X-ray inspection equipment corresponding to the development and progress of each port.
- Improving the way Japan Customs shares information with relevant organizations.



# Multiple-Access 2 Further cooperation with businesses

Japan Customs will strive to grasp the status of physical and personnel compliance at trade-related businesses. In addition, Japan Customs will strengthen our partnership even more than ever before, such as by regularly exchanging opinions with various industry groups.

## Efforts

- Ensuring compliance and strengthening partnerships among stakeholders in bonded business.
- Strengthen information collection (advance information and other information) related to cargo and passengers.



New										Ongoing			Progress																
1	2	3	4	5	6	7	8	9	0	1	1	1	1	1	1	1	1	S	M	R	T	S	M	R	T	A	A	R	T

## Multiple-Access 3 Cooperation with universities, etc.

Japan Customs has been cooperating with research institutions such as universities, dispatching staff through the university-commissioned training program. In the future, for example, Japan Customs could consider measures such as joint research to utilize cutting-edge technologies.

### Efforts

- Examination of measures to utilize cutting-edge technologies such as joint research.



## Multiple-Access 4 Further cooperation with foreign Customs Administrations, etc.

In order to provide a seamless environment for the legal flow of people, goods, and money in international trade, Japan Customs will deepen cooperation with foreign Customs and related regulatory agencies.

### Efforts

- Strengthen cooperation with foreign Customs and regulatory agencies.
- Seeking international cooperation and contributing to the dissemination and discussion of Japan's policies.
- Contribution to international discussions on the acquisition and utilization of advance information on cruise ship passengers.



New																Ongoing			Progress						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	R	T	S	M	R	T
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# Resilience (Strong and Supple)



In order to prepare for changes in the social structure and disaster risks, etc., and to contribute to the resilience of the supply chain, Japan Customs aims to sustain and develop Customs administration while ensuring convenience in Customs procedures.

## 【Initiatives to realize this】

- 1 Investigate systems resistant to disasters and other emergencies**
- 2 Preparation for disasters, etc.**
- 3 Create an environment for flexible working styles**
- 4 Implement cutting-edge technologies for monitoring and control of coastlines, etc.**



# Resilience

1

## Investigate systems resistant to disasters and other emergencies

In order to minimize the impact on the Customs clearance system in the event of a disaster, Japan Customs will pay close attention to new technological trends and constantly consider ways to further strengthen our resilience.

### Efforts

- Improving the safety of system operation by renewing the Customs Intelligence Database System (CIS).
- Continuous maintenance of high availability of communication functions, etc.



# Resilience

2

## Preparation for disasters, etc.

Japan Customs will update the Business Continuity Planning (BCP) in a timely manner. In addition, Japan Customs will consider the possibility of utilizing information collection services using AI for the latest information on damage caused by earthquakes, typhoons and other unforeseen circumstances.

### Efforts

- Study of disaster prevention measures at Customs such as review of Customs business continuity plannings (BCPs) and measures to reduce the risk of document dissipation.
- Consideration of rapid collection of disaster information using AI.



New										Ongoing				Progress							
1	2	3	4	5	6	7	8	9	0	1	1	1	1	S	M	R	T	S	M	R	T
										0	1	2	3		A				A		

# Resilience 3 Create an environment for flexible working styles

In order to enable more employees to connect to the Customs systems from their home terminals, Japan Customs will improve this function and strengthen the telework environment by increasing the number of devices that can be connected. In addition, Japan Customs will strive to improve work efficiency in telework, such as digitizing documents that are not stored electronically and making it easier to access necessary information from home, etc.

## Efforts

- Establishment of a telework environment.

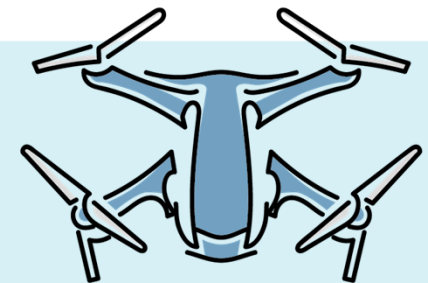


# Resilience 4 Implement cutting-edge technologies for monitoring and control of coastlines, etc.

In addition to constantly striving to devise surveillance and control measures along coastlines, etc., Japan Customs will consider how to sophisticate and improve the efficiency of surveillance and control using technologies as unmanned aerial vehicles (so-called "drones") and satellite information, while paying close attention to the progress of the technology and the status of utilization by related organizations in Japan and overseas.

## Efforts

- Utilization of satellite information.
- Consider the use of drones (including verification of fixed-wing drones).  
(Matters to be newly addressed after July 2022)



New														Ongoing				Progress								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	R	T	S	M	A	R	T

# Technology & Talent

(Operational Advancement  
with Technologies and Human  
Resource Development)



Japan Customs will actively incorporate advanced technologies such as AI into Customs operations, and aim to enhance operations by creating new convenience in Customs procedures and realizing more effective, efficient, and advanced enforcement. In addition, Japan Customs aims to develop human resources, review operations themselves, and improve the workplace environment in conjunction with the use of advanced technologies.

## 【Initiatives to realize this】

- 1 Proactive deployment and use of cutting-edge technologies**
- 2 Infrastructure provision**
- 3 Consider Business Process Re-engineering (BPR)**
- 4 Development of the system for consideration, Human Resource Development, and securing staff resources**
- 5 Digitalizing operations**

# Technology&Talent 1 Proactive deployment and use of cutting-edge technologies (1/4)

While conducting researches on cutting-edge technologies and closely monitoring the status for utilization or demonstration experiments at foreign Customs, Japan Customs will continue to explore the possibility of applying technologies in Japan for Customs operations.

## Efforts

- Research aimed at incorporating cutting-edge technologies.
- Study of the possibility of utilizing blockchain, IoT, etc. for Customs operations.



# Technology&Talent 1 Proactive deployment and use of cutting-edge technologies (2/4)

In the track record of detecting illegal drugs, there have been many cases where stimulants were concealed in or around the bodies of inbound passengers, and in order to respond to such concealment, Japan Customs is conducting research toward the practical application of testing equipment that detects stimulants using radio waves, aiming for early deployment.

## Efforts

- Research on NQR equipment\* (stimulant concealment detection device).

\* "NQR (Nuclear Quadrupole Resonance)"  
A device that emits radio waves and measures the electronic waves (NQR signal) that resonate.

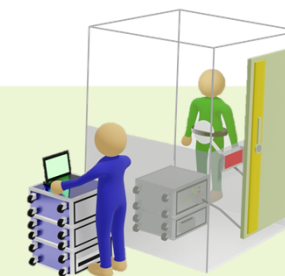


Image of NQR inspection

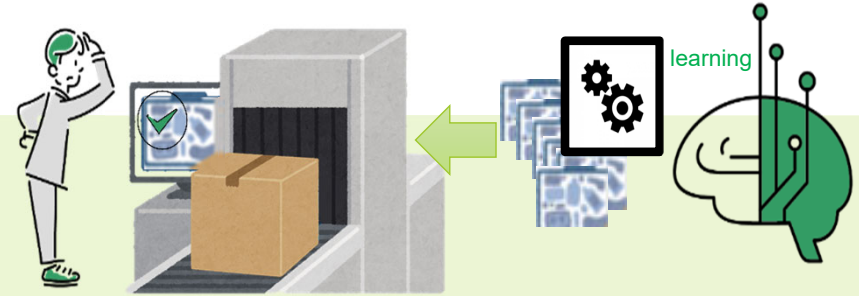
New										Ongoing			Progress														
1	2	3	4	5	6	7	8	9	0	1	1	1	1	1	1	1	1	1	1	S	M	R	T	S	M	R	T
																					A				A		

# Technology&Talent 1 Proactive deployment and use of cutting-edge technologies (3/4)

It is expected that AI learning a large amount of cargo X-ray image data will support the review of X-ray images by inspectors. In preparation for full-scale use in the field, Japan Customs will increase accuracy by continued learning, and sophisticate and improve efficiency of operations.

## Efforts

- Continuous implementation of inspection support by AI analysis on X-ray image.



# Technology&Talent 1 Proactive deployment and use of cutting-edge technologies (4/4)

Robotic Process Automation (RPA) is expected to automate and improve the efficiency of routine and repetitive operations such as data entry and reprinting work, so Japan Customs will introduce RPA to Customs nationwide and expand the target operations.

## Efforts

- Further expansion of the use of RPA.
- Active horizontal deployment of existing RPA.  
(Matters to be newly addressed after July 2022)



New										Ongoing			Progress														
1	2	3	4	5	6	7	8	9	0	1	1	1	1	1	1	1	1	1	1	S	M	R	T	S	M	R	T
																					A				A		

## Technology&Talent 2 Infrastructure provision

Based on the "Digital Government Action Plan" stipulating that government agencies must thoroughly use cloud services, Japan Customs will consider how to utilize cloud services as well as consider the use of cutting-edge technologies.

### Efforts

- Examination of how to utilize cloud services.
- Research and studies of the use of control and inspection equipment using cutting-edge technologies.



## Technology&Talent 3 Consider Business Process Re-engineering (BPR)

When introducing cutting-edge technologies such as RPA or systematizing operations, it is necessary to disassemble and write out the business flow, and as a side effect, it is possible to visualize the business. For this reason, in the process of replacing operations with cutting-edge technologies, etc., Japan Customs will review the business flow as necessary.

### Efforts

- Review of business flow in line with the use of cutting-edge technologies



\* "BPR" stands for Business Process Re-engineering. A review method aimed at reconstructing the business flow by disassembling the business flow and re-verifying the necessity of each business process.

New																Ongoing				Progress					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	R	T	S	M	R	T

# Technology&Talent

4

## Development of the system for consideration, Human Resource Development, and securing staff resources

Japan Customs will conduct training to develop human resources who are bright in the field of data science necessary to understand and master advanced technologies such as AI. At the same time, Japan Customs will actively employ human resources with knowledge of cutting-edge technologies and secure human resources who can bridge operations and systems when introducing cutting-edge technologies and systematizing operations.

### Efforts

- Develop and secure human resources who have expertise in the fields of cutting-edge technologies and data science.



# Technology&Talent

5

## Digitalizing operations

In order to create an environment that utilizes cutting-edge technologies, it is also necessary to digitalize operations as much as possible. In the future, when utilizing cutting-edge technologies, Japan Customs will promote the digitalization of our operations and consider the use of this data.

### Efforts

- Study on data accumulation such as X-ray inspection images.



Barcode reader



Smart glasses

New											Ongoing			Progress				
1	2	3	4	5	6	7	8	9	10	11	S	M	R	T	S	M	R	T
											A	A	A	A				



# Measures to Realize SMART Customs

**Major Progress**





# Major Progress of Measures to Realize Smart Customs (Chronology)

2020		2021					2022					
Jun	Feb	Mar	Apr	Jul	Aug	Sep	Jan	Feb	Apr	Jun	Sep	Nov
<ul style="list-style-type: none"> <li>• <b>Action Plan 2022 for the Realization of SMART Customs was announced to the public.</b></li> </ul>												
<ul style="list-style-type: none"> <li>• A Mutual Recognition Agreement of AEO with the Kingdom of Thailand came into effect.</li> </ul>												
<ul style="list-style-type: none"> <li>• Further development of telework environment.</li> </ul>												
<ul style="list-style-type: none"> <li>• Expansion of simplified procedures for reusable containers.</li> <li>• Partial automation for the cargo inspection process at Customs inspection areas.</li> <li>• Expansion of tax payment methods with multi-payment network.</li> <li>• Partial installation of inspection support by AI analysis on X-ray image (Overseas Mail Sub-branch).</li> </ul>												
<ul style="list-style-type: none"> <li>• Allowed inbound passengers to pay for Customs duties and consumption taxes using credit cards.</li> </ul>												
<ul style="list-style-type: none"> <li>• Signed a Customs Mutual Assistance Agreement with the Republic of Moldova.</li> </ul>												
<ul style="list-style-type: none"> <li>• Renewed Customs website.</li> </ul>												
<ul style="list-style-type: none"> <li>• Signed a Customs Mutual Assistance Agreement with the Islamic Republic of Iran.</li> </ul>												
<ul style="list-style-type: none"> <li>• Issued a new notification on AEO program operating policies (to clarify operations).</li> <li>• Allowed inbound passengers to pay for Customs duties and consumption taxes using smartphone application with two-dimensional codes.</li> <li>• Introduced big data analysis in the area of Post Clearance Audit (Assistance for selecting targets for PCA).</li> </ul>												
<ul style="list-style-type: none"> <li>• Flexibility of the filing office related to carnet declaration.</li> <li>• Simplification of tax reduction and exemption procedures (processed and repaired cargo).</li> <li>• Increased deployment of electronic customs declaration gates (58 units in total at 7 major airports).</li> </ul>												
<ul style="list-style-type: none"> <li>• Introduced drones and started verification.</li> </ul>												
<ul style="list-style-type: none"> <li>• Customs chatbot introduced to Customs website.</li> </ul>												
<ul style="list-style-type: none"> <li>• <b>SMART Customs Initiative 2020 was announced to the public.</b></li> </ul>												

New																Ongoing				Progress							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	S	M	A	R	T	S	M	A	R	T

# Solution (Measure to improve convenience)

※ Progress since June 2020 is described, when the Smart Customs Initiative was announced.  
Blue letter: Continuing efforts started in 2022.

## 01 Further digitalization of Customs procedures

- Increased deployments of the Electronic Customs Declaration Gate  
Total of 58 units were deployed at 7 international airports. (as of April 2021)
- Cashless payment systems of Customs duties and consumption taxes
  - Allowed inbound passengers to pay for Customs duties and consumption taxes using smartphone application with two-dimensional codes. (As of July 2021)
  - Allowed inbound passengers to pay for Customs duties and consumption taxes using credit cards. (As of February 2022)
  - Expansion of tax payment methods with multi-payment network. (As of April 2022)
- Digitalization of Customs procedures for trade-related businesses, etc.  
Digitalization of some procedures for tax reduction and exemptions, and for intellectual property. (As of April 2021)

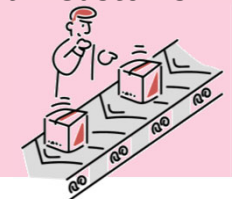


## 02 Further improve the convenience of responding to inquiries

- Renewed Customs website  
Improve the contents and functions of the website to make it easier for users to find and obtain necessary information. (As of September 2021)
- Customs chat bot  
To further improve convenience for users, Japan Customs will investigate using automated response programs as a channel for inquiries that can operate at any time, including providing support on weekends and at night. (As of February 2021)
- Support the use of EPAs  
Took place of briefing session for Japan-UK EPA and RCEP. As support for importers/exporters to declare the origin of goods properly under the self-declaration system to apply EPA rates, Japan Customs provided the Customs Youtube channel to explain the origin of goods, and Japan Customs made leaflets based on the channel.

## 03 Handling cross-border e-commerce

- Automation for the cargo inspection process at Customs inspection areas  
Establishment of facilities (e.g. installation of conveyor belts) for efficient cargo inspection at Customs inspection areas. (As of April 2022)



New																		Ongoing				Progress			
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# Multiple - Access ( Multi-dimensional collaboration )

01

## Further cooperation with relevant agencies and businesses

- Strengthening our partnerships with businesses
  - Actively held meetings to understand the specific needs of industries and gained their understanding of the current system.
  - Established ongoing cooperative relationships, including the provision of information on suspicious activities, to strengthen and promote public-private partnerships.
- Promoting the efforts to expand the use of the AEO program
  - Issued a new notification on AEO program operating policies to clarify its operations. (As of July 2021)
  - Flexibility of the filing office related to carnet declaration, and simplification of tax reduction and exemption procedures related to processed and repaired cargo. (As of April 2021)
  - Expansion of simplified re-export duty exemption and re-import duty exemption procedures for reusable containers to cases where the AEO exporter and AEO importer are different or where the shipment is not a good pertaining to a special declaration.(As of April 2022)



### ➤ Further cooperation with foreign Customs

- Signed a Customs Mutual Assistance Agreement (CMAA) with the Islamic Republic of Iran.(As of August 2021)
- Signed a CMAA with the Republic of Moldova. (As of January 2022)  
(As of June 2022, Japan signed the agreement with 39 countries and regions)
- A Mutual Recognition Agreement of AEO with the Kingdom of Thailand came into effect. (As of September 2022)  
(As of October 2022, Japan has signed the agreement with 13 countries and regions)



New																		Ongoing				Progress			
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# Resilience ( Strong and supple )

## 01 Investigate systems resistant to disasters and other emergencies

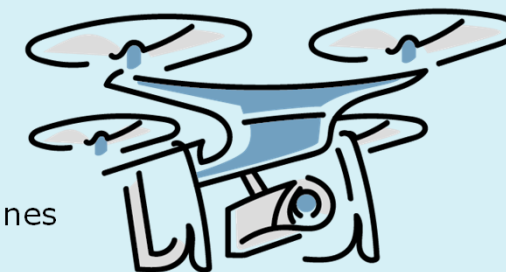
- Use of risk management AI  
Conducting a trial for the use of a real-time information collecting service by risk management AI to continue Customs operations in the event of a disaster or other emergencies. (As of April 2021)
- Preparation for disaster at Customs
  - Review of Customs business continuity plans (BCPs).
  - Electronic management of administrative documents.



- System resilience  
Maintain high availability of systems and networks used by Customs.
- Establishment of a telework environment  
Further improvement of a telework environment to create flexible working styles. (As of June 2022)

## 02 Use of cutting-edge technologies for monitoring and control of coastlines

- Use of drones  
Started introducing and verifying the use of drones for monitoring and control of coastlines and remote islands. (As of March 2021)





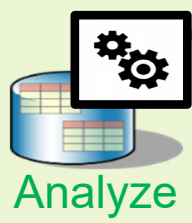
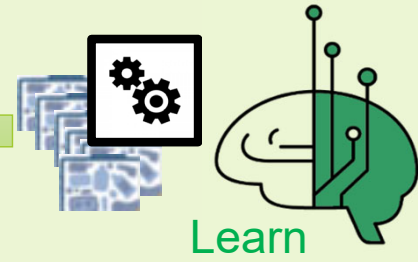
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# Technology & Talent ( Operational advancement with technologies and human resource development )

## 01

### Proactive deployment and use of cutting-edge technologies

- Big data analysis  
Analyze big data (import records, etc.) held by Customs using data science methods, and use it to support the selection of the on-site post clearance audit. (As of July 2021)

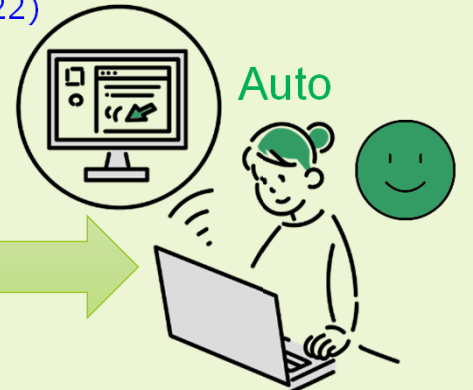


Possible list for post clearance audit  
Possible list for on-site inspection  
Possible list for misdeclaration



- Inspection support by AI analysis on X-ray image
  - Developed AI to identify contents from X-ray inspection images for inspection of international mail.
  - Use AI to automatically identify the mail for inspection. (As of April 2022)

- Use RPA ※RPA ( Robotic Process Automation )
  - Use RPA to automate and improve the efficiency of routine and repetitive operations such as data entry and reprinting work.
  - RPA for approximately 380 operations. (As of October 2022)



## 02

### Institutional Arrangement for consideration, Human resource development, and securing staff resources

- Staff training  
Conducted training for all staff to develop expertise in the field of data science.
- Exchange of opinions with external experts

**For a safe and secure society  
and a happy future.**



水際で守る 日本の未来