

Eyes on PAIES

The clearance and release of goods at border crossing points often create a barrier to cross-border trade. Traders can face long delays and additional costs.

The remedy has been to introduce advance electronic processing of customs information, leading to faster clearance of low-risk goods when they arrive, better organization of cargo flow at border crossing points, and more effective use of risk management systems.

Ten years ago, EUBAM and its Moldovan and Ukrainian partners embarked on a process to establish a system to exchange pre-arrival information for trade between the two countries.

How did it all start?

In the 2005 agreement which established EUBAM, Moldova and Ukraine committed to the development of a customs data exchange system. A subsequent protocol was signed in 2005 by both countries agreeing to exchange pre-arrival information on goods and vehicles crossing their common border, if the final destination was on the territory of the corresponding state.

The means to exchange the information was called the Pre-Arrival Information Exchange System (PAIES). Its primary objective was to prevent customs fraud, enhance selectivity and improve compliance resulting in increased revenue collection and to facilitate cooperation between the customs services. Additionally, it was considered to be an essential tool in bridging the information gap regarding the Transnistrian segment of the Moldova-Ukraine border.

EUBAM provided both hardware and software, as well as training in installation, configuration and usage of the software for customs officers. It also played a key role in the testing of the system.

The introduction of PAIES was split into six phases:

1. Inception
2. Planning
3. Installation
4. Development
5. Testing
6. Implementation

Between May 2007 and February 2008 a pilot project was launched at four selected border crossing points at the Moldova-Ukraine border. After a short period of technical adjustments, the system has been operational since April 2008.

How does it work?

PAIES is a web-based application that works within the network of the customs posts of both countries. The customs services exchange information from export/transit declarations on consignor/consignee, cargo weight, value, currency and country of origin of goods, tariff code and description of goods, exit border crossing point and license plate number of vehicle.

The system works by exchanging messages defined as Information Departure, Confirmation Departure and Confirmation Arrival between the customs services. By sending Information Departure messages the Moldovan and Ukrainian Customs Services notify each other about the intention of transporting goods and vehicles to the territory of the other country. Pre-arrival data is generated based on customs documents of the exporting country and is sent to the importing country. Through the Confirmation Departure messages, the customs services notify each other about the actual export of goods and vehicles out of their territory. A record of the export is generated and sent to the importing country once the cargo has crossed the border and left the exporting country. Finally, the Confirmation Arrival messages inform about the delivery of the cargo. An electronic message is sent back to the exporting country when the cargo has been cleared by the importing country.

Why is PAIES so important?

PAIES not only cuts down on delays at the border. It also helps to prevent and detect customs fraud such as non-declaration, undervaluation, mis-declaration and false declaration of origin.

Pre-arrival information helps when determining risk profiles developed centrally, which are then used at local and regional border segments. The system is functional at all border crossing points, internal customs posts and customs houses.

A key advantage of PAIES is that it allows a “virtual presence” at the Transnistrian segment of the Moldova-Ukraine border. It increases transparency and enables control of goods imported by economic operators through the Transnistrian segment of the border.

Role model?

EUBAM, Moldova and Ukraine dedicated significant resources to develop PAIES into a fully functional, modern and sustainable information exchange system. Eight years after its operationalisation, the system continues to transmit timely, accurate and reliable data between the customs services of Moldova and Ukraine.

Establishing PAIES caught international attention, and the system has now been replicated between Ukraine and Belarus, and a pilot project for information exchange at selected border crossing points has been launched between Ukraine and each of its neighbours in the European Union.

PAIES is now run and maintained independently by the customs services of Moldova and Ukraine without EUBAM support, proving that the Mission’s investment in equipment, capacity building and knowledge transfer has come to fruition.

Information flow

