



ASIA-PACIFIC TRADE FACILITATION CONFERENCE 2025:

Integrating Technologies for Sustainable Trade Facilitation

Jointly organized by Asian Development Bank (ADB), UN Trade and Development (UNCTAD), and UN Economic and Social Commission for Asia and the Pacific (ESCAP)

4-5 March 2025
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ADB



UN trade & development

BUILDING TRUST AND TRANSPARENCY: TECHNOLOGICAL SOLUTIONS TO ENHANCE CUSTOMS INTEGRITY

CUSTOMS-BUSINESS COOPERATION: THE AUTHORISED ECONOMIC PROGRAMME OF MONGOLIAN CUSTOMS



**Tsendsuren Davaa (Ph.D.), Head of the Risk Management Division,
Customs General Administration of Mongolia**



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INTRODUCTION

2

KEY AREA OF AEO IMPLEMENTATION

3

CHALLENGES (SWOT Analysis)

4

FURTHERMORE

INTRODUCTION: Legal Framework of AEO Implementation

The WCO SAFE FoS to Secure and Facilitate Global Trade (2005)

The WCO Revised Kyoto Convention (2006)

The WTO Trade Facilitation Agreement (2016)

The AEO MRA between Chinese and Mongolian Customs (2019)

The AEO MRA between Korean and Mongolian Customs (2019)

The MOU between Korea AEO Association of the ROK and the CGA of Mongolia (2023)

The Customs Law of Mongolia (2008)

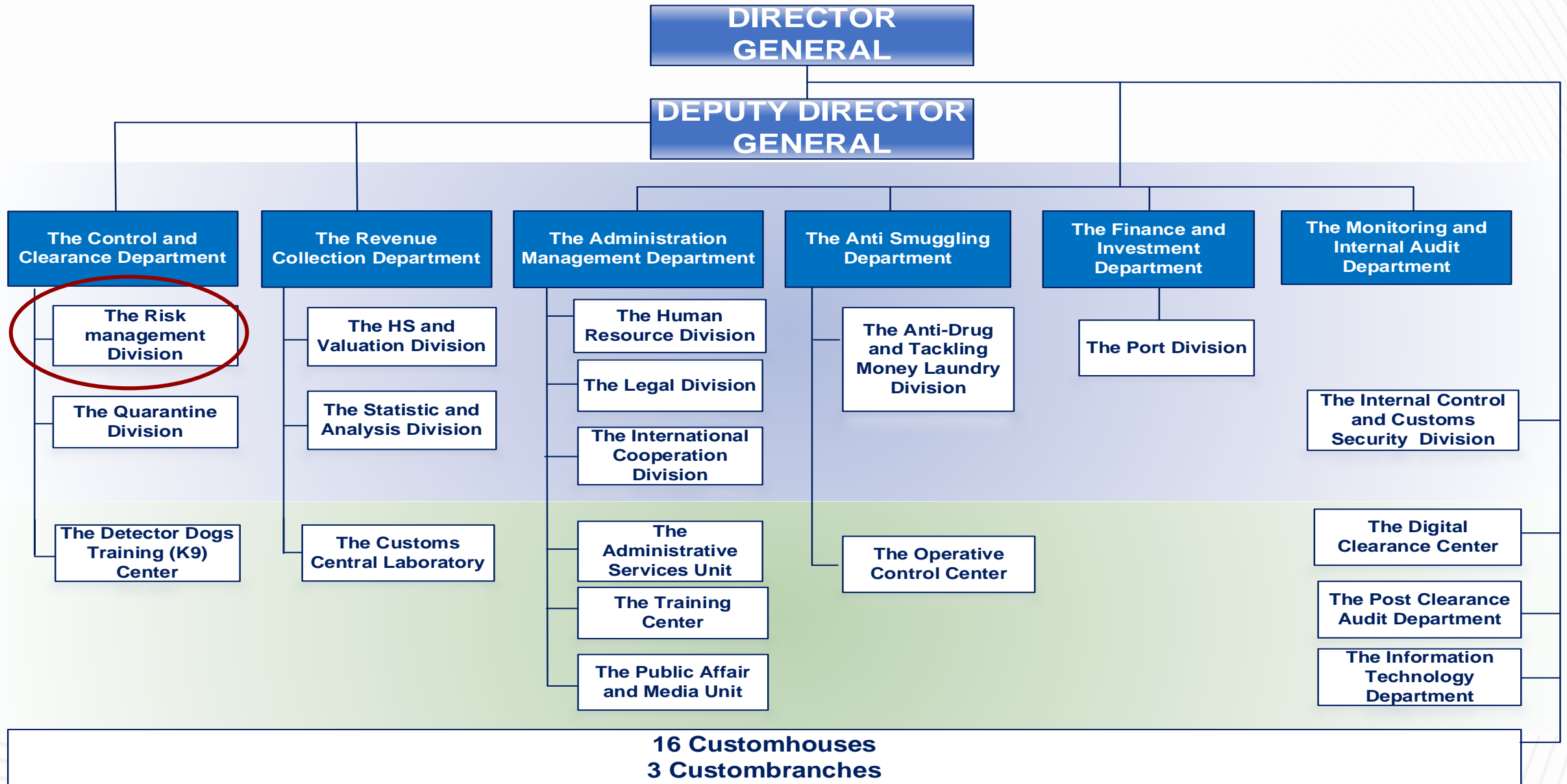
The AEO Regulations (DG's Directive No. A118, 2021)

Certain Measures to Facilitate Trade and Promote Exportation of Non-Mining Products (Government Decree No. 178, 2023)

Customs Control Strategy (DG's Directive, 2023)

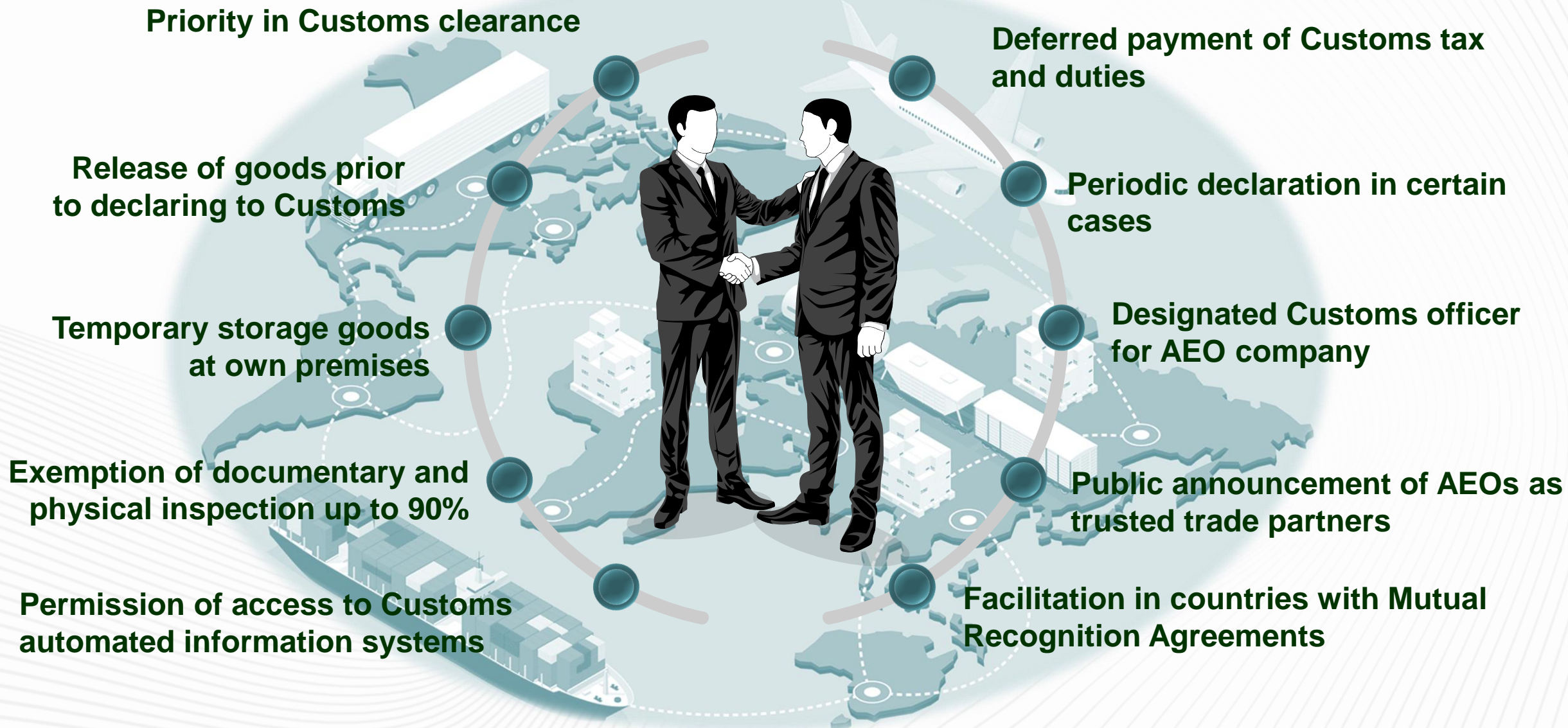
The WCO Data Model 3.7

INTRODUCTION: The Organizational Chart of the Mongolian Customs

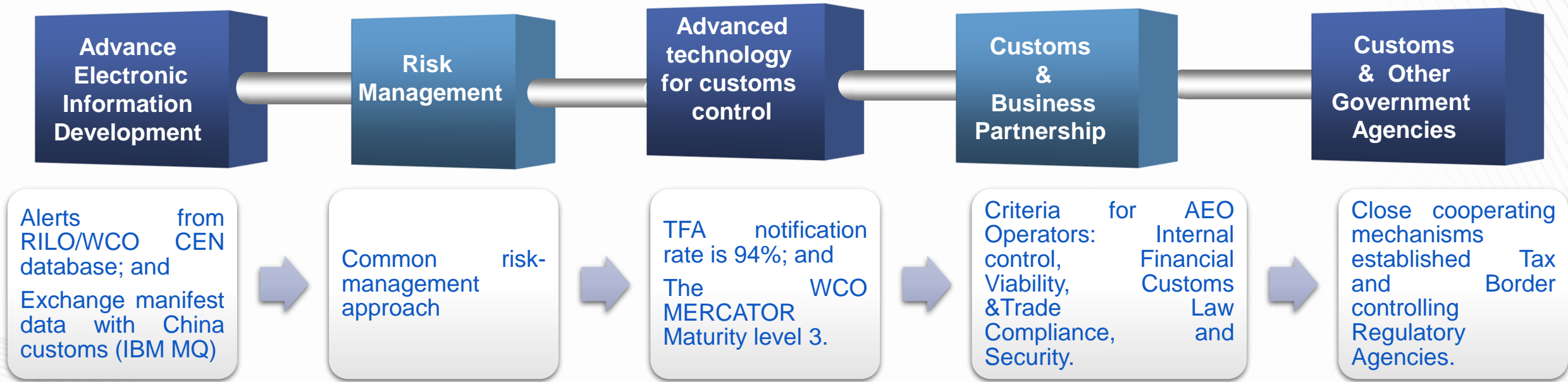


KEY AREA OF AEO IMPLEMENTATION: AEO Programme Timeline





KEY AREA OF AEO IMPLEMENTATION: The WCO SAFE FoS



THREE PILLARS:

PILLAR 1. Customs-to-Customs:

- In total 11 standards were using cooperation between other Customs Administrations (17 MRAs in place).

PILLAR 2. Customs-to-Business:

- Legal and operational process in line with the 6 standards, its data set.

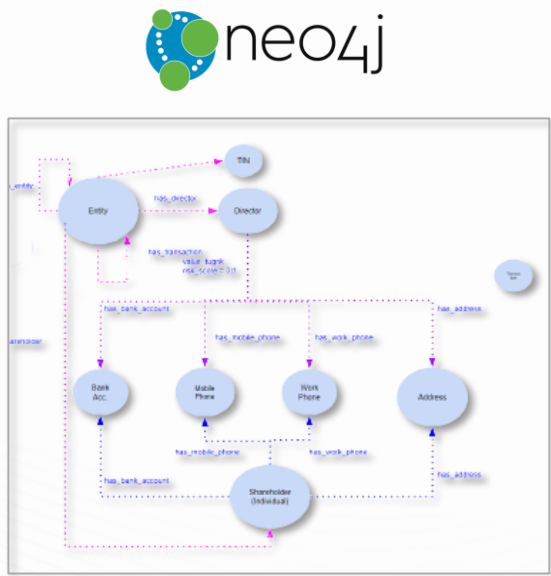
PILLAR 3. Customs-to-other Government Agencies:

- Mongolian Customs is leading agency for International trade supply chain.

KEY AREA OF AEO IMPLEMENTATION: Customs-to-other Government Agencies

- ✓ Higher levels of taxpayer compliance
- ✓ Effective Customs - Business Partnership
- ✓ New opportunities for automation
- ✓ Sustainable improvements in overall revenue collection

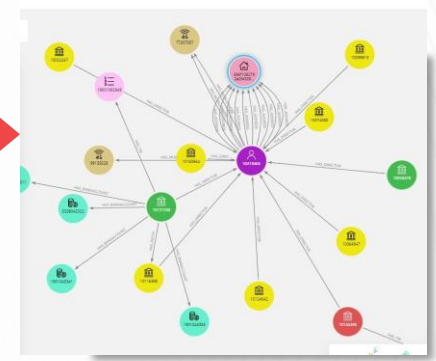
NEO4J – Complex Entity Relationship



```

Favorite: 3.1. Asset sharing query*
1 // 3.1. Asset sharing query
2 //3.1. Director contact details sharing by entity related and unrelated
3 MATCH (director:Director)-[]->(contactInformation)←[]-(shareholder)
4 WITH shareholder, count(shareholder) AS RingSize, collect(shareholder) AS L
5 WHERE RingSize > 1
6 MATCH (shareholder)-[l]→(ci)←[m]-(q)
7 WHERE shareholder <> q
8 RETURN shareholder, l, ci
9 LIMIT 25

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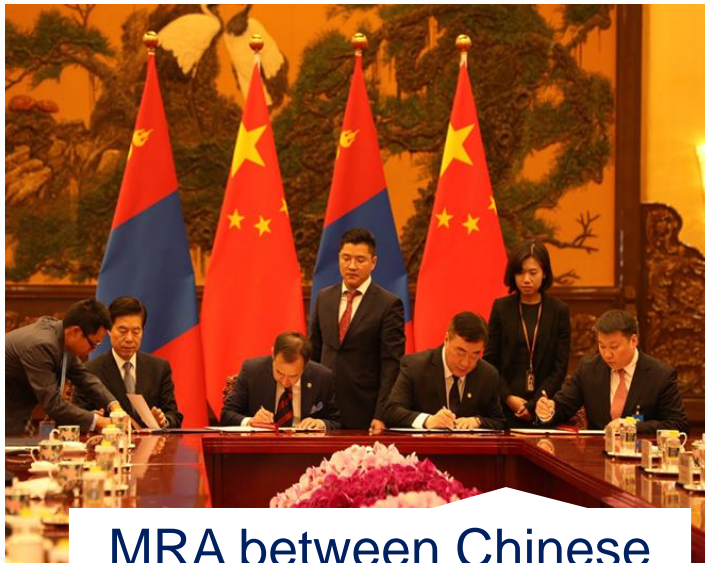


Customs and Tax data Sources

RDMBS -> Graph Data Modeling

Graph DB /Cypher QL/

sorting based on the result of AI Analysis



MRA between Chinese and Mongolian Customs (25 April, 2019)



MRA between Korean and Mongolian Customs (30 September, 2019)



AEO MOU between Mongolian Customs and KAA (28 April, 2023)



RISK BASED CUSTOMS CONTROL STRATEGY MAP

VISION STATEMENT:

A Modern, Professional, Efficient & Transparent Customs Service

MISSION STATEMENT:

Ensure National Security & Promote Economic Competitiveness
By Strengthening Proficient & Skilled Human Resources.

Harmonization of legislation with the international standards

Sustain the Revenue collection & protect the financial interests

Achieve a right balance between customs control & trade facilitation

Protect & secure the customs territory environmental interest

Better exchange of information between other institutions

Improve cooperation with the business community

Development of human resources

Support economic & development the elaboration of statistics

Combat illegal activities

STRATEGIC OBJECTIVES:

SO 1.
Trade Facilitation

SO 2.
Data Quality & ICT Support

SO 3.
Capacity Building

SO 4.
Better Collaboration With The Stakeholders

VALUES

Professionalism

Integrity

Transparency

Reliability

Responsibility

Responsiveness

Technology & Innovation

Service

CAIS | Гаалийн автоматжуулсан удирдлагын систем

Company Profile | Risk message library

Risk Criteria Management | Risk Criteria Analysis

Хянах самбар

Бүрдүүлэлт

Хяналт

Гаалийн хяналтын бүс

Эрсдэлийн удирдлага

Бусад

Admin

Central Random Factor

Mandatory Risk Criteria

Certified Criteria

Exclusion Criteria

High Risk Criteria

HOME(RM) > Risk Criteria Management > Central Random Factor

Common Apply Factor

Random Rate (Common)

	Import	Export
Random Factor /Red/		30.00 %
Random Factor /Orange/		98.00 %

Risk Criteria: 7 general criteria (selectivity processing groups):

- FSTIC, FSTIG, MI, HI, **LI**, EI and RI

First Import Apply Rate (Common)

First Import Company	
First Import Goods	
Instruction of First Import Company	шаардлагын дагуу хийж аж...
Instruction of First Import Good	1 анхаарч, бүрдүүлэлтийг х...

Setting:

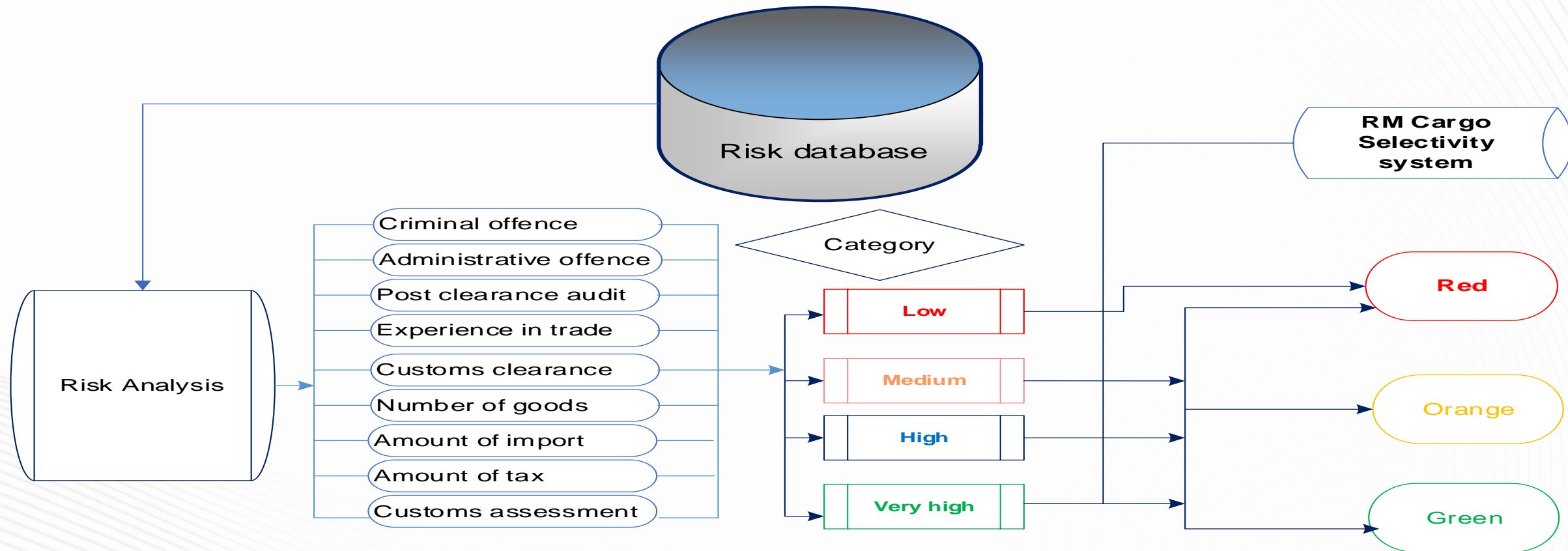
- A sole or combination of risk criteria (13 Data elements)

Sequence:

- Order to apply criteria by CAIS

Data Element and Data items on declaration form:

- 52 Data Elements of customs declaration.



$$P_r = \alpha + \beta_1 f q_{indicator\ 1_{ij}} + \beta_2 f q_{indicator\ 2_{ij}} + \dots + \beta_9 f q_{indicator\ 9_{ij}} + \varepsilon_{ij}$$

Category	Low (4)	Medium (3)	High (2)	Very high (1)
Score	1	≥20	≥65	100

S

Strengths

- Legal Framework;
- Responsible unit in place;
- Support from the WCO;
- MRA with other countries; and
- AEO Application, system.

Weaknesses

- Lack of specialised HR;
- Customs-OGAs Partnerships;
- Weak Record-Keeping and Compliance;
- Customs-to-Customs partnerships.

W

SWOT Analysis

O

Opportunities

- Strengthened Public-Private Collaboration;
- Potential for MRAs
- Learning from Key Trade Partner; and
- Private Sector Interest.

Threats

- Public entities' coordination;
- Unstable Political situation;
- Resistance to Change; and
- Regulatory and Legal Barriers

T



- ✓ To expand AEO types;
- ✓ To develop Comprehensive Raise Awareness mechanism for Customs-Business Partnership;
- ✓ To Review criteria and benefit of AEOs in close cooperation with trading community;
- ✓ To improve Capacity Building;
- ✓ To update the Legal Framework;
- ✓ To expand the AEO MRAs with Customs Administrations of other countries; and
- ✓ To use Disruptive Technology for Customs performance (AI, BD, ML, and IoT etc.).

THANK YOU FOR YOUR KIND
ATTENTION!

