



semester guideline

Minor: Customs Management in International Business

How Trade Compliance influences international logistic flows



Fontys University of Applied Science

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Introduction

Today we truly speak of global trade. Goods are shipped throughout the world and are built from parts coming from all over the world. And although inner boundaries within the EU have dissolved and we can move goods freely throughout the EU, customs still play an important role related to all those goods going out of the EU and coming into the EU. Furthermore sadly 9-11 happened. This act of terror changed current logistics. Security enhancing measures were taken. All incoming goods into the EU are supervised on safety and security risks. And last Great Britain has left the EU. For the Netherlands especially, this has huge consequences as the Netherlands trade much with the UK. After the BREXIT, all these goods have to be declared for export in the EU and for import in the UK. Customs nowadays supervises these flows of goods.

For companies involved in the international flow of goods, it has become extremely important to act compliantly to ensure smooth logistics. This means they carry out their processes which are related to this international flow of goods in line with customs law.

The purpose of this minor is to teach students the ins and outs of customs law and trade compliance. Which measures can companies take to increase their compliancy and increases the reliability of the flow of goods? These measures must also be economically justified.

The minor has a duration of 20 weeks and a study load of 30 EC (which represents 840 hours workload). It consists of four units:

Educational unit	# EC	Topics	Assessment	pass
Customs Law, part I (CUS1)	5 EC	Customs law part I	Individual exam	>= 5.50 (then rounded on one digit)
Customs Law, part II (CUS2)	5 EC	Customs law part II	Individual exam	
Trade compliance (TrC)	5 EC	Risks related to global trade	Individual assignment	
Project CuMIB	15 EC	Project	Report, presentation and defence, group	>= 6.0 (then rounded to 0.5)

The planning of the minor is added below.

Figure 1 Planning of CuMIB

	week																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
introduction	4,5						8													
CUS 1	3	3	3	3	3	3		exam												
CUS 2	3	3	3	3	3	3		exam												
TrC	1	1	1	1	1	1	4		assignment											
introduction into project	1						1													
project										40	40	40	40	40	40	40	report	presentation		repair

As figure 1 shows, firstly the minor will be introduced, information about the minor, planning, project and assessment will be given. Part of the introduction is also the Trade Compliance Tour, which is planned at October the 25th. Lectures will be given for CUS1, CUS2 and Trade Compliance. These lectures will be concluded by individual exams/ assignment.

During the second part students will carry out a project assignment 5 days/ week, so 40 hours/ week. Students have the possibility to organise this project to his/ her needs entirely. In chapter 4 this project is explained in detail. The lectures are all related to the project and are needed to carry out the project successfully.

This minor description aims to guide the students through the minor. It describes the content of the lectures, the learning outcomes, the way of assessment, etc. The following chapters provide information on CUS1, CUS2, TrC and the project.

In case of questions/ remarks, please contact Lonneke Vocks, l.vocks@fontys.nl, 0031 - (0)8850 – 79 182

Chapter 1 Customs Law, part I

1.1 General description

This first course will introduce the fundamentals of the calculation of customs duty: classification, origin and valuation.

1.2 Prerequisites

No specific prior knowledge is required

1.3 Learning goal and assessment template

Below an overview is given of the expected learning goals and its levels.

Figure 2 Assessment template Customs Law, part I

Learning goal/ outcome?	Remembering/ reproducing	Understanding	Applying	Analyzing	Evaluating	Creating	Weight
Student can apply the six General Rules on classification and can classify non-complex goods			x				35%
Student knows the concepts of preferential and non-preferential origin and cumulation and correctly applies the relevant legal/regulatory rules to determine the (preferential or non-preferential) origin as appropriate in a simple assignment.			X				30%
Student can correctly calculate the customs value in simple situations			X				30%
Student can correctly calculate customs duty payable in simple situations			x				5%

1.4 Weekly content

Below an overview is given of all weekly activities. Two lectures are planned each week on Thursday.

Week		Topics	Preparation	Sources
1	9:00	Classification	Read relevant sections of reader.	Reader "Fontys reader classification, origin and customs value", chapter 2.
1	15:00	Classification	Assignments	Reader "Fontys reader classification, origin and customs value", chapter 2. Slides.
2	9:00	Classification	Assignments	Reader "Fontys reader classification, origin and customs value", chapter 2. Slides.

Week		Topics	Preparation	Sources
2	15:00	Classification	Assignments	Reader "Fontys reader classification, origin and customs value", chapter 2. Slides.
3	9:00	Origin	Read relevant sections of reader.	Reader "Fontys reader classification, origin and customs value", chapter 3.
3	15:00	Origin	Assignments	Reader "Fontys reader classification, origin and customs value", chapter 3. Slides.
4	9:00	Origin	Assignments	Reader "Fontys reader classification, origin and customs value", chapter 3. Slides.
4	15:00	Origin	Assignments	Reader "Fontys reader classification, origin and customs value", chapter 3.
5	9:00	Customs valuation	Read relevant sections of reader. Incoterms 2020.	Reader "Fontys reader classification, origin and customs value", chapter 4.
5	15:00	Customs valuation	Assignments	Reader "Fontys reader classification, origin and customs value", chapter 4. Slides.
6	9:00	Customs valuation	Assignments	Reader "Fontys reader classification, origin and customs value", chapter 4. Slides.
6	15:00	Recap and exam practise		Reader "Fontys reader classification, origin and customs value". Slides.

The lessons will be a mix of lectures, assignments and discussion. Students are expected to demonstrate active participation in the lessons and prepare lectures, e.g. through preparatory reading and homework assignments. While a formal requirement, historical data shows that attendance and active participation in the lectures is an important indicator for success at the exam. Lecture slides will be posted on CANVAS.

For the lectures/assignments students will need their laptop for retrieving and referencing relevant legal texts and databased on the internet. Lectures will be in English. When working with legal documents the English version will be the reference, even if other languages are available. This applies to both the lessons and the exam.

1.5 Assessment

The assessment method for CUS1 will be an individual written exam, covering the learning goals listed under 1.3. The exam will be graded between 1 and 10, with one digit behind the comma. Students will receive a pass for CUS1 when they achieve a score of at least 5,50. If a student does not pass the exam in his/her first attempt, a resit will be organised. The dates for the exam and the resit will be published in the schedule.

1.6 Teachers/ coaches

Teacher of this course is Philipp Spann, SPA p.spann@fontys.nl

Chapter 2 Customs Law, part II

2.1 General description

This course discusses the entering of goods into the EU and all eight customs procedures.

2.2 Required foreknowledge

No specific foreknowledge is required

2.3 Learning outcome and assessment template

Below an overview is given of the expected learning outcome and its levels.

Figure 3 Assessment template Customs Law, part II

Learning outcome	Remembering/reproducing	Understanding	Applying	Analyzing	Evaluating	Creating	Weight
The student judges the compliancy of entry processes of non-union goods into the EU and the processes related to the eight customs procedures within a fictitious case and by comparing the situation with the UCC, IA and DA UCC					x		100%
total					100%		100%

2.4 Weekly content

Below an overview is given of all weekly activities. Two lectures are planned on Tuesday each week. The reader used is "Fontys reader customs' processes and procedures 2023 2024", which is uploaded on CANVAS. Students are supposed to prepare all lectures by making the preparation assignments which are added on CANVAS. The prepared contributions of students guide the lectures.

Week		Topics	Preparation assignments
1	9:00	Introduction CUS2 Entry into EU	
	15:30	Entry into EU Declarations	<ul style="list-style-type: none"> Study chapter 2 "entry into EU" and list at least one question Study chapter 3 "making declaration" and list at least one question Study F. Heijmann "Who knows what's in the container?" to be found on CANVAS Study D. Hesketh "Weakness in the supply chain" to be found on CANVAS List at least one risk for customs when goods enter the EU; at least one risk when a customs agent makes a declaration; at least one risk for the importer who outsources the making of declarations to a customs agent. What is being done to mitigate these risks?

Week		Topics	Preparation assignments
			<ul style="list-style-type: none"> Study simplified declarations and explain why these are simplifications. Who in the chain save time/ money when applying these simplifications
2	9:00	Free circulation	<ul style="list-style-type: none"> Study chapter 4 “free circulation” and list at least one question Argue whether a customs debt arises when customs discovers smuggled cocaine at the external border of EU Argue the importance of classification in relation to quotas Why is a financial guarantee important for customs? In relation to free circulation and in relation to another customs procedure, for example customs storage Why is a reduces financial guarantee beneficial for declaring companies? Make assignment “Ocean Star” (CANVAS, assignments)
	15:30	Export, re-export and exit	<ul style="list-style-type: none"> Study chapter 10 “export and re-export” and list at least one question Why must exporter be located in EU? Why customs office of export and exit? And why must customs office of export be located near the storing of the goods to be exported? Why may some goods be declared for export at the customs office of exit? Why is it beneficial to declare goods for transit, directly after the declaration (re-)export? Why is a risk analysis needed when goods leave the EU? Make a flow chart how to use the UCC/ DA/ IA
3	9:00	transit	<ul style="list-style-type: none"> Study chapter 5 “transit” and list at least one question Why must declarer transit provide financial guarantee? Which risks are faced by the declarer in case of transit? Make a swimlane “declaration transit” Dutch logistic service provider WeTrade (which also performs customs declarations for clients) has been approached by a trade organisation from the United Arabic Emirates. They want to store all kinds of products in WeTrade’s (customs’) warehouse. These products will be sold (EX Works) to Russia, Pakistan, Libanon and Adzerbadjan. The trade organisation wants to limit payment of import duties/VAT. Questions to be answered: <ul style="list-style-type: none"> Which risks does WeTrade face when they accept this client? Which options does WeTrade have to mitigate these risks?
	15:30	transit	<ul style="list-style-type: none"> Make “transit case” to be found on CANVAS

Week		Topics	Preparation assignments
4	9:00	Special procedures	<ul style="list-style-type: none"> • Study chapter 6 “licence special procedures” and list at least one question • Study chapter 7 “customs storage” and list at least one question • Is it allowed to pasteurize milk and pack it for retail sale which is stored under customs supervision? • Goods are stored in a customs warehouse. During this storing allowed processing takes place and storage costs apply. Must these costs be added to determine the customs value? • Explain how authorized consignor/ authorized consignee simplify the warehouse and transit procedures. • How is the customs procedure customs storage cleared? • Why are goods re-exported after customs storage (and not exported)? • Make assignment “calculation import duty after customs storage” to be found on CANVAS
	15:30	Customs warehouse	Make assignment “Bike Free” to be found on CANVAS
5	9:00	Inward processing	<ul style="list-style-type: none"> • Study chapter 8.1 and 8.2 “inward processing” and list at least one question • Make assignment “calculation import duty after inward processing” to be found on CANVAS
	15:30	Outward processing	<ul style="list-style-type: none"> • Study chapter 8.3 “outward processing” and list at least one question • Make assignment “calculating import duty after outward processing” to be found on CANVAS
6	9:00	Temporary import and end use	<ul style="list-style-type: none"> • Study chapter 9 “end use and temporary import” and list at least one question • Make assignment “calculating import duty after temporary import” to be found on CANVAS
	15:30	Trial exam	Make trial exam to be found on CANVAS

2.5 Assessment

This assessment will be an individual written exam, covering the learning goals listed under 2.3.

2.6 Teachers/ coaches

Teacher of this course is Lonneke Vocks, l.vocks@fontys.nl

Chapter 3 Trade Compliance

3.1 General description

This course covers the wide area of global trade and issues affecting global trade. Each topic will be introduced briefly, giving students quickly a very broad introduction in this extended knowledge field. Some topics are WTO, WCO, task of customs, UCC, international trade agreements, trade defence and sanctions and export controls. Students are supposed to better understand the challenges related to global trade.

3.2 Required foreknowledge

No specific foreknowledge is required

3.3 Learning outcome and assessment template

Below an overview is given of the expected learning outcome and its levels.

Figure 4 Assessment template Customs Law, part II

Learning outcome	Remembering/reproducing	Understanding	Applying	Analyzing	Evaluating	Creating	Weight
The student formulates an underpinned opinion about one of the topics discussed in class by using scientific sources and by approaching a topic from different point of views.					x		100%
Total					100%		100%

3.4 Weekly content

Below an overview is given of all weekly activities. Each week one lecture is planned on Tuesday, in which one topic is covered. Background information is uploaded on CANVAS. Students are supposed to prepare all lectures by making the assignments listed.

Week		Topics	Sources	Preparation assignments
1	11:00	International cooperation (WTO, WCO, OECD, EU) ways to trade Customs task (fiscal and non-fiscal), UCC, DA and IA	<ul style="list-style-type: none"> Fontys reader EU Integration and Customs Law 2023 2024 Slides 	<ul style="list-style-type: none"> study website of WTO, WCO and EU Define goals of these organisations and means to achieve the goals Find budget 2023 2024 of the four organisations
2	11:00	Sanctions, dual use and export controls	<ul style="list-style-type: none"> Slides 	<ul style="list-style-type: none"> find an example of a sanction, analyse the reasons for these sanctions and their effects on trade

Week		Topics	Sources	Preparation assignments
				<ul style="list-style-type: none"> find an example of dual-use technologies or materials, understand how it can have both civilian and military application explore how export controls are used to protect national security, understand the balance between trade interests and security concerns
3	11:00	AEO	<ul style="list-style-type: none"> Slides 	<ul style="list-style-type: none"> what AEO is research the benefits and privileges granted to businesses with AEO status explore AEO programs in different countries and regions, e.g. the EU's AEO program
4	11:00	Trade defence/ counterfeit	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
5	11:00	Chinese supervision model	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
6	11:00	INCOTerms	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
7	11:00	Sharing information globally	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Wednesday	9:00	IMPORT GAME		
10		Submit assignment	gradework	<ul style="list-style-type: none">

More detailed information on the planning and preparation will be provided later.

Some background information:

- A. Fontys reader EU Integration and Customs Law 2023 2024
- B. WTO's official website: www.wto.org
- C. WCO's official website: www.wcoomd.org
- D. EU's official website: <https://commission.europa.eu>
- E. Overview of all EU legislation: <https://eur-lex.europa.eu/homepage>
- F.

3.5 Assessment

This assessment will be an individual written mini-research on one of the topics with a research question. To answer this research question at least five scientific sources must be used to formulate the answer. The report contains 3,000 words main text.

The research question and research approach must be approved beforehand by the teacher by submitting the approval form, which is uploaded on CANVAS. Deadline for the **approved** approval form is Friday, the 27th of October 2023.

Communication to get approval via email to l.vocks@fontys.nl

The research will be assessed by the rubric which is uploaded on CANVAS. Deadline for submitting the research is Friday the 24th of November 2023. Submitting via Gradework.

3.6 Teachers/ coaches

Teachers of this course are Lonneke Vocks, l.vocks@fontys.nl and Cen Fang

Chapter 4 Project CuMIB

4.1 General description

The project is considered to be the climax of the minor. In this project all theory will be confronted with the tenacious practice. Student will experience how customs law influence daily business operations and the difficulty of meeting trade compliance demands.

The learning outcome of the project is:

Student is able to create a uniform, valid and consistent research setup and is able to work accordingly. The result is achieved on a traceable, reliable and valid way, showing understanding for the trade compliance complexity and by using relevant business administrative concepts. The result must be shared with all stakeholders in a way that it is appropriate and by which the learning outcome can be assessed.

The project is carried out by two students who build together a project group. A coach is appointed to the group for feedback, guidance and answering any questions. An assessor is appointed to assess the end result.

The project group have maximum flexibility in how to design the project. However the project assignment must be approved by both the coach and the assessor before the students may start. This approval form is uploaded on CANVAS.

Below *some* options are listed.

Option 1: research within a company

Students may conduct the research within a company and work on an assignment they themselves have acquired. Either the students work on an assignment provided by the company, or the students run the Trade Compliance scan within the company. This scan gives an overview of the current level of compliancy. This scan is added in annex I of this guideline.

Student may also do this kind of project virtually. This means that all communication with the company is done via email/ MS Team. This is especially interesting, if the company is located far away. This is known as a virtual internship.

Option 2: participation project Centre of Expertise

If the Centre of Expertise have an appropriate project available, students may participate in this project as their CuMIB-project. However it must be clear which part is done by the students and this part must be assessable by the criteria listed in the rubric.

Option 3: scientific project

The students may choose a topic from the Trade Compliance context and conduct a scientific research within this topic. This means extensive literature studies.

Option 4: Assignment at fictitious company

This option resembles the first option as much as possible. Students get a company description, dataset and assignment and must investigate and analyse these data in order to improve the situation.

Option 5: Participating daily processes

Participation in daily process at a trade compliance department of a company, for example customs agent.

4.2 Required foreknowledge

Specific foreknowledge is Customs Law, part I, Customs Law, part II and Trade Compliance.

4.3 Learning outcome and assessment template

The learning outcome is

Student is able to create a uniform, valid and consistent research setup and is able to work accordingly. The result is achieved on a traceable, reliable and valid way, showing understanding for the trade compliance complexity and by using relevant business administrative concepts. The result must be shared with all stakeholders in a way that it is appropriate and by which the learning outcome can be assessed

The result of the project will be assessed by using the following rubric.

Table 1 RUBRIC project CUMIB

	Not sufficient (1-5)	Sufficient (6-7)	Good (8)	Excellent (9-10)
1. Research set up The research setup is consistent, unambiguous and valid and consists at least of a problem description/ research question; objective; assignment; and working approach	The research setup is neither consistent, nor unambiguous, nor valid, nor complete	The research setup is at least consistent and unambiguous	The research setup is consistent, unambiguous, valid and complete	As before, and the research setup shows steps to approach the assignment from multiple angles, using sources from multiple disciplines
Note (15%) and remarks				
2. Project execution The project has been executed in a consistent, valid, traceable and reliable manner during all phases of the research	No consistency (between research setup and execution and between the research phases)	The project has been executed in a consistent manner and is at least either valid, or traceable, or reliable during all phases of the research	The project has been executed in a consistent manner and is unambiguous, valid and traceable during all phases of the research.	As before, and the students have overcome more than average difficulties And/ or The students have approached the assignment from multi angles and have used reliable sources from multiple disciplines
Note (20%) and remarks				
3. Trade Compliance Student has shown he understands the trade compliance complexity of the related assignment	No understanding of trade compliance issues affecting the assignment	Minimum understanding of the trade compliance issues affecting the assignment	Trade compliancy has been fully addressed from the point of view of one stakeholder	Trade compliancy has been fully addressed form multiple angles/ stakeholders

	Not sufficient (1-5)	Sufficient (6-7)	Good (8)	Excellent (9-10)
Note (20%) and remarks				
4. Business Administrative concepts Relevant business administrative concepts have been used	No usage of business administrative concepts	A relevant business administrative concept has been used	A relevant business administrative concept has been used correctly	Multiple relevant business administrative concepts have been used correctly and consistent with each other
Note (15%) and remarks				
5. Outcome The outcome is consistent with the execution of the project and in line with the problem/ research question objective and assignment	No link between outcome and research setup	The outcome is linked with research setup	The outcome is linked with research setup and well underpinned with reliable sources	The outcome is linked with research setup and well underpinned with multi-disciplinary reliable sources
Note (15%) and remarks				
6. Communication Communication is appropriate for the situation and by which the assessment can take place	No appropriate communication of outcome by which assessment can take place	Minimum appropriate communication, still uncertainty on some learning outcomes	Appropriate communication by which most learning outcomes can be assessed	Communication is convincing, no doubt on the achieved learning outcome
Note (15%) and remarks				
Final note				

4.4 Planning

Regardless what kind of project students do, the planning is more or less the same. To successfully finish the project, students must start in time formulating the assignment and getting approval!!

Important dates are:

- Formulating assignment and getting approval between Monday the 4th of September – Thursday the 2nd of November 2023
- Deadline approved approval assignment Friday the 3th of November 2023
- Start project Monday the 13th of November 2023
- Deadline project plan Friday 17th of November 2023
- Final product with adequate communication Monday 15th of January 2024
- Assessment before Friday the 2nd of February 2024
- Repair before Friday the 9th of February 2024

Other remarks:

1. The students are expected to work on his/ her project assignment 40 hours/ week.
2. The project plan and final product must be uploaded on Gradework.
3. The students must plan and send invitations for their assessment themselves, taken into account the availability of teacher coach, assessor and possibly the company coach.

4.5 Assessment

Assessment of the project will be done by filling in the rubric added above and on CANVAS.

4.6 Teachers/ coaches

Teachers coaches and assessors of this course are Philipp Spann p.spann@fontys.nl and Lonneke Vocks l.vocks@fontys.nl.

Annex I Trade Compliance Scan

Purpose: advice on efficiently compliance

Part I Current state

1. Describe the logistic goal of the company/ department
2. Describe the chosen product in terms of description and functionality, CN code, origin and related trade regulation measures
3. Describe the flow of the chosen good coming into the EU to its final destination in terms of all external partners involved, including their responsibility, starting from the sending partner in a third country, including the information flow between all these partners.
4. List all licences and customs procedures related
5. Describe internal processes related to the declaration of the goods by making flow charts and logistic structures. Indicate clearly which information is needed for each activity and where this information comes from
6. Indicate the current KPI's.
7. Describe the current control measures to avoid the already known risk (indicate which control measure should meet which risk).
8. Brainstorm on all possible "new" risks

Part II Analysis

1. Indicate in the overviews above operational costs and time involved.
2. Assess all risks on likelihood and financial impact, determine which risks will be taken, transferred, terminated and which will be treated.

Part III Improvements

1. List possible control measures for the risks which need treatment. Use "a little book of inspiration" as inspiration to come up of control measures. Indicate whether the measures:
 - a. are on organisational level, or
 - b. are procedural control measures, or
 - c. are in order to control data, or
 - d. are in order to control processes, or
 - e. are in order in increase knowledge and skills or to change attitude, or
 - f. aim to increase efficiency
2. Compare the control measures on investment, payback time, operational costs, how well the risk has been treated, etc. and choose the best
3. Indicate how the chosen control measure changes the processes and the KPI's, described in part I