

Smart
Effective
Customs

as it should be...



GÜLER & DİNAMİK

Business Integrity

CUSTOMS BROKERAGE/CONSULTANCY PERSPECTIVE

Most risky field: Customs

- One of the most intensive contact point for businesses with governmental bodies is the Customs,
- It involves not only the customs offices but tens of other governmental institutions those grant permissions, certifications etc.
- Due to the urgency of each and every shipment there is always a pressure to clear the goods,
 - factories need raw materials today or production will stop,
 - the new season opening is so soon
 - promises made to customers to have their possessions repaired in certain time intervals etc.



The need

- In Turkey, customs procedures are handled by Customs Consultants
- There are certain steps to take to climb the ladder and become a Customs Consultant,
- Although both direct and indirect representation is possible, more than 90% of customs transactions are handled by Custom Consultancy Companies,
- Customs Consultancy companies can only perform using indirect representation,
- A Customs Consultancy company can only be established by Customs Consultants



The need

- When indirect representation is used, Customs Consultant is equally liable against laws for the transactions rendered on behalf of the legal entity.
- Due to the legal situation in Turkey and with foreign acts like FCPA and UK's Bribery Act, it is inevitable for a customs consultancy company to have ethics and compliance standards in place to provide a risk free customs environment not only for the clients but also for itself.
- The standards will also help to have further progress for the profession itself in regards to reputation.



Progress

- Istanbul Customs Consultants Association (IGMD) prepared an action plan with assistance and guidance of Turkish Ethics & Reputation Society to have an ethics declaration in place to ensure the reputation of the profession is intact and can be developed.
- The declaration was announced and was signed by customs consultancy companies who are willing to be a part of the ethics approach on 26 January 2013.
- The number of signatories is 213 out of 850 companies in Istanbul region as of today.



Progress

- Although the number of signatories seems to be insufficient, more than 50% of the transactions are handled by major customs consultancy companies, which are amongst the signatories.
- Considering Istanbul being the major foreign trade zone in Turkey, and number of large scale companies involved, the impact is powerful enough to raise awareness not only for other customs consultancy companies and business side but also governmental bodies as well.



Progress

- We as Guler Dinamik Customs Consultancy are one of the leading Customs Consultancy Companies in this initiative.
- Our approach is to see corruption not only as a problem for private sector or government but to have a common ground to minimize the risks for all parties with correct communication and create a common understanding.



Challenges

- As Turkey is one of the emerging markets today, more international investments are coming in.
- Thinking globally and acting locally requires standards in place while trying to create cultural changes.
- We have not made any facilitation payments for more than 12 years now even it is legally accepted in FCPA.
- We are the first company that announced corporate ethics and compliance program in the profession.
- We, together with other major customs consultancy companies would like to see ourselves as pioneers in this field.



Challenges

- The impact of our ethics approach resulted certain delays in our lead times at earlier stages.
- As the reputation spread, the impact became less effective.
- We had to re-design our transaction processes making sure each and every requirement is in place and handled correctly before and during customs procedures.
- The transition period is still not over as we are receiving feedbacks from our clients about better lead time options are offered to them from other companies,
- However the final decision from higher level managements of our clients is always in parallel with our approach as the general understanding is to avoid risks from misconduct.



Current Situation

- We have;
 - Created corporate ethics and anti-corruption policies,
 - Integrated those policies into our processes,
 - Set up Corporate Ethics Management System (EMS),
 - Trained our employees,
 - Created a whistle blowing channel
 - Assigned an Compliance Officer and set up a Compliance & Ethics Committee

- We are currently in process of
 - Obtaining ISO 37001 Anti- Corruption Management System Certificate



Current Situation

- Receiving guidance and assistance in close coordination with Turkish Ethics & Reputation Society.
- Our corporate EMS is implemented and embedded in our quality management system.
- TRACE Certified since 2014 (Renewed annually)
- Our success story is published in OECD's Business Integrity in Eastern Europe & Central Asia Report 2016.



Expectations

- To spread the initiative to other companies for a better reputation for our profession,
- To make sure our clients have a better understanding of the risks and the methods we try to develop for avoiding them,
- To create a change of the culture, developed in years, within all parties involved in the customs procedures,
- To improve the corporate citizenship understanding for a better investment environment.

GÜLER & DİNAMİK

**Smart
Effective
Customs**

as it should be...

Thank You

Cuneyt YETGIN
Compliance Officer
Guler Dinamik Customs Consultancy Inc.