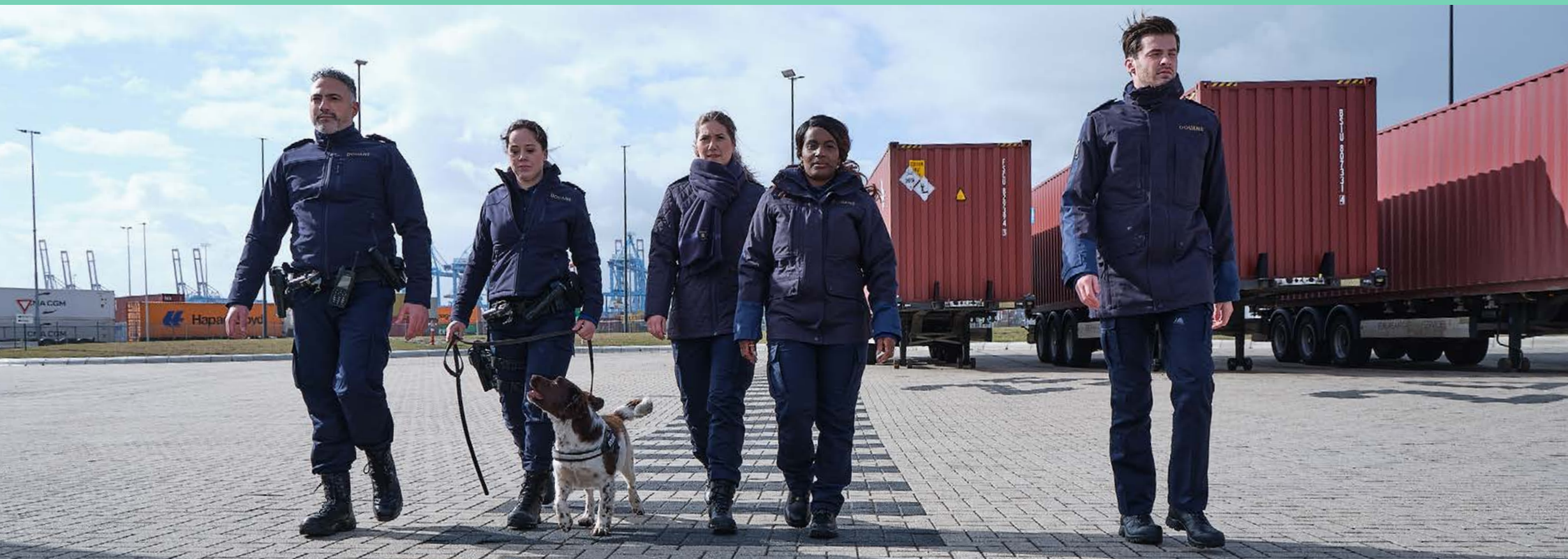




Customs Administration of the  
Netherlands  
*Ministry of Finance*

# Dutch Customs in 2021



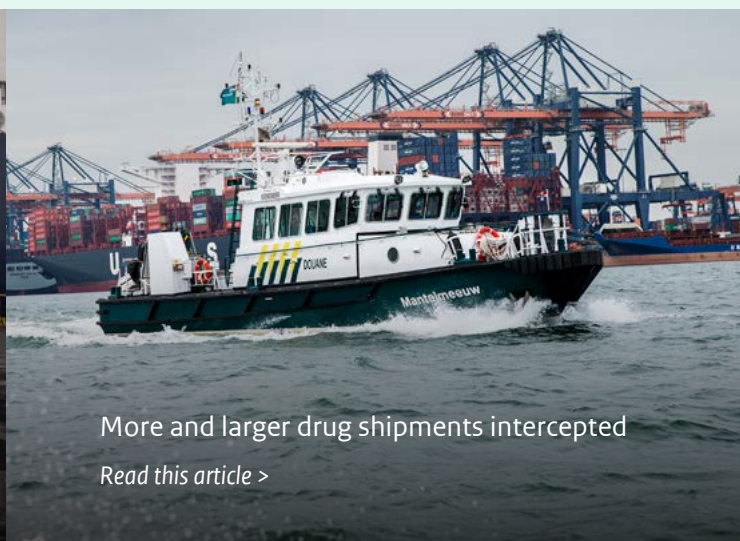
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# Foreword

Dutch Customs operates at the heart of society. We do our work in many places: at the border, at seaports and airports and inland, where we monitor goods entering and leaving the European Union. We also make sure that members of the public and businesses pay taxes. And we fight unfair competition for businesses. That is how we contribute to a strong and fair economy and a safer Netherlands and Europe. This annual review tells you all about who we are and what we do.

One part of the annual review tells [the story of Customs](#). Of course, we also set out our activities in the past year and their results. Much of our work can be expressed in figures. These [key figures](#) show, for example, which and how many checks we have carried out and what the results were. There is a whole world behind those figures. We constantly make choices that enable us to continue to work effectively. We adjust procedures and processes and introduce new working methods and innovative technologies. We explain how and why we do this in [A year in brief](#). This is based mainly on seven topics that concerned us in 2021.

In this annual review, we look not only back, but also forward to the future. We reflect on our ambition and plans for the longer term. All kinds of developments within and outside our organisation present us with serious challenges. Examples include the outflow of staff due to the ageing population and our increased role in combating subversive crime. And then we have the growth of global trade, including through e-commerce. We must respond to this promptly and work on a futureproof Customs service. Our Medium-term Strategic Plan sets our course for the

years to come. Based on this strategy, we develop tactical plans in various interrelated programmes. In 2021, all kinds of things were set in motion for these programmes. We have set out some of these initiatives in [Towards a futureproof Customs](#).

Also in 2021, Dutch Customs' agenda was largely set by the corona crisis, Brexit, and our separation from the Tax Administration, as reflected in our new status as an independent directorate-general. I want to mention these topics again here because they have greatly influenced our work and our organisation's workload. And they still do.

All in all, our staff managed to shift a great deal of work in 2021. I'm proud of all the professional and committed customs officers who helped us achieve this. Working together, and in many cases with colleagues from other enforcement agencies. A few of these professionals have put the same enthusiasm into telling our story in this annual review. I trust that you will enjoy reading it.

## On behalf of the Customs MT,

Nanette van Schelven,  
Director-General of the Customs Administration of  
the Netherlands





# Dutch Customs: for a safe, healthy and prosperous Europe

People usually come across Customs at Amsterdam Airport Schiphol. At Schiphol, we do not check passports, as many people think. What we do check is luggage. That's our job: supervise goods crossing the external border of the European Union. And that is about a lot more than what travellers carry. After all, the Netherlands plays a vital role in global trade and logistics. About a third of all the goods for the European market cross the border here. Many of them by container ships in the port of Rotterdam and cargo planes at Schiphol. And, conversely, a lot of goods set out from the Netherlands to travel around the world.

Many things are allowed to cross the border. Some can only enter if tax is paid for them and they have the right papers. We check that. Other goods are not allowed to enter our country at all. That could be because they are harmful to health or the environment. Our job is to stop those undesirable things. This is particularly important as there are no further inspections in the EU after our check at the border. If we do our job well, we also protect the rest of our

continent and its 500 million inhabitants. That makes us the gatekeepers of Europe, as it were. We carry out this role in seaports, airports, along the coast, in cargo warehouses and among (postal) companies.

Customs is an enforcement agency. We check whether members of the public and companies comply with certain rules on import and export. And we help them to do so. Clear information and easy declaration systems form the basis of our work. We supplement our services with checks. There are administrative checks but also physical checks of the goods themselves. We carry them out in a smart way: targeted, based on experience, information and risks derived from data. And with the help of the best and most modern tools, such as search dogs, scanning and detection equipment, a drone team, a diving team and an advanced laboratory.

We see to it that members of the public and companies pay taxes. Such as excise duty on beer, tobacco and fuels. The proceeds, amounting to many billions of euros, go to the Dutch treasury. This money contributes to the financial foundation of the Netherlands. It goes to schools, roads, hospitals and other things that benefit everyone in our country. We also ensure that customs duties are paid when importing goods. That money goes to Brussels. Our work has a high European content: Europe is one of our clients. We also work for nine Dutch ministries, including our most important client: the Ministry of Finance.

With our controls we also contribute to a strong and fair economy. We combat unfair competition by stopping counterfeit goods. And products that would otherwise be dumped on the European market at rock bottom prices. We also help the business community by making customs clearance quick and easy, with the lowest possible administrative burden. In fact, anything to prevent trade and logistics from being unnecessarily delayed. That is important for the whole of the Netherlands, as these sectors provide many jobs and prosperity. We always seek a balance between responsible control and service in our work. For example, companies that have proven to be reliable are subjected to fewer (comprehensive) checks. Our intensive consultation with the business community, which is unique globally, helps to ensure smooth cooperation.

We joint with our clients in all kinds of partnerships. We also do this with several other government agencies, such as the Netherlands Food and Consumer Product Safety Authority (NVWA) and the Netherlands Enterprise Agency (RVO). We work together with the Fiscal Intelligence and Investigation Agency (FIOD), the Police and the Royal Netherlands Marechaussee in tackling issues such as subversive crime. And we have close ties with customs and other organisations abroad. Together we are stronger. That also applies to our employees. Although customs work is largely automated, our people are indispensable. Our work calls for people who stand firm and do the right things in the right way. We work in the service of society, so everyone should be able to rely on us. The issue of integrity is therefore high on our agenda.

The world has become more complex in the 425 years since Dutch Customs came into existence. There is more international trade than ever. Consumers buy more and more from online stores all over the world. Criminal organisations work like multinationals, becoming smarter and bolder. That is why we continue to innovate and improve. Fortunately, innovation is in our DNA. We test technologies such as AI, blockchain, big data, sensor technology, and automated detection with the business, education, and science sectors. This is how we work on better service, smart enforcement and smooth logistics. That is paying off: we are always at the top of international rankings of international logistics and customs handling. We are seen as one of the best customs services in the world. We want to stay that way, and we are working hard to make sure we do. Every day. For our clients. For residents and businesses. For a safe, healthy and prosperous Netherlands and Europe.





# A year in brief

Each year, events, developments, and trends require our special attention.  
What kept us busy in 2021?

## CVB: a tighter grip on tax risks

**At the end of 2021, Customs started the step-by-step introduction of the Container Release Notice (Container Vrijgave Bericht, CVB). With the CVB, Customs imposes stricter requirements on declarations of goods from outside the EU that arrive by ship. This affects all entrepreneurs in all port sectors. Thom van Vugt, CVB contact person at Customs, explains how the CVB helps Customs mitigate tax risks.**

The stricter requirements: from now on, there will be advance checks to determine whether it is possible to settle

a maritime cargo under a Temporary Storage Declaration (*Aangifte voor Tijdelijke Opslag, ATO*). Customs is doing this to reduce the number of incorrect declarations. With the CVB, Customs compares the detailed declaration of a customs agent or importer with the ATO of a shipping company or shipbroker. Goods can only leave a terminal if the Bill of Lading-number (B/L-number) and the weight in the detailed declaration are the same as the ATO.

Since the introduction of the CVB, the detailed declaration can only be submitted upon arrival of the ship in the Dutch port, as stated in the arrival notification (*aankomstmelding, ATA*). That means not until the goods have actually been unloaded. This gives Customs more certainty that the information in the detailed declaration is the same as that in the ATO. If the data does not match, Customs will refuse the detailed declaration and will not release the cargo.

ATOs used to be settled subsequently with the detailed declarations. This made it possible for Customs to release import declarations before the goods were actually unloaded. “We have made this early declaration impossible with the CVB,” says Van Vught. “That was also a demand from Brussels, which had for some time been calling for a compulsory match between the ATO and the detailed declarations. Subsequently checking and adjusting maritime import declarations resulted in tax risks. There was an enhanced risk of declarations being filed at an incorrect rate if import declarations were submitted before the goods were actually in a Dutch port. Another disadvantage was the large number of mismatches between the ATO and the detailed

declaration: the data in the two declarations often did not match.”

At one point, Customs was dealing with some 60,000 mismatches a month. Van Vugt: “In 2021 we saw a sharp increase, partly because of Brexit. Many entrepreneurs doing business with the United Kingdom had no experience with customs formalities. They probably underestimated the declaration process. Most of the errors were made with the gross weight: the weight on the packing list or invoice did not match the ATO. Also, incorrect B/L numbers were often reported, and there were many discrepancies in the number of packing units or packages declared.”

“These mismatches led to a lot of unnecessary work to rectify them,” says Van Vugt. “For Customs, but also for all links in the logistics chain. Investigations had to be made, declarations had to be corrected and companies faced substantial fines. The CVB prevents this by forcing our customers to file a correct declaration. In that sense, it brings benefits to both sides.”

Trade associations, interest groups, Portbase and Customs joined forces for the smooth introduction of the CVB. All parties in the logistics chain were informed and encouraged to prepare for the CVB at the website [www.voorbereidophetcvb.nl](https://www.voorbereidophetcvb.nl).





## E-commerce: in full swing

**Put simply, e-commerce is all about online sales. This is a market that presents us with many challenges: people are buying more and more from foreign online stores. Also, a new VAT regime for the industry took effect on 1 July 2021. Customs is fully committed to maintaining proper supervision in this dynamic industry.**

Consumers are increasingly ordering online from webstores in countries outside the European Union (EU). During the corona crisis, we even saw a peak in the number of online purchases. The effect: containers are now packed with tens of thousands of packages for just as many individuals. Previously, they only contained one or a few large orders. As a result, the number of declarations that Customs has to process has skyrocketed: from 30 million in 2018 to

hundreds of millions in 2021. This growth means a lot of extra work for Customs.

Other developments also pose challenges. Because consumers expect short delivery times, goods are often imported before ordering. They can then be delivered to the customer faster. Since the products have not yet been sold, it is more difficult for Customs to determine their value and set the import taxes. The items are often made in countries with low production costs, which presents even more challenges. There are also more and more players in the e-commerce sector, such as parties that facilitate drop shipping. That is selling without keeping any stocks. And parties who arrange customs declarations for companies, for example. As a result, information on orders becomes even more fragmented. This makes it more difficult for Customs to check whether declarations are correct.

Therefore, we have taken various decisions to keep a tight grip on the rapidly growing flows of goods from countries outside the EU. For example, declarations are divided among several declaration systems, per type of transaction, and sometimes per country where the goods originate. We also use data analysis to identify where the most risks lie, enabling us to check more intelligently. And we have carefully looked at where in the organisation we need extra control capacity, given the enormous increase in the number of declarations.

We also faced new VAT rules for non-EU online stores. These rules are fairer for EU entrepreneurs. What the new regulation entails: the exemption from import VAT on goods with a value of EUR 22 or less has been abolished. Also, EU suppliers selling for more than € 10,000 a year to consumers in the EU must charge the VAT rate of the countries where they sell. And pay VAT there as well. They also give platforms that facilitate sales to consumers in the EU, such as Amazon and eBay, more responsibility for declaring and accounting for VAT.





We have constructed the new declaration system DECO for goods subject to the new VAT rules to make all this possible. We have also consulted many colleagues from the Ministry of Finance and 'Brussels' to make sure the introduction goes smoothly. Customs has also done a lot to prepare businesses for the arrival of the new VAT regime. Like publishing a white paper containing all the important changes.

## ICS 2: safety first

**In recent years, a good deal of work has been done on the Import Control System version 2: ICS 2. The new system collects as much data as possible on goods destined for the European Union (EU). The first phase of implementation, which started in 2021, focuses on postal items. Shirley Gerritsen, director of the Customs National Tactical Centre, explains.**

The idea behind the new system: enhanced safety. Gerritsen: "9/11 made us realise how vulnerable our society is. Since then, there have also been attacks in Europe. A bomb was even found in an air cargo package. Terrorism is no longer something far away from home. ICS 2 is an EU-wide monitoring system that yields more and better data. That improves the risk analysis of goods entering the European Union. By land, air, water or rail."

ICS 2 consists of various linked Dutch and European applications and portals. Due to the size, complexity and impact of ICS 2, the system is being introduced in phases. This is being done in consultation with the business community. Gerritsen: "We build up this amount of information step by step. The first phase in the Netherlands will focus on PostNL's mail items."



In phase 1, PostNL is the only supplier in this flow of goods, but with 60 million parcels a year, it is a big one. Gerritsen: "For incoming mail, PostNL has to provide a 'summary declaration' digitally. Previously, this had to include at least a description of the goods. In ICS 2, more data must be entered, including information about the sender and recipient of a parcel. For example: a shipment is declared as a fabric sample. Is the parcel from an address that a risk analysis of the enhanced data has identified as a drug factory? That is a red flag for us. Or does it concern a medicine that is banned in the EU? But if the shipment is marked as a legal medicine, there is no reason to check. The added value of ICS 2 really does lie in this enhanced information position. The more data we have, the more likely we are to discover non-conformities."

It is important that the information about a shipment is available in ICS 2 before the flight's departure. This allows EU countries to assess risks even before take-off. Gerritsen: "If the automatic data analysis identifies a risk, a customs officer checks whether there is indeed something wrong. Customs may then ask for additional details or perform more screenings. We work together with the Royal Netherlands Marachaussee. If the additional information shows that there is a threat, the National Coordinator for Counterterrorism and Security will decide whether the shipment may be loaded. This must, of course, be done carefully. We don't want to hold up a flight for nothing."

Gerritsen emphasises that the introduction of ICS 2 makes demands on all the players in the chain. "It ultimately affects every operator involved in handling, shipping and transporting freight, packages and mail items. From postal operators within and outside the EU to air freight carriers and logistics service providers, to companies in sea, rail and road transport."

## More and larger drug shipments intercepted

**Combating narcotics has long been an important task of Customs. In 2021, we seized a total of almost 72,000 kilos of cocaine at the ports and at Schiphol. That is 47% more than in the previous year. Also, our intensified postal checks resulted in more drugs being seized there. They were mainly synthetic drugs.**

The number of cocaine busts has been increasing for years, both in numbers and weight. And that is not just about sea freight. For example: in 2021 we found almost 1,850 kilos in air freight. In 2020, this was still just over 700 kg. This is also because we have further improved our risk management in the past year: almost 8 out of 10 'maritime' drug seizures result from our own risk analysis.

So we check more and more smartly. This is badly needed because drug gangs constantly invent new methods to get their contraband across the border. Customs wants to inspect high-risk shipments on board and on land as soon as possible. Targeted, innovative (physical) interventions ensure that our controls work better and better. For example, we work based on data analyses, and we can call on our diving and drone team.

In 2021 Customs seized almost 15,500 postal shipments, mainly containing synthetic drugs. The number of finds of XTC in the mail has risen sharply in the past year: from 2,284 to 4,755. This is also due to our more intensive checks. And because we have devoted more capacity to monitoring the post. Another notable seizure was a large batch of precursors for the production of XTC: over 4,000 kilos of MAMDPA. This new substance has not previously been found by any customs agency worldwide. In total we have seized over 8,700 kilos of

precursors, raw materials for drugs. Also noteworthy is the large quantity of LSD leaving the country in the postal mail: we have found it more than 1,600 times.

Customs operates in partnerships such as the Multidisciplinary Intervention Team (MIT) and the Hit And Run Cargo team (HARC). In the MIT, the Public Prosecution Service, the Police, the Royal Netherlands Marechaussee, the Tax Administration and Customs work together to combat subversive (drugs) crime. In the HARC, the Seaport Police, FIOD and Customs work together to combat drug smuggling in the port of Rotterdam. With our national partners, we are looking at how we can strengthen our fight against drugs together. This could be done by sharing our insights into the modus operandi of the international drug trade.

Through closer international cooperation, we aim to intercept drugs earlier and earlier. That is: as close to the source as possible. That is why we are strengthening our ties with authorities in areas where drugs originate. Placing liaisons in those areas improves our information position. So we can identify high-risk goods shipments earlier and better.

### Sniffing out drugs faster

**Dutch Customs is constantly working on new, smarter methods and technologies. This is necessary to respond to the drug criminals' increasingly cunning smuggling methods. One particular innovation is the Odour Extracting Device (OED) developed especially to check containers more quickly using sniffer dogs. This method, in which we extract air from containers, is unique in the customs world. Interest in the method is being expressed worldwide, especially by our foreign customs colleagues.**

Customs has been using dogs to combat drug smuggling for many years. Dogs have an excellent sense of smell and can recognise all kinds of smells. The OED is a way of making the most of that special talent. We no longer even have to open the containers we want to check with this method. We now put a hollow metal pin through the rubbers of the doors. A tube goes through it, which is connected to a vacuum pump. That pump sucks the air from the container over cotton wool into a glass jar. The cotton wool works like a sieve: the molecules stick to the fibres.

The dogs then smell the jars. This takes place in a controlled, non-stimulating and sterile area at a fixed temperature. In those conditions, a dog can check 10 pots within 20 seconds. The dog's reaction tells us which containers to inspect further. That could be because they contain drugs. But they could also contain chemicals used to make drugs, tobacco and money. The technique works on anything that emits





molecules. We can use the method in all sorts of places, from Eemshaven to Vlissingen. Apart from a permanent space in the port of Rotterdam, we also have a mobile space in a truck.

OED can also be used for spaces other than containers, provided they are sealed. And we can use the method for awkward shipments. Criminals are making things increasingly difficult for Customs. For example, they mix cocaine with flour so that you cannot see the drugs on a scan. Or they put drugs in scrap metal, which a dog cannot reach. OED makes it easier for us to track down such illegal shipments. With OED, we can carry out more checks in the same amount of time, with less hindrance to the logistics

process. We do not need to break the seal of a container with this method, for example. Or unload the goods. The goods remain 'as they are'. This is also better from an insurance point of view. And not needing to open refrigerated containers with fruit avoids the ripening process starting earlier. We can also check much earlier with OED, such as when the goods are already on board a ship. An employee can go there and extract some air. That way, we know whether we need to check further even before the containers are on the quay.

### Drones: eyes in the sky

**Long rows of dunes, patchworks of industrial sites and mazes of containers at terminals: monitoring the Dutch coast is not always easy. That is despite all the customs officers and cameras and is why we have also deployed drones with day and night vision since 2021. At the moment, we only do this in the port of Rotterdam. Darko Brodic, the Customs drone team manager, tells us about the drone surveillance.**

"We face all kinds of smuggling methods," says Brodic. "Such as infiltrators, criminals who break into premises to get drugs from containers. This can, of course, be dangerous: for customs officers, but also for other people in the area. And it causes logistical delays. It takes a lot of time for customs officers to find out where suspicious persons are. You can't see everything from the ground. That is why I thought a few years ago: how can we make this kind of location more visible? The answer was obvious: from the air. And that soon took me to drones. They could be an excellent addition to our set of enforcement tools."



Brodic submitted his idea to the department that deals with innovation, and was allowed to take it from the drawing board to the field. “That involves many steps. You have to select and train pilots, go through a tender process for the drones and draw up an operations manual. It also takes a lot of coordination with the Human Environment and Transport Inspectorate. As an aviator, you will be using the airspace and have to abide by all kinds of rules. Fortunately, many people inside and outside the organisation have helped.” The result is impressive: a real Customs drone team, with state-of-the-art equipment.

The experiences with the flying cameras have been positive so far, says Brodic. “We can see everything clearly at night and during the day, and we see more than before. The good zoom function allows us to take razor-sharp photos even from a great distance. Also important: you yourself are far away, so as good as invisible. This is not only useful when carrying out surveillance, but also when doing reconnaissance work. Our team is also sometimes deployed for an arrest by our colleagues from the Special Assistance Team.”

The images are recorded according to a fixed protocol. Everything that is ‘compliant’, i.e. where there is nothing suspicious, is deleted. We keep recordings that show suspicious findings or people being caught in the act as evidence. If there happen to be faces or outlines in a recording of casual passersby, they are blacked out or otherwise made unrecognisable. That is how we protect the rights and privacy of members of the public.

The drone has proven to be a useful tool for Customs in surveillance and detection in a short time. At the Customs region of Rotterdam, more employees are being trained as



drone pilots. Colleagues will also be trained as drone pilots in a few other ‘maritime’ regions. “We are forming drone teams there too,” says Brodic. “And we are thinking about setting up these teams throughout the country. After all, such a ‘bird’s eye view’ can add value to customs work everywhere.”

## Customs makeover

**At the end of April, Customs was given a new uniform. The previous one was almost 20 years old and no longer met the requirements. It was high time for something new. Fashion designer Mart Visser and Nanette van Schelven, Director-General of Customs, are proud of the result.**

The new uniform is contemporary, wearable and durable, and it does justice to the versatile work of customs officers. It is visible and recognisable, in the new yet familiar blue. Mart Visser explains: “The assignment was simple: there have been complaints about the old uniform, so we need something new. I understood that. You wear light stretch fabrics in your time off, and then you have to wear a kind of concrete cast at work. Of course, that does not help. A uniform has to fit properly. There have been enormous developments in fabrics in recent years. Such a good choice of material gets you a long way from the start.”

For his assignment, Visser immersed himself in the world of Customs. “What I noticed among the people I spoke to is that they project a lot of strength. You can feel that, the energy. Not everyone is right for Customs. You have to be someone who stands firm. That is also what this new clothing projects and reinforces.”

Visser’s preference for blue was slightly problematic at first. Van Schelven explains: “Green has always been the colour of Customs. We have a green logo and green chevrons on the car. We sometimes say that customs officers are green at heart. Taking away that colour evoked emotions and resistance. But going from green to blue is not as big a step as many people think. We were the only customs organisation to wear green, along with the Germans. The rest wear blue or black. So did we, until after the war. Due to shortages, only green fabric was readily available at the time.



I am glad that the blue is back. Blue stands for reliability and authority. And it is a colour that suits us all. Most of our employees are happy with it now.”

“Customs is known as a modern organisation,” Van Schelven continues. “That old uniform was a bit nineteen-eighties: large, wide and non-stretch. Really old-fashioned. So we were definitely ready for something new. The new clothes are functional, tailored to our varied work. You can always dress ‘to suit the job’. Everyone looks very neat, much more professional.”

“The new uniform makes us more recognisable. Employees feel more visible. They say: ‘People know what I stand for, it suits the work I do’. I notice it myself. When I go somewhere now, I get compliments. On social media, someone wrote: ‘I would join Customs just for this uniform!’. That is great to read!”





# Towards a future-proof Customs

All kinds of developments within and outside our organisation present us with challenges. Examples include a large outflow of Customs personnel and the steady growth of global trade. To do our job properly, we need to anticipate this in good time and work on a future-proof Customs service. Our Medium-term Strategic Plan sets our course for the years to come. This plan has been translated into several interrelated programmes. All sorts of initiatives were set in motion for these programmes in 2021.

## Layered enforcement

More and more goods are crossing our borders, and subversive crime is on the rise. That calls for the most efficient supervision possible and is why Customs is working on what it calls 'layered enforcement', with three different flows of goods. Each flow has its own risk profile and associated checks. The purpose is to make checks more targeted: less checks for companies that have proven to be

reliable, and more (stringent) ones for companies that are new to us or have a poor track record. That way, we facilitate trustworthy companies more and have more capacity for checks involving a greater risk. The ultimate goal: ever better information and 100% supervision. We do not check everything physically, but we do have everything in sight.

In 2021, the programme focused on further shaping the green flow with companies we know and trust. Layered enforcement is a new way of working: compliance-oriented instead of risk-oriented. A 'green' company is in principle compliant: we assume that it will abide by the rules, unless there is evidence to the contrary. This means that we have to redesign our processes and technology. And that customs staff will be working differently. We have identified what we need for this, and made a start with automated detection (or auto-detection) last year. This involves machine learning models that smartly combine data to recognise patterns.

We have started to train those algorithms, and are making records of how we did it. We have set the following priorities: which algorithms will we train first, and where will they have the most impact? We have made a start with setting up the internal process. An algorithm must first be incorporated in a process before it can do its work. In all this, we cooperate with our commissioning ministries. And with Brussels, they also need to know that we are setting up a new supervisory system. The business community must also be aware of how this will affect them. We also want to know if they have any ideas about this. We have consulted with postal courier companies as well. The mail flow is the first on which we will test the algorithms.

This new way of working is only possible with clear information about aspects such as logistics flows and market operators. Therefore, this programme depends on the data platform of the Improved information position programme. We are increasingly moving towards a way of working based on data. That calls for more 'data literacy' among existing employees and new positions such as data scientists and data analysts. All this affects our staff planning. Working in a more data-driven way makes the reason for checking a shipment more objective. That reduces the scope for fraudulent actions by employees.

### Auto-detection: doing more with data in less time

**Customs wants to become more data-driven for smarter enforcement and smoother logistics. We are working on this and other subjects in the Auto-detection project: automated data-based supervision. This ranges from identifying patterns in declaration data to recognising illegal goods on scan images. 2021 was an important year for this project: Customs experimented with the use of artificial intelligence and set up the first pilot projects. Innovation project leaders Norbert Kouwenhoven and Micha Slegt tell us about it.**

Norbert Kouwenhoven: "Auto-detection is the automated data-based detection of anomalies. This can be 'structured

*"If the algorithm recognises anomalies properly, we no longer need to open a container or a package as often."*



*“Autodetection can help us keep a grip on the huge goods volumes.”*

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data’, such as tax returns. Or unstructured data, such as scans, photos and videos. In 2021, we started 3 tracks: the automatic interpretation of x-ray images, better filtering of structured data and the use of external data – for example from the Chamber of Commerce, other Customs services and from companies themselves. In the past year, we have trained and tested the first algorithms. Then we asked our colleagues where we could try out these techniques first in practice. This resulted in no fewer than 24 potential applications. We have divided them into the three tracks I just mentioned. We have chosen one application per track, which we will test in 2022.”

For the x-ray track, for example, this is the ‘pill pilot’. Micha Slegt explains: “In 2021, we trained and tested an algorithm that recognises pills in x-ray images of postal packages. For this purpose, we collected large numbers of scans of packages with and without pills. The system then had to learn the differences between them. We worked together with the companies that supply this equipment and with fellow Customs services that are also developing this type of technology.”

“In this pilot phase, we are not looking only at the technology. We also want to involve all colleagues in these developments. And we carefully record what we are doing. We have already done some other tests on the shop floor with the help of colleagues from the scanning teams. That immediately gave them a clear image of the technology. If the algorithm can recognise anomalies, we will reduce the need to open a container or package that turns out to be in order. But the human eye and human experience will always be needed.”

The Auto-detection project is part of the Layered enforcement programme. In this programme, Customs is working on a vision of enforcement in various goods flows.

There are fewer and less drastic interventions in logistics among companies that have proven to be reliable and more checks on unknown entrepreneurs. “Auto-detection can help,” says Kouwenhoven. “For instance, by objectively measuring and determining a company’s reliability. But also by sound an alert if a reliable company suddenly does something unusual.”

Slegt: “Ultimately, these innovations can make the whole of Customs more effective. Algorithms are not necessarily better at analysing x-ray images than humans. But they can do much more work at the same time. We need that because we have to process enormous volumes of goods. Especially in Rotterdam. Auto-detection can help us keep a grip on this by doing more in less time. And by checking where the biggest risk lies, we ensure the smoothest possible handling for companies.”

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### Improved information position

Customs wants to become a more data-driven organisation. We have a wealth of data from all sorts of sources. We want to take a smarter approach to this. That is the aim of the Improved information position programme. The programme is working on ways to make data accessible automatically and coherently. That leads to better risk analysis and better enforcement. But it also serves more internal purposes: for better accountability and better management information. The idea: to collect and process data in such a way that employees can make optimal use of it. They always get the data they need at the right time.

Customs took several steps towards this in 2021. We started an exploratory study on the design of a future-proof data platform. We were helped by the research and consulting company Gartner. Not all the data we register is yet available



for analysis. We are working on opening up these additional internal data sources. Once that is done, we will look outside. In time, we also want to integrate external data from other Customs organisations and enforcement agencies into the platform. The same applies to data from platforms where logistics parties share data, such as TradeLens and Portbase. We have had exploratory talks about this in the past year.

The Improved information position programme supports the programmes Layered enforcement and Customer management renewal, which focus on Customs' operational tasks. In fact, the programme is a prerequisite for the success of the other two. They will use the data yielded by the data platform, which is needed for better risk management. Therefore, the Improved information position programme is at the beginning of the chain in which results must be delivered.

There is also a link with the other more supportive programme, Strategic staffing. For example, the new data platform can be used to unlock data from our personnel systems, such as who is retiring and when. Or about what knowledge and competencies Customs needs. We can use that information for our strategic personnel planning.

### Always the required data, in the right quality

**Customs wants to work as smartly as possible. The ability to use the right data quickly is an essential prerequisite. That is why Customs is building a data platform. "This future-proof platform brings together our data and that of other, external sources more effectively. It also makes it easier to standardise data and open it up to users," says André Wilmink, IT architect and business analyst at Customs.**

*"A data platform can meet the different information needs of customs officers."*

"Customs staff need different kinds of information for their work," Wilmink explains. "If a customs officer is



*“It will be easier to view the data of parties outside Customs. Or vice versa: to make customs data available to external parties.”*

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preparing a transport company inspection, it helps to see all company information at a glance. Data analysts takes an entirely different angle. They often want raw data for a predictive model. This could be to draw up a risk assessment to determine whether to check a shipment of goods. A data platform can satisfy the different needs of users. It is also easier to view data from parties outside Customs. Or vice versa: to make customs data available to external parties.”

A data platform is the total of resources that make suitable raw or processed data available. Examples include dashboards with steering information and predictive models for risk selection. A data platform enables users to perform their tasks better. This means that the data has the right meaning and quality, can be viewed in context and can be accessed at the right time.

Digitalisation means more and more data. “The platform must be able to store all this data, including images,” says Wilmink. “And unlock it in a way that suits the user. I am talking here about customs information and information from other parties needed for our work. The ability to respond flexibly to the different information needs of the customs entities is another requirement. And other organisations must also be able to work with the data. They include other supervisory authorities or the Central Bureau of Statistics. Or the European Commission if it wants to know how much customs duty has been collected in a given period. This kind of data should be updated and retrievable at any time.”

In 2021, Customs asked a consultancy to help them think about the best way to set up a future-proof data platform. This showed that Customs transfers a large amount of its data to the cloud. Wilmink: “This cloud option scored the highest on the ability to grow with us, flexibility for users, and innovation support. We will start setting up the data

platform this year. The first step is the development of our ‘cloud strategy’. In this strategy, we answer the question of which data and facilities will be made available in the cloud and which will not. Of course, we take into account the laws and regulations on confidentiality. We expect to be able to reap the first benefits of the platform within a year-and-a-half to two years.”

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### Customer-oriented supervision

In the years to come, the Customer-oriented supervision programme will give substance to our supervision of companies. Such supervision is becoming increasingly cyclical and compliance-oriented: we will soon be carrying out regular checks and will assume that a company is complying with the rules unless there is evidence to the contrary. The aim of the programme: efficient and effective processes, which are the same throughout the country. And a good balance between supervision, enforcement and service. The various customs regions work closely together to achieve this. We involve the shop floor in the plans.

An important part of the programme: getting a tighter grip on the processes of applying for and managing licences and supervising companies. Our clients, such as the Ministry of Finance and Europe, are asking us to focus more and more on insight and data. We will also be taking on many new employees in the coming years. All this calls for clear work instructions and process descriptions that are properly laid down for all. In 2021, we started identifying the process steps companies follow to apply for licenses. Next year we will start working on the other two processes.

To support of the processes, we will need to improve our IT. One of our wishes: an objective application for risk-oriented work based on data from our systems.

We have been working on this risk matrix for the past year. It makes the data available from the data platform of the Improved information position programme. This will allow for more data-driven, more customer-oriented and more effective supervision. We are also working on smart control dashboards, a national planning tool and an application employees can use to view a company's data at a glance.

More customer-oriented supervision also causes jobs to change, which in turn calls for different competencies. Today's customer manager is increasingly becoming a compliance manager. The compliance manager goes to companies that we have selected based on risk analysis. The Strategic staffing programme considers what knowledge and skills are needed for that role.

### Uniform service provision and risk-oriented supervision

**Customs has started the Customer-oriented supervision programme to improve the work processes of Customer Management. Groningen's team leader for customer management, Meindert ten Tije, and programme manager customer-oriented supervision Marcel Huisman tell us about it.**

Customer-focused supervision is a future-looking improvement programme for efficient and effective Customer Management. Marcel Huisman: "Customs has to deal with changed legislation. And we have a big problem with our capacity. Many new employees have been recruited, but training and inducting them takes

*"Companies need uniformity. They want to know where they stand. That is why we are moving towards working processes that are the same for the whole country."*

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*“If all goes well, we will soon have an instrument we can use to decide very objectively: we want to pay extra attention to this company.”*

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time. Much of the expertise is now only in the minds of experienced employees. That means we need clear process descriptions and work instructions.”

Customs sometimes faces criticism for the subjectivity of its inspecting officers. Meindert ten Tije: “The law is the same for everyone. But in practice, some companies find that they are treated differently. That triggered us to do something about our Customer Management. Companies need uniformity. They want to know where they stand. For that reason, we will work with work processes that are the same for the whole country. We want to treat all companies equally. It should not be the case that they are treated differently in Groningen than in Limburg.” Huisman: “The programme should lead to a more uniform treatment of customers. At the same time, it will help us to carry out checks more effectively. That will avoid unnecessary work and enable us to make the best use of our scarce capacity.”

In 2021, the main focus was on creating a sound structure for cooperation with all customs regions. Ten Tije has this to say: “There is a properly underpinned programme plan and a sounding board structure. It has been carefully considered and discussed with all regions, which is truly unique and important. You can come up with all sorts of ideas, but you can only carry them through by working with others.” Not all changes go without a struggle. Huisman adds: “Customs staff are incredibly dedicated to their work. They are committed people who want to do their job well. It’s no good telling them only half the story: it must be 100% right. Then you notice how responsible our colleagues are.”

“In the past year, we have also described the customer processes in the regions,” says Huisman. “The next step is to distil a standard process from this that everyone can use.

We have also worked on a step-by-step plan that will ultimately allow us to analyse risks more objectively. This is still being extensively tested and refined. But if that works out, we will have a tool that allows us to decide very neutrally: we should pay extra attention to this company. That will contribute to the uniform look we want. But it also allows us to use our resources more effectively. That way, we can do more work with fewer people.”

“This whole process is not easy,” concludes Huisman. “We are having to make changes whilst still getting the job done. That means harmonising customer processes, support tools and work instructions. We have to do this alongside all our important work processes simultaneously. Add to that the outflow of colleagues, the tightness of the labour market and the duration of customs training, and you can see why Customs is facing a considerable challenge.”

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### Strategic staffing

Our biggest personnel challenge is finding, recruiting, and retaining employees who are suitable for the work of Customs. The ageing population of our organisation and the tight labour market are making this increasingly difficult. Our working methods are also changing. They are becoming increasingly data driven. For all these reasons, we need to always attract enough people with the desired profile in good time. But we also need to work on the knowledge and competencies of our existing employees. And we need to set up our organisation so that we can continue to do this in the future.

That is why we started the Strategic staffing programme. The programme is to ensure that Customs always has enough employees with the right competencies. We first want to get a clear understanding of our workforce. We are also creating

scenarios to clarify which people we will need in the coming years. Taken together, this forms the basis for making decisions on matters such as training and recruitment.

The Strategic staffing programme consists of 4 components. We started with three of them in 2021. That is how we started to get an overview of our workforce. We looked at the systems in which the data is stored, and collected some of that data. Since Customs was part of the Dutch Tax and Customs Administration for a long time, we did not have our own labour market strategy. We made a start on this last year. We arranged a survey into what employees are proud of, i.e. what we have to offer as an employer. We have also examined the labour market demand to find out what applicants are looking for. We use these analyses to strengthen the Customs brand and position the organisation as an attractive employer.

Always enough employees, with the right qualifications, in the right place, at the right time for the work of Customs: this is a prerequisite for the success of the other programmes. That is why we also started with the 'suitable personnel solution'. We are mapping out the demand for personnel through the other programmes. We also consult with other enforcement agencies, such as the Royal Netherlands Marechaussee, to see how they deal with this issue.

### A labour market strategy of our own

**Until 1 January 2021, Customs was part of the Tax Administration, but is now a Directorate-General. It is an independent organisation that has to present itself on the labour market as a 'new' employer. This calls for its own labour market strategy. Customs is working on this, together with Steam: an agency for labour market communication and employer branding. Joyce Tang, senior HRM policy advisor at Customs, and Jari Kloppenburg, strategic director at Steam, explain the approach.**

*"This is the first time Customs has presented itself as an employer in the labour market."*



*“The world of Customs is much bigger, more complex and more interesting than you might think at first sight.”*

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Joyce Tang: “Now that we are a Directorate-General, we want to present ourselves as an independent employer with its own story and its own brand. Many employees are due to retire in the next few years. The labour market is tight, and Customs wants to work in a smarter and more data-driven way. All this calls for good visibility in the labour market.” Jari Kloppenburg: “There was no strategy yet in place. This is the first time that Customs has presented itself as an employer on the labour market. That in itself is a big change.”

“The first step to achieving a good profile is to get to know the organisation,” Kloppenburg continues. “That is why we always start with discussions with employees. We believe that such a positioning, such a story, should come from within them. That way, you know there is support for it. That is important because you have to be able to live up to the story you are telling.” Tang: “We are now in the analysis phase. We held sounding board sessions with over 20 employees. After that, we surveyed our more than 6,000 employees to check whether what we heard in the interviews applies to the whole organisation. We are rounding off the analysis phase with a positioning.”

It is still too early to make any concrete statements about that positioning. “My first impression is that customs officers are very proud,” says Kloppenburg. “We also noticed during the interviews how willing they were to participate. As an outsider, you may have the idea that Customs is a subdued, somewhat dull organisation. Nothing could be further from the truth. I find the customs people very outspoken. They are articulate, and they stand their ground. That gives us a firm base to build on.” Tang: “It’s only since I started working for Customs that I have realised how broad the field is. The world of Customs is much larger, more complex and more interesting than you might think at first sight. That is the story we will be trying to convey.”

Kloppenburg: “At Steam, we work for various government organisations involved in security: the Ministry of Defence, the Police and the Custodial Institutions Agency. These organisations are well known, but people often have a limited or incorrect idea about them. We see that at Customs too. Many people think that Customs is only there to intercept drugs. But Customs does much more. That is our aim: to put over the story of Customs in such a way that people think: hey, I never thought about it that way.”

Tang: “We want to correctly single out the difference between Customs and other organisations to make it easier for applicants to choose. We are not looking for more applications, but we do want people to make a conscious choice to work for Customs. That way, we will meet each other’s expectations. The ultimate goal is to get that staffing task done.” Kloppenburg adds: “I think the mission will succeed if we can ensure that we reach more people. And that they look at Customs differently. That should make more people think: maybe this is the right place for me.”

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## Integrity

Members of the public and businesses have to trust that our organisation and our employees are doing the right thing. Not least because we are a government organisation. Many of our employees have specific information and special authorities. That can make them a target for criminals. Customs sets out to be an organisation with integrity and ensure a safe working environment. Colleagues must be aware of the profession’s risks, talk about them openly, and become more resilient to integrity risks, such as corruption. In the Integrity programme, we are working on a customs-wide approach to make that happen.



In 2021, the accountancy and consultancy firm KPMG was commissioned by Customs to investigate the corruption risks in the port of Rotterdam. We used the recommendations from that report, together with ideas from within the organisation and external partners, the results of an internal integrity measurement and initiatives already in place for our Integrity Improvement Agenda. The Integrity programme is the practical implementation of that improvement agenda.

The programme roughly consists of 4 parts. First, we want to improve our information position by learning more about how criminals work. We also want to look at the 'structure': is our policy clear and findable? And: what about the instruments we use to support, monitor and enforce that policy, such as screening employees and building the subject of integrity into staff interviews? The third component focuses on culture: how do you ensure ethical leadership, alert and resilient employees and a working environment in which people are open with each other? It is about how we ensure integrity within Customs.

In 2021 we also worked on a theatre performance about Customs together with TheaterMakers Kootwijk. The performance Grenzeloos (Without borders) will be staged this year. The purpose of the performance is to hold up a mirror to the organisation and make it think about the themes of culture, leadership and integrity. We also use the performance to discuss dilemmas with each other. In 2021 we also prepared for better screening of new employees.

### From theatre to true dialogue

**A theatre performance as a starting point for a discussion about organisational culture and integrity. Not something we see every day, but effective. Walter Supèr, artistic director at TheaterMakers Radio Kootwijk and Renske Barentsz, project manager Leadership & Culture at Customs, tell us about how the performance called Grenzeloos (Without borders) came about.**

*“The theatre show is a great way to bring alive Customs’ four core values: integrity, cooperation, courage and expertise.”*

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*“Integrity is more than ‘this is allowed and that is not’. It is about your moral compass.”*

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Supèr talks about the added value of theatre: “Theatre can touch you on a deeper level. It can loosen up things that don’t usually come up easily in a conversation.” Barentsz adds: “Colleagues from different regions and management teams experience the performance together. This provides a common starting point to have a real conversation with each other about the issues that come up on stage.”

But how did the idea for the theatre performance come about? Barentsz: “TheaterMakers Radio Kootwijk have previously made shows for the Police and the Army. Our Director-General, Nanette van Schelven, and a number of other Customs executives have seen it. Such a performance seemed a good way to bring to life Customs’ four core values: integrity, cooperation, courage and expertise. And also to continue to take steps to develop our organisation and culture. It is important not to lose sight of this, especially when you consider the challenges facing Customs. They include subversive crime, Brexit and the outflow of staff.” Supèr adds: “While working on this play, I discovered the importance of Customs to a safe society. Yet the organisation seems to be less aware of this role than, for example, the Police. This performance increases that awareness.”

Barentsz: “After the performance, customs colleagues talk to each other about what they have seen, what touched them and why. How do we treat each other, what behaviour do we want to keep and what do we want to do differently? This is input for an in-depth programme. We thus offer colleagues a tool to do their work with the themes of the performance in mind.” Supèr: “Integrity, for example, is more than ‘this is allowed and that is not’. It is about your moral compass. And the difficult decisions you sometimes have to make as a customs officer. About the things that chafe. The performance makes you feel that. So that you can talk about what really matters. Such as: when should

you be willing to depart from the rules for the sake of integrity? For an organisation that is used to thinking in terms of systems and regulations, that is an interesting question.”

Supèr talks about how the script came about: “In September 2021, I interviewed employees and spent time with them in various Customs regions and directorates. I went in search of the story behind the story. What you experience at work affects you as a person. And vice versa: things that happen in your private life have an impact on your work. The performance shows this complete picture.” Barentsz: “Customs was involved in the development of the script. Walter wanted to know what reactions the texts evoked among customs officers. The result is a play about a fictitious colleague who gets caught up in a tough work-life situation. It is something that could happen to any of us. The try-outs were in December 2021. The reactions show that the story is getting through. And that the situations are recognisable.”

Barentsz: “The show is successful if all customs colleagues go and see it. I hope it will make us more aware of the field of tension in which we do our work. How does that affect you as a customs officer and as a human being? And how can we together create a resilient organisation?” Supèr: “For me, a project is successful when someone says: my working life has improved. What I do has become more meaningful to me.”

# Key figures

Much of who we are and what we do can be expressed in figures. These are the figures for our main work processes.

Subject	2017	2018	2019	2020	2021
<b>Services</b>					
<b>Volume development services</b> (numbers x 1,000)					
Notices of objection received	nb	5.579	4.732	4.199	5.105
<b>Realisation of services</b> (numbers x 1,000 unless stated otherwise)					
Objections received	nb	4.530	4.162	3.264	3.822
Objections settled, number on time	nb	3.529	3.698	3.074	3.348
Objections settled % on time	-	77,9%	88,9%	94,2%	87,6%



Subject	2017	2018	2019	2020	2021
<b>Services</b>					
<b>Appeals settled</b>					
Appeals received number (excl. withdrawn)	118	97	125	107	nb*
<b>Court appeals settled</b>					
Appeals settled number	50	25	42	48	nb
Taxpayer equal number	2	3	6	5	nb
Taxpayer equal %	4	12	14	10	nb
Taxpayer partially equal number	1	3	5	4	nb
Taxpayer partially equal %	2	12	12	8	nb
<b>Appeals settled by the court of appeal</b>					
Appeals settled number	19	16	15	15	nb
Taxpayer equal number	1	2	3	6	nb
Taxpayer equal %	5	13	20	40	nb
Taxpayer partially equal number	7	5	1	4	nb
Taxpayer partially equal %	37	31	7	27	nb

Subject	2017	2018	2019	2020	2021
<b>Supervision and investigation</b>					
<b>Total appeals received</b>					
Appeals settled number	69	41	57	63	nb*
Taxpayer equal number	3	5	9	11	nb
Taxpayer equal %	4%	12%	16%	17%	
Taxpayer partially equal number	8	8	6	8	nb
Taxpayer partially equal %	12%	20%	11%	13%	

Subject	2017	2018	2019	2020	2021
<b>Findings and investigations</b>					
<b>International exchange of levy data</b> (in numbers)					
From Dutch Customs to foreign customs administrations	625	554	523	534	595
From foreign customs administrations to Dutch Customs	3.312	2.377	2.441	1.842	1.818
<b>Number of corrections and official reports</b> (x 1,000)					
Corrections, scan and physical checks of cargo	6,1	6,9	5,9	5,4	7,7
Corrections, couriers and postal consignments	9,5	13,6	8,9	4,5	5,2
Corrections, passengers	15,5	15,1	18,5	9,5	12,0
Adjustments for itinerant controls within/outside the country	0,6	1,4	1,6	1,8	1,6
Corrections, administrative checks	0,3	0,9	0,8	1,1	1,0
<b>Drug busts</b>					
Amphetamine	4	5	11	248	671
Cocaine	1.146	1.251	1.109	1.426	3.586
Hashish	68	93	101	106	123
Heroin	66	110	25	88	2.128
Marijuana	90	125	231	393	2.439
Qat	383	177	108	629	258
XTC	164	344	489	2.284	4.755

Subject	2017	2018	2019	2020	2021
<b>Findings and investigations</b>					
<b>Seized goods</b> (kilograms, unless stated otherwise)					
Cigarettes (numbers x 1,000)	62.102	159.286	112.123	122.721	227.315
Tobacco	34.353	63.998	128.205	101.187	164.199
Hookah tobacco	1.259	42.253	15.933	4.877	44.505
Amphetamine and XTC	938	473			
Amphetamine	108	1	2	34	19
Cocaine	10.219	21.188	40.095	48.891	71.796
Dimethyltryptamine (DMT)	287	40	51	1.408	971
Hashish	716	3.910	299	1.010	172
Heroin	830	296	625	105	1.734
Marijuana	2.852	322	583	514	734
Methamphetamine	9	6	550	17	20
Qat	6.371	3.331	2.050	9.137	2.887
XTC	830	472	426	519	259
Precursors	7.196	6.529	5.744	2.019	5.352
Weapons (numbers, incl. imitation weapons)	4.743	24.727	125.235	13.570	1.003.550
<b>Official reports</b>					
Customs legislation	2.317	3.153	3.561	2.112	2.684
Excise duty legislation	586	553	652	467	578
Safety, Health, Economy and Environment (non-fiscal) legislation	10.865	9.874	7.658	3.876	5.159
Other	30	88	103	52	38
Total	13.798	13.668	11.974	6.507	8.459
<b>Number of declarations processed</b>					
Number of declaration lines Import, export, entry, exit and transport	25.165.000	243.138.572	320.082.527	378.154.007	698.500.177



Subject	2017	2018	2019	2020	2021
<b>Supervision and inspections</b>					
Inspections of import and excise duty declarations	361.498	374.000	419.566	485.206	571.579
Hours for supervision external border	399.000	385.000	410.224	464.339	524.180
Travellers' baggage	603.332	391.431	267.370	80.915	222.540
Ambulatory physical inspections (domestic and external border)	21.643	16.997	16.570	15.103	17.571
Administrative checks (tax audits)	2.047	2.551	2.241	2.613	1.920
Scan checks (fixed scans)	82.970	83.172	91.041	105.118	127.943
Other inspections	119.738	136.094	140.508	154.920	173.185
<b>Customs FIX score</b> (index)					
FIX score Customs	89	99	97	100	112

### **About**

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### **Production**

Customs National Office, Communications team

### **Chief editor**

Harald Meijer  
ha.meijer@douane.nl