

UNCTAD Illicit Trade Forum

3rd and 4th February 2020



**El futuro
es de todos**

**Gobierno
de Colombia**

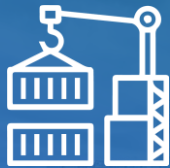
H.E. SANTIAGO WILLS
Ambassador to the WTO
Republic of Colombia



*In understanding the Size
and Shape of Illicit trade,
International Trade Policies
by governments are
instruments to tackle illicit
trade*

Colombia's International Trade Policy revolves around three pillars and one horizontal principle

Maximizing benefits from Trade Agreements



Trade Facilitation Strategy to improve the competitiveness of Colombia



Foreign investment attraction



Legal and fair trade

Towards a comprehensive trade policy :



Legality levels the playing field, enabling competition under conditions of fairness and equality for everybody.

Ultimately, we believe that legal trade is not just an important strategy...
... it is a pre-condition for the pillars of our trade policy to effectively work.



Legal Trade Strategy in Colombia

Recently created Interinstitutional Commission to fight illicit trade (smuggling, money laundry, and; tax evasion and fraud). Main initiatives:

1. To improve the **methodology to quantify** smuggling, by economic activity and sector, while fixing indicators to measure both the evolution over time of smuggling and contraband, as well as the policy response impact on each sector affected by this kind of illicit trade.

3. To strengthen **security** at the border, by improving joint actions between the police, the army and the relevant government agencies involved in countering illicit trade.

2. To set up, within the Office of the Attorney General, a Specialized Unit, formed by prosecutors and Judicial Police, specialized in the **fight against crimes of contraband and tax evasion**.

4. To strengthen **inter-institutional coordination** for the fight against smuggling, money laundering and tax evasion.

Colombian Interinstitutional Commission to fight illicit trade (smuggling, money laundry, and; tax evasion and fraud) Main initiatives

5. To raise awareness of smuggling as Transnational Organized Crime and to strengthen bilateral and multilateral actions in terms of cooperation between WTO members, their customs and security agencies.

6. To strengthen Public Education and Prevention

7. To strengthen public-private partnerships to fight illicit trade through the implementation of initiatives such as Sectoral Technical Anti-smuggling committees.

8. To propose and table the modification and/or issuance of regulations to counteract smuggling, money laundering and tax evasion.

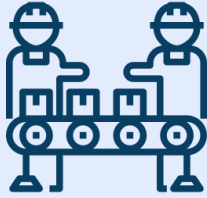
Colombian Interinstitutional Commission to fight illicit trade (smuggling, money laundry, and; tax evasion and fraud) Main initiatives

9. To identify and update **international good practices** to counteract contraband, money laundering and tax evasion activities.

10. To improve **management of technical facilities**, infrastructure, labs, and equipment set forth fighting illicit trade.

11. To discuss and promote the **Institutional Transformation** of the Tax and Customs authority to face an increasingly complex world.

Zoom on three initiatives. Initiative 4. To strengthen inter-agencies coordination in the fight against illicit trade (smuggling, money laundry and tax evasion)



An inter-agency special task force to tackle illicit trade was organized.

Such taskforce is composed by government officials with a diverse background, being able to carry out joint operations in real time, at a national level. Some results in a while...



Design of Integrated Anti-Contraband Permanent Police Centers- CIPPA, with the purpose of linking different platforms and databases that make it possible to obtain and analyze information (regional and sectorial)

Zoom on Initiative 5. To raise awareness of smuggling as Transnational Organized Crime



Implementation strategy to reach Mutual Administrative Assistance Agreement and MOU's with customs and agencies of other countries

Bilateral and multilateral cooperation is in our interest when overseeing the proper implementation of our trade promotion policy.

Zoom on Initiative 7. To promote public private partnerships against illicit trade.

PPP Centres to dialogue on illicit trade

1. Textiles y Apparel (2)
2. Spirits and Tobacco
3. Agriculture and food
4. Drugs and Pharmaceutical
5. E-Commerce (goods and shipments)

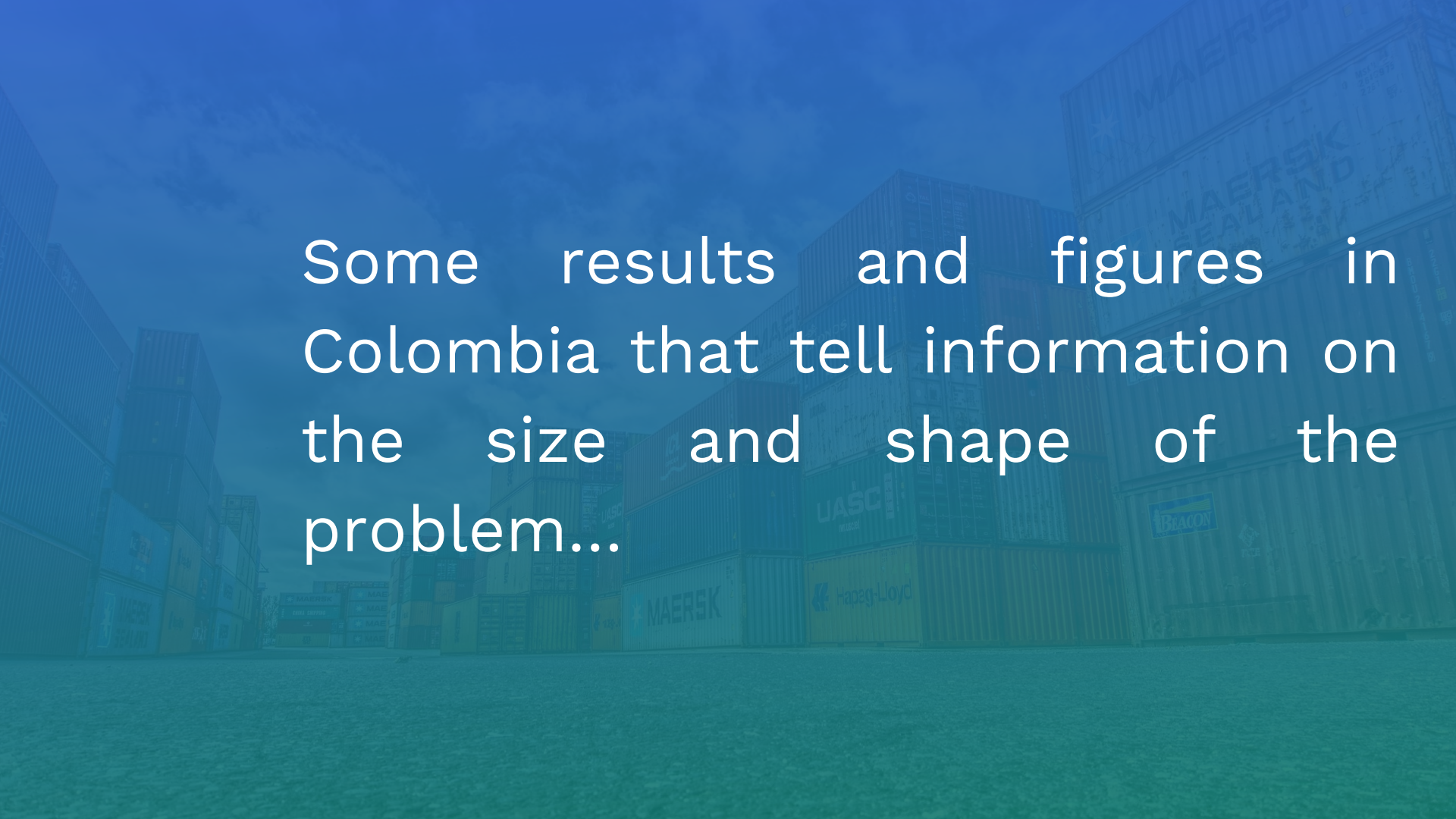


El progreso es de todos Mincomercio



Main actions

- i) Coordination, exchange of experiences and feedback on enforcement activity.
- ii) Mutual assistance and exchange of information.
- iii) Discussions on regulatory improvement.
- iv) Training of customs officials with private connoisseurs
- v) Discussions on Business Formalization.
- vi) Fostering the use of advance import declarations.



Some results and figures in Colombia that tell information on the size and shape of the problem...

Operational performance in 2019



29.645 enforcement actions



95 millions of goods (in units) seized



US 100 M is the value of seized goods



138 containers seized



217 warehouses seized



858 trucks and cars seized

The results of implementing this strategy in 2019 are:

39

Criminal structures were dismantled

398

Criminals tracked down and captured



359

criminals caught by surprise "in flagrante delicto"

in apprehended assets



ILLICIT TRADE IN THE CONTEXT OF WTO LAW



WTO Covered Agreements do not provide for a definition of illicit trade.

This Organization is devoted to the promotion of fair trade, without distortions.

We encourage the WTO to deliver in this respect

Thus, we need to:

- 1st. Improve the comprehension of the illicit trade problem at the WTO by exchanging Members' views on the phenomenon.
- 2nd. WTO, UNCTAD and UN related agencies could help in this respect by investigating the phenomenon and elaborating on its real magnitude
- 3rd To this effect, the creation of an ad-hoc Anti-Illicit Trade Working Group (AITWG), could help to improve the comprehension of the illicit trade problem by opening the room to discuss it among Members

UNCTAD and TRACIT partnership to raise awareness and develop policy alternatives at the multilateral and domestic level



UNCTAD is the main thinker to develop multiparty trade policy alternatives

With UNCTAD, TRACIT and its partners such as AB InBev, we can foster a PPP at multilateral level, to raise awareness and develop joint policy instruments to tackle illicit trade

Thus, we propose to:

- 1st To design and implement an

Illicit Trade Mitigation Toolkit

that can be shared with UN Member States to serve the dual objectives of fighting illicit trade and achieving the UN SDGs

- 2nd. To discuss a Multilateral Dialogue on:
 - Illicit Trade Fight and Implementation of SDGs.
 - Harmonization of international law dealing with illicit trade, including WTO.



GRACIAS

Calle 28 N° 13A -15 / Bogotá, Colombia

Código Postal 110311 - Nit. 830115297-6

Conmutador (571) 6067676 – Línea Gratuita 01 8000 958283

Email: info@mincit.gov.co

www.mincit.gov.co



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