



WHAT IS RISK MANAGEMENT IN THE TRANSIT REGIME?

TOBBUND
BRIDGING BORDERS

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In transit operations, risk management refers to the process through which customs authorities identify and mitigate potential security concerns and unlawful activities (such as smuggling, terrorism, etc.), as well as violations of customs regulations (such as document forgery or misdeclarations). This approach enables customs administrations to manage risks through more effective control mechanisms.

In Türkiye, all procedures under the Common Transit Convention are carried out via the NCTS (New Computerised Transit System), ensuring full transparency and traceability. This framework allows risks to be managed more effectively while enabling swift intervention in the event of potential issues.

In essence, risk management is a balancing mechanism that safeguards both trade facilitation and security, while protecting fiscal interests. The collateral system further reinforces this balance by securing potential financial liabilities from the outset.

Risk Management Processes at Tobbund

1. Operational Risk Management

Systematic analysis of daily declaration requests and classification according to risk levels. Evaluation of processes through data analysis based on criteria such as HS codes, consignor, consignee, carrier, route, transaction frequency, field intelligence, and open declaration monitoring.

2. Actions Taken in Case of Identified Risks

- Determination of preventive measures and steps to be implemented against potential damages.
- Imposition of additional costs/charges and the requirement for supplementary information and documentation for high-risk consignments.
- Separate evaluation of transactions lacking collateral and their incorporation into the overall risk plan.

The Role of Artificial Intelligence in Risk Management

Regista, developed by Tobbund in 2024, is an artificial intelligence solution designed to enhance process efficiency, optimize workforce allocation, and deliver cost advantages. It leverages AI and automation technologies in Tobbund's operations to strengthen risk management workflows.



Key functions of Regista in the risk management workflow include:

- **Risk Analysis Assessment**

Regista analyzes risk positions received in the risk mailbox based on statistical data, performs checks in conjunction with other predetermined criteria regarding whether the risk block should be lifted, and communicates the results to Tobbund users.

- **Monitoring HS Code (GTIP) Legislative Updates) into the system after validation.**

Regista continuously monitors all developments published in the Official Gazette concerning transit and customs legislation, informs the relevant personnel, and ensures that updates (e.g., HS code and tax amendments) are seamlessly integrated into the system following the necessary validations.

- **Automating Collateral Calculations Based on Legislation**

Regista performs collateral calculations for HS codes that include tax categories such as Special Consumption Tax (ÖTV), anti-dumping duties, and surveillance measures by leveraging legislative and regulatory databases. It then communicates the results to the relevant personnel, thereby ensuring that customs declarations are completed accurately during inspections without any tax understatements or overstatements.

Advantages of Risk Management

- As risk analysis ensures that only necessary checks are conducted, low-risk consignments benefit from expedited clearance.
- The collateral system guarantees coverage of potential tax and customs liabilities.
- Smuggling, illicit trade, terrorism, and similar threats are proactively identified and prevented.
- Electronic systems (e.g., NCTS) provide full traceability and enhance security for both authorities and businesses.
- Risk management facilitates integration with the EU and other countries through harmonized practices.
- Risky situations are detected in real time, allowing for prompt intervention before issues escalate.

