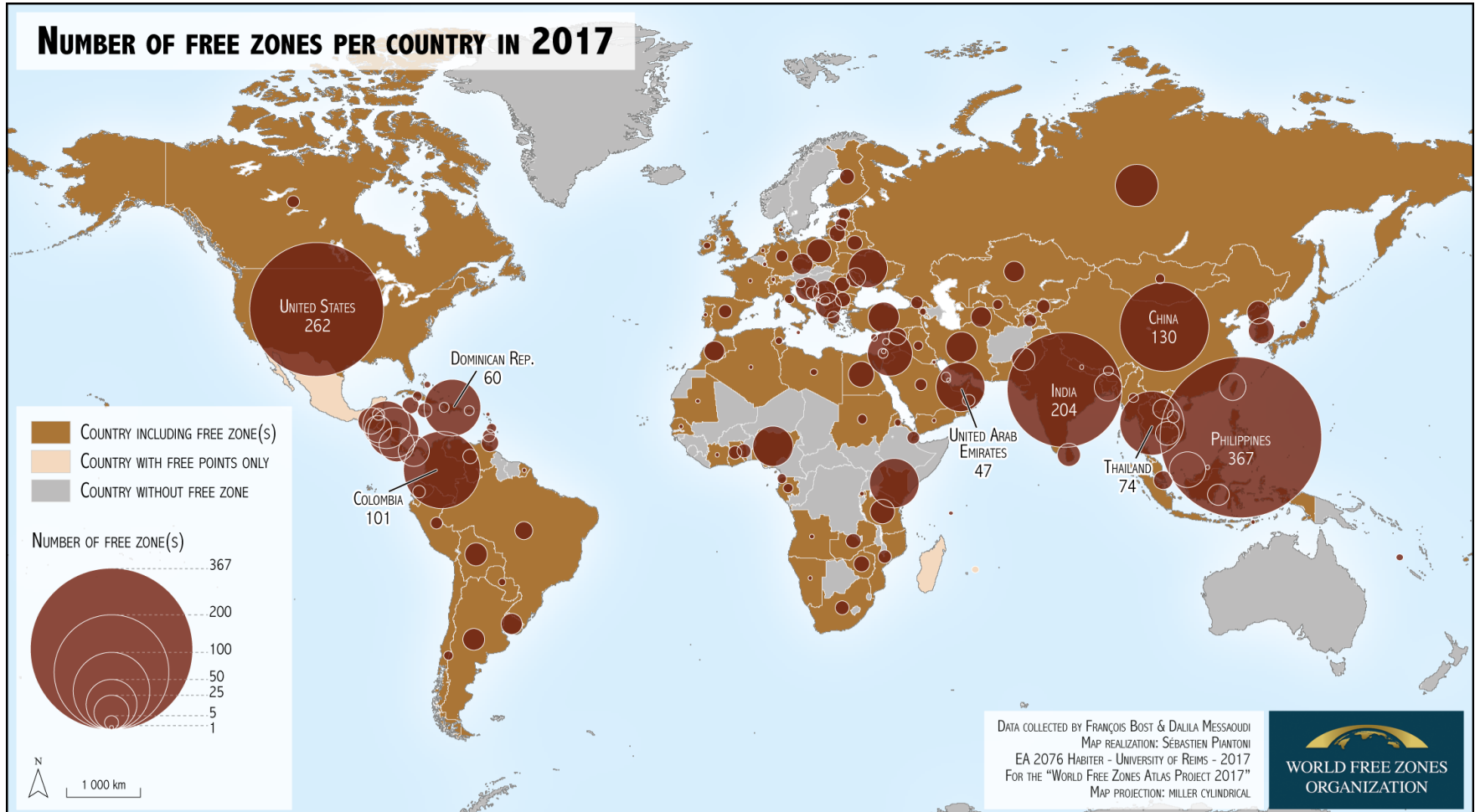




# WORLD FREE ZONES ORGANIZATION

- ✦ The World Free Zones Organization (“World FZO”) is a non-profit entity operating as an association for all free zones around the world and their communities.
- ✦ Established in Geneva, Switzerland and headquartered in the Dubai Airport Free Zone in United Arab Emirates.
- ✦ Launched on 19<sup>th</sup> May 2014 in Dubai.



- ✦ To bring together free zones; regional, national, sub-national and local free zone associations, consultants and advisors to free zones, free zone users, interested governmental organizations, and international trade related organizations, for the purpose of sharing of knowledge, networking, business development and education
- ✦ To gather, create, expand and disseminate the knowledge of, and about, free zones internationally
- ✦ To advocate before international organizations and governments on behalf of free zones and the collective interests of their members, and foster public awareness of free zones
- ✦ To provide valuable services to Members, Partners and Observers through physical and electronic services and resources

## Membership is open to:

- All nations of the United Nations.
- Individual and entities (public and private) which prove interest in the promotion and development of free zones.
- Multilateral organizations.

### *(a) Voting Members*

Governmentally recognized free zones and/or free zone associations (local, subnational, national and regional)

### *(b) Associate Members*

Individual or corporate users of free zones, and consultants and advisors who work with, work in, or advise free zones.

### *(c) Partners and Observers*

Non-government organizations involved in the area of international trade and government/quasi-government authorities in trade or customs

## Applications 384 States & Territories 84 (18th February 2018)

### Voting 216

Afghanistan  
Argentina  
Armenia  
Azerbaijan  
Bahrain  
Bangladesh  
Belarus  
Belgium  
Bolivia  
Bosnia and  
Herzegovina  
Brazil  
Bulgaria  
Canada  
Chile  
China  
Colombia  
Costa Rica

### Associate 109

Croatia  
Curacao  
Dominican  
Republic  
Ecuador  
El Salvador  
Egypt  
Ethiopia  
France  
Gabon  
Georgia  
Ghana  
Guatemala  
Haiti  
Honduras  
India  
Indonesia  
Iran

### Partners & Observers 59

Ireland  
Jamaica  
Jordan  
Kazakhstan  
Kenya  
Kyrgyzstan  
Latvia  
Liberia  
Lithuania  
Luxembourg  
Macedonia  
Malaysia  
Maldives  
Mauritius  
Mexico  
Moldova  
Mongolia

Morocco  
Mozambique  
Nepal  
Netherlands  
Nicaragua  
Nigeria  
Oman  
Pakistan  
Panama  
Paraguay  
Philippines  
Poland  
Puerto Rico  
Qatar  
Russia  
Saudi Arabia  
Serbia

Singapore  
South Korea  
Spain  
Sri Lanka  
Sudan  
Taiwan  
Tajikistan  
Tunisia  
Turkey  
UAE  
Uganda  
Ukraine  
United Kingdom  
Uruguay  
USA  
Vietnam

# Our Partners – International Bodies



And many more..



## Knowledge



World FZO Observatory



FZ Pedia



World FZO Open University



## Network



B2B



Market Place



FZ Outlook Events



## Support



Future Ready Free Zones



Certifications & Awards



Innovation



## Best in Class Practices

Knowledge Based

Certified

Tech-Ready Zone

## Innovation

Entrepreneurial

SME Developer

Innovative

## Sustainability

Environmentally  
Friendly

Good Place to Work

Socially Responsible

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**MAKING FREZONES SAFER!**



## Setting a new Global Standard

- The goal of the SafeZone project is to implement to implement an international standard, the World FZO SAFE ZONE Concept in line with international standards and best practice.
- The standard will be compatible with the World Customs Organization (WCO) SAFE Framework of Standards Authorized Economic Operator (AEO) and WTO FTA, possible to be used as a basis also for a potential future AEO Certification.





## THE TACTICS FOR SAFE ZONE

2. Set standard

1. Develop model

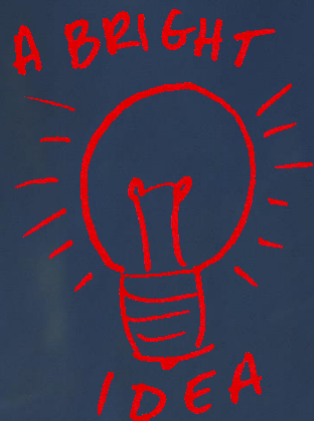
4. Add value  
to business &  
greater good

3. Mutual Recognition  
of Global Supply Chain  
Standards



WORLD FREE ZONES  
ORGANIZATION

## WHY SAFE ZONE?



WHY?

A CHAIN IS ONLY AS STRONG AS ITS WEAKEST LINK







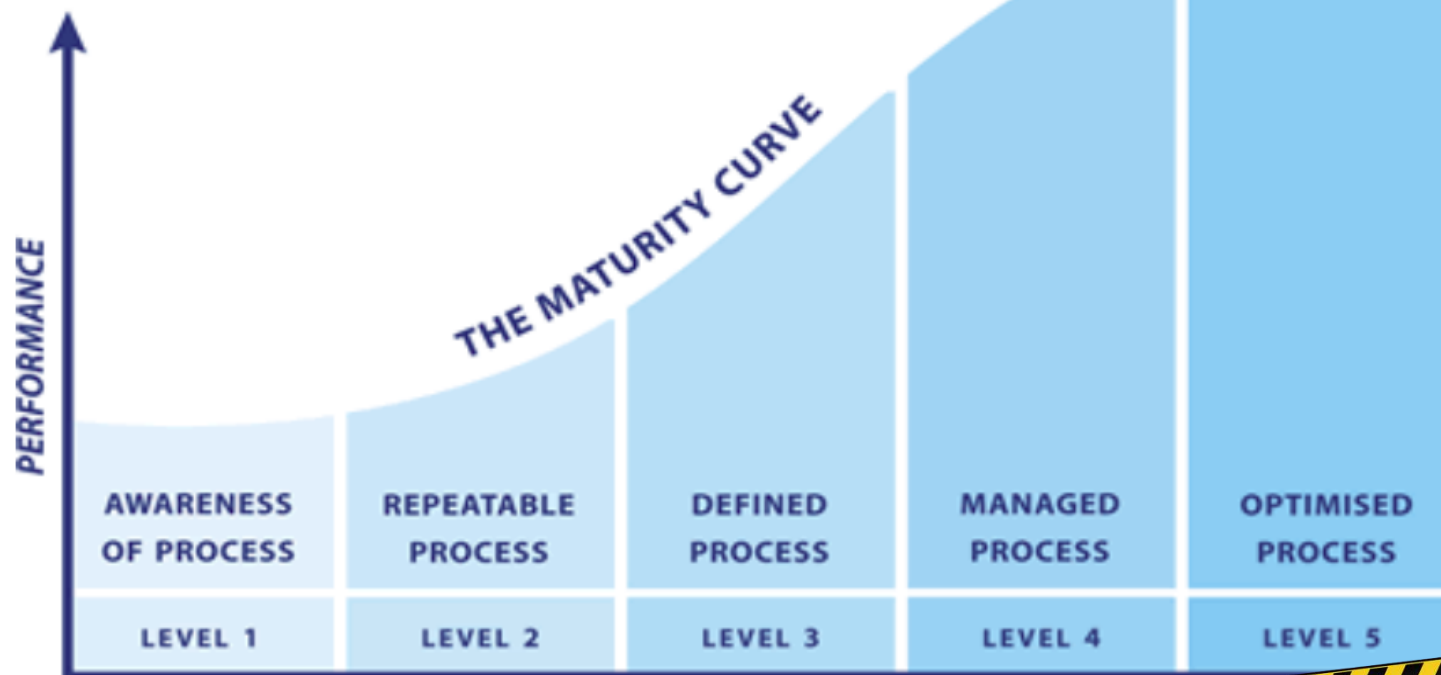
# RISK MANAGEMENT



## The SAFE ZONE Principles

- ✓ **Ownership:** World FZO and its Members owns SAFE ZONE
- ✓ **Voluntary:** The SAFE ZONE programme is voluntary
- ✓ **Criteria:** There will be a set of basic criteria to enter
- ✓ **Self-Assessment:** SAFE ZONE accreditation is based on self-assessment
- ✓ **Inspections:** SAFE ZONE has a validation/inspection programme





## SAFE ZONE Components



## The SAFE ZONE Functions

- ✓ On-Line Application
- ✓ Self-Assessment model
- ✓ Data Collection
- ✓ Risk Mapping
- ✓ Validation
- ✓ Site Inspection Mechanism
- ✓ Compliance on-line training
- ✓ Integrity Statement
- ✓ **Code of Conduct**
- ✓ Certification
- ✓ On-Going Monitoring
- ✓ Incident Reporting
- ✓ Central Database
- ✓ Re-validation





## A Code of Conduct for SAFE ZONEs For FastTrack to Level 2

- Partnership for Enforcement Controls
- Providing Statistical Data
- Regulate Cash Payments
- Chief Compliance Officer
- Due Diligence Reviews
- Internal Control Programme

\* Request that the competent authorities designate (as part of their main activity) a specialised unit for the prevention of money laundering and to carry out the necessary checks, the obligations of undertakings and mechanisms for combating money laundering.

This recommendation takes roots from the "Statement of the Senior Officials: Group of the Black-Sea Market Place Exchange System Multilateral Working Group 2002 set up by the CFATS" whose main objective is to change of trade data for the purpose of filling System (NIPS) to help promote rate picture of trade flows and focus law fully and combat criminal activity.

**Project of voluntary code of conduct**

Our proposal is to develop a Code of Ethical Conduct that the authorities operating the FTZs<sup>1</sup> would voluntarily adopt. Indeed, global trade is undergoing a sharp increase in transparency and compliance requirements. For numerous reasons, citizens, consumers, NGOs, states, international organizations, banks, firms and distributors want world trade to comply with rules ensuring ethical behavior.

In that framework, such a code of good conduct should contain at least the six following recommendations. Open to discussion, they are inspired by texts produced by international bodies representing interests of States or private actors. The acceptance of such a code by the FTZs would guarantee them a significant surge in their traffic and investments flows.

**Recommendation 1:**

Give unconditional access to the law enforcement agencies of its country to carry out routine enforcement checks and prosecute any infringements.

Our recommendation takes roots from the Annex D, Chapter 2 of the Revised Kyoto Convention of the World Customs Organization: if its provisions were actually implemented, the situation in FTZs would be considerably improved, and supplementing the provisions with our following recommendations would suffice. The main points of that annex are summed up below:

- Free Zones are defined as follow "a part of the territory of a Contracting Party where any goods introduced are generally regarded, insofar as import duties and taxes are concerned, as being outside the Customs territory". This definition offers subsequent prerogatives to customs services on non-tariff controls which are able to ensure goods conformity to various national norms of security, quality etc.
- National customs authorities enact "operating conditions for customs control" within the FTZs.
- Customs officers can "carry out checks at any time on the goods stored in a free zone"<sup>2</sup>.

This recommendation is also inspired by the report "Controlling the Zone: Balancing facilitation and control to combat illicit trade in the world's Free Trade Zones – ICC / BASCAP 2013" whose main points are summed-up below:

- National governments must allow customs authorities to exercise their competence during day-to-day operations. National governments should specify that the free zones are under the jurisdiction of the national customs authority, which has an unrestricted right to observe operations, keep an eye on the registers of enterprises in the area, validate the condition of goods and ensure compliance with the tariff and non-tariff measures of the national customs mandate.

**Recommendation 2:**

Transmit or create the conditions for transmitting all the statistical data on the economic and financial activities carried out within the FTZ, as well as data on the route potentially travelled by the goods, to the competent authority of its country.

<sup>1</sup> No distinction is made between FTZs and FTZs in this document.  
<sup>2</sup> This standard is highlighted in the book « The World of Free Zones – Towards a new global trade order » published by the WFTO (p. 36).

change of trade data for the purpose of filling System (NIPS) to help promote rate picture of trade flows and focus law fully and combat criminal activity.

the exchange of information on vessel rate online in real time and include so and means of transport.

ness of traders and users of FTZ whose of suspicious activity, and make this

work aiming to secure and facilitate after:  
 others, the identity of any actor acting in transporter, importer, receiver, possible ty etc.) and the shipment characteristics ges, weight, amount of the bill, loading

FTZ.

Financial Action Task Force 2001 whose o report suspicious transactions to the authority direct. Additionally, it may be e Zones should report to the competent instruments exceeding US\$ 10,000.00.

FTZs from accepting cash payments or eds, wire transfers or other forms of lter or to the buyer. Such undertakings n deemed suspicious, report the said

essary skills and resources to fulfil standards and best practices.

Financial Action Task Force 2001 whose main





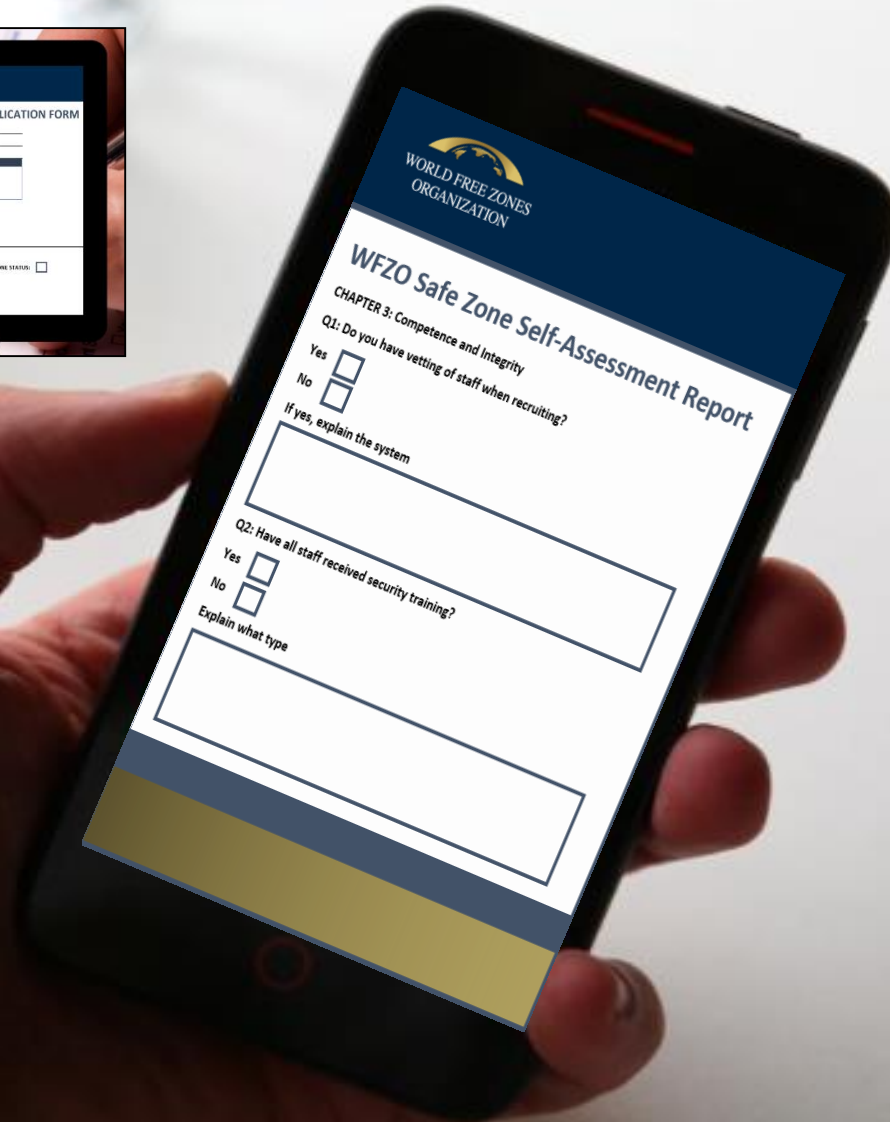
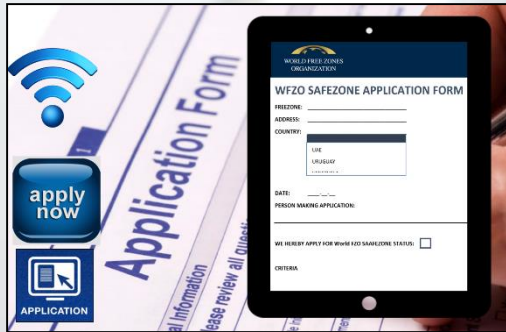
**Safe Zone**

**VALIDATION  
QUESTIONNAIRE**

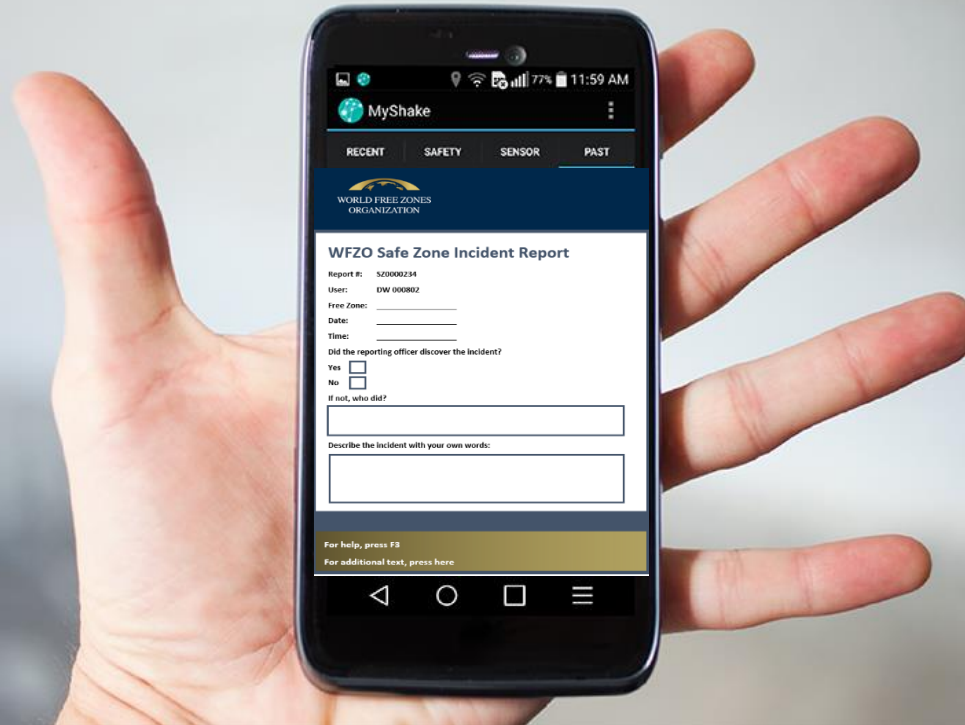


WORLD FREE ZONES ORGANIZATION





**SAFE ZONE**  
**Application** will be  
paperless and fully  
digital using apps for  
hand held devices.



Risk incidents is reported online to the World FZO SAFEZONE database and the information is used to detect and address risk patterns and global trends in risk and compliance management related to IPR, safety, security, contraband & terrorism



## SAFE ZONE INFRASTRUCTURE



The **SAFE ZONE** will support enforcement

- ✓ Violation of Intellectual Property Rights (IPR)
- ✓ Contraband
- ✓ Financial Fraud

SOUTH AMERICA

AFRICA

AUSTRALIA



World FZO Control Tower: A Global Risk Management Centre



## 10 SAFE ZONE Pilots

- 
- Dubai Airport FreeZone
  - Dubai Silicon Oasis
  - JSC Klaipeda
  - Barcelona
  - Luxembourg
  - Georgia FTZ
  - Tanger FreeZone
  - Shanghai China Free Trade Zone
  - Bogota Free Trade Zone
  - Bizerte Freezone



## Time Line

- The SAFE ZONE Concept was developed Q3-4 2017
- The SAFE ZONE Concept was approved in Q1
- A test with validation of ten pilot free zones during Q1-Q2 2018
- SAFE ZONE will be presented at AICE 2018 in Dubai in May
- Pilot Zones will be SAFE ZONE operational in Q2-Q3 2018
- First World SAFE ZONE Certificates will be presented in Q2 2018
- The SAFE ZONE is here!



If you think you're always in control,  
then you're not going fast enough





- Increases security and safety of Freezones
- Making it possible for Freezones to be better integrated in the Global Supply Chain
- Improves Global Supply Chain Security
- Improves Corporate Image of Freezones
- Attracts business for SafeZones
- Creates additional value and value greater good for countries



FREEZONES NEED TO BECOME AN  
INTEGRATED PART OF THE SECURE  
**SUPPLY CHAIN**



Freezones should be the innovation engine of global trade and the world as an integrated part of the secure supply chain

The SAFE ZONE concept and  
The Freezones of the Future  
makes this a reality



# WORLD FREE ZONES ORGANIZATION

**Thank you for your attention!**

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