TRADE FACILITATION AND DATA EXCHANGE FOR CUSTOMS MODERNIZATION

ESCWAS – Arab Mahgreb Union Workshop

“To facilitate legitimate border crossing, regional cooperation and integration”

Casablanca, Morocco, December 2-4 2015

Presentation by Mr. Quang Anh Le, Chief Technical Advisor, UNDP
Objectives and Purposes of data exchange

• Mainstreaming Trade Facilitation for better Arab Connectivity and Cost Efficiency (Secured and Facilitated Trade and Transport);
• Making information available upon and ideally before physical arrival of shipments;
• Understanding operational needs and requirements of customs administrations;
• Customs cooperation and trade facilitation, included data exchange being part of any FTA.
ARAB CONNECTIVITY

INFORMATION AS REGIONAL PUBLIC GOOD
Structure of the presentation

• **Part 1**: Broad perspectives of trade facilitation and coordinated border management, in which data exchange is part of it.

• **Part 2**: Basis of the data exchange at bilateral and regional level – Thoughts of Arab connectivity.

• **Part 3**: Illustration of the data exchange in South East Asian Nations.
INFORMATION AS PUBLIC GOOD

FACILITATION COMPETITIVENESS

COMMERCIAL PURPOSES

DATA COMING FROM ARAB COUNTRY A

ENFORCEMENT

DATA COMING FROM ARAB COUNTRY B
Centralization of reliable data

- Information on the content of the shipment.
- Details on the point of consolidation and on sources of the consolidated shipment.
- Reliable data to be restructured in function of requirements of several authorities.

Enhancement of visibility of information

- Huge amount of required documents for compliance to be consolidated in electronic format to be produced to authorities timely.
- Saving costs of data seizure through re-use of inputted data.
- Use of data subject to security protocols.
EXCHANGE OF DATA AND INFORMATION FOR ARAB CONNECTIVITY AND PAPERLESS FOR TRADE FACILITATION

POLITICAL MANDATES AND MISSIONS

REGULATORY AND LEGAL FRAMEWORK

STANDARDIZATION AND OPERATIONAL PROTOCOLS

PAPERLESS ENVIRONMENT FOR TRADE FACILITATION
Structured package of information for Arab Connectivity operational in a secured environment.
## Requirements of facilitation of secured international trade

### Facilitation
- Streamlined & secured data flows based on regional arrangements.
- Technical platform at the national level for operations of the supply chain (end-to-end).
- Regional platform of data exchange among border management agencies

### Compliance and Enforcement
- Adequate regional arrangements for exchange of information among Customs Administrations as the first step.
- Adequate regional arrangements for exchange of information of law enforcement.
- Responsive framework of data exchange for security purposes.
WHAT HAPPENS WITH ASEAN IN THE COMPETITIVE ENVIRONMENT OF ASIA PACIFIC?

ACCELERATED REGIONAL ECONOMIC INTEGRATION

ADOPTION OF ELECTRONIC COMMERCE AND INFORMATION AND COMMUNICATION TECHNOLOGY FOR TRADE, INVESTMENT

Annex to the Declaration by ASEAN Summit in 2003
Figure 3: Implementation of WTO TFA-related measures in Asia-Pacific: 2015 (% of countries)

Source: ESCAP, UNRCs TF Survey 2015
Figure 4: Moving up the trade facilitation ladder towards seamless international supply chains

Source: ESCAP, UNRCs TF Survey 2015
Overview of bilateral connections of national systems of information processing
Overview of Architecture of National Single Windows for ASEAN

http://124.81.94.72/ASW/ExchangeGateway.jws?WSDL
ASEAN SINGLE WINDOW Exchange System Components

**NSW Country A**
- Internal Application
- Translator
- Client Midware

**NSW Country B**
- Internal Application
- Translator
- Client Midware

**NSW Country C**
- Internal Application
- Translator
- Client Midware
Figure 1-1 Customs Transit and Movement of Goods in ASEAN Region
1. Exporter submit CEPT Form D application to Authorized Agency for approval
2. Officer at the Authorized Agency will approve the application and return the approved CEPT Form D to Exporter
3. Exporter will send the approved CEPT Form D to Importer
4. Importer will prepare the Import Declaration
5. Importer will submit the Import Declaration and approved CEPT Form D to Importing Customs Authorities for cargo clearance processing
6. Customs Authority will compile the utilized Form D list to CEPT Form D Authorized Agency in importing country
7. The Authorized Agency in importing country will forward the information to Authorized Agency in Exporting country that approved the CEPT Form D
Electronic Cross-Border CEPT Form D Business Process Flow in National Single Window Environment

1. Exporter collects Approved CEPT Form D from CIA
2. CIA's CEPT Form D system transmit approved details to EC's NSW
3. EC’s NSW transmits Approved details in ASW format to ASW
4. ASW transmit Approved details to IC's NSW
5. IC's NSW transmits Approved details to Customs Systems
6. Exporter send Approved CEPT Form D to Importer
7. Importer submits Imp Decl and Approved Form D to IC's Customs
8. Customs system transmits Form D utilization report to IC’s NSW
9. IC’s NSW transmits Form D Utilization report to ASW
10. ASW route the Form D Utilization report to EC's NSW
11. EC’s NSW transmits Form D Utilization report to CIA

Note: EC – Exporting Country IC – Importing Country
Common Trade Documents

### Pro Forma Invoice
- **Originated by:** Seller to propose the terms and cost of the goods
- **Used by:** Buyer to evaluate the price and plan for the shipment, Banks to finance the import, sometimes used by customs as a substitute for the commercial invoice if it is lost or damaged. Includes Master Data that could be shared.

### Commercial Invoice
- **Originated by:** Seller to document the transaction with the buyer for trade purposes
- **Used by:** Customs to verify the transaction value, source document for customs entry information. Contains master data that can also be used by others such as banks, government reporting agencies and others in the supply chain. Includes Master Data that could be shared.

### Export Declaration
- **Originated by:** Seller to document the export value for statistical reporting and trade restrictions
- **Used by:** Govt agencies responsible for keeping statistics on exports. May be used by Govt agencies to determine requirements for an export license. Includes Master Data that could be shared.

### Export or Import License
- **Originated by:** Seller or Buyer
- **Used by:** Govt agencies to control high-risk trade on goods like military equipment, food and drugs, visa-required items.
Use of Master Data Harmonization Across Trade Documents

- Master Data is common to more than one document
- Also called “header data” and includes information such as:
  - Seller identification numbers and address
  - Buyer identification numbers and address
  - Shipping references such as vessel number, port of lading/unlading
- This data could be shared electronically across all Member States and Actors in standard format to speed transit, clearance and delivery
The Importing Country

The Customs Authority

IN CASE THE MESSAGE RIGHT
RELEASE THE GOODS FROM CUSTOMS CONTROL

The Exporting Country

The Issuing Authority

IN CASE, CUSTOMC HAS SOME SUSPICION ABOUT THE AUTHENTICITY OF THE DETAIL IN THE MESSAGE

The Importer

THE QUESTION

THE QUESTION

CONSIDER

RESPONSE

RESPONSE

THE IMPORTER GIVE SOME DEPOSIT

RESPONSE

message

message
Conclusions for Arab Paperless and suggestions

DEVELOPMENT OF A COMMON LANGUAGE FOR CONNECTIVITY

- Arab logistics data set
- Dialogue protocols
- Identification of technology models and business model

ESTABLISHMENT OF ADEQUATE LEGAL AND REGULATORY FRAMEWORK

- Definition of coverage scope.
- Alignment of national regulations and regional framework to international standards.
Thank you all, ESWAS, ECA, LAS and international organizations in supporting the region

Questions and comments to quang.le@undp.org, Please