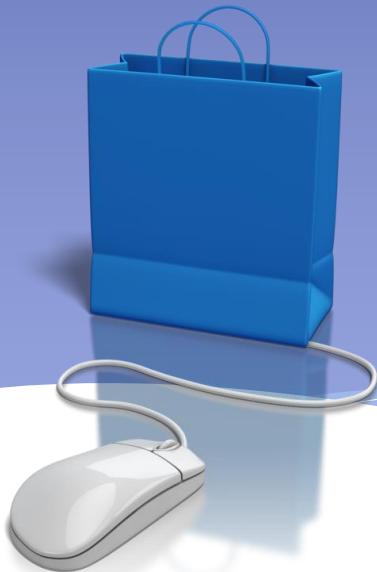


WCO's initiatives on E-Commerce



Toshihiko Osawa
World Customs Organization

What is E-commerce?

E-commerce is the sale or purchase of goods or services conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders.

Even though goods or services are ordered electronically, the payment and the ultimate delivery of the goods or services do not have to be conducted online.

What is E-commerce?

An e-commerce transaction can be between enterprises, households, individuals, governments, and other public or private organizations. Included in these electronic transactions are orders made over the web, extranet or electronic data interchange.

OECD “Glossary of Statistical Term”, <https://stats.oecd.org/glossary/detail.asp?ID=4721>

WTO “E-commerce in developing countries”, https://www.wto.org/english/res_e/publications_e/ecom_devel_countries_e.htm

Growth of E-commerce

1999

Approximately 300 million people had internet access globally, nearly 25% of them made online purchase that year and total e-commerce sales were US\$110 billion.



2014

There will be almost **3 billion** people online and **40% of them** will participate in e-commerce.



Challenges – faceless trade

E-commerce is witnessing enormous increase in the number of individual transactions and new faceless traders, posing threats to revenue and to the security of the supply chain.



Challenges – data quality

Many customers sending international items are occasional shippers and are often not fully conversant with the requirements of data quality.



WCO Baku Declaration on E-commerce

- Accept and implement the revised Kyoto Convention in order to create a modern, transparent, clear, efficient, rapid and simplified e-Customs environment;
- Support and actively contribute to the work undertaken by the WTO and OECD in the area of e-commerce to ensure that Customs views are considered;
- Strengthen the co-operation with other law enforcement agencies on a national and international level;
- Seek co-operation and partnership with the Internet community on a national and international level

**DECLARATION
OF THE CUSTOMS CO-OPERATION COUNCIL⁽¹⁾
CONCERNING E-COMMERCE**

(Baku Declaration)

THE CUSTOMS CO-OPERATION COUNCIL,

RECALLING that e-commerce provides a huge opportunity for the economic and social well-being of nations;

HAVING REGARD to the fact that the Internet and e-commerce will demand from Customs an appropriate response to the reconciliation of facilitation and control in response to traders' needs while ensuring the protection of society;

NOTING that the rapid growth in Internet trade and the resulting volume of international consignments require new approaches to Customs clearance at the frontier;

FURTHER NOTING that the purely national controls regarding intellectual property rights and prohibited and restricted content and technology will have limited effect due to the global nature of e-commerce;

CONSIDERING that given the pivotal role of Customs in international trade, a coherent strategic Customs policy on e-commerce is required to feed policy discussions on trade and taxation in other fora;

DESIRING to contribute to the development of this new economy and to improve the effectiveness and efficiency of Customs services;

DECLARES its intention to develop a coherent strategic WCO policy on e-commerce; and

INVITES Members of the Council to :

- accept and implement the revised Kyoto Convention in order to create a modern, transparent, clear, efficient, rapid and simplified e-Customs environment;
- accept the CCC Recommendation on the use of World Wide Web sites by Customs administrations, to ensure that official Customs information is readily available;
- support and actively contribute to the work undertaken by the World Trade Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD) in the area of e-commerce to ensure that Customs views are considered;

WCO Immediate Release Guideline

GUIDELINES FOR THE IMMEDIATE RELEASE OF CONSIGNMENTS BY CUSTOMS



WORLD CUSTOMS ORGANIZATION
2014

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The WCO Immediate Release Guidelines support e-commerce and assist both Customs and trade with expediting the clearance of large number of small or negligible value goods across borders that are primarily being carried by express cargo or and express mail service providers.

WCO Risk Management Compendium

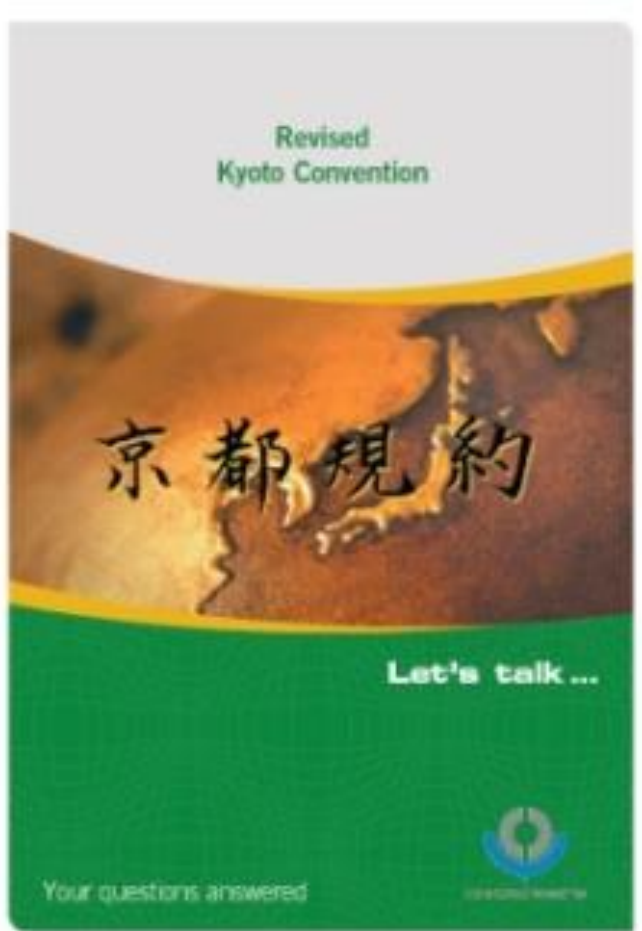
VOLUME 1



1. Risk management in the Customs context
2. Developing an organizational framework for managing risk
3. Embedding risk management as an organizational culture
4. Conclusion

The WCO has developed the ‘Postal/Express Consignments’ Risk Indicators and Manual’, which has been incorporated in the Volume 2 of the WCO Customs Risk Management Compendium.

Revised Kyoto Convention



Standards 3.18, 3.21, 6.9 and 7.1 of General Annex (GA) to the RKC

- application of ICT for Customs operations, including use of e-commerce technologies

Standard 7.4 of the GA

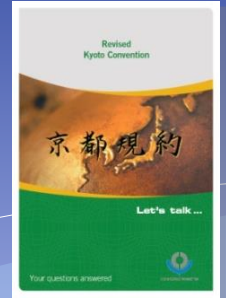
- establishment of new or revised legislation for e-commerce methods and right of Customs to use and exchange of information with others.

De Minimis Trade Facilitation Agreement

Article 7.8 Expedited Shipment

8.2. Subject to paragraphs 8.1 and 8.3, Members shall
(d) provide, to the extent possible, for a **de minimis** shipment value or dutiable amount for which customs duties and taxes will not be collected, aside from certain prescribed goods. Internal taxes, such as value added taxes and excise taxes, applied to imports consistently with Article III of the GATT 1994 are not subject to this provision.

De Minimis Revised Kyoto Convention



Transitional Standard 4.13

National legislation shall specify a minimum value and/or a minimum amount of duties and taxes below which no duties and taxes will be collected.

Standard 4.14

If the Customs find that errors in the Goods declaration or in the assessment of the duties and taxes will cause or have caused the collection or recovery of an amount of duties and taxes less than that legally chargeable, they shall correct the errors and collect the amount underpaid. However, if the amount involved is less than the minimum amount specified in national legislation, the Customs shall not collect or recover that amount.

Discussion at the RKC Management Committee

- ❖ Increase of E-commerce
- ❖ Support for Small and Medium Sized Enterprises
- ❖ Reduce Administrative burden
- ❖ Loss of revenue
mis-declaring, under-invoicing
or splitting shipment
- ❖ Unfair competitiveness



WCO-UPU Cooperation



The WCO and the UPU have collaborated to jointly develop electronic messages to permit the pre-advice and possible pre-clearance of postal items

WCO-OECD Cooperation

- Developing alternate solutions/models for efficient collection of duties & taxes
 - Vendor Collection Approach
 - Intermediary Collection Approach
- Promoting exchange of information between Customs and Tax authorities

WCO News



<http://www.wcoomd.org/en/media/wco-news-magazine/latest.aspx>



**Thank you very much for
your attention**

For More Information

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