

A Model For CAREC Regional SW Platform?

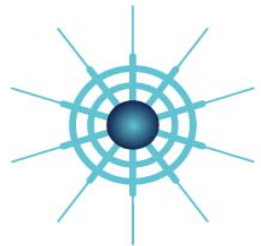


CAREC Single Window Implementation Seminar

6-8 July 2010

WCO Training Center, Baku, Azerbaijan

Pan Asian e-Commerce Alliance



PAA.net
Pan Asian e-commerce Alliance

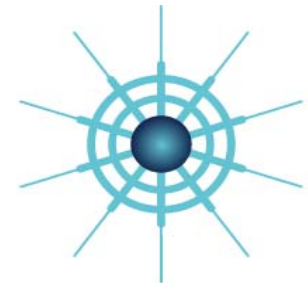
Agenda

- About PAA
- About ASEAN Single Window
- Case Study - eCO projects
- The differences
- Benefits of Cross-border Exchange
- Considerations for Regional SW implementation
- Q&A

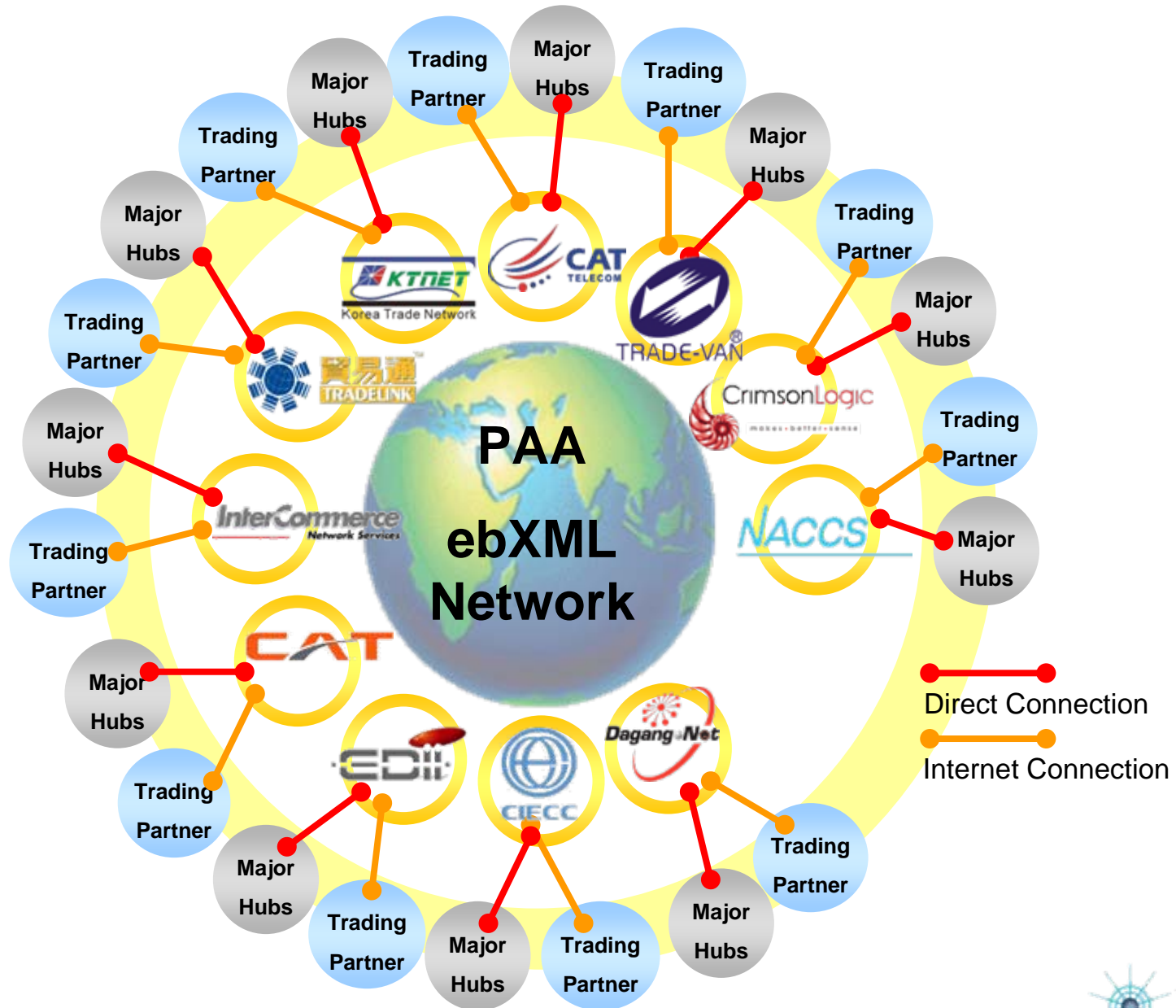
About PAA

About PAA

- Established in July 2000
- Members of PAA
 - CAT, Thailand
 - CIECC, China
 - CrimsonLogic, Singapore
 - Dagang Net, Malaysia
 - Inter-Commerce, Philippines
 - KNet, Korea
 - NACCS, Japan
 - TEDMEV, Macau
 - TradeLink, Hong Kong
 - Trade-Van, Chinese Taipei
- Associates of PAA
 - JASTPRO, Japan
 - PT EDI, Indonesia

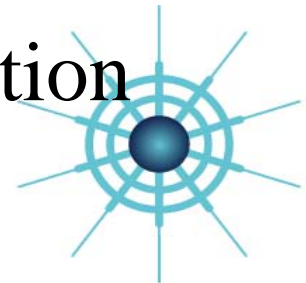


Single Window, Asian Connection



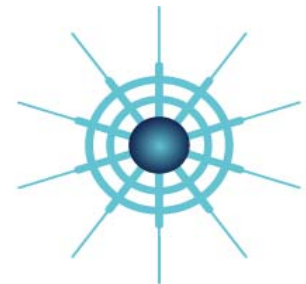
The PAA Charter

- To enable secure and reliable transmission of trade and logistics documents.
- To allow inter-connection of network services to provide e-Commerce transaction application services for the business community.
- To create a Pan-Asian portal to enable global B2B connection and communication



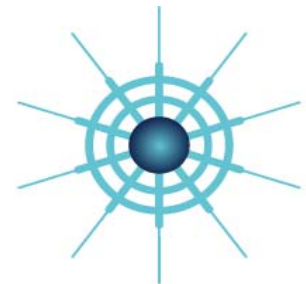
PAA Value Proposition

- PAA members are connected directly to trading partners and logistics providers
- Well established framework for cross-border exchange
 - Legal framework
 - PAA PKI mutual recognition framework
 - Business process
 - Technical framework
- Business driven



PAA Supported Documents

- Purchase Orders
- Advanced Shipment Notice
- Packing List
- Commercial Invoice
- Certificate of Origin
- Air Waybill
- Entry Declaration Summary (EU-ICS)
- Bill of Lading
- Delivery Order
- Trade Declarations
- Shipping Order
- Trade Processing (China)
- Cargo Statuses



About ASEAN Single Window



ASEAN Member States



Brunei
Darussalam



Cambodia



Indonesia



Lao PDR



Malaysia



Myanmar



Singapore



Philippines



Thailand



Vietnam

ASEAN – Associations of Southeast Asian Nations



About ASEAN Single Window

Definition of ASEAN Single Window:

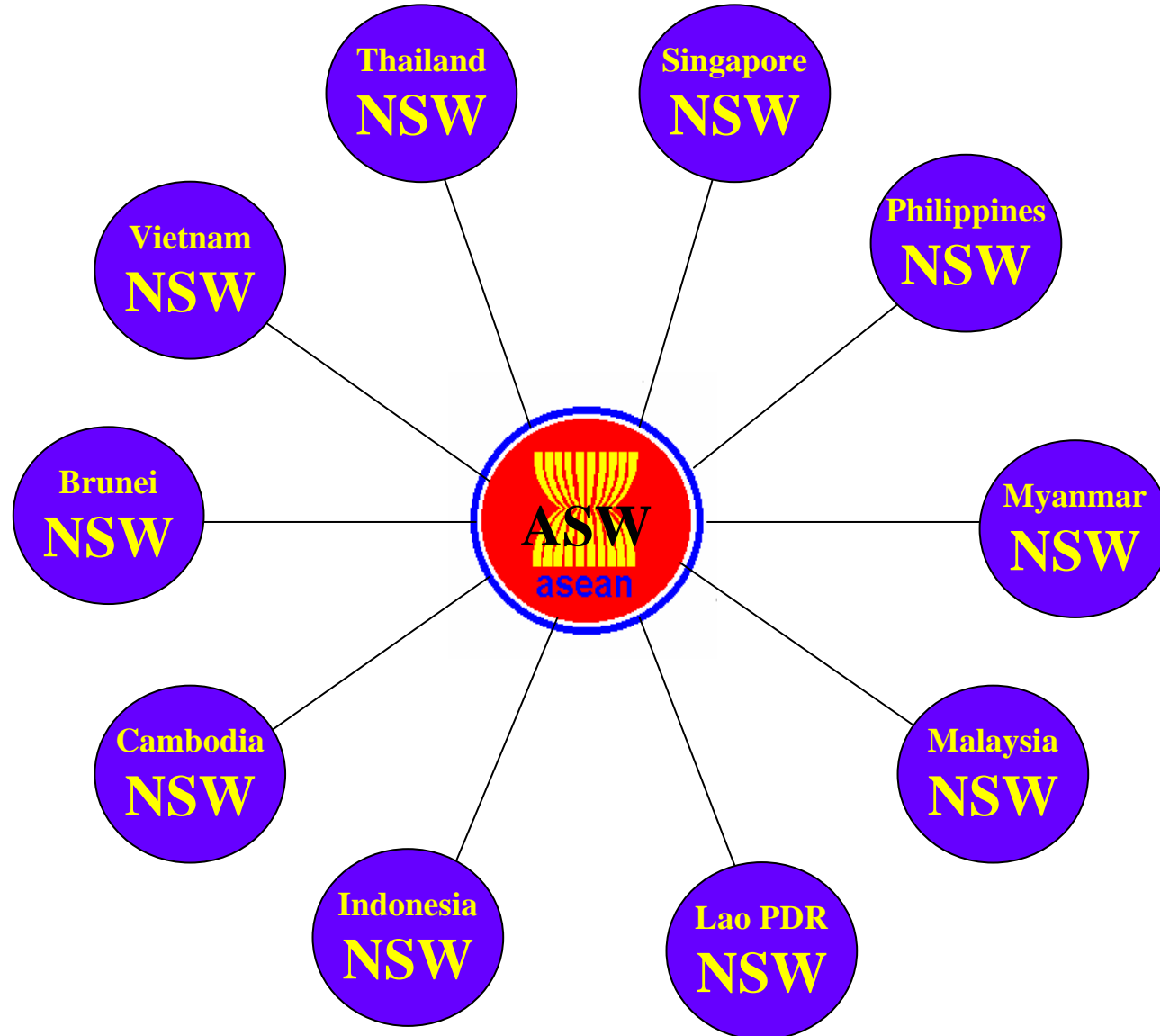
The ASEAN Single Window (ASW)
is the *environment* Where
National Single Windows (NSW)
of *Member Countries* operate and integrate

ASW Vision:

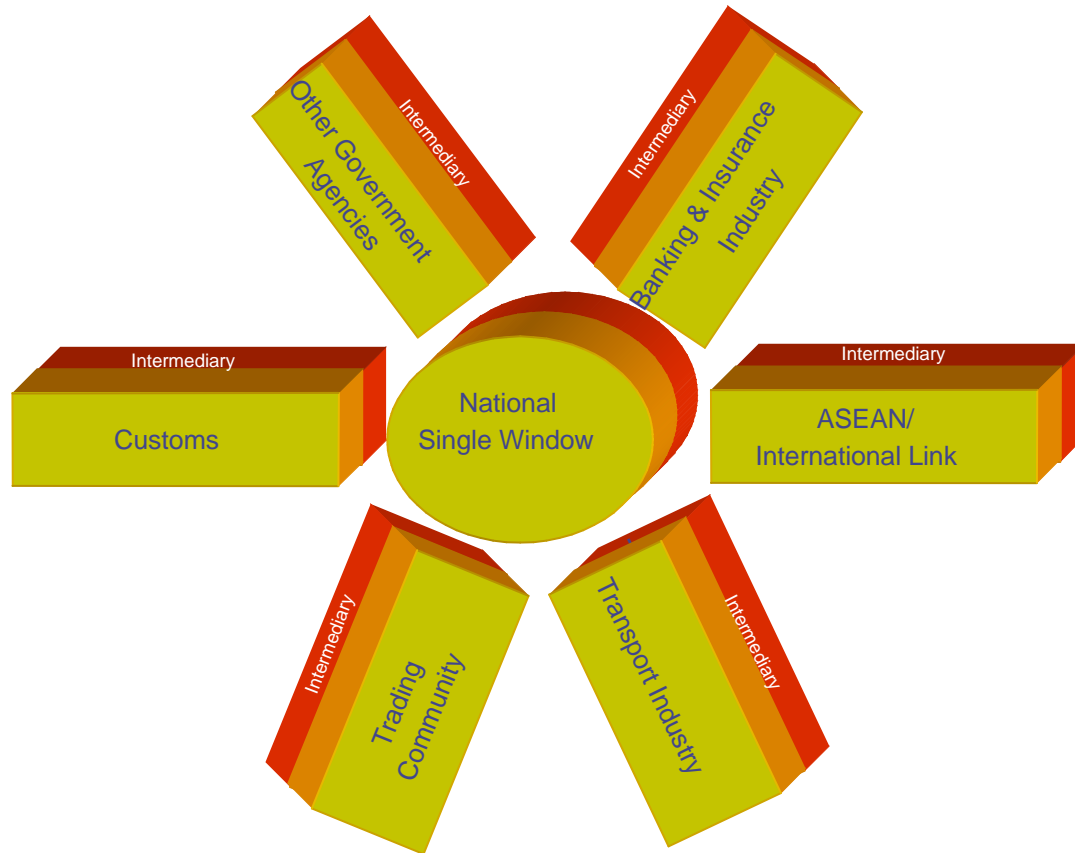
Accelerate ASEAN Economic integration by
2020



ASW Conceptual Model



Definition of NSW:



- Single submission of data and information;
- Single and synchronous processing of data and information;
- Single decision-making for Customs release and clearance



Synchronization and Standardization

- ASW Agreement
- ASW Protocol
- ASW Technical Guide
- ASW Technical Document
- ASEAN Customs Declaration Document
- ASEAN Cargo Processing Model
- ASEAN Data Model
- ASW Pilot Project MOU



ASW Agreement

Obligation of Member States to operationalize their National Single Window before:

2008

Brunei Darussalam

Indonesia

Malaysia

Philippines

Singapore

Thailand

2012

Cambodia

Lao PDR

Myanmar

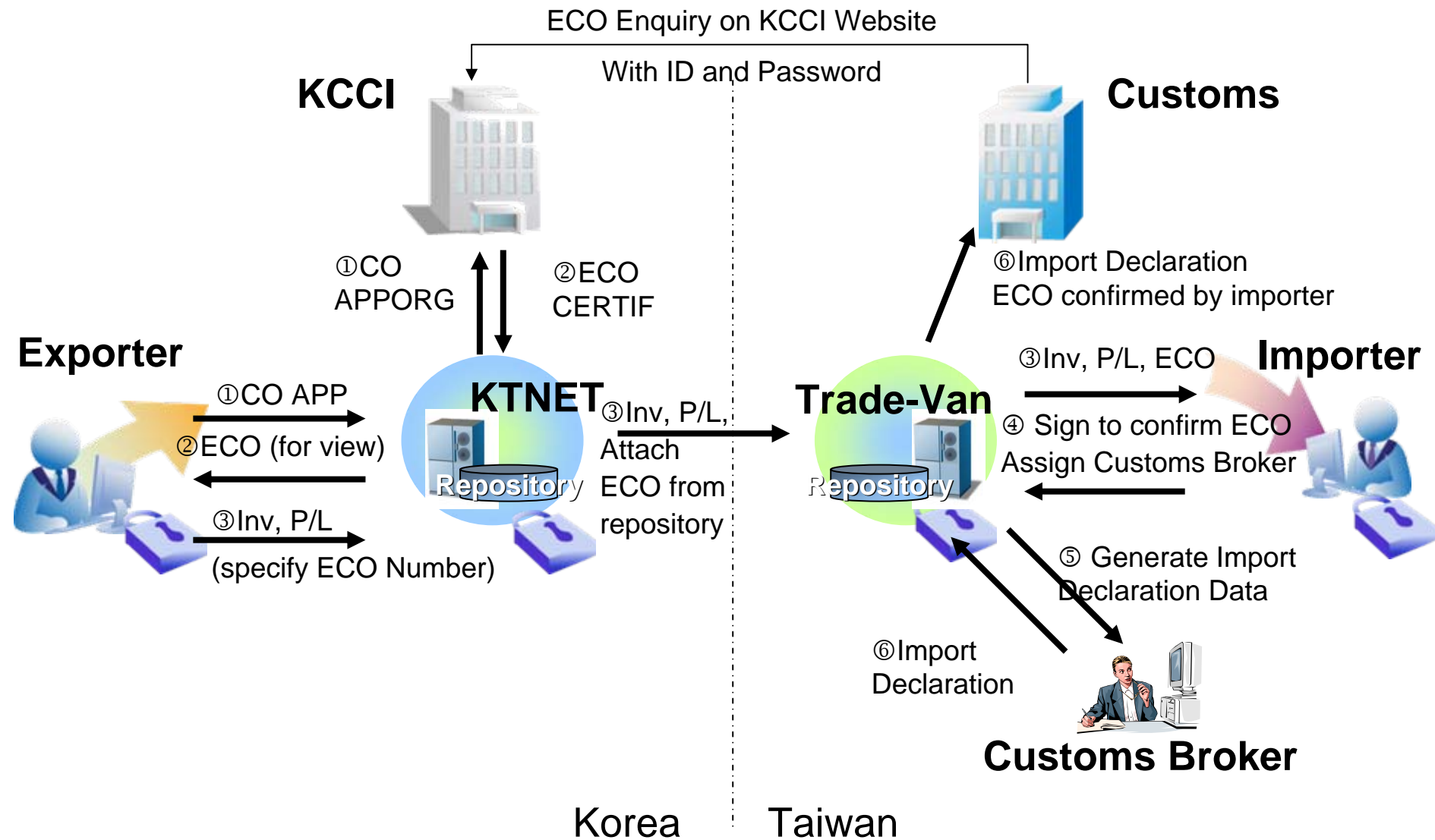
Vietnam



Case Study

eCO Projects

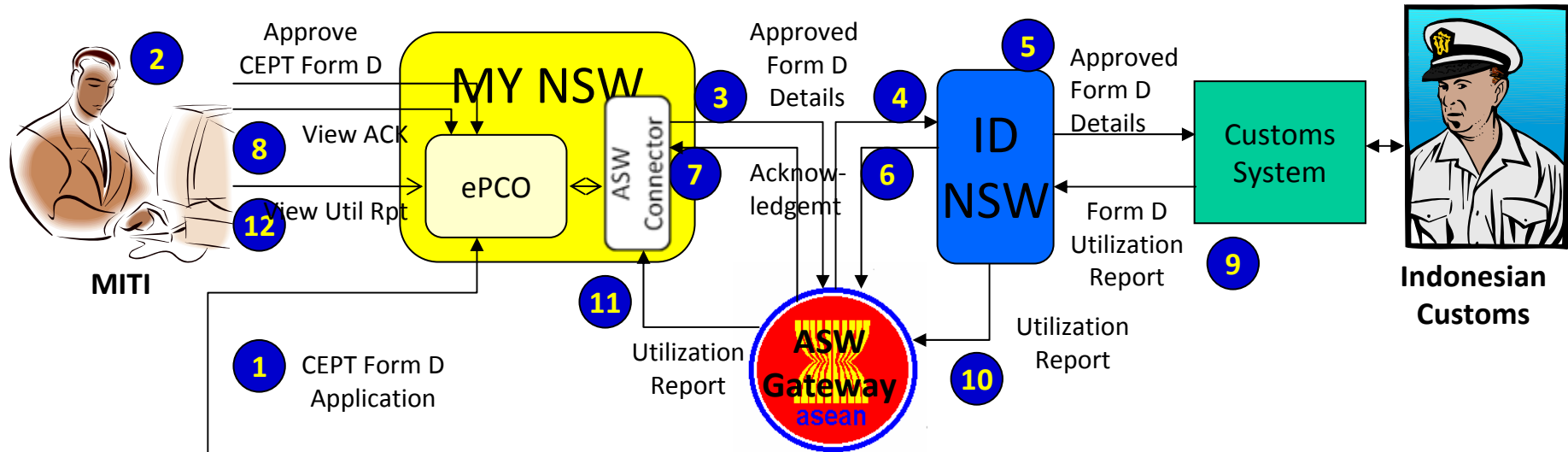
PAA eCO Scenario



ASW eCO Scenario

MALAYSIA

INDONESIA



1. Exporter submit CEPT Form D Application
2. MITI approves CEPT Form D Application
3. ePCO routes approved CEPT Form D to ASW Gateway via ASW GW Client in Malaysia NSW
4. ASW Gateway routes Approved CEPT Form D Details to Indonesia NSW
5. ID NSW routes the Approved CEPT Form D details to Indonesian Customs
6. ID NSW send Acknowledge Receipt message to ASW Gateway
7. ASW Gateway routes Acknowledge Receipt message to MY NSW
8. MITI Officer may view the Acknowledge Receipt message from ePCO
9. After the approved CEPT Form D has been utilized by Importer, Indonesia Customs will generate Form D Utilization Report and send to ID NSW
10. ID NSW will routes the Utilization Report to ASW Gateway
11. ASW Gateway will routes the Utilization Report to MY NSW
12. MITI officer may view the Utilization Report from ePCO



Exporter

The Differences

Supporting Framework

- PAA
 - APEC Pathfinder project
 - Bilateral
 - Leveraging on PAA framework
 - Legal & PKI Mutual Recognition
 - Technical: Communication, messaging
- ASW
 - ASW Feasibility Testing project
 - Multilateral (MY-ID-PH)
 - ASW Legal framework

PAA Legal Infrastructure

Region A

Region B

PKI Mutual Recognition

Certificate Policy

PAA Policy Authority

Recognition Agreement

Certification Authority A

Certification Authority B

CA Service

CPS-A

CPS-B

Club Agreement

Trader A

Trader B

Secured Cross Border Transaction Services

Subscriber Agreement-A

Subscriber Agreement-B

Service Provider A

Service Provider B

Interconnect Agreement

Operational Model (1)

- Service Scope/Coverage and parties involved
 - PAA
 - Cross-border (CB) B2B exchange
 - Importer & Exporter
 - PAA members (as CB e-Commerce SP)
 - ASW
 - CB G2G exchange
 - ePCO Issuing Agency & Importing Customs Authority
 - NSWs
- Business Model
 - PAA
 - Importer/Exporter will pay for the exchange of CB eCO
 - ASW
 - No fees for CO Issuing Agency & Importing Customs

Operational Model (2)

- The use of electronic CO by recipient
 - PAA
 - Importer used it as supporting documents to Import Declaration in Customs clearance process
 - Paperless implementation
 - ASW
 - Customs Authority used it as trusted source for validating supporting documents (CO) to Import Declaration during the Customs clearance process
 - Hardcopy of CO is required (upon request)

Benefits of Cross-Border Exchange

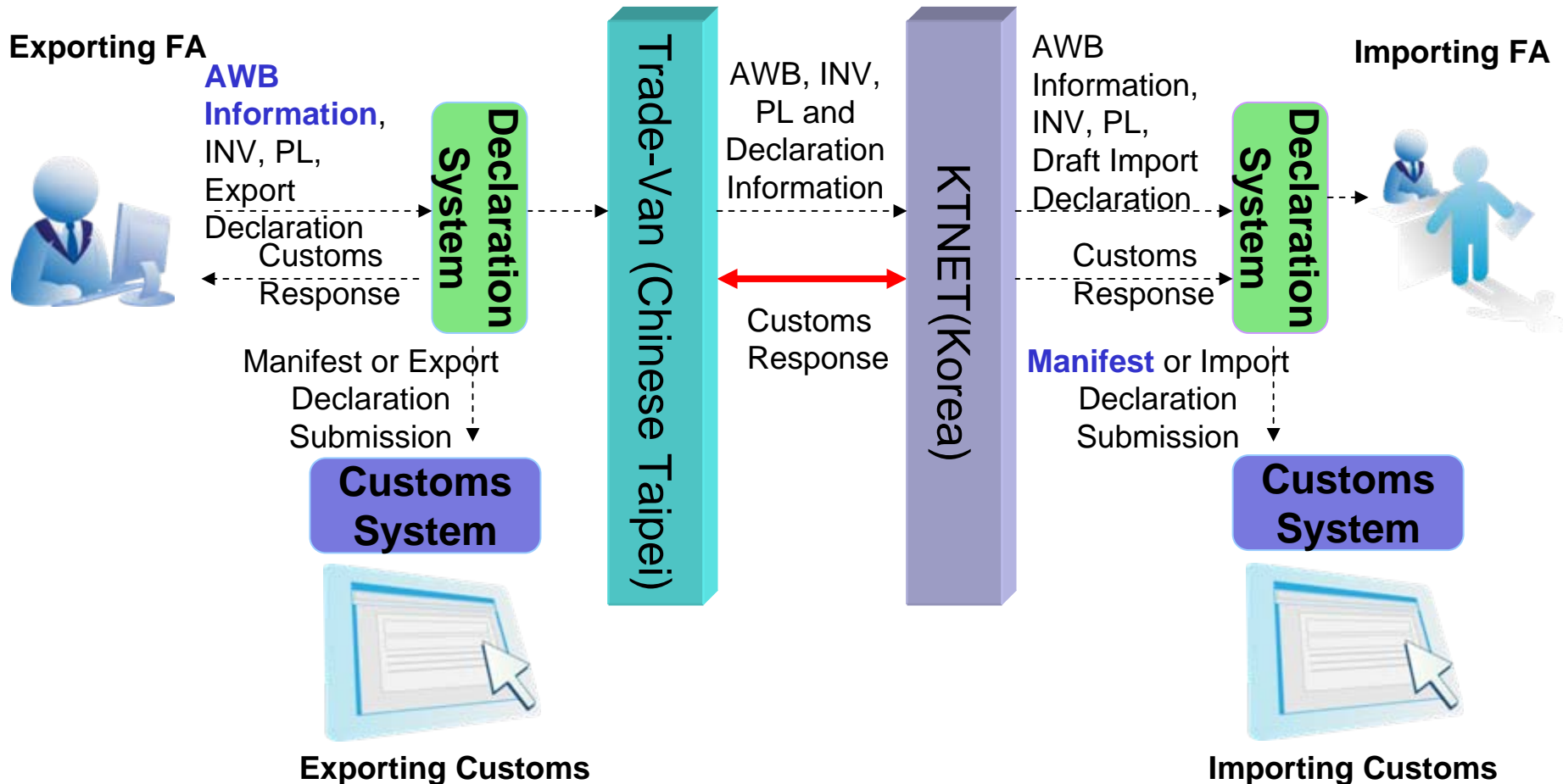
Benefits of Cross-Border Exchange

- Greater transparency, efficiency, and procedural uniformity of cross-border transportation of goods.
- Lead to simplification of rules and procedures
- Alignment of procedures and adherence to international standards
- Standardization of documents and electronic data requirement
- The exchange of advance cargo information increase the efficiency of the Customs Risk Management System through ongoing verification of consignment integrity and avoiding unnecessary duplication of controls.

Benefits of Cross-Border Exchange

- Expediting the movement, release and clearance of goods by increasing accuracy of data and data reusability
 - Reduced error rates
 - Time saving
 - Reduced human interventions
- Completeness of paperless trading implementation

Example of Data Reusability & Completeness of Paperless Trading



Addressing The Areas of Concerns for Trade Facilitation

- WTO TF 5 points of concerns:
 - documentation requirements;
 - official procedures;
 - automation and use of information technology;
 - transparency and consistency; and
 - modernization of border-crossing administration.
- WCO's concerns
 - increasing volumes of people and goods, no corresponding increase in resources, and;
 - greater expectations from traders and travellers for speedy clearance times

Considerations for Regional SW Implementation

Types of Regional SW

- Nature of Regional SW
 - Bilateral
 - Involvement in the CB exchange are based on 2-countries/parties negotiations and agreement. MOU is required for any 2 countries/parties that intended to exchange data
 - Multilateral
 - A common Agreement for all countries/parties involved
- Driving force
 - Governments
 - Regional SW involved cross-agency exchanged. Therefore a strong leadership within a Government is essential to ensure co-operations/participation from other ministries
 - Business community
 - Proposed grouping to lead such regional initiatives are eCommerce Service Providers or NSW Operators

Scope of Regional SW Service

- B2B - Comprises of all types of documents
 - Commercial documents e.g. RFP, Quotation, Invoice, PO
 - Transport documents e.g. Bill of Lading, Air Waybill, Cargo manifest, Vessel arrival notice
 - Trade documents e.g. Certificate of origins, Health Cert
 - Regulatory document e.g. Import/Export Licenses, Customs Declarations, Dangerous Goods Declarations
- G2G - Trade documents and Regulatory documents
- B2G - Due to constraints of domestic legislation, CB B2G is not common. Some examples are US Import Security Filing (ISF) 10+2 and EU Import Control System (ICS) Entry Declaration Summary (ENS)
- Combination of above

Implementation Approaches

- Types of implementation approaches
 - Centralized
 - A centralized gateway served as single point of routing to orchestra the information exchange between all parties
 - Decentralized and fully localized
 - Countries/Parties develop their own systems by implementing regionally agreed specifications. There is no system components at the regional level
 - Distributed with regional assets
 - Countries/Parties are given an application with routing capabilities that implements all regionally agreed specification. It enable connection to secured network for the exchange of cross-border data

Legal Framework

- Requirement for Legal framework varies between the Business-driven and Government-driven Regional SW initiatives
 - Business driven initiatives are more focus on the defining of liabilities, roles and responsibility of parties involved in the cross-border exchange
 - Government driven initiatives are more focus on political support, alignment of domestic law and etc
- The impact of Regional Agreement such as FTA/EPA(s) to Regional SW initiatives
 - Provision for acceptance of Electronic documents
 - Provision of paperless implementation
- References for international Trade/eCommerce laws
 - UNCITRAL <http://www.uncitral.org/uncitral/en/index.html>

Operational Models

- Organization structure. Typical formation are Steering Committee and Working Groups.
 - Steering Committee
 - Comprises of high level officials
 - Responsible for setting strategic direction and make decision for the implementation of Regional SW
 - Working Group(s)
 - Comprises of business, legal and technical expertise that responsible for the development of necessary framework and the implementation of the Regional SW.
- Operational model
 - Management of Regional SW Gateway or the regional assets
 - Business model & Service level agreement

Technical Framework

- Security requirement
 - Establishment of secured network
 - Standardize the used of digital signatures and data encryption methods
- Harmonization of data requirement
 - Standardize business process and data requirement for information to be exchanged
- Technical specifications
 - Messaging standards: XML, UN/EDIFACT
 - Communication protocols: SOAP, ebMS, Web Service and etc

Observations

- Government driven initiatives focus on
 - Improving regional competitiveness
 - Facilitating Customs Clearance process at Customs Administrations
 - Exchange of trade and regulatory documents
- Business driven initiatives focus on
 - Facilitating business community's needs to fulfill the regulatory requirement
- African Alliance for e-Commerce
 - Hybrid of Government-Business Regional grouping for SW implementation – GABON Customs Administration, Congo The Congeese Shippers Council, SENEGAL NSW Operator (Gainde 200), TOGO Lome Port Authority and etc
 - Website: <http://aace-africa.net/>

Thank you !