

How Digital Trade Can Improve Trade Between Free Zones

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Introduction

In these slides we shall be looking at some of the initiatives taking place in world trade with on how digitalisation is supporting international trade.

We shall be looking at initiatives arising from

- ◆ Digital documents
- ◆ Legal identity identifiers
- ◆ Advance supply chain information
- ◆ Digital trade corridors
- ◆ Trusted Trader schemes

How IOE&IT is supporting the future of UK trade



IOE&IT is involved in several initiatives including:

- ◆ Professionalising the industry
 - ◆ Authorised Economic Operator and Trusted Trader support
 - ◆ Customs Declaration Training
 - ◆ International trade qualifications
 - ◆ Delivering global training and qualifications with United Nations agencies (ITC SME Trade Academy)

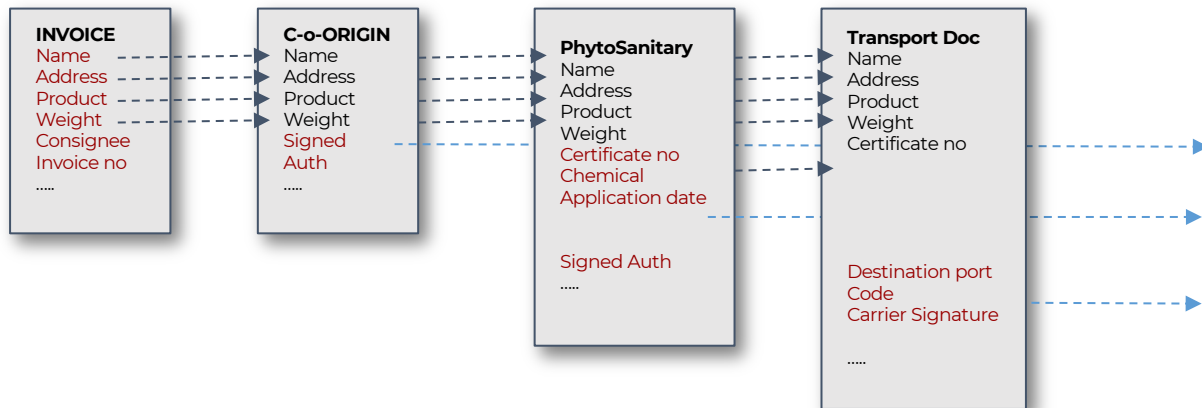
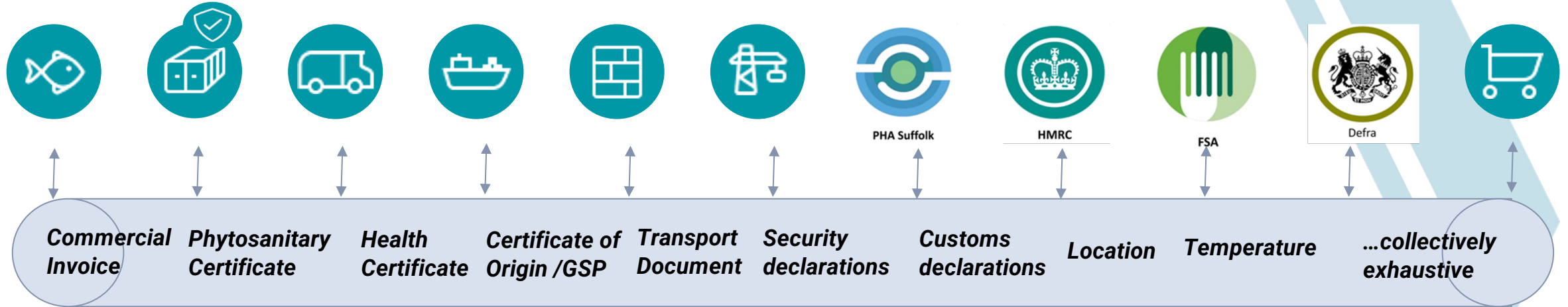
How IOE&IT is supporting the future of global trade



IOE&IT is involved in several initiatives including:

- ◆ 'Ecosystems of Trust' and digital trade corridors
 - ◆ IOE&IT is leading consortiums covering between the UK and Africa, as well as the EU and UK
 - ◆ Also involved in development of trade corridors
- ◆ Digital standards and digital trade
 - ◆ Electronic Trade Documents Bill, e-documentation and legal entity identifiers
- ◆ SPS Centre of Excellence

Enabling data from source - shared with all



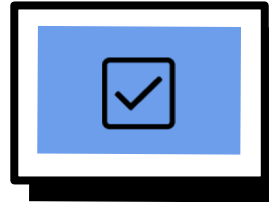
- Data/information always from source ensuring accountability
- Ease of sharing certificates digitally
- Populating new entries with original data
- Higher quality of data
- Realtime data
- With permissions
- Authorities can access data for risking purposes

Digital Infrastructure - Design Principles



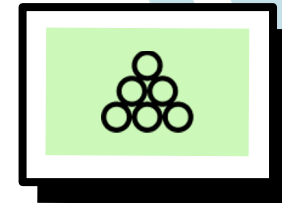
ENABLE TIME SAVINGS

Time saved is increased quality in the market, reduced costs, increased competitiveness



MAKE ONE TRUTH VISIBLE

Holistic infrastructure where all data related to trade is in one place - facilitating all aspects of trade



A PUBLIC INFRASTRUCTURE

An "internet of trade" where all actors can collaborate - and control own participation



ACCOMMODATE CURRENT INFRASTRUCTURE

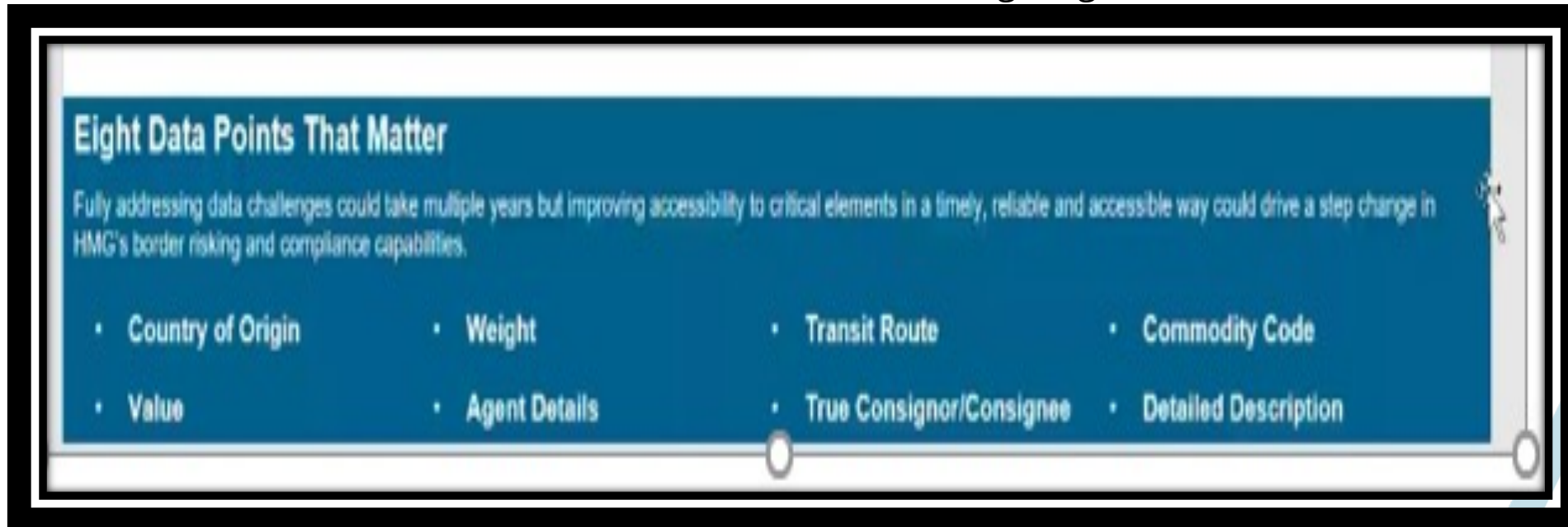


FOSTER ADOPTION BY ALL

Making operations simpler and better for all

Data and Information is important to effective International Trade

- ◆ Additional data is required by authorities to ensure effective international trade – goods move without intervention with trusted assurance through digital trade corridors



Eight Data Points That Matter

Fully addressing data challenges could take multiple years but improving accessibility to critical elements in a timely, reliable and accessible way could drive a step change in HMG's border risking and compliance capabilities.

- Country of Origin
- Weight
- Transit Route
- Commodity Code
- Value
- Agent Details
- True Consignor/Consignee
- Detailed Description

Digital Data Standards

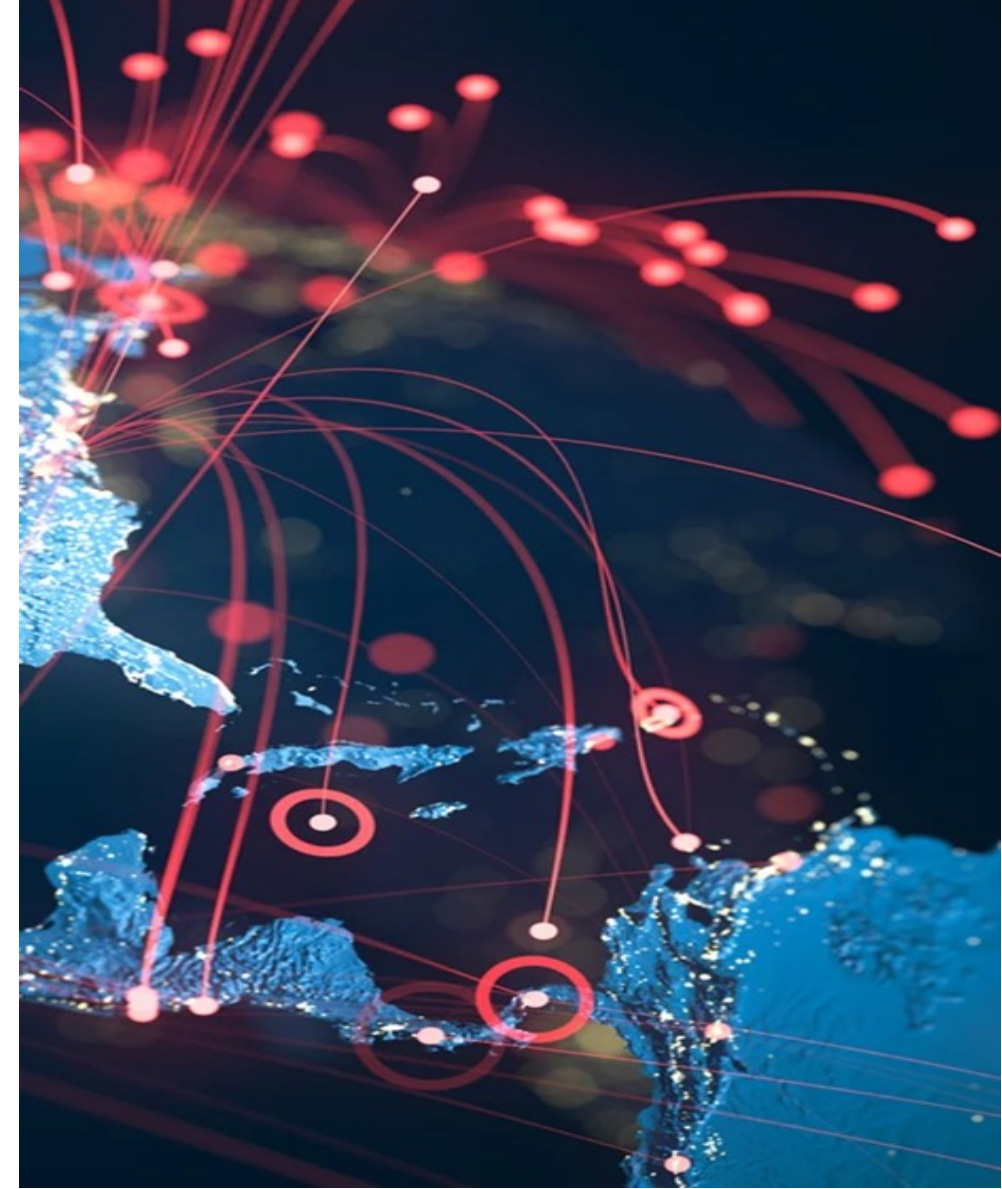
The **ICC: WTO Digital Standards Initiative** is establishing a globally harmonised trade environment to provide consistent standards across digital platforms.

IOE&IT is a network and learning partner of the initiative and the exclusive training provider.

Creating a **STANDARDS VISION**

Decentralized Identifiers (w3c, WEF); Verifiable Credentials (w3c), Data formats (PDF, Word, XML, JSON, etc.); Status & Events (UNCEFACT EDIFACT, GS1 + configurable)

The Legal Entity Identifier is a unique global identifier for legal entities participating in trade and financial transactions.



Trusted Traders

It is only fair that traders who operate compliantly and maintain effective records should benefit. World trade should recognise these benefits for all supply chain actors ranging from large businesses, small businesses and MSMEs

- ◇ Some of us associate trusted trader with Authorised Economic Operator (AEO) covering Customs Simplification and Safety and Security
- ◇ Trusted trader can also be applied to trusted movements which is part of the digital trade agenda
 - ◇ This introduces the concept of digital trade corridors and electronic trade documents into trusted movements (consignments)
 - ◇ Single Trade Window is another example of how digital trade can evolve connecting supply chains and countries

Possible Benefits for Trusted Traders

IOE&IT believe that consideration should be given to Trusted Traders receiving the following benefits (list not exhaustive)

- ◇ Undertaking checks at their own premises (self certification)
- ◇ Reduced certification requirements
- ◇ Reduced data sets for import clearance
- ◇ Reduced frequency of declarations (for example periodic declarations)
- ◇ Import clearance before the goods leave the country of export

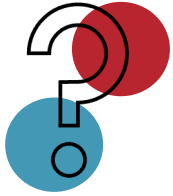
Trade Best practice

To benefit from Trusted Traders Scheme, you will need to demonstrate a good level of customs and trade compliance within your business

- ◆ Maintain good and accurate records
- ◆ Have defined, written processes and procedures
 - ◆ Product classification, rules of origin and valuation
- ◆ Regularly self-audit
- ◆ Apply business standards
- ◆ Clear written contracts between buyer and seller
- ◆ Clearly defined Incoterms



Q&A



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