Embracing Paperless Trade & Advancing AEO Goals

REGIONAL WORKSHOP IN ENHANCING AND ACCELERATING THE IMPLEMENTATION OF THE AEO PROGRAM IN CENTRAL ASIA

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Paperless trade creates a proper fundament for AEO programme

Enhanced Efficiency & Transparency:
- Paperless trade streamlines customs clearance processes, reducing delays and ensuring a more transparent flow of trade information.

Strengthened Trade Security:
- Digital transactions are traceable, mitigating risks of fraudulent activities. This aligns with the AEO's emphasis on secure and trusted trading.

Cost Reduction:
- Eliminating paper documentation reduces administrative overheads, leading to significant cost savings – a direct benefit for AEOs.

Interoperability & Standardization:
- Paperless systems encourage the adoption of standardized digital practices, fostering better interoperability between trading entities and customs, essential for AEOs.

UK economy to receive £1 billion boost through innovative trade digitalisation act

- Electronic trade documents are granted the same legal status as physical trade documents, making trade more efficient, cleaner and cheaper for firms.

- Act is a cornerstone to not only revolutionising how the UK trades but to digitalising trade across the world

- Electronic versions of Trade Documents will be legal from 20 September 2023

https://www.gov.uk/government/news/uk-economy-to-receive-1-billion-boost-through-innovative-trade-digitalisation-act Published 20 July 2023

Singapore and India have successfully completed the first fully paperless, interoperable shipment documentation process.

- Singapore and India successfully completed the first interoperable electronic Bills of Lading (eBL) documentation process for shipments

- eBLs are a type of electronic transferable record that makes the cross-border transaction process more efficient and secure

https://www.linkedin.com/posts/mtisingapore_trade-documents-go-digital-between-singapore-activity-7119940097411612672-WNIx?utm_source=share&utm_medium=member_desktop Published 21 October 2023

China and Singapore complete first live digital cross-border paperless trade

1.First Live Digital Trade:

1. The Infocomm Media Development Authority (IMDA) of Singapore has completed the first live digital trade with China to address the challenges of paper-based cross-border trade.
2. Executed on 19 October between China's Beijing Two-Zone Office and Singapore's IMDA.
3. Piloted using an electronic Bill of Lading (eBL).
4. Enhanced efficiency by over 80% and reduced operational costs by over 30%.

https://www.telecompaper.com/news/china-singapore-complete-first-live-digital-cross-border-paperless-trade--1480315 Published 25 October 2023

Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

FRAMEWORK AGREEMENT
ON FACILITATION OF CROSS-BORDER
PAPERLESS TRADE IN ASIA AND THE PACIFIC

ESCAP

1. Azerbaijan
2. Armenia
3. Bangladesh
4. Cambodia
5. China
6. Iran
7. Mongolia
8. the Philippines
9. the Republic of Korea
10. Tajikistan
11. East Timor
12. Turkmenistan
13. Tuvalu
14. *Russian Federation

The Agreement entered into force on 20 February 2021

Implemented by International Trade Centre and funded by the European Union

Parliament passes bill on Kyrgyzstan's accession to Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific.

The Parliament of Kyrgyzstan today passed the draft law on the accession of the Kyrgyz Republic to the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (ESCAP) in the 3rd reading...

https://m.akipress.com/news:739194:Parliament_passes_bill_on_Kyrgyzstan_s_accession_to_Framework_Agreement_on_Facilitation_of_Cross-Border_Paperless_Trade_in_Asia_and_the_Pacific/ Published 25 October 2023
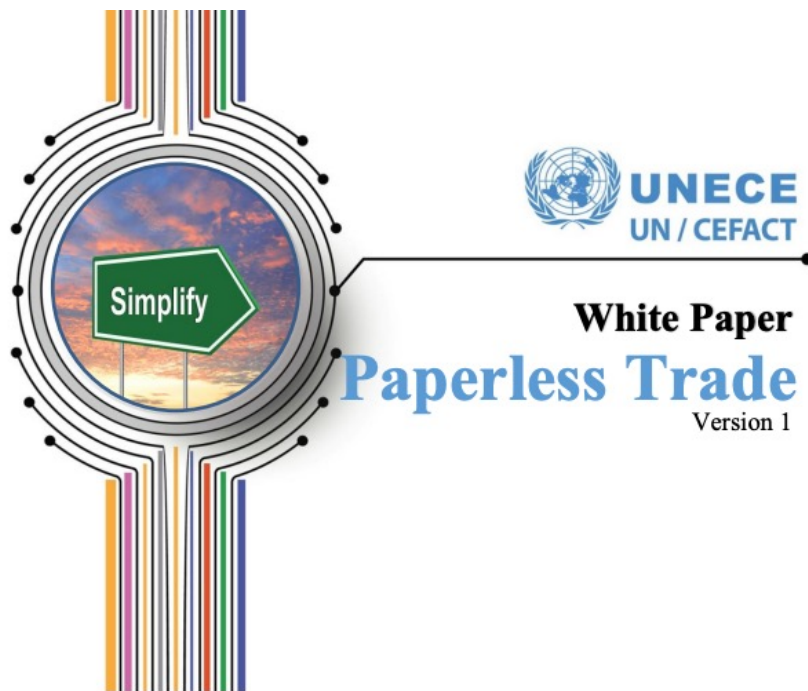
What is cross-border paperless trade?

"Cross-border paperless trade" means trade in goods, including their import, export, transit and related services, taking place on the basis of electronic communications, including exchange of trade-related data and documents in electronic form;

Article 3 of the Framework Agreement

https://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific-0

Pathways to Paperless Trade: Methods & Technologies

"document-driven" approach

1. Visual Snapshots:
    Convert to digital via scanning or PDFs.
2. Data-Trader Interface (DTI):
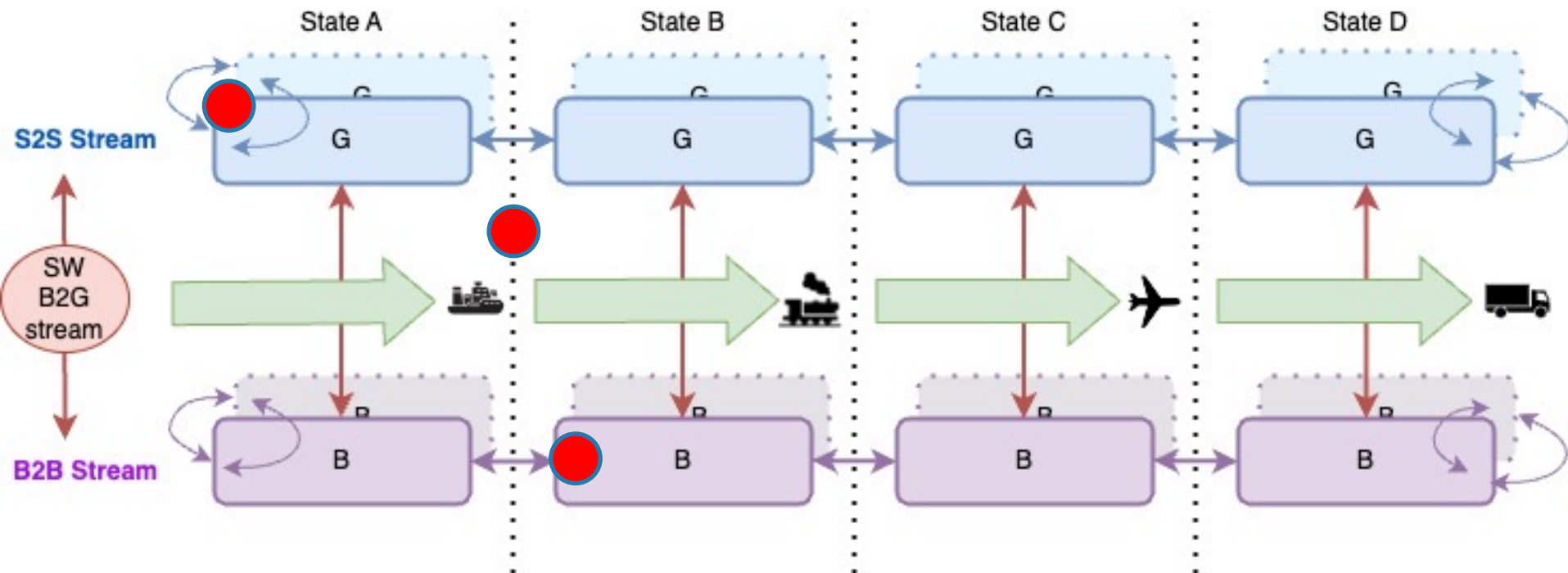   Use web portals for manual data input.

"data-centric" approach

3. Electronic Data Interchange (EDI):
    Use standardized formats like
    UN/EDIFACT, XML, JSON.
4. Application-Programming Interface (API):
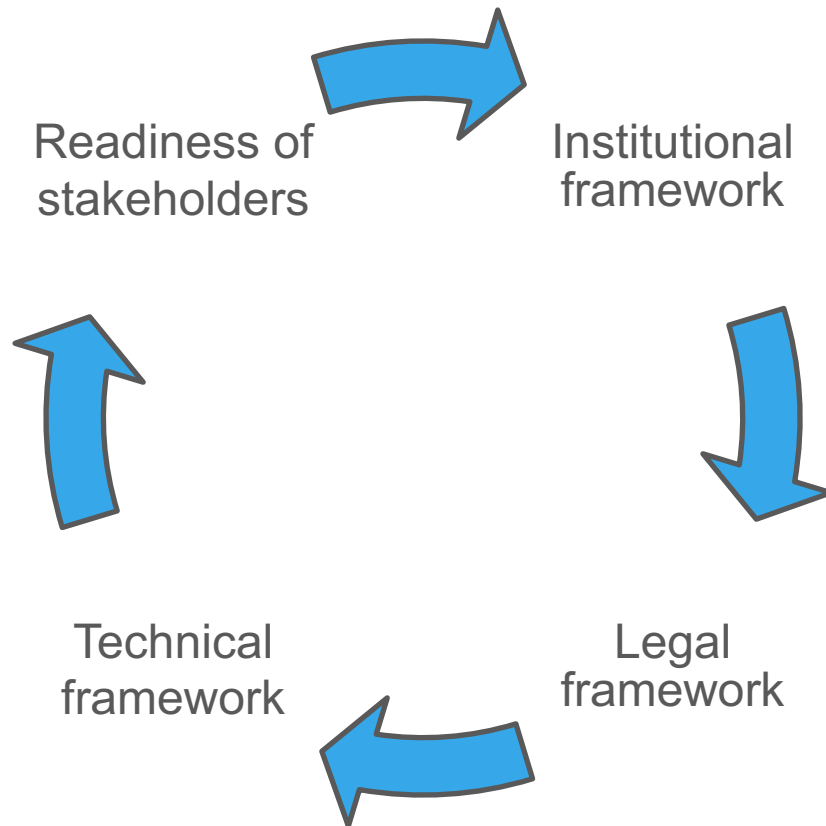   Integrate and exchange data via APIs.

https://unece.org/fileadmin/DAM/cefact/GuidanceMaterials/WhitePapers/WP-PaperlessTrade_Eng.pdf

Paperless trade requires strong coordination at the national level and mutual efforts at the international level

Different types of data/documents, such as commercial and regulatory, require distinct approaches

What prevents cross-border paperless trade?

Readiness of stakeholders

Institutional framework

Technical framework

Legal framework

Paperless trade is a comprehensive policy and reform program.

If some element is missing, the whole system does not work.

ITC provided the Readiness Assessment for Cross-Border Paperless Trade in Kyrgyzstan in 2022
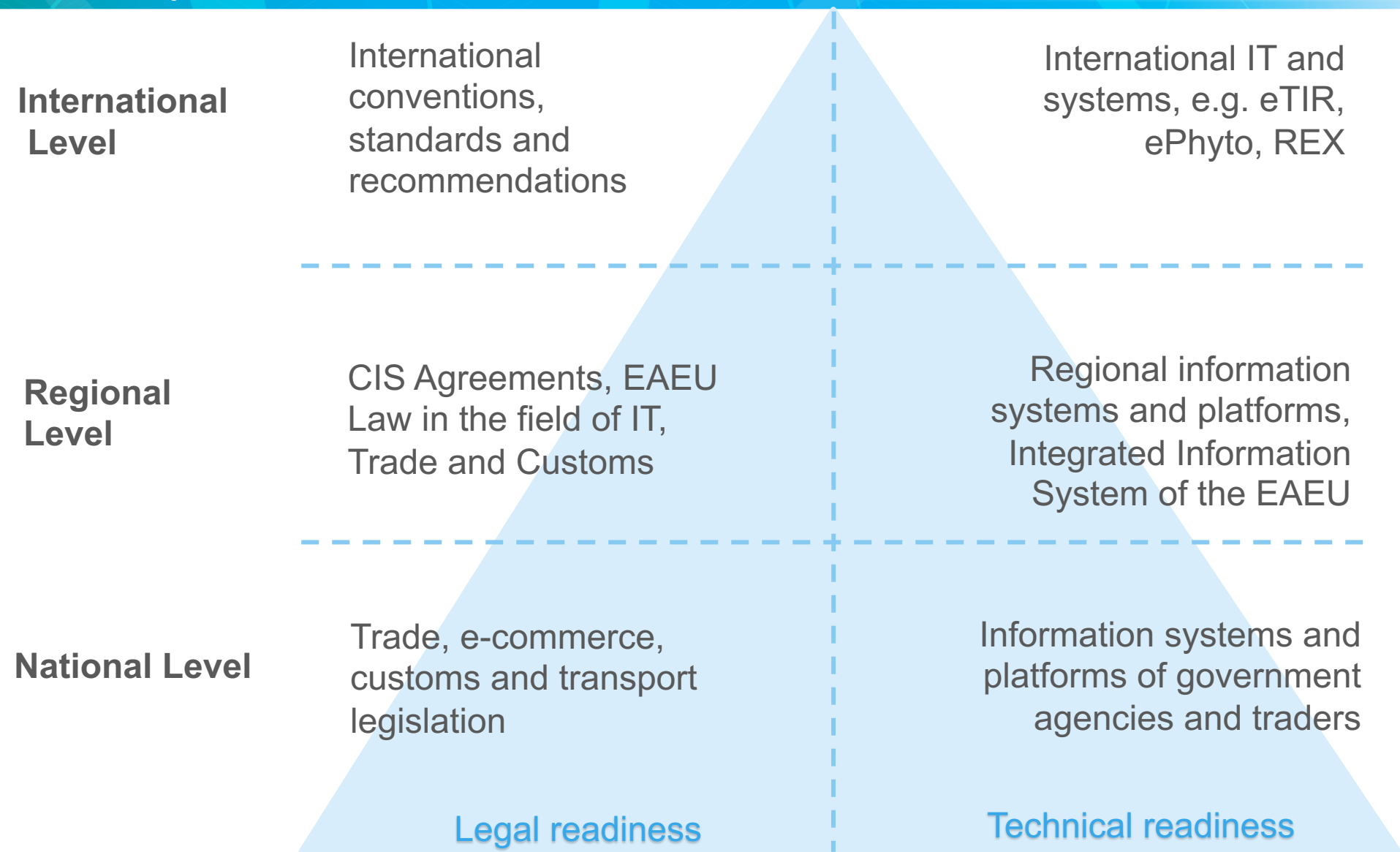
Goal

- Analyze and report on the level of readiness of the Kyrgyz Republic for cross-border paperless trade

Objectives

- Assess legal and technical preparedness

- Analyze the obligations of the Kyrgyz Republic within the EAEU on the implementation of the cross-border trust environment

- Prepare recommendations for the development of cross-border paperless trading

Ready4Trade Central Asia

	Legal readiness	Technical readiness
International Level	International conventions, standards and recommendations	International IT and systems, e.g. eTIR, ePhyto, REX
Regional Level	CIS Agreements, EAEU Law in the field of IT, Trade and Customs	Regional information systems and platforms, Integrated Information System of the EAEU
National Level	Trade, e-commerce, customs and transport legislation	Information systems and platforms of government agencies and traders

Implemented by International Trade Centre and funded by the European Union

Obstacles at the institutional level

The lack of a coordinator

Fragmentary areas of responsibility of government agencies

Different level of engagement

Lack of private initiatives

Funding problems

Obstacles at the legal level

Countries are not participating in a set of international agreements

No agreements on mutual recognition of EDs

No mechanism for mutual recognition is defined

Some international standards and rules are not fixed in legislation

The issues of data ownership, storage, processing, etc. have not been resolved.

Obstacles at the technical level

There are no private B2B platforms for cross-border trade	Lack of open registers of issued authorization documents	Poor level of interagency information exchange
No infrastructure for mutual recognition mechanism with third countries	Lack of sufficient infrastructure at border crossing points and in the field for ED application	Low level of computer literacy and preparedness

What to do?

Cross-border paperless trade is a long journey of transformations and reforms that requires the efforts of a wide range of stakeholders

16 - Recommendations on improving the **legal framework**

51 - Recommendations for improvement of the **technical framework**

44 - Activities in the **roadmap** in 5 development areas

IMPROVING INTERAGENCY AND INTERSTATE ELECTRONIC EXCHANGE

PROBLEM

Lack of electronic information exchange between various government agencies ⟶ paper based procedures;
Chaotic informatization ⟶ government and project's donors can't see complex picture to realize the initiatives ⟶ difficult to coordinate efforts;

SOLUTION

Mapping of information systems and platforms of government agencies and flows of interagency and interstate information exchange.

EXPECTED RESULTS

◎ Clear picture of the ongoing trade and transport digitalization processes.

◎ Tangible recommendations for linking government agencies' information systems and enhance interstate information exchange to reduce paper workflow and costs.

◎ Plan the digitalization efforts and enable donor's engagement

CART.IS INITIATIVE

WHAT IS IT?

A study based on standardized mapping methodology which contains:
- automated questionnaire forms;
- mapping requirements;
- recommendations for visualization and dashboarding;
- report requirements.

TARGET AUDIENCE

- NTFC
- Agency in charge of Digitalization
- Donors

IMPACT

- ⊕ Reduce digital contrasts among agencies since they are important barriers to trade that further complicate the exchange of data.

- ⊕ Simplify Trade procedures through the digitalisation

- ⊕ Harmonize different levels of automation at the regional level.

CART.IS initiative in Kyrgyzstan

Between June and October 2023, 28 public services for traders in 11 government agencies were analysed.

Report

- Review of the current level of interagency and interstate electronic information exchange.
- Tangible recommendations on transitioning to cross-border paperless trade and strengthening interagency and interstate information exchange.

Visualisation

- The interactive map improves the perception of data, evaluation of processes and demonstration of findings.

Implemented by International Trade Centre and funded by the European Union

Conclusion

Digital Evolution:

- Transitioning to paperless trade is inevitable in modernising global commerce, offering efficiency and sustainability.

Foundational Role:

- Paperless trade lays a robust foundation for AEO, enhancing security and streamlining processes.

Regional Cooperation:

- Collaborative efforts between nations and industries are vital to realising the full potential of paperless trade and AEO synergies.

Call to Action: To harness the full potential of paperless trade, it is imperative to:

- Address issues in interagency and interstate information exchange.
- Establish mechanisms for the mutual recognition of electronic data and documents.
- Initiate and support pilot projects within the region.

Ready4Trade Central Asia

Q&A

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Thank you for your attention!