Buy-Ship-Pay Model
International Trade Is Complex

Port Operator

Border crossing

Freight Forwarder

Advising Bank

Agent

Exporter

Issuing Bank

Carrier

Inspection Agencies

Licensing Authorities

Health Authority

Importer

Consulate

Customs

International Trade Is Complex
Applying UN/CEFACT Tools and Standards
Step-by-Step approach

- Process Analysis and Simplification
- National Data Harmonization
- Cross Border Data Exchange
- Single Window

- Business/Political Process Collaboration Between Trader and Government (UN/CEFACT Rec. 4, Rec. 18), International Supply Chain Reference model, Unified Modeling Methodology, Global Facilitation Partnership for Trade and Transport (GFPTT), Audit Methodology
- UNeDocs + WCO DM = CBRDM
- UNTDED, Core Component Library, UN LOCODE and code lists, UNeDocs, Rec 34
- UN Layout Key, Master Document, UNTDED, TF Toolkit and Forms Repository

Document Simplification and Standardization
Work of UN/CEFACT – Trade facilitation Standards and Recommendations

• > 30 recommendations, many of which are ISO Standards and are covered in WTO TF Negotiations
  – Recommendation 1 - UN Layout Key for Trade Documents (ISO 6422)
  – Recommendation 25 - UN/EDIFACT (ISO 9735)
  – UNTDED (ISO 7372) – CCTS - WCO Customs data model
  – Recommendation 33 - Single Window
  – UNeDocs - IDS
  – Recommendation 4 on TF Structures
  – Recommendation 18 – strategies and approaches
One-stop solution offering official control with trade facilitation
Agenda

• Overview of BSP model
• Procedural constraints faced by SMEs in Asia for BSP
• Buy component
• Breakout, group discussion and presentation
• Ship component
• Breakout, group discussion and presentation
• Pay component
Main components of trade facilitation. Source: www.unescap.org/tid/publication/tipub2437_chap2.pdf
Fragmented end to end picture

Export Customs

Import Customs

Data
APEC etrade hub and global trade services (GTS)
UN CEFACT
TRADE FACILITATION

INTERNATIONAL SUPPLY CHAIN

Simple, transparent, effective process for global business
BSP model looks at

• **BUY - Commercial Procedures**
  – eProcurement
    • eTendering
    • eCatalogues
    • eDocuments

• **SHIP - Transport & Regulatory Procedures**
  – UNeDocs
  – Transport messages
  – Cross Border Reference Data Model
  – Single Window projects

• **Pay - Payment Procedures**
  – Cross Industry Invoice
  – International payments
  – Financial services
UN CEFACT SUPPLY CHAIN REFERENCE MODEL

**Commercial Procedures**
- Establish Sales Contract
- Order Goods
- Advise On Delivery
- Request Payment

**Transport Procedures**
- Establish Transport Contract
- Collect, Transport and Deliver Goods
- Provide Waybills, Goods Receipts Status reports

**Regulatory Procedures**
- Obtain Import/Export Licences
- Provide Customs Declarations
- Provide Cargo Declaration
- Apply Trade Security Procedures
- Clear Goods for Export/Import

**Financial Procedures**
- Provide Credit Rating
- Provide Insurance
- Provide Credit
- Execute Payment
- Issue Statements
UN-CEFACT Buy-Ship-Pay Model

**BUY**
- Agree Contact (Payment Terms & Delivery Terms...)
- Place, Confirm or Revise Order
- Book Transport
- Insure Cargo
- Make Customs Declaration
- Obtain Export Credit Guarantee
- Obtain Export Licence etc.

**SHIP**
- Process Goods
- Declaration
- Process Cargo
- Declaration Apply
- Security Checks
- Clear Goods
- Collect Goods
- Transport and Deliver Goods
- Provide Waybills, Goods Receipts Status reports etc.

**PAY**
- Obtain Import Licence etc.
- Book Transport
- Establish Credit
- Process Import Declaration
- Progress Cargo Declaration
- Check Security
- Release goods
- Request Payment (Invoice)
- Order Payment
- Execute Payment
- Issue Statement

Source: http://tfig.unece.org/contents/buy-ship-pay-model.htm
UN/CEFACT Architecture

Methodology (TMG)
- UMM
- CCTS

Business Groups (TBGs)
- BRS
  - Business Requirements

Supply Chain Domain Group (TBG1)
- Digital Paper (TBG2)
- Transport Domain (TBG3)
- Customs (TBG4)
- Finance (TBG5)
...

BuyShipPay Model

CoreComponent Library

Data and Process Harmonization

UNCEFACT Registry

Process

Documents

Data

UNCEFACT

Method

Data

Documents

Process

Method

Data

Documents

Applied Technology (ATG)
- XML Schema generation
Hour Glass effect

UN/CEFACT’s Registry & Repository

Reference Models

Re-Useable Harmonised Process & Data Definition

Message Assembly

XML Schemata

“Executeable“ Code

Current-
Achievements

Future-
Achievements

TBG14 Process Harmonization
Framework for Building Common Business Processes

TBG17 CC Harmonization
Core Components Submission Guidelines

TGB’n Models

BSP CCBP

.XLS CCL

TGBn BRS/RSM
TBG Engagement
Processes (Tools)

- Core Component Library
- XML Schemata
- "Executeable" Code

Harmonized Process Models

BuyShipPay Reference Model
- UMM
- UMM compliant BRS's

Re-use

BuyShipPay

Controlled Value List

Entity

Entity State

Collaboration

Transaction

Authorization

Role

Business Partner Type

Reuseable Component

- Context Specific

TGB'n Models

Refer and Re-use
harmonization AS-IS

• UMM model build on reverse engineered BRS

\[ \text{AS} - \text{IS} \]
\[ M = \text{manual} \]

• Harmonization requires UMM models
... and TO-BE harmonization

- BRS produced from UMM model

TO – BE

$A = \text{semiautomatic}$
XML Naming and Design Rules, V3

Specification Purpose
- Consistent transformation of Core Components
- Optimized use of XML

Project Purpose
- Align with CCTS 3.0
- Drive Convergence of SDO’s to UN/CEFACT methodology
Data Type Library

• Data Types define the value domain for Core Components
• Specification Purpose
  – Create and Maintain UN/CEFACT Data Types to support CCTS and syntax solutions
  – Provide input to CCTS Project
  – Develop guidance to facilitate use
• Project Purpose
  – Update existing catalogue
  – Develop responsive maintenance procedures
UNECE Recommendations

- UNECE Rec. No. 3 - ISO Country Code for Representation of Names of Countries
- UNECE Rec. No. 5 - Abbreviations of INCOTERMS
- UNECE Rec. No. 7 - Numerical Representation of Dates, Time, and Periods of Time
- UNECE Rec. No. 8 - Unique Identification Code Methodology - UNIC
- UNECE Rec. No. 9 - Alphabetical Code for the Representation of Currencies
- UNECE Rec. No. 10 - Codes for Ship's Names
- UNECE Rec. No. 15 - Simpler Shipping Marks
- UNECE Rec. No. 16 - Trade and Transport Locations (UN/LOCODE)
- UNECE Rec. No. 17 - Payterms
- UNECE Rec. No. 19 - Codes for Modes of Transport
- UNECE Rec. No. 20 - Codes for units of measure used in international trade
- UNECE Rec. No. 21 - Codes for Types of Cargo, Packages and Packaging Materials
- UNECE Rec. No. 23 - Freight Cost Code
- UNECE Rec. No. 24 - Trade and Transport Status Codes
- UNECE Rec. No. 28 - Codes for Types of Means of Transport
Once approved, assign a **globally** unique ID

<table>
<thead>
<tr>
<th>Unique ID</th>
<th>Dictionary Entry Name</th>
<th>CC Type</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN00000010</td>
<td>Address. Details</td>
<td>ACC</td>
<td>The information relevant to a specific address.</td>
</tr>
<tr>
<td>UN00000014</td>
<td>Address. Postcode. Code</td>
<td>BCC</td>
<td>The postal code of the address.</td>
</tr>
<tr>
<td>UN00000033</td>
<td>Address. Street Name. Text</td>
<td>BCC</td>
<td>A name of a street or thoroughfare.</td>
</tr>
<tr>
<td>UN00000013</td>
<td>Address. City Name. Text</td>
<td>BCC</td>
<td>The name of the city, town or village of this address.</td>
</tr>
<tr>
<td>UN00000203</td>
<td>Address. Country. Identifier</td>
<td>BCC</td>
<td>A unique identifier of a country, e.g. as specified in ISO 3166 and UNECE Rec 3.</td>
</tr>
<tr>
<td>UN00000204</td>
<td>Address. Type. Code</td>
<td>BCC</td>
<td>The type of this address such as business address or home address.</td>
</tr>
</tbody>
</table>

use Oxford English Dictionary
Purpose

Core Component Harmonization

Goal: to provide a consistent and harmonized set of core components across business domains and sectors, contributing to a concise and well-defined glossary of business terms, business data semantic definitions, and structuring of data exchanges.
## Challenges & Constraints in BSP

<table>
<thead>
<tr>
<th>BSP</th>
<th>Constraints</th>
<th>SME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply chain</td>
<td>Not universal</td>
<td>Do not see supply chain</td>
</tr>
<tr>
<td>eProcurement</td>
<td>Need a good data reference model to track</td>
<td>No resources to overcome tedium of data entry</td>
</tr>
<tr>
<td>Ship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Trade procedures</td>
<td>Language diversity</td>
<td>No visibility or capability / expertise</td>
</tr>
<tr>
<td>Customs</td>
<td>No harmonised interpretation</td>
<td></td>
</tr>
<tr>
<td>Cross border</td>
<td></td>
<td>Only small percentage are into cross border</td>
</tr>
<tr>
<td>Transport</td>
<td>Provider who can provide door-to-door, authorised</td>
<td>Cannot pay for services</td>
</tr>
<tr>
<td>Pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International payment</td>
<td></td>
<td>Lack technical knowledge</td>
</tr>
<tr>
<td>Financial services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Group Discussion – Buy Component