

Advancing cross-border paperless trade of Mongolia:

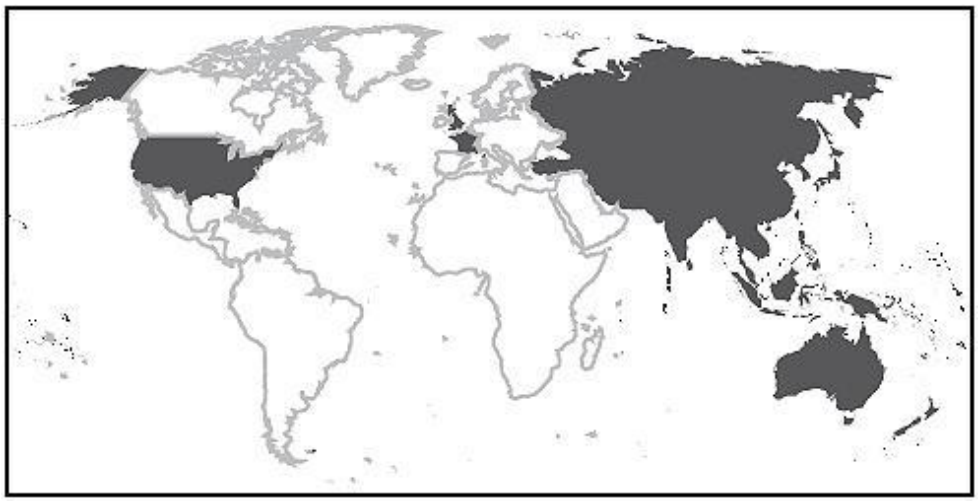
Reviewing Selected Documents and Exploring Pilot Projects

ESCAP

Advanced draft
version for comments.

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Advancing Cross-Border Paperless of Mongolia: Reviewing Selected Documents and Exploring Pilot Projects

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Executive summary

Mongolia has been advancing significantly in economic liberalization, trade facilitation, and foreign investment since transitioning from a centrally planned to a market economy in 1990. In 2022, Mongolia's trade turnover reached USD 21.2 billion, signalling the nation's growing role in global trade. The ratification of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific in July 2022 marks a critical step for Mongolia, promising to reduce trade costs by up to 13% through the digitalization of trade documents and simplified procedures.

The long-term development policy "Vision-2050" reflects Mongolia's commitment to regional economic integration and the establishment of Free Trade Agreements (FTAs), particularly focusing on value-added exports and the promotion of new production for export-oriented products. Notable developments include the implementation of an electronic commerce chapter under the FTA with Japan and accession to the Asia-Pacific Trade Agreement (APTA), reinforcing the importance of electronic trade documentation.

This study, aligning with "Article 13: Pilot projects and sharing of lessons learned" of the Cross-border Paperless Trade in Asia and the Pacific (CPTA), evaluates Mongolia's current practices in cross-border paperless trade, gleaning insights for future initiatives. It also underscores the need for further integration of electronic processes to enhance trade efficiency.

Mongolia's customs infrastructure has made significant strides, particularly with the development of the Customs Automated Information System (CAIS) and Customs External Portal System (CEPS), supported by the Asian Development Bank. These systems, based on the WCO Data model, have been instrumental in modernizing trade processes. However, the anticipated establishment of a Single Electronic Window (SEW) system is yet to materialize.

The electronic exchange of export declarations and X-ray images with the Russian Federation serves as a model for successful cross-border information exchange, reducing fraud, and expediting customs processes.

Mongolia's approach to the exchange of Certificates of Origin (COO) and SPS Certificates remains rooted in traditional paper-based methods, although digital solutions are on the horizon. The Mongolian National Chamber of Commerce and Industry (MNCCI) continues to issue COOs primarily in paper form, and while electronic verification is possible with some trading partners, inconsistencies still lead to additional costs and delays.

This report preliminarily proposes pilot projects to facilitate cross-border paperless trade. These include extending the X-ray image exchange to China, maintaining the e-Phyto exchange with China, enhancing the e-CO exchange with the Republic of Korea, and an advanced transit documentation exchange with China. The presented pilot projects are expected to bolster border security, streamline customs procedures, and foster regional cooperation, all while providing economic benefits through reduced trade costs.

To ensure the success of these initiatives, a strong legal framework and technological readiness are paramount. This includes harmonizing legal agreements, ensuring compliance with data protection laws, and upgrading the technology infrastructure to support interoperability and security across Mongolia, the Russian Federation, China and the Republic of Korea.

In conclusion, while Mongolia has made substantial progress in cross-border paperless trade, ongoing efforts to digitalize trade documentation, enhance legal and technological frameworks, and implement pilot projects are crucial for reducing costs, increasing efficiency, and fully realizing the benefits of digital transformation in trade.

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Abbreviations

FTA	Free Trade Agreements
APTA	Asia-Pacific Trade Agreement
APQS	Animal Plant Quarantine System
CPTA	Cross-border Paperless Trade in Asia and the Pacific
CAIS	Customs automated information system
CEPS	Customs external portal system
CERP	Customs ERP
CGMA	Customs General Administration of Mongolia
COO	Certificate of Origin
CUSS	Customs Statistics System
EPA	Economic Partnership Agreement
ESCAP	Economic and Social Commission for Asia and the Pacific
GASI	Government Agency Specialised Inspection
SEW	Single Electronic Window
RIBS	Regional Improvement of Border Service
MCGA	The Customs General Administration of Mongolia
MED	Ministry of Economic Development
MNCCI	Mongolia National Chamber of Commerce and Industry
MOFA	Ministry of Foreign Affairs

CHAPTER 1. INTRODUCTION

1.1 Importance of cross-border paperless trade for Mongolia

Mongolia is a landlocked, natural-resource-rich nation bordering China and the Russian Federation. After -transitioning from a centrally planned economy to a market economy in 1990, Mongolia has been making progress in the liberalization of its economy, trade facilitation, and attracting foreign investment. In 2022, Mongolia traded with 160 countries from all over the world, and the total trade turnover reached USD 21.2 billion, of which exports were USD 12.5 billion, and imports were USD 8.7 billion[1].

Mongolia ratified the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and Pacific on 27 July 2022. Mongolia's accession to this Framework Agreement is crucial to reducing trade costs by digitalizing export and import documents, thus simplifying trade procedures.[2].

Studies have shown that if Mongolia becomes a member state of the framework agreement and fully implements the agreement, it will be possible for Mongolia to reduce its current trade costs by up to 13 percent by coordinating its e-data with other member countries and exchanging information[3].

“Vision-2050”, the long-term development policy of Mongolia, includes joining the economic and trade integration in the region and facilitating trade[4]. One of the prioritized policies of Mongolia is to conclude Free Trade Agreements (FTA) with itsmain trading partner countries. “Vision-2050” agreed that, ‘In line with the foreign trade policy, to protect and develop domestic industries, by increasing volume of value-added exporting products for establishing harmonised tariff purpose. To promote the new production of export-oriented products and more focus on establishing FTAs’.

Mongolia signed its first Free trade agreement with Japan[5], containing provisions dedicated to electronic commerce (Chapter 9). This Chapter (Article 9.8 Paperless Trade Administration) requires each Party to accept trade administration documents submitted electronically as the legal equivalent of the paper version of such documents.

Also, Mongolia formally acceded to the Asia-Pacific Trade Agreement (APTA) on 29 September 2020. APTA represents the first regional trade agreement of Mongolia with developing countries. APTA encourages the adoption of common operational procedures for certification and verification of the origin of goods 6, provided that

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[1] *National Statistical Office of Mongolia*

[2] Ministry of foreign affairs of Mongolia https://mfa.gov.mn/en/cross-border-paperless-trade-toolkit-launches-on-30-june 2022/#:~:text=Mongolia%20ratified%20the%20Framework%20Agreement,import%20documents%2C%20simplifying%20trade%20procedures, accessed October 25, 2023

[3] Mongolian national news agency https://montsame.mn/en/read/295624

[4] ‘Vision-2050’ Long-Term Development Policy of Mongolia (State Great Hural 2020)

[5] *Agreement* between *Japan* and *Mongolia* for an *economic partnership, Date of Signature: 10/02/2015, Date of Entry into Force: 7/06/2016* https://www.mofa.go.jp/files/000067716.pdf

certificates of origin can be exchanged electronically (Article 2 Application, Article 4: Issuance of Certificate of Origin).

Also, a feasibility study is being done on a free trade agreement with other partner countries. On the 26th of September 2023, the State Secretary of the Ministry of Economy and Development of Mongolia and the Director General for FTA Policy of the Ministry of Trade, Industry and Energy of the Republic of Korea officially signed the Terms of Reference, providing clarity on the direction of the negotiations.[6]

1.2 Research objective, data collection, and validation method

In line with "Article 13: Pilot projects and sharing of lessons learned" of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA), this study aims to examine the current practice of cross-border paperless in Mongolia, show what lessons can be learned from its practice, and identify new pilot projects with a view of exploring opportunities and challenges to further materialize cross-border paperless trade.

Data collection and validation are mainly conducted through desk research, as well as meetings and interviews with relevant officials and experts responsible for cross-border paperless trade from the Customs General Administration of Mongolia (CGMA), the Ministry of Foreign Affairs of Mongolia (MOFA) the Mongolian National Chamber of Commerce and Industry (MNCCI), and other government and non-government organizations, academics and practitioners. Also, official reports and information on cross-border paperless trade were searched on the Internet.

CHAPTER 2. EXISTING PRACTICES ON CROSS-BORDER PAPERLESS TRADE IN MONGOLIA

2.1 Focus of the study

This study focuses on the electronic exchange of trade-related documents between the Mongolia and potential partners in Asia-Pacific. For this, the customs information system of Mongolia, and the process of information exchange at the national and international levels have been studied.

The Customs Law is the primary source of legislation of trade-related documents. The secondary source of legislation can be found in the regulations, which are approved by the Cabinet, ministries, and agencies. The regulations generally contain requirements, for example, documentary requirements, which may need to be changed frequently due to a changing environment. By improving customs clearance processes

[6] Negotiations for Mongolia-Korea economic partnership agreement (EPA) set to commence. http://med.gov.mn/post/132824

and diversifying trade partners, Mongolia can enhance the efficiency and sustainability of its foreign trade activities.

A declarant shall, in order to prove the accuracy of data in the Customs (Goods) declaration, provide Customs with the following documents:

- 60.3.1. foreign trade contracts or commercial invoice;
- 60.3.2. bill of lading;
- 60.3.3. permission or licences required for goods subject to non-tariff restrictions;
- 60.3.4. conclusions (expertise document) made by a Specialized Inspection Agency for goods so required specifically by law;
- 60.3.5. documentary evidence of origin when required by a competent person in accordance with the International Treaties of Mongolia.

Required documents accompanying Customs declarations can be submitted in either paper or electronic formats. Copies of original documents are acceptable during the initial presentation, unless the document requires attestation and physical endorsement. If there are any doubts about the validity of a particular copy document, the original can be requested. According to Article 27.7 of the Customs Law, a copy of electronic data or documents should be printed out and certified with the signature of a competent person. Generally, electronic copies are accepted without the need for a paper copy and signature. However, in certain cases, original copies may be requested.

One of the main challenges for import and export clearances lies in obtaining the necessary documents for customs clearances, including licenses, permissions, certificates, and others. Traders submit documents to each agency in both electronic and paper formats, which increases the time and cost of international trade. Thus, the Mongolian government decided to merge the Customs and Border Quarantine Department of the Government Agency Specialised Inspection (GASI) in 2022 to facilitate trade.

Since then, there have been challenges that persist in border formalities, which are conducted by the regulatory agencies at the border; special CGMA is a leading agency for these procedures. In addition, issues arise when dealing with goods subject to import and export quarantine control, resulting in duplicated processes in practice.

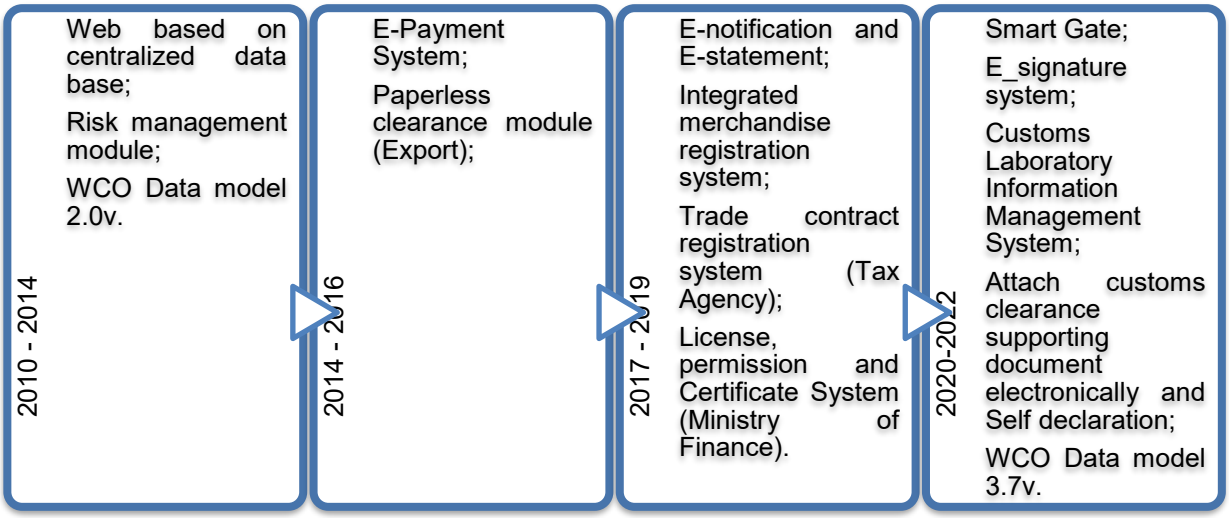
2.2 Information, Communication Technology Development of Mongolian Customs

The CGMA is the leading regulatory agency for controlling cross-border trade movement. The import, export, and transit formalities are conducted at the border and inland customs terminals using the Customs Automated System.

The CGMA introduced the ICT system in 1992, starting from the UNCTAD ASYCUDA system (1992 – 2001). Then, CGMA developed and used its own system called GAMAS, which was developed by the CGMA staff themselves. The current ICT system was developed by the Customs Modernization Project, which was implemented between 2007-2010 with financial support from the Asian Development Bank. Under this project, the CGMA introduced a web-based Customs automated information system (CAIS), and Customs external portal system (CEPS). This system is based on the WCO Data model 2.0 version and a centralized database, which is connected nationwide, as well as with their sub-modules (Customs clearance, Risk Management, Transport Registration, Passenger Targeting Module, HS database, Customs Valuation database, Offence database, etc.).

Within the framework of the Regional Improvement of Border Service project (RIBS Implemented in 2017, financial support of the ADB) covering three pillars, namely, border infrastructure development of selecting border crossing points, upgrading CAIS and CEPS, and establishing Single Electronic Window (SEW) System.

Figure 1. ICT development of the CGMA



Under this project, CGMA moved from the previous WCO Data model version 2 to version 3.7, and the Customs e-service system Gaali.mn was created. This system enables traders to declare their goods, attach commercial and transport documents, and receive an electronic clearance report by creating their own profile.

In line with the new Sanitary and Phytosanitary Measures and Technical Barriers to Trade (SPS and TBT) responsibilities of the CGMA, the Animal Plant Quarantine System was developed and introduced.

The CAIS and CEPS are the main daily working systems for all front-line customs officers conducting customs control on cross-border passenger, goods, and transport movements, including customs clearance process, registering cargo manifest, and other overall tasks. In addition, the headquarters' relevant staff is able to monitor the

customs clearance system and their duties. Currently, CGMA uses the following programmes:

- **CAIS:** Customs automated information system;
- **CERP:** Customs ERP (Plan, Performance report, Human resource etc.);
- **CEPS:** Customs External Portal System (Customs Broker, Freight Forwarder, Carrier, etc.);
- **GAALI.MN:** Customs E-Service (Self-declaration system, E-Payment, E-notification, etc.);
- **E-Payment:** E-Payment system (Customs tax and other duties);
- **APQS:** Animal Plant Quarantine System (Import and Export License); and
- **CUSS:** Customs Statistics System.

CAIS has continuously been updated since 2017. Under the 3rd pillar of the RIBS project, a feasibility study on the SEW system was conducted in 2019, and until today, the SEW system has not been established[7] yet.

A recent decision by the Government of Mongolia was to transfer international trade policy and trade facilitation responsibilities from the Ministry of Foreign Affairs (MOFA) to the Ministry of Economic Development (MED).

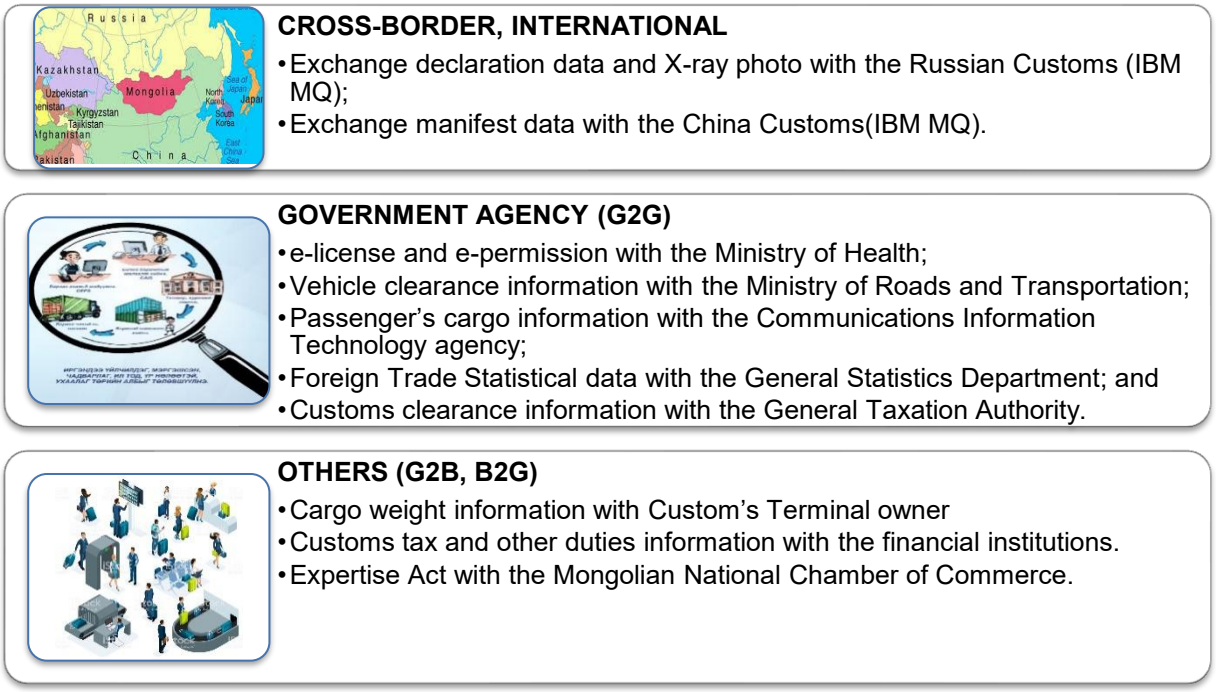
The Mongolian Government adopted a new decree for improving trade facilitation measures and establishing a national SEW system. The MED developed an action plan for supporting these activities by the end of 2024.

2.3 Information exchange process

As a member of the WCO, it is possible to cooperate with the Customs Administrations of other member countries. As mentioned previously, since 1993, the Government of Mongolia has signed "Cooperation and Mutual Assistance in Customs Matters" agreements with 16 governments (agreements with 15 countries and a memorandum with one country). Within the framework of the issues covered by these cooperation documents, it is possible to receive requests from foreign customs authorities and provide information.

[7] Initial plan for establishing SEW was in 2022.

Figure 2. Information exchange process of CGMA



2.3.1 The electronic exchange of export declaration and X-ray images with the Federal Customs Service of the Russian Federation

The Government of Mongolia and the Russian Federation signed an agreement on "Cooperation and Mutual Assistance in Customs Matters" in 1993. Article 1, and other articles[1], - empower the exchange of information between the contracting parties. This agreement is a fundamental, legally powerful document for bilateral cooperation on customs matters between the two customs administrations. Since then, parties have continuously expanded bilateral cooperation on customs matters-. For instance, regional border customs cooperation, cooperation on preventing and combating cross-border illegal movement, accepting a joint customs control of certain goods, exchanging export declarations in e-format, conducting mirror statistical analysis, and technical assistance on capacity building development.

At present, over 33 high-level and technical meetings have been held, and 20 agreements, protocols, plans, and MOUs have been completed. Some of them have an annual basis.

Within the legal framework governing collaboration between the Mongolian and Russian Customs Administrations, a series of high-level visits, working group meetings, and video conferences have been systematically organized on a reciprocal basis. The coordination of these activities has effectively facilitated the active and streamlined progression of the cooperation process.

The legal framework for the real-time exchange of export declarations and X-ray images electronically is as follows:

- "Protocol between the Customs General Administration of Mongolia and the Federal Customs Service of the Russian Federation on the exchange of information on determining the customs value of goods to be introduced between Mongolia and the Russian Federation", established during the 2012 Meeting of Deputy Director Generals of Customs Administrations of the two countries;
- "Technical conditions for electronic exchange of information on cross border movement of goods and vehicles of Russia and Mongolia (version 1.0), established during the 2014 Meeting of Director Generals of Customs Administrations of the two countries;
- "Protocol between the Mongolian Customs and the Russian Customs on the mutual recognition of the results of customs control of certain types of goods" signed by the Director Generals of Customs Administrations of the two countries in 2015;
- "Agreement between the Customs General Administration of Mongolia and the Federal Customs Service of the Russian Federation on the exchange of information obtained with the help of X-ray equipment to improve the results of customs control" signed by the Director Generals of Customs Administrations of the two countries in 2015;
- "Strategic Cooperation Plan 2015–2019 between the Customs General Administration of Mongolia and the Federal Customs Service of the Russian Federation" signed by the Director Generals of Customs Administrations of the two countries in 2015 ;
- "Procedures for the exchange of information of goods, vehicles, carriers, senders and receivers on under control" and "Procedures for the exchange of information" were signed by the Director Generals of Customs Administrations of the two countries in 2015;

  Under the protocol, parties exchange import customs declarations and related documents for enforcement purposes in a paper format. This is a good opportunity to reduce the cross-border movement of illegal trade.
- “Protocol between Customs General Administration of Mongolia and the Federal Customs Service of the Russian Federation on cooperation in ensuring the normal operation of the Altanbulag-Khiagt border crossing of the international highway on the Mongolian-Russian border" was reviewed and signed in 2015 by the Director Generals of Customs Administrations of the two countries;
- In 2016, the parties exchanged views on the implementation of a pilot project to exchange bilateral export customs declarations in electronic form (during the pilot project, 902 export declarations were exchanged between 2012 and 2015).

The following figure 3 shows the number of electronic export declarations received by Mongolian Customs from Russian Customs between 2016 and 2023.

Figure 3. The number of exchanged electronic export declaration

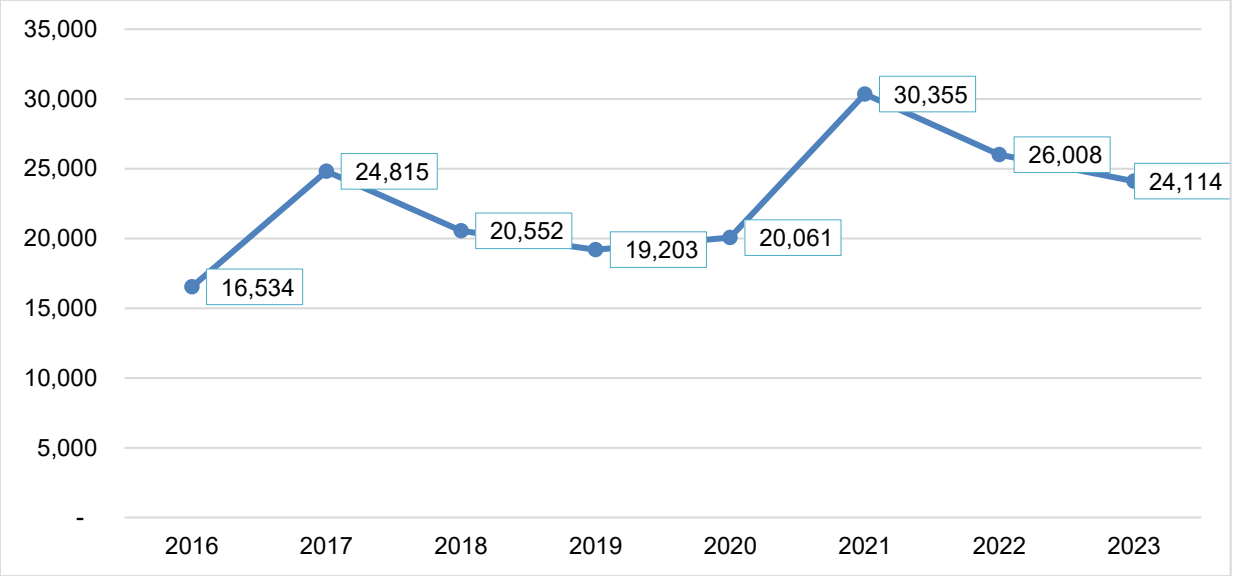


Figure 3 shows that, between 2016 and 2023, CGMA received 181,672 export declarations from the Federal Customs Service of the Russian Federation.

By implementing the above-mentioned documents, customs cooperation between Mongolia and Russian Customs is growing more advanced, facilitating active collaboration in multiple domains.

Thus, Mongolian-Russian custom cooperation was intensive and fruitful between 2012 and 2023, as follows:

- Parties exchange real-time Export declarations electronically.
  Official exchange of X-ray images of trucks in the Altanbulag – Khiagt border crossing point has started.
- The working group for the mirror statistical analysis of the two parties were conducted every year.

Real-time exchange of export customs declarations in electronic format and conducting mirror statistical analysis have reduced commercial fraud related to goods imported from Russia. Parties highlighted that these activities gave mutual benefit for both Customs Administrations since 2016. For instance, double invoicing, valuation fraud etc.

2.3.2. The electronic exchange of manifest with the China Customs

A similar cooperation arrangement was established in 1993 at the Government level on customs matters between Mongolia and China. Within this high-level legally mandated agreement, the Protocol between Mongolia and China Customs on the

“Implementing Joint Customs control” scheme was signed in 2006 in Ulaanbaatar, Mongolia. The range of bilateral working group meetings was conducted at both high and operational levels of Customs Administrations of parties. Step-by-step progress started from paper format[8] to the electronic version of the joint manifest, which was developed after the 10 successful completions of [9] meetings between 2006 and 2019.

During the 9th meeting, the list of the border crossing points for the electronic manifest data exchange was reaffirmed, and the Parties agreed to start the official experimental exchange of electronic manifest data between Zamyn-Uud and Erlian border crossing points from 1 December 2018, as well as between other border crossing points for bordering between Mongolia and China at the beginning of 2019. The Parties agreed during the 9th meeting that they would abolish the paper-based manifest, and use the paperless manifest at the listed border crossing points since 01 April 2019.

Since both parties discussed and improved the design of the electronic manifest, it was ready to exchange information for a long period of mutual efforts. The electronic exchange of information across the China-Mongolian borders has increased opportunities to save time and cost of cargo inspection, in addition to supporting the targeting of high-risk shipments.

Unfortunately, due to the Privacy Law of China ‘Value of goods, Currency unit, Exporter and Importer’ are not included in the electronic manifest system. Instead of this information, they put ‘9999’ as information.

Thus, the electronic manifest data is not useful for current advanced information exchange processes.

Figure 4 shows an example of the electronic manifest information.

[8] It started paper forms and exchanged by physically (the paper manifest must be followed by shipment).

[9] Starting from the first meeting, the Parties agreed to start experimental Customs Joint Control with the ADB technical assistance and later continue the project. At the 7th Meeting (July 2015), the Parties unanimously agreed to develop a project for mutual recognition of results of Customs control (examination) as a second stage of the Customs Joint Control. During the first meeting, Mongolian Customs proposed to align Cargo Manifests. Soon, the Parties agreed to align the Cargo Manifests for road transportation and later agreed to develop and use the Joint Cargo Manifest Form (in two languages: Mongolian and Chinese). At the end, the Parties also agreed (May 2012) to exchange electronic manifest data. The data elements to be exchanged electronically and formats are agreed at the 8th meeting and updated at the 9th meeting (October 2018). During the 8th meeting of the WG, they agreed on the border crossing points for the electronic manifest data exchange and the informal experimental exchange of electronic manifest data is started between Zamyn-Uud and Erlian border crossing points.

Figure 4. Example of Joint manifest between China and Mongolia

No.	Goods Name	Packages	Unit	Gross weight	Unit	Value	Currency	Sender	Receiver	HS code
1	天花板	1	BU	3720	KGM	9999	USD	9999	9999	680800
2	货架	1	BU	100	KGM	9999	USD	9999	9999	730890
3	椅子	1	BU	100	KGM	9999	USD	9999	9999	940171
4	桌子	1	BU	100	KGM	9999	USD	9999	9999	940320
5	碗	1	BU	100	KGM	9999	USD	9999	9999	691110
6	瓷砖	1	BU	25000	KGM	9999	USD	9999	9999	690721
7	大理石板	1	BU	4680	KGM	9999	USD	9999	9999	681019
8	货架	1	BU	100	KGM	9999	USD	9999	9999	730890
9	椅子	1	BU	100	KGM	9999	USD	9999	9999	940171
10	桌子	1	BU	100	KGM	9999	USD	9999	9999	940320
11	碗	1	BU	100	KGM	9999	USD	9999	9999	691110
12	瓷砖	1	BU	25000	KGM	9999	USD	9999	9999	690721
13	大理石板	1	BU	4680	KGM	9999	USD	9999	9999	681019
14	货架	1	BU	100	KGM	9999	USD	9999	9999	730890
15	椅子	1	BU	100	KGM	9999	USD	9999	9999	940171
16	桌子	1	BU	100	KGM	9999	USD	9999	9999	940320
17	碗	1	BU	100	KGM	9999	USD	9999	9999	691110
18	瓷砖	1	BU	25000	KGM	9999	USD	9999	9999	690721
19	大理石板	1	BU	4680	KGM	9999	USD	9999	9999	681019
20	货架	1	BU	100	KGM	9999	USD	9999	9999	730890
21	椅子	1	BU	100	KGM	9999	USD	9999	9999	940171
22	桌子	1	BU	100	KGM	9999	USD	9999	9999	940320
23	碗	1	BU	100	KGM	9999	USD	9999	9999	691110
24	瓷砖	1	BU	25000	KGM	9999	USD	9999	9999	690721
25	大理石板	1	BU	4680	KGM	9999	USD	9999	9999	681019
26	货架	1	BU	100	KGM	9999	USD	9999	9999	730890
27	椅子	1	BU	100	KGM	9999	USD	9999	9999	940171
28	桌子	1	BU	100	KGM	9999	USD	9999	9999	940320
29	碗	1	BU	100	KGM	9999	USD	9999	9999	691110
30	瓷砖	1	BU	25000	KGM	9999	USD	9999	9999	690721
31	大理石板	1	BU	4680	KGM	9999	USD	9999	9999	681019
32	货架	1	BU	100	KGM	9999	USD	9999	9999	730890
33	椅子	1	BU	100	KGM	9999	USD	9999	9999	940171
34	桌子	1	BU	100	KGM	9999	USD	9999	9999	940320

Currently, the bilateral cooperation mechanism of Mongolia and China Customs expanded through regional customhouses cooperation, developing regional contact points at the border crossing points, conducting mirror statistical analysis at regular intervals, exchanging information for preventing and combatting cross-border illegal movement of passengers and goods, risk management, AEO programme and technical assistance of customs officials, etc.

2.3.3 The electronic exchange of Certificate of Origin

The Mongolian National Chamber of Commerce and Industry (MNCCI) [10] is the authorized entity to issue COOs. Mongolia applies both preferential and non-preferential rules of origin depending on the tariff regime applied.

According to Article 31 of the Law on Customs Tariffs and Customs Taxes, three documents prove the origin of goods: (i) a declaration of origin of goods or a price

[10] https://www.mongolchamber.mn/p/266

invoice or transport document containing information on the origin of goods from the manufacturer, seller, or exporter; (ii) a declaration confirming the origin certified by the competent authority of the country; or (iii) a certificate of origin issued by a competent authority of the exporting country as per a special form. Proof of origin is not required in certain cases, such as for temporary imports, goods in transit, personal belongings, commercial goods with a customs value not exceeding USD 1,500, and goods that do not require proof per a bilateral or multilateral treaty.

Mongolia's non-preferential rules of origin are in its 2008 Law on Customs Tariffs and Customs Taxes, which provides the basic framework for rules of origin in Chapter 7: Article 26–31.

Preferential rules of origin are used to determine whether the good qualifies for the preferential tariff offered under the agreement. The rules are a set of criteria that the good needs to comply with in order to be considered originating in the territory of the trade agreement.

Types of preferential certificate of origin (COO) in Mongolia:

- *COO FORM A.* According to the Generalized System of Preferences (GSP), Mongolia enjoys trade and tariff preferential rates from developed countries such as Australia, Belarus, Canada, Japan, New Zealand, Russia, Norway, United States, Turkey, Liechtenstein, and the European Union (EU) countries on export goods. These concessions are given on the basis of FORM A. Since January 1, 2020, Mongolia has successfully implemented the EU REX[11] system because the REX system replaces proof of origin FORM A with a statement of origin (SOO) made by Mongolian Exporters (fully exporter-based certification).
- *COO FORM E.* According to the Economic partnership agreement between Mongolia & Japan (EPA), which became effective on June 7, 2016, MNCCI started to grant a Certificate of Origin FORM E. The issuance of this certificate is regulated by the third article -3.15, 3.16 of this agreement – Rules of origin, "Regulation on determining the origin of export products derived from Mongolia and on issuing the certificate of origin".
- COO FORM APTA. According to Asia-Pacific Trade Agreement (APTA[12]), which implemented Mongolia since January 01, 2021, MNCCI started to grant Certificate of origin. The issuance of this certificate is regulated by the rules "Operational procedures for the certification and verification of the origin of goods under the Asia pacific trade agreement (Article 4), Annex-II to APTA.

Although the EPA and APTA provide for the possibility of exchanging the above-mentioned preferential certificates of origin electronically and manually (paper-based),

[11] The Registered Exporter system (the REX system) is a system of certification of origin of goods based on a principle of self-certification. The origin of goods is declared by economic operators themselves by means of so-called statements on origin. To be entitled to make out a statement on origin, an economic operator has to be registered in a database by his competent authorities. The economic operator becomes a "registered exporter".
[12] Participating States of APTA: Bangladesh, China, India, Lao PDR, Mongolia, RoK, Sri Lanka

currently, the Mongolian National Chamber of Commerce and Industry (MNCCI) issues them in paper-based form.

In cases of inconsistencies, Mongolian exporters need to contact MNCCI to confirm the COO's authenticity, entailing additional costs and delays that defeat the benefits of preferential treatment.

The current challenge with Mongolia's current Certificate of Origin (COO) processes is that it perpetuates inefficient data exchanges due to its paper-based COO. This makes it burdensome for traders to benefit from low or zero tariffs, and, in addition, with no online database and paper-based COOs, authentic and unique COOs are likely to expose fraud.

In 2022, MNCCI issued a total of 554 COOs (515 COOs to China, 22 COOs to the European Union, and 17 COOs to the Republic of Korea).

In the future, the development of cross-border paperless trade in Mongolia is important to increase efficiency, reduce costs, increase transparency, facilitate trade, support the country's digital transformation, and promote environmental sustainability.

2.3.4 The electronic exchange of SPS Certificate

As one of the highest per capita livestock ratios in the world, Mongolia's livestock sector, specifically the meat industry, holds tremendous potential. Mongolia's livestock heads and domestic meat production have now surged to record amounts, which far exceed domestic demand. The total number of livestock stands at approximately 70 million at the end of 2022[13]. Exports to China offer a strong opportunity for diversifying the economy and improving the livelihood of Mongolian herders.

The General Administration of Quality Supervision, Inspection, and Quarantine of China merged with the General Customs Administration of China in 2018. Currently, China Customs acts as the core authority in charge of animal, plant, food, and safety control of export, import, and transit procedures at the border.

According to the current legislation on international trade-related procedures, overall, SPS and TBT, as well as conformity assessment processes, are shifting between the contracting parties by paper format.

In the case of Mongolian exports of meat and other goods to China, traders need to declare into the China Single Window System in advance (electronically). The CGMA must be informed of the exporting company's name with their exporting goods type and quantity by email and fax. It is a big challenge for increasing the time and cost of trade. The following figure shows the list of required export certificates for quarantine goods between the trading countries.

Figure 5. The list of main goods for required export certificates issued by CGMA

[13] https://www.mofa.gov.mn/home

A. List of required export certificates for quarantine goods between Mongolia and China:

- A1. Veterinary and hygiene certificate for horse meat to be exported to China;
- A2. Veterinary certificate for beef to be exported to China;
- A3. Veterinary certificate for mutton and goat meat to be exported to China;
- A4. Veterinary certificate for heat-processed beef, horse, mutton and goat meat products to be export to China (4 separate certificates agreed between the trading parties);
- A6. Bran health certificate for export to China;
- A7. Slaughtering sheep and goat health certificate for export to China;
- A8. Breeding horse health certificate for export to China;
- A9. Slaughtering horse health certificate for export to China;
- A10. Dairy milk product quarantine certificate for export to China.

B. List of required export certificates for quarantine goods between Mongolia and the Republic of Korea:

- B1. For animal food and raw products including by-products of the horses (not for human consumption)

C. List of required export certificates for quarantine goods between Mongolia and its' trading partner countries:

- C1. Animal health certificate for export to EU countries (intestine);
- C2. Raw materials for export certificate to Eurasian Economic Union.

The above figure shows just a few examples of export certificates issued by CGMA and accompanied by the shipment and paper format.

Therefore, Mongolia may need to introduce step-by-step procedures for the exchange of trade-related documents such as Export certificates, Customs Laboratory analysis, and Health Certificates in electronic form with China, as well as other appropriate trading partner countries.

Phytosanitary certificate: the WTO members and non-members must provide a "Phytosanitary certificate" for plants, raw materials, and products developed from them when exporting from their country of origin and an "Import Notification" for goods imported from overseas.

The Law of Mongolia on Quarantine Inspection During the Entry of Animals, Plants, Raw Materials, and Products Derived from them and Government Resolution No. 173 of 2003 is a foundation for monitoring and verification activities carried out within the framework of international conventions and agreements. Certification documents, such as hygiene certificates and "notification of import of animals, plants, and products derived from them," are provided to businesses and individuals involved in foreign trade.

The exporting company needs to submit their official request online to the Caps.gaali.mn website, and once Customs is approved, notification of the import of products, plants, and animals will be sent. It consists of:

1. Send request to the Customs. In order to export plants and raw materials obtained from plants, it is necessary to specify their type, amount, border post

of entry, type of vehicle, route, container, packaging, processed country, and labelling of the items.

2. Agreements, contracts for the purchase or sale of plants and plant originated commodities, and other documents of a similar nature must be translated into Mongolian language by a qualified translator unless they exist already in Russian or English.
3. A copy of the identity card and state registration certificate.
4. A copy of the certification attesting to the implementation of suitable procedures and the control management system (ISO, HACCP, etc.).
5. A copy of the unique permission authorizing the import and export of strategic food items, such as wheat, flour, and grain seeds.
6. The completion of the pre-import risk assessment in compliance with applicable rules and regulations, if necessary.

Mongolian Customs plans to implement the following measures:

- To develop the "E-Phyto and veterinary certificate platform" for issuing E-certificates;
- To collaborate and exchange ideas with the CAREC member countries to create a single, comprehensive list of prohibited alien pests in the region under the "CAREC" programme and
- To learn best practices from other countries by electronically exchanging information of quarantine-related goods.

2.4 Lessons from cross-border paperless trade of Mongolia

Compared with the other contracting parties of the CPTA, the current cross-border paperless trade environment of Mongolia is ranked lower level. According to the Readiness Assessment for Cross-Border Paperless Trade: MONGOLIA[14], there is still a big gap for introducing a paperless environment. There are the following positive impacts of supporting and implementing a cross-border paper-less scheme for the international supply chain of Mongolia within the existing international conventions, agreements, and national legislations:

✓ Since Mongolia moved from a planned economy to a market economy, Great Khural of Mongolia acceded to the main international conventions, agreements, and treatments at both mutual and bilateral levels;

✓ The structure of Mongolian foreign traded goods is limited, especially in exporting goods. Thus, it is a good opportunity for moving from paper-based export formalities to digital environments, including information exchange processes in advance;

[14] https://www.unescap.org/resources/readiness-assessment-cross-border-paperless-trade-mongolia

- ✓ Among the border-controlling agencies, the CGMA plays a leading role in the cross-border control of the movement of goods. It's easy to enhance and improv e collaboration mechanisms of the international trade stakeholders, who are involved in the export, import and transit procedures formalities;
- ✓ The Mongolian government aims to become a Digital Nation and has developed a policy document called "Long Vision 2050" outlining the implement ation stages;
- ✓ Several MOUs have been signed with our trading partner countries, including th e neighbouring ones.",
- ✓ Valuable lessons were learnt from the previous introduction of the Joint manifest with China, and the Exchange export declaration with Russia.

CHAPTER 3: IDENTIFYING THE PILOT PROJECTS.

To further explore opportunities and challenges to materialize cross-border paperless trade within the Framework Agreement, this study proposes the following pilot projects for Mongolia with other countries, based on the agreed criteria. Namely, alignment with organizational strategic goals, potential impact, scalability, stakeholder buy-in, technological readiness, legal and regulatory environment, feasibility and sustainability:

1. X-ray images exchange with China and improving current scheme on X-ray ima ges exchanging with Russian Federation;
2. ePhyto exchange with China;
3. eCO exchange with the Republic of Korea;
4. E-commerce manifest exchange with China and
5. Bill of lading and accompanying documents of different modes of shipments, inc luding cargo.

3.1 The electronic exchange of X-ray images exchange with China

The pilot project aims to build upon the existing successful framework of X-ray image exchange between Mongolia and Russia, a collaboration that has significantly reduce d clearance time at border crossings. This initiative has showcased the effectiveness of advanced technological integration in streamlining customs procedures and enhancing border security. By extending this project to include China, the goal is to leverage these technological advancements to further optimize trade efficiency and security across these key regional borders. This expanded tripartite exchange represents a strategic step towards more cohesive and efficient regional trade operations.

The operational schema for the Tripartite X-ray Image Exchange Initiative involves

two main stages: data handling and collaborative analysis. In the first stage, customs authorities in Mongolia, Russia, and China collect X-ray images following a standardized protocol. These images are then securely transmitted to each other, des igned to maintain data integrity and confidentiality.

In the second stage, analysts from each country access this database to interpret the images. This collaborative effort facilitates the sharing of insights and alerts regarding security threats or contraband detection. This process is supported by a continuous feedback mechanism to address any technical or legal issues, and regular evaluation s are conducted to assess the initiative's impact and scalability. This schema emphas izes efficiency, security, and international cooperation in customs operations.

3.1.2 Impact

The proposed extension of the X-ray image exchange project to include China, in addition to the existing Mongolia-Russia collaboration, is anticipated to have a significant impact on border operations and trade efficiency. This expansion is expected to:

- **Enhance Border Security**: Prevention of importing or exporting of illegal items due to advanced X-ray technology and shared intelligence.
- **Reduce Clearance Times**: Streamlining of customs procedures, leading to faster processing and clearance at border crossings due to canceling the double check of the container.
- **Increase Trade Efficiency**: By reducing delays, this project is expected to facilitate smoother and quicker trade flows among the three nations.
- **Strengthen Regional Cooperation**: Enhanced collaboration and trust among Mongolia, Russia, and China, promoting a more integrated and secure regional trade environment.
- **Economic Benefits**: Potential reduction in trade costs and increased economic activities due to efficient border management.

3.1.3 Legal environment and technological preparedness

For the successful implementation of the Tripartite X-ray Image Exchange Initiative, it is essential to address both the legal framework and technological infrastructure.

Legal Environment:

- Develop and harmonize legal agreements between Mongolia, Russia, and China for data sharing and privacy.
- Ensure compliance with each nation’s laws on data protection and cross-border data transfer.
- Establish protocols for handling sensitive information, aligning with international standards and best practices.

-

Technological Preparedness:

- Assess and upgrade existing customs technology infrastructure to support the new system.
- Ensure robust cybersecurity measures for secure data exchange.
- Provide for the interoperability of systems across the three countries, facilitating seamless integration and communication.

This dual focus on legal and technological readiness will lay a solid foundation for the initiative, ensuring compliance, security, and efficiency.

3.2 The electronic exchange of e-Phyto certificate with China

3.2.1 Alignment with strategic goals

The Long-Term Development Policy of Mongolia 2050 emphasizes the importance of increasing the economic competitiveness of industrial sectors and participating in the Global Value Chain.

In December 2021, the Government of Mongolia adopted the New Recovery Policy, a 10-year medium-term target plan. This strategic document aims to strengthen economic resilience, reduce the negative economic impact of the coronavirus pandemic (COVID-19), and address multiple barriers to development. Priorities include:

(i) Restoring public sector productivity, which requires digitizing government servic es and

(ii) Introducing advanced technology, blockchain, and artificial intelligence to drive i ndustrial recovery and align Mongolia with emerging market trends.

The Mongolian Government's plan for a digital nation includes digital infrastructure, e-governance, information security, digital literacy, innovation, and manufacturing, as well as a national development accelerator.

The e-Mongolia platform, launched in October 2020, has enabled online access to government services. The eMongolia Academy, established in September 2021, supports research and training for e-government services.

The above-mentioned strategic documents are highlighted for introducing electronic environments for all public services. In line with trade facilitation, the Mongolian Government adopted the National Trade Facilitation Strategy, which focused on the electronic submission process as well as reducing duplicated procedures for imports, exports, and transit.

3.2.2 Impact

One of the roles of Mongolian Customs is compiling foreign trade statistics of Mongolia. According to statistics released by Mongolian Customs, China is largest trading partner for the past 10 years.

Mongolian Government have a long historical partnership in the Agriculture sector between Mongolia and China. During this partnership, many agreements, protocols, and MOUs were signed to enhance agricultural goods exports. For instance, live animals, goat meat, horse meat, beef meat, dairy, slaughtering sheep, and plants etc. These signed documents were required to possess paper certificates, which are printed on a special confidential paper.

The potential impact of the further pilot project on e-Phyto exchange with China should be reducing the time and cost of customs clearance and regulatory controls by Government institutions.

3.2.3 Legal environment and technological preparedness

Legal environment: The Law on Quarantine Control and Inspection at the Entry of Animals, Plants, and Raw Materials and Products Derived from Them Across the State Border is the primary law for issuing certificates, licenses, and permits for both import and export procedures.

New laws enacted by Parliament in December 2021 will advance digitalization. This covers areas such as the transparency of public information and protection of personal information, the use of digital signatures, the provision of virtual asset services, and cybersecurity.

Mongolia and China Customs have signed numerous agreements, protocols, and MOUs related to import and export procedures. In line with introducing cross-border paperless trade, it needs to be updated to promote electronic information exchange procedures.

Technological preparedness: Section 2.2 of this report illustrated the ICT development of foreign trade procedures. Mongolian Customs plays the main role in controlling the cross-border movement of goods and transports.

The Ministry of Digital Development and the Ministry of Economic Development are now established, and one of the functions of these ministries is assisting in trade facilitation. In May 2023, the Mongolian Government adopted a decree to enhance Trade Facilitation and establish a Single Electronic Window. It is advantageous for technological assistance and interrogation.

3.3. The electronic exchange of e-CO with the Republic of Korea

3.3.1 Alignment with strategic goals

The Governments of Mongolia and the Republic of Korea are pleased to announce that negotiations for the Mongolia-Korea Economic Partnership Agreement (EPA) are ready to commence. This significant milestone comes after both sides reaffirmed their commitment to deepen economic ties, and enhance economic cooperation during the visit of the Prime Minister of Mongolia to the Republic of Korea in February 2023.

During the visit, a Joint Statement, “On the initiation of negotiations on the establishment of an Economic Partnership Agreement between Mongolia and the Republic of Korea,” was signed by the Deputy Prime Minister, Minister of Economy and Development of Mongolia, and Deputy Minister of Trade, Industry and Energy of the Republic of Korea.

Following the signing of the Joint Statement, dedicated officials from Mongolia and Korea diligently collaborated at the working level to finalize the draft of the Terms of Reference (TOR). The TOR serves as a crucial document that outlines the scope, objectives, and parameters of the EPA.

On the 26th of September 2023, the State Secretary of the Ministry of Economy and Development of Mongolia, and the Director General for FTA Policy of the Ministry of Trade, Industry, and Energy of the Republic of Korea officially signed the Terms of Reference, providing clarity on the direction of the negotiations.

The signing of the Terms of Reference (TOR) marks the official commencement of negotiations for the Economic Partnership Agreement, and the Parties have mutually agreed to hold the first round of official negotiations in December 2023 in Seoul, Republic of Korea.

The Republic of Korea is the fourth largest trading partner of foreign trade in Mongolia. If successful in implementing this identified pilot project, it should be able to enhance the electronic information exchange of many other documents, such as cargo manifest, e-commerce manifest, export customs declaration, etc.

Moreover, Mongolia and the Republic of Korea are members of the Asia-Pacific Trade Agreement (APTA), a preferential regional trade agreement formerly known as the Bangkok Agreement. APTA aims to promote the economic development of its members through the adoption of mutually beneficial trade liberalization measures that contribute to regional trade expansion and economic cooperation.

The development of an online portal for Certificate of Origin (COO) and SPS certificate, which is accessible to the CGMA and the Republic of Korea, can enhance the benefits of cross-border trade and data collection in Mongolia.

Furthermore, the Republic of Korea has extensive experience in electronic information exchange and paperless trade environments. Mongolia will be able to benefit from this proposed pilot project, which is a better option for establishing cross border paperless trade.

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proposed pilot project, which is a better option for establishing cross border paperless trade.

3.3.3 Legal environment and technological preparedness

There are 30 years of bilateral cooperation between Mongolia and the Republic of Korea for foreign trade and customs matters.

The negotiation process of signing Mongolia and the Republic of Korean EPA is advantageous to incorporate not only for the electronic exchange of Certificate of Origin, but also for the e-submission of required documents for trade procedures.

3.4. The electronic exchange of E-commerce manifest with China

3.4.1 Alignment with strategic goals

Mongolia tries to develop opportunities to exchange information about E-commerce goods:

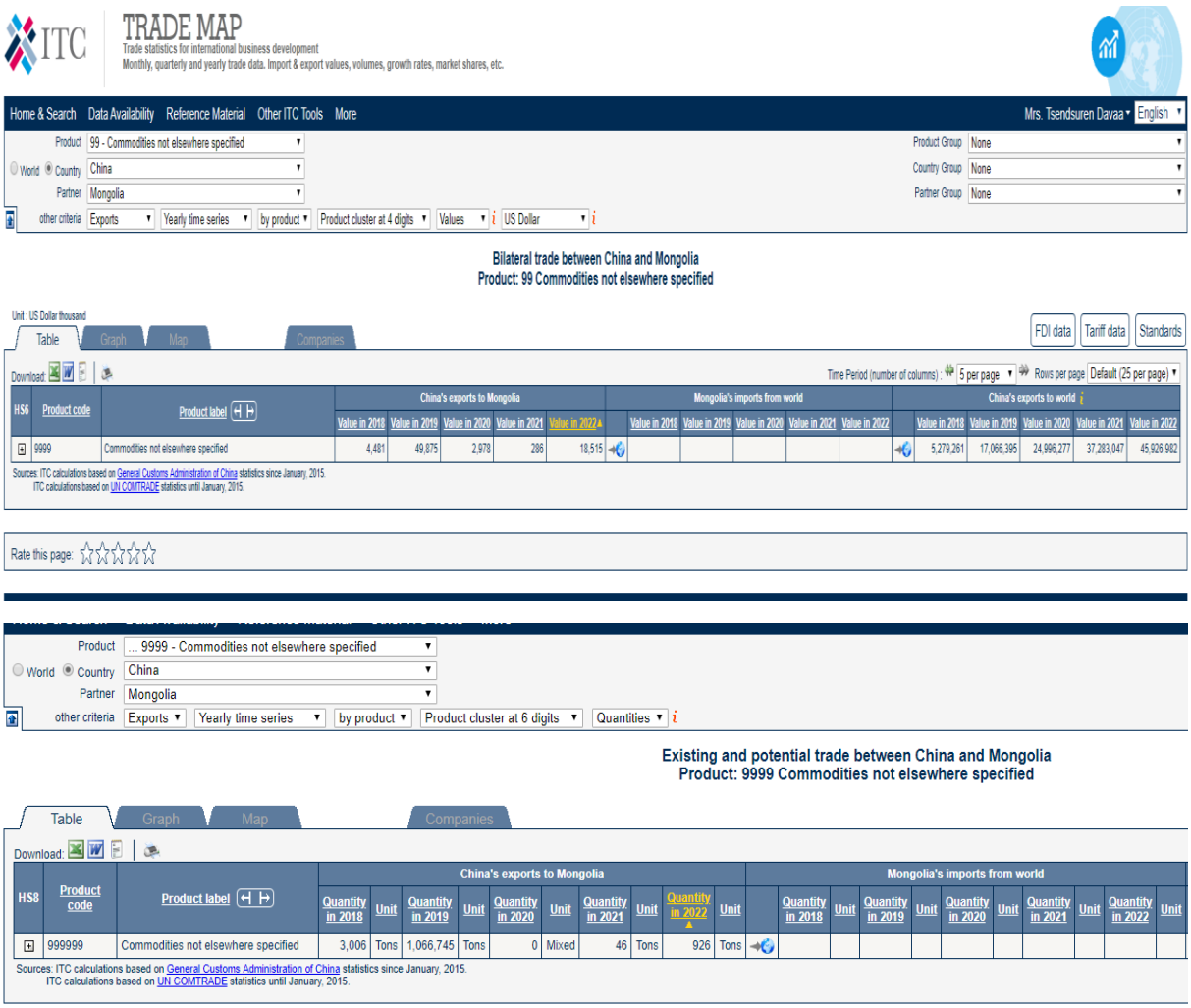
- The Long-Term Development Policy of Mongolia 2050;
- WCO Revised Kyoto Convention;
- WCO tools for E-Commerce; and
- WTO Trade Facilitation Agreement etc;

3.4.2 Impact

All of the trading partner countries, such as the USA, China, Japan, United Kingdom, and the Republic of Korea, already use HS Chapters 98 and 99 for e-commerce purposes and others. Mongolia needs to develop new HS Chapters for e-commerce purposes and facilitate cross-border legitimate trade. The following table and figures show that China exports to Mongolia under HS Chapter 99.

Table 1. China exports to Mongolia under the HS Chapter 99

	2018	2019	2020	2021	2022	Total
Statistic value (mill. USD)	4.48	49.8	2.97	0.28	18.51	**76.04**
Quantity (thous. tn.)	3	1,066.74	-	0.046	0.92	**1,071**



If Mongolia exchanges e-commerce cargo shipments in advance, it will reduce customs clearance time and mitigate risk at the border.

3.4.3 Legal environment and technological preparedness

There is almost no system to exchange information regarding E-commerce between trading parties. There is no legal framework for foreign trade and E-commerce. All e-commerce is cleared by the Regulation on international postal items.

3.5 The electronic exchange of Advanced Transit Documentation with China

3.5.1 Alignment with strategic goals

In 2020, the State Great Hural Resolution # 52 approved Mongolia's Long-Term Development Policy "VISION-2050" policy document.

Vision: By 2050, Mongolia shall become a leading Asian country in terms of its social development, economic growth and its citizens' quality of life.

According to the Annex II. Activities for 2021-2030 of Mongolia's Long-Term Development Policy "Vision-2050": Objective 3.3. Render employment support, develop business approaches and skills, and raise the competitiveness of small and medium businesses:

3.3.23. Digitalize information related to export and import markets, create opportunities to enter the export market and provide relevant policy support.

As per Government Decree 178 of 2023, there is a plan to simplify and streamline the international trade supply chain by enhancing trade facilitation measures. The decree aims to establish a single electronic window that will enable the exchange of trade-related documents with trading partner countries electronically. This will be an excellent opportunity to improve the efficiency of international trade by reducing the paperwork, time, and cost involved in the process.

The primary goal of this project is to establish a system for the early receipt of transit documents from Chinese Customs by Mongolian Customs. This system will facilitate a more efficient customs control process at the border, accelerating the release of goods and enhancing overall trade facilitation.

Leveraging the ongoing cooperation and the "Joint manifest" mechanism with China Customs, the ATDEI will use the existing technological framework as a springboard for the project. The existing system's capabilities will be enhanced to handle the additional requirements of the ATDEI project, ensuring a seamless technological transition. Please provide the original text that needs to be rewritten.

Before goods arrive at the border, the Chinese Customs authority will electronically submit transit documents, including transit declarations and transport documents to the Mongolian Customs authority.

Upon receipt, Mongolian Customs will use these documents to pre-verify the cargo, perform risk assessments, and prepare for expedited processing upon arrival.

The transit documents will feed into Mongolia’s risk management system, allowing for advanced analytics and targeting high-risk consignments for inspection.

At the border, the operational teams will use the pre-processed information to expedite clearance, reducing the necessity for physical document checks and wait times.

At post-clearance, a random audit may be conducted to ensure the integrity of the process. Any discrepancies or issues will be fed back to the central coordination units for review.

All transit documents and records of the exchange will be securely stored in a centralized database, accessible to authorized personnel for future audits, compliance checks, and process improvements.

3.5.2 Impact

As a landlocked country, Mongolia's international trade, especially with third-party imports, heavily depends on transit through China, including from seaports. The advance receipt of transit declaration (or bills of lading and railway transport documents), would significantly reduce the time and cost associated with the movement of goods across borders. Early access to these documents, as in case of

information exchange with the Russian Federation, will enable their use within Mongolia's Risk Management System, decreasing instances of fraud, reducing the paperwork burden on traders at the border, and expediting the clearance of goods.

3.5.3 Legal environment and technological preparedness

Following Mongolia's accession to foreign trade- and transport-related agreements and conventions, the fundamental legal documents for implementing the pilot project were as follows:

- WTO Trade Facilitation Agreement (Article 10.3 Use of international standards, Article 11. Freedom of Statistics; and Article 12. Customs cooperation);
- The Revised Kyoto Convention (Risk-based customs control); and
- The SAFE Framework of Standards (Pillar 1. Customs to Customs).

The current ongoing cooperation between Mongolia and China Customs "Joint manifest" mechanism is a solution for the technological advantage.

By facilitating the early exchange of transit documents, this pilot project aims to enhance Mongolia's customs efficiency, and contribute to the nation's long-term vision for economic growth and development.

CHAPTER 4. CONCLUSION

This study shows that Mongolia's export, import, and transit between its international trade stakeholders are processed in paper form. However, the Government of Mongolia has introduced an e-governance platform, and integrated several civil, social, medical, and enforcement measures into the system. This has reduced the cost and time of government services, and has already received positive responses from the societies (citizens and legal entities). It is a good opportunity for a strong political will to introduce cross-border paperless trade.

The proposed strategic and technical level of actions and measures to introduce cross-border paperless trade in Mongolia are as follows:

- ✓ The main challenge for almost 85 percent of border controls lies in two areas: firstly, quarantine, including conformity assessment and laboratory analysis, and secondly, mitigating commercial trade fraud, e.g., false and duplicate invoices, classification fraud, customs value, etc. To mitigate these risks, among the documents required for customs clearance, Mongolia has prioritized export certificates for the main exporting commodities in the agricultural sector (meat, dairy products, etc.), transportation documents for air cargo and customs declarations, etc. Are given priority;

- ✓ To monitor and review current customs cooperation to move from the current paper-based cooperation to a digital environment;
- ✓ To implement pilot projects and to share experiences on the cross-border paperless environment within the CPTA Contracting Parties;
- ✓ To improve the current joint customs control mechanism with the China Customs Administration (joint manifest) in a mutually beneficial manner;
- ✓ To update the paper-based cooperation mechanism (signed export certificate agreements) to implement the paperless trade environment;
- ✓ To expand the real-time exchange process for export declarations with Russian Customs by other trade-related documents, such as bills of lading of different modes of transport;
- ✓ To develop and introduce acceptable quarantine export control documents for trading partner countries; and
- ✓ To develop an integrated agreement on mutual recognition of Authorized Economic Operators within the CPTA Parties and cover paperless trade for their export, import, and transit procedures;

Mongolia's accession to the Framework Agreement is expected to reduce trade costs by moving from the current paper-based export and import documents, to an electronic form. Therefore, simplifying trade procedures and shortening transit times while reducing illicit financial flows, tax evasion, and false declarations.

The CGMA is on the way to digitally integrating its customs clearance procedures. The CAIS and CEPS are important in supporting automated clearance platforms for the further development of the SEW system, as well as for the exchange of information via e-format.

As we can see from the report, Mongolia needs to make improvements in many areas to create an effective environment for cross-border paperless trade.

We would like to recommend the following prioritized pilot projects for the implementation of a paperless environment in the Mongolian international trade environment:

- X-ray images exchange with China;
- e-CO exchange with the Republic of Korea; and
- e-Phyto exchange with China.
- E-commerce manifest exchange with China;
- Advance Transit Documentation Exchange with China

Furthemore:

- To develop an integrated SEW system with the Customs Administrations of Mongolia and the PRC;
- Mongolia is facing challenges with their online databases and exchanging trade-related documents or certificates with other countries. In order to address these issues, they are seeking technical assistance and support from international organizations, particularly UNESCAP. They aim to implement an SPS (Sanitary and Phytosanitary) pilot project as part of the implementation of a paperless trade agreement, preferably at the border crossing points with the People's Republic of China, such as the Zamiin-Uud border crossing points.
- To develop an online Platform for certificates of origin (COO) and SPS certificates accessible to the CGMA and trading partners, including China, the Russian Federation and the Republic of Korea, which can maximize the benefits of cross-border trade and data collection in Mongolia.
- To introduce the exchange of information on the E-certificate of origin with the main trading partner countries; and
- To Improve the pilot project for the current joint customs control initiative between Mongolia and the PRC.

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