Asia-Pacific Trade Facilitation Forum 2022
Introduction | Changing international trade environment

Typical Global Trade and Customs Challenges

- Global regulatory changes
- Brand risk / risk mitigation
- Global transparency
- Rapidly changing technology
- Skilled (limited) resources
- Need to add more value

SANCTIONS

Data integrity

Trade ecosystem

AI

E-invoicing

3D printing

New business models

Training transparency and traceability

Awareness

Risk tolerance

Regulatory changes

Internet of Things

Authorized economic operator

Conflicting priorities

Blockchain

Trading compliance

FTA’s

Cyber security

Supply chain efficiency

Trade facilitation

Industry 4.0

Business integration

Customs modernization

Sustainable ↔ Scalable

Global Customs Governance Strategy

Operational compliance framework

Trade technology

Post-transaction activities

Import/Export advisory and governance

Cross-border team admin

Transactional activities

Standardize

Centralize

Enhance
Introduction | Leverage technology as enabler in an increasingly complex environment

Trading across borders has become increasingly complex and a product’s “chain of custody” information is becoming increasingly important, given consumers' growing interest in the provenance of the goods they buy, increasing regulations around tracking and traceability of products, and trade facilitative measures which require transparency and self-compliance.
Pilot – Digitalized Certificates of Origin
Goals of the pilot

End to end digitization
Numerous platforms for issuing or processing CoO’s already exist. The challenge is making the process end-to-end digital, across several existing platforms and initiatives (both cloud based and blockchain based).

Experience the benefits hands on
Allow both economic operators and authorities to experience the benefits of an end-to-end digital process.

Proof that it can scale
Not just a technology demo – we did that in 2018 with phytosanitary certificates and insurance bonds – but a “Proof of Business” to show it can scale and gain adoption. Including a suitable financial model.
End to end digital CoO flow

Exporter applies for a CoO using DigiChambers 2.0
 Recorded on blockchain

Exporters ships to Singapore, and transfers the digital CoO to the importer
 Recorded on blockchain

Customs Authority can verify the authenticity of the digital CoO

Logistics provider receives the digital format of the CoO that accompany the goods

Importer receives the goods, and shares access to the digital CoO with Customs
Registered on blockchain

Audits Verify on blockchain
End-to-end digital CoO flow – Network of platforms

End User
direct interaction with platform

Platform Layer
transaction processing

Network layer for B2B & B2G
interconnected network of platforms provides an immutable ledger such that authenticity of documents can be proven without revealing the data

B2G Use case:
Gov requests info (traceable) while maintaining privacy (p2p) and immutability (registered info only)
Current state of the pilot – Growing network reach

Adding destinations
- Export from Belgium & UAE currently supported
- Additional destinations being added based on interest expressed by potential pilot users

Network of platform
- Interconnecting existing eCoO platforms
- Both issuing CoO’s and consuming at destination
- Currently releasing integration with Egypt NAFESA platform
- Working with GUUD & ClickCargo in Asia
The Networked Trade Platform (NTP) is a one-stop trade and logistics ecosystem which supports digitalisation efforts and connects players across the trade value chain - in Singapore and abroad. It aims to provide the foundation for Singapore to be a leading trade, supply chain and trade financing hub.
Outbound from Singapore (Singapore International Chamber of Commerce)

The Singapore International Chamber of Commerce (SICC) was founded in Singapore in 1837. It is a wholly independent, non-profit business association.

SICC began by standing up for Singapore as a business hub and for its members’ business interests. This is still its mission today. SICC achieves its mission by understanding its members’ business concerns. It advocates these to the government with the aims of achieving greater mutual understanding and practical solutions. This win-win approach benefits policymakers and the businesses which sustain Singapore’s economy.

SICC members include global corporations, large local companies as well as SMEs from 20 industries. The Chamber also works to facilitate international trade via its Certification Services.

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Lessons learned
Building a consortium

Who are the right consortium partners
• Does your consortium represent the target market for the final solution? E.g. are small or less flexible market players also present in your consortium?

How do you get partners on board
• Can you make the onboarding of new partners “smooth”? e.g. allow them to start in a “cloud” environment to reduce IT setup costs.
Scaling the pilot is the hard part

Before moving to production
• Are costs, benefits and incentives for participants clear?
• Do you really need blockchain for this case?
• Can you accept that you are not the center of the world?
• How will you handle interconnectivity with other cloud and blockchain based solution?

Before starting a pilot
• Why are you conducting the pilot?
• How are you going to measure success?
• What will happen when the pilot is succesful?
• Are you testing the technology, or trying to proof the business case?
So, what is next?
Takeaways

1. **Get started today**, the window of opportunity for blockchain pilots is closing, the “war of the blockchain platforms” is ongoing. The valuable business cases are winning from the pure technology show-cases.

2. Focus on the **business case and proof of adoption**, the technology has already been tested and validated. Choose an existing blockchain framework over building your own technology.

3. Choose a technology platform and pilot architecture that allows you to **scale to production** if the pilot is successful. Plan for the production phase. This includes thinking about (financial) incentives for the different types of participants.

4. Join a **broad consortium** that represents your target market, be a forerunner but make sure you get the laggards on board.

Blockchain is about cooperating / co-creating with your peers / competitors.
Wong Meng Yew is a Partner in the Deloitte Singapore office and is the Leader of the Global Trade Advisory (GTA) and the Climate and Sustainability (ESG) practice in Southeast Asia.

He regularly advises clients in navigating their investments into Southeast Asia from a market access perspective involving movement of goods, services and investments. Such advice includes cross border supply chain strategies from a legal, regulatory, tax and trade perspective.

Prior to joining Deloitte, Meng Yew practised international trade law firm at a leading law firm.

In addition to advisory projects, Meng Yew is also involved in SAP GTS implementation projects ranging from the design phase all the way to roll out and operations. This includes deploying personnel and teams to operate the system on behalf of companies and acting as outsourced trade compliance officers.

He is recognized as an indirect tax leader in both Malaysia and Singapore by the International Tax Review and has also been listed as a notable tax/trade practitioner in Legal 500 and Who’s Who of International Trade.

Desmond Tay is the CEO of GUUD, a group of trade technology companies headquartered in Singapore, with offices in Indonesia, China and Kenya. A leader in the space of trade technology, he has spoken at many international forums on trade issue, and together with his capable team, he has successfully implemented technology projects across various countries in partnership with their governments including a National Single Window and Maritime Single Window in Cambodia, digital logistics platform in Indonesia, as well as a Regional Single Window for East African Community countries. For his dedication and his commitment to creating technology that benefits economies and businesses, he received the Regional Champion, ASEAN Entrepreneur Award 2021 during the World Knowledge Forum in Seoul, South Korea.