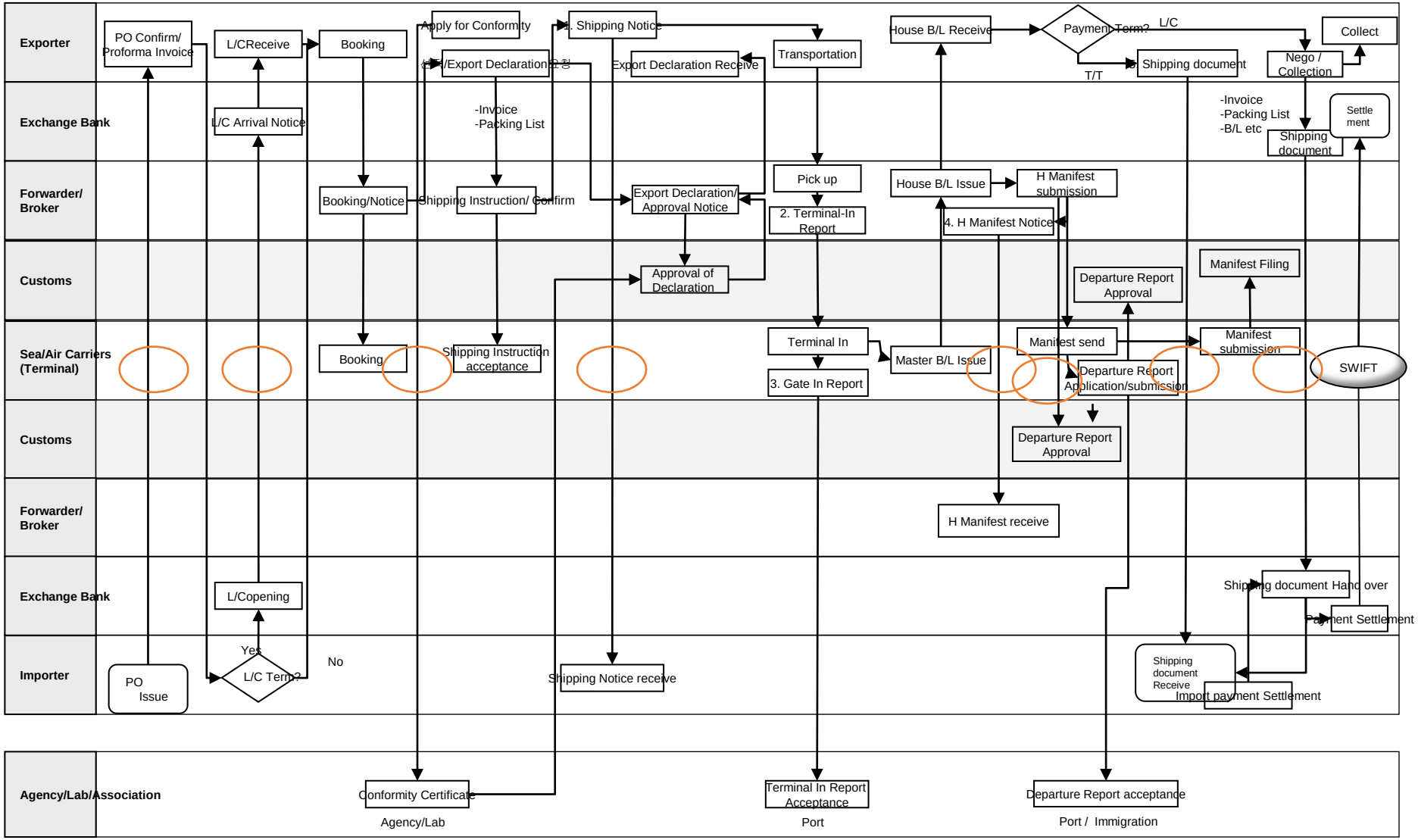
Review the draft Reference Map for Cross-border Paperless Trade Processes.

Agenda item 2(j)

ESCAP
Economic and Social Commission for Asia and the Pacific

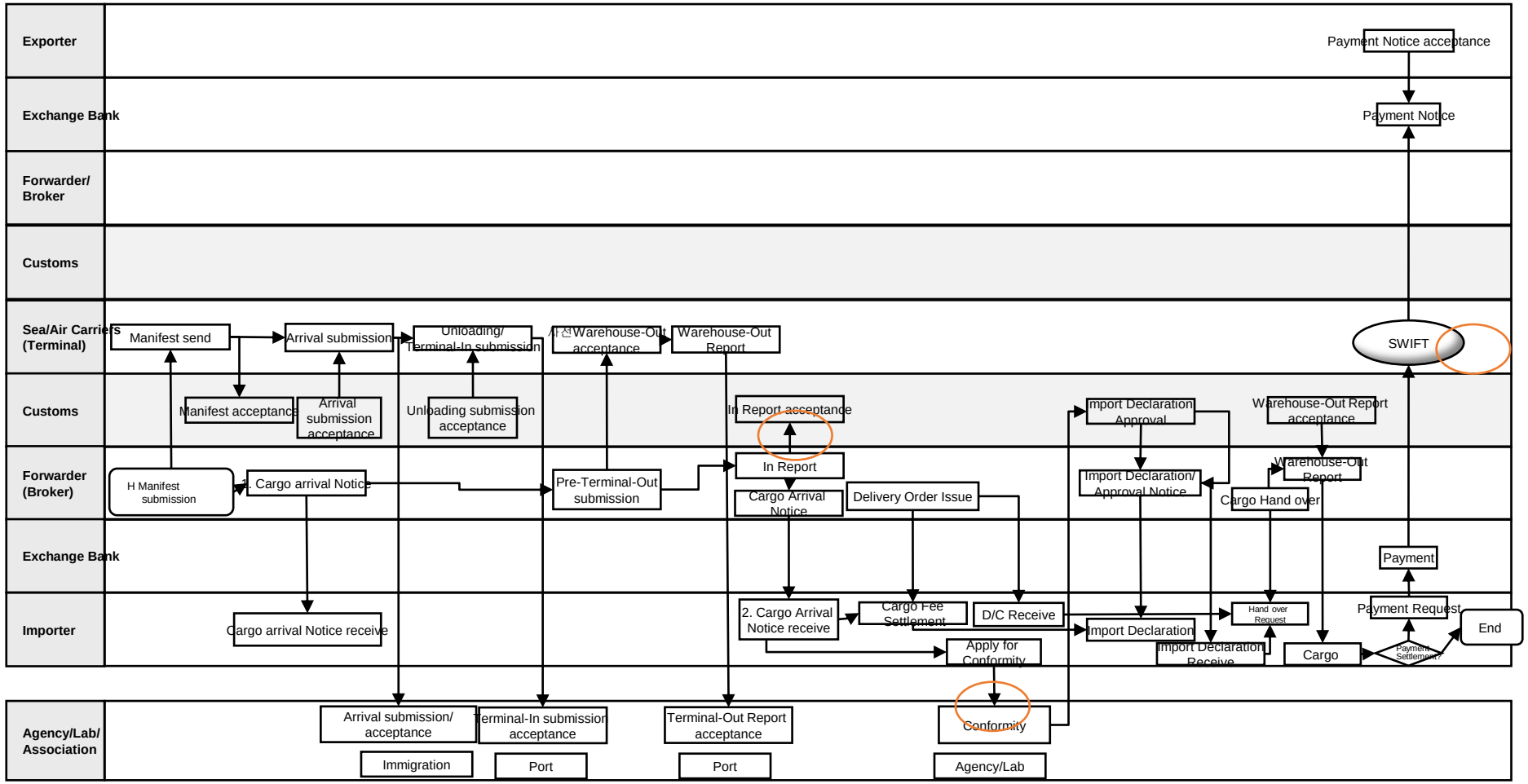
International Supply Chain with Cross-Border Transactions

Documents that are crossing borders



International Supply Chain with Cross-Border Transactions

Documents that are crossing borders (Continue)



International Supply Chain with Cross-Border Transactions

Border-crossing activities in 4 major areas of international trade

Process	Category		Actions
Buy	Commercial transaction sector		(a) Business opportunity finding: (b) Contract (c) Order and production monitoring (d) Other commercial measures including trade documentation
Ship	Transport and related services	Forwarding and cargo handling	
		Transport	(k) Shipping and cross-border transportation (including issuing Bill of Lading) (l) Entry port activity
		Insurance	(i) Insurance
	Official controls		(e) Conformity certifying activity at exporting country (f) Regulatory compliance activity at exporting country (m) Conformity certifying activity at importing country (n) Regulatory compliance activity at importing country
Pay	Payment sector		(r) Trade settlement

4 major areas

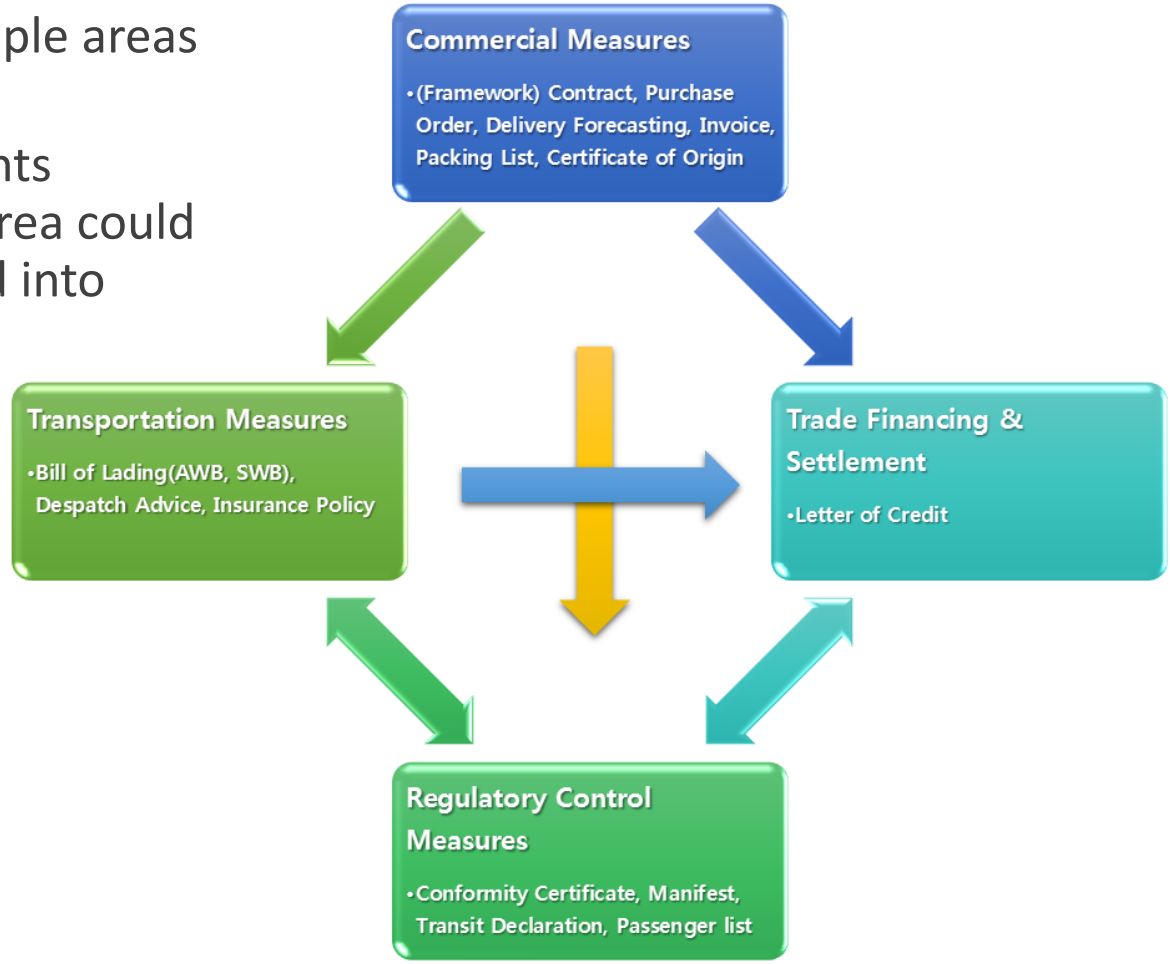
Border-crossing documents and data in 4 major areas

- Commercial Transactions
  - Offer, Counter Offer, Proforma Invoice
  - Framework contract, contract
  - Invoice, Packing List
  - (Self) Test Certificate, Manufacturing Certificate
  - Cargo Insurance (Insurance Policy) and etc
- Trade financing and settlement
  - Letter of Credit, Bill of Exchange and etc
- Transportation and related services
  - Cargo/Vessel Status information
  - In-Transit report
  - Bill of Lading, Sea Way Bill, Air Way Bill and etc
- Official control measures
  - Country/Certificate of Origin
  - Conformity Certificates such as Fumigation Certificate, Safety/Health Certificate and National/International Standard Conformity Certificate
  - Import/Export License/Permit and Quota
  - Customs clearance information, Advance Manifest and etc

The cross-functions of trade documents

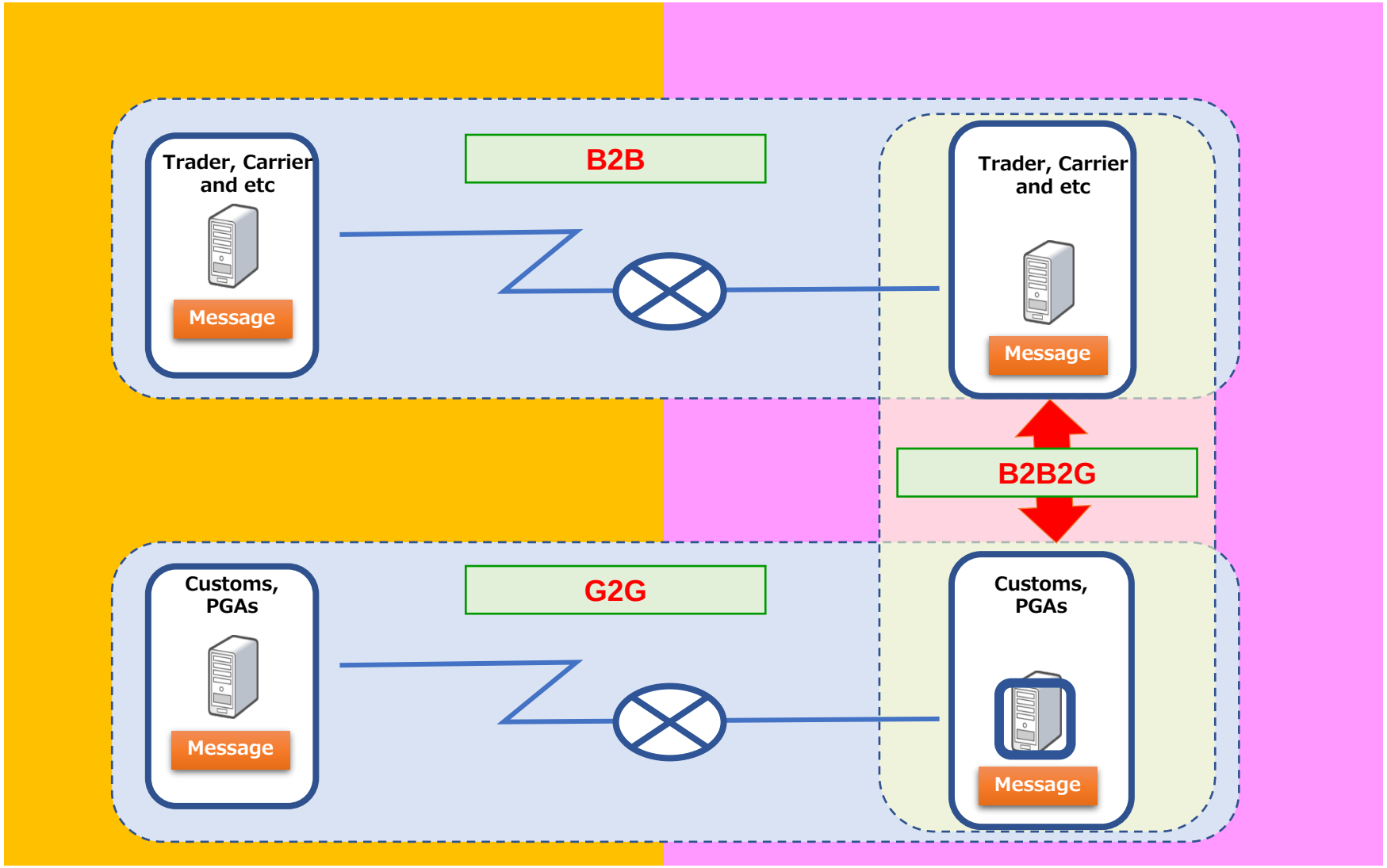
4 major usage of cross-border trade documents and data

- The cross-function of trade documents implies that documents used in multiple areas are more challenging
- In other words, documents needed only in its own area could be rather easily migrated into online process



A challenge for B2B transactions

Recognition of border – crossing B2B data & documents



Reference map

- **Reference map (1) : Commercial transactions and trade financing & settlement**

Category	Related trade documents/ information	Cross-border projects, services and agreement	
		Cases	Ownership
Commercial transactions	-	Korea-Japan e-MP project	Public
	Contract, Order and etc	B2B e-Marketplace (i.e. Alibaba)	Private
	Purchase Order, Forecasting, Production status, Ship Notice	International Supply Chain B2B Transactions (i.e.. GM, Ford, BMW, Apple and Walmart)	Private
	Purchase Order, Invoice, Packing list, Advance Shipping Notice	PAA Secure Cross-Border Transaction services	PAA (Private)
Trade financing and settlement	e-L/C(Local L/C)	uTradeHub (Trade financing with L/C)	PPP
		Bolero e-L/C	Private
	P/O, Invoice and shipping data	SWIFT TSU & BPO	SWIFT (Private)
		TradeCard	TradeCard (Private)
	P/O, Invoice and e-B/L	Bolero	Bolero (Private)
		TEDI	TEDIANET (Private)
	-	Paypal, Alipay	Private
	e-B/L	uTradeHub e-Nego	PPP

Reference map

Reference map (2) : Official controls

Category	Related trade documents/ information	Cross-border projects, services and agreement	
		Cases	Ownership
Official controls	e-C/O	ICC ECO Task Force	ICC (Private)
		Korea-Taiwan of China e-C/O	PPP
		ASEAN ATIGA Form D	ASEAN (Public)
		China – Hong Kong, China	Customs (Public)
		China – Taiwan, China	Customs (Public)
		A pilot project for electronic exchanges of UEMOA Certificates of Origin (Senegal and Cote d')	PPP
		South America	
	Conformity Certificate	ILAC, APLAC MRA	Private
		APEC TEL MRA	APEC (Public)
		OECD MAD	OECD (Public)
		IECEE MRA	IEC (Private)
	e-Phyto	e-Phyto exchange (ROK-Netherland, China-Netherland, Kenya-Netherland)	IPPC & Quarantine agency (Public)
		e-Phyto Hub	IPPC (Public)
	e-Cert	e-Cert (Australia, New Zealand, USA and Japan)	Quarantine agency (Public)
Entry port activity	Pre-arrival information	EU SEED	Italian Customs (Public)
	CUSDEC	Asian Region Customs EDI project	Customs & AFACT (PPP)
	Export Declaration	Customs Data Exchange between Korea - Malaysia and Korea-Philippines	Customs (Public)
	ASEAN Customs Declaration Document	ASW pilot project	ASEAN (Public)
	20 documents including Airway Bill and Manifest	IATA e-Freight	IATA (PPP)
	Customs information (inc. data from commercial sources)	Globally Networked Customs	WCO (Public)
	Passenger list	APIS (Advance Passenger Information system)	Customs, immigration and airlines

Reference map

Reference map (3) : Transportation measures

Category	Related trade documents/ information	Cross-border projects, services and agreement	
		Cases	Ownership
Transit	Manifest	EAC RADDEx	EAC (Public)
	COMESA Customs Declaration	COMESA Regional Customs Transit Guarantee (RCTG) system	COMESA
	SADC Customs Declaration	SADC Transit System (Transit Data Transfer Module, TDTM)	SADC
	electronic Transit Declaration	The ASEAN Customs Transit System (ACTS)	ASEAN (Public)
	electronic Transit Declaration	e-TIR	UNECE (Public)
	-	UNDA Project on Customs-to Customs (C2C) electronic information exchange for transit	UN (Public)
Transportation	20 documents including Airway Bill and Manifest	IATA e-Freight	IATA (PPP)
	Invoice, Packing List, AWB	PAA e-AWB	PAA (Private)
	Advance Manifest	USA AMS, Japan AFR, EU ICS	Customs (Public)
	e-Airway Bill	IATA e-Airway Bill	IATA (Private)
	AWB, Freight Invoice	AIR CCS (Cargo Community System)	Private and/or Public

Factors affecting the cross-border projects

Evaluation of ‘up and running’ and ‘out of operation’ projects

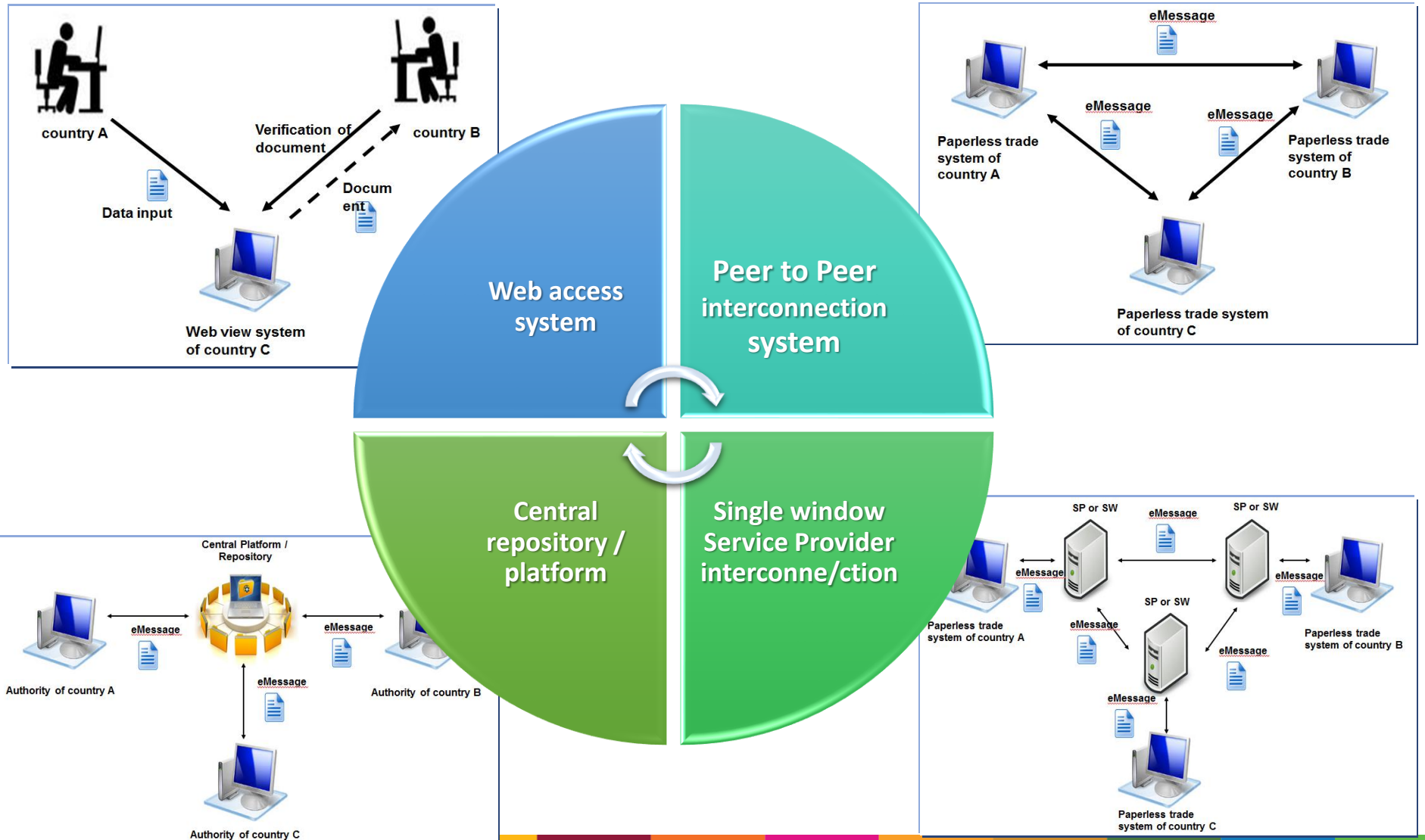
- Cross-border paperless trade project cases are classified into five (5) status; (i) Planning, (ii) Developing, (iii) Pilot running, (iv) Up and running, and (v) Out of operation and evaluation conducted on (iv) and (v)

Market penetration	Public and Private	Process changes	No. of message types	Technical assistance	Legal framework	Number of Project cases
Low (1)	1.64	2.36	2.42	1.36	1.43	14
Middle (2)	2.00	3.00	1	3.00	2.00	2
High (3)	1.81	2.81	1.57	2.00	2.31	16

- Cross-border paperless trade project to be initiated with limited number of message types, and it shall be incorporated with international development bodies and legislations of supporting laws.
- Limited number of message types can be interpreted that when planning a large-scale cross-border paperless trade project, a phased approach is more feasible than single unitary project.

Cross-border transaction models

- Four Cross-Border Models



Factors affecting cross-border projects

ESCAP
MOVING FORWARD TOGETHER

Cross-border documents/processes and factors

			Stake holder Number	Technical Assistance	Simplicity	Process innovation	Legal Framework	Business needs	Readiness	Priority
Commercial	e-Contract		Low	Low	High	High	Middle	Middle	Low	
	e-Invoice/ e-P/L		Low	Low	Low	High	Middle	Middle	Middle	
	e-Insurance		Low	Low	High	Low	High	Middle	High	
Trade financing /Settlement	e-L/C		Low	Low	High	Middle	Middle	High	High	
	e-Settlement		High	Low	Low	High	Middle	Middle	Low	
Transportation	e-Manifest		Low	Low	Middle	Low	High	Low	High	
	e-B/L		High	Middle	Low	High	Middle	Middle	Low	
	e-AWB		Middle	Low	High	Low	Middle	High	High	
	e-SWB		Middle	Low	High	Low	Middle	Middle	Middle	
	Cargo Tracking		High	High	Low	Low	Middle	High	Middle	
Regulatory Control	1 NCB*	e-SPS	Low	High	High	High	High	High	Middle	
		e-License / e-Certificate with cross-border MRA	Low	High	High	High	High	Middle	High	
		other e-License / e-Certificate	Low	Middle	High	High	High	Middle	Low	
	2 NCBs*	eCO	High	Middle	Low	High	High	High	Middle	
	Transit		Middle	High	Middle	High	High	High	Middle	

* 1 NCB: Issuer and receivers are identical control bodies across borders (eg.: Quarantine agency for SPS Certificate)
* 2 NCBs: Issuer and receivers are different control bodies across border (eg: Chamber of Commerce and Customs for C/O)

Implications from the Cross-border projects

Implications

- Electronic equivalents should be accepted by Governments in order to fully realize the benefits of paperless trade environments
- Strengthening cooperation with the relevant international body has been a key success factor
- Legal framework plays a key role in promoting and expanding paperless trade services, being a driving force to the project behind it, encouraging early adopters and lowering the threshold for late movers to get on board through stability and predictability of the services and lowering potential legal conflict
- ‘All-in-one’ attempts have not been successful in many case projects; A phased approach is highly feasible
- Process simplification shall go ahead of process automation to maximize the potential benefit from the cross-border project
- Public and private cooperation is critical

Recommendations for pilot projects and road map

Recommendations for the cross-border paperless trade pilot models and road map

- Participation of private sector experts in the Work Group will be crucial
- When selecting the top priority target cross-border paperless trade projects and documents, factors affecting the success of the project shall be considered
  - ❖ Conformity Certificates under MRA, C/O and SPS are recommended
  - ❖ Transportation and Transit projects have been most successful cross-border projects
- The readiness and business needs of top priority documents to be exchanged online among the member states shall be assessed
- Various horizontal technical issues, such as Interconnectivity, Standard documents, Harmonization of processes and security measures shall be discussed and prepared
- In parallel with the cross-border transaction of electronic trade documents, legal framework including international protocols as well as domestic model laws on the recognition of electronic documents shall be prepared
  - ❖ Mutual Recognition Framework (Cross-border)
  - ❖ Recognition of electronic equivalent (Domestic)
  - ❖ Level of service and quality

Standing Committee may

- **Discuss the prioritization of cross-border trade documents and assessment of readiness**

Possible outcomes of this session

- **The standing committee agrees to analyze and share its own country's cross-border paperless trade project cases to enrich the cross-border paperless project database.**