

**Recent development of e-CoO
in the region
and
its implication for APTA**

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KTNET

1

Contents

I. e-CoO and Asia and the Pacific

II. Case of cross border e-CoO

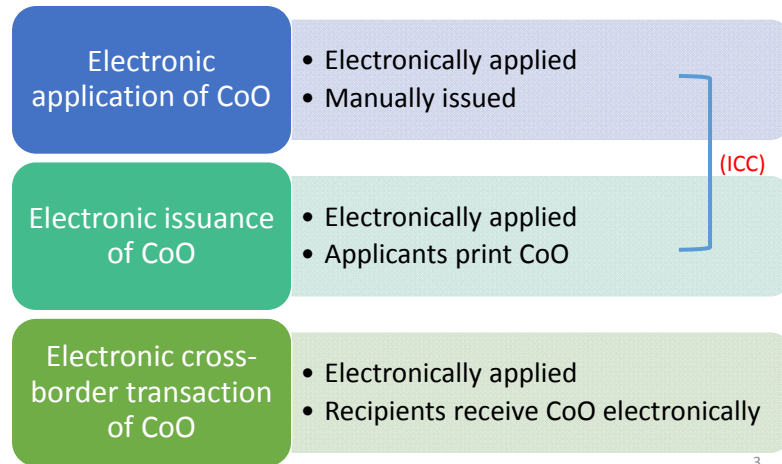
III. Implications for APTA

2

I. e-CoO and Asia and the Pacific

What is e-CoO?

Electronic Certificates of Origin refers to CO applied online: electronically via internet. (ICC)



I. e-CoO and Asia and the Pacific

e-CoO status in Asia and the Pacific

ICC e-CoO member countries (as of now)

Country	Issuing body	e-C/O System	Note
Australia	Australian State Chambers of Commerce	e-certify /Ozdocs	
Belgium	Federation of Belgium Chamber of Commerce and Industry	Digi Chambers	
Brazil	Brazilian Confederation of Trade and Business Associations (CACB)	Certisign	
	National Confederation of Industry	Digital Certification of Origin (COD)	
Canada	Canadian Chamber of Commerce	Tradecert / eCertify	
France	Paris Ile-de-France Regional Chamber of Commerce and Industry	GEFI	ESCAP
Hong Kong	Hong Kong General Chamber of Commerce	Tradelink System	ESCAP
Netherlands	The Netherlands Chamber of Commerce DAE	Electronic COs	ESCAP
New Zealand	New Zealand Chambers	eCertify	ESCAP
Norway	Norway Chambers	eCertify	
Singapore	Singapore International Chamber of Commerce	TradeXchange	ESCAP
Republic of Korea	Korea Chamber of Commerce and Industry	KCCI Trade Facilitation Service Center	ESCAP
Switzerland	Basel Chamber of Commerce	e-Origin	
United Kingdom	British Chamber of Commerce	e-z Cert / Tradecert	ESCAP
United States of America	ACCE	eCertify ACCE Affinity Program	ESCAP

4

I. e-CoO and Asia and the Pacific

e-CoO status in Asia and the Pacific

Survey result on e-CoO (APEC, as of 2012)

	Has your economy implemented the online application of CO?			Has your economy implemented the online issuance/certification of CO?		
	Yes	No	Don't know	Yes	No	Don't know
China	√			√		
Hong Kong	√			√		
Indonesia	√			√		
Malaysia	√			√		
Mexico	√			√		
Peru		√			√	
Thailand	√			√		
The Philippines		√			√	
Vietnam	√			√		

5

Contents

I. e-CoO and Asia and the Pacific

II. Case of cross border e-CoO

III. Success points and the way forward

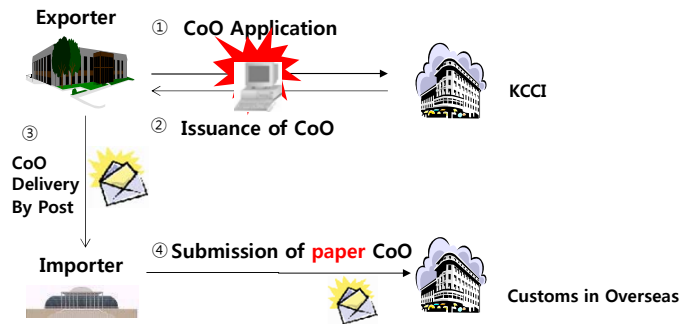
6

II. Case of cross-border e-CoO - RoK

Cross border e-CoO case - RoK

● EDI/XML Certificate of Origin

- Since 2000, KCCI(Korea Chamber of Commerce and Industry) and KTNET have been providing EDI/XML CoO Service
- e-Trade Facilitation Act mandated the use Single Window to issue non-Preferential e-CoO
- Total number of EDI/XML-CoO is over 800,000 out of over one million CoO (KCCI)

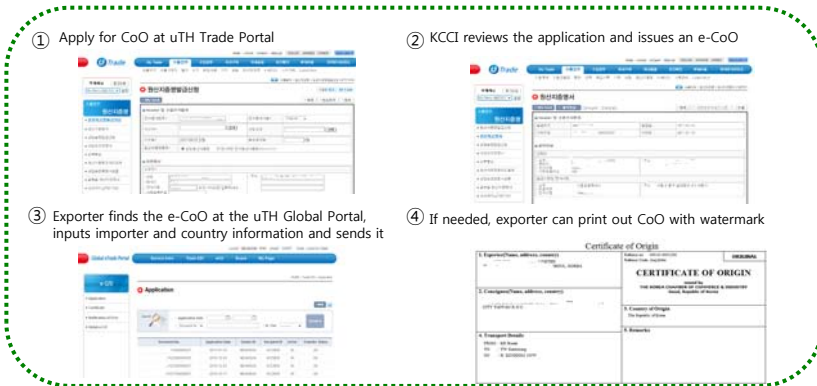


7

II. Case of cross-border e-CoO - RoK

● e-CoO Process in Korea

- Application for uTradeHub portal service
- Registration at KCCI office for e-CoO service (visit KCCI or mail the application)
- Register for the e-CoO service at "MyTrade" menu in eTradeHub



8

II. Case of cross-border e-CoO - RoK

• Legal background for E-CoO in Korea

- Korean government enacted the Act on the Promotion of Trade Automation in December 1991 to enhance the competitiveness of Korean trade industry by promoting the trade automation; facilitating the use of electronic documents for trade business.
- Meanwhile, the new ICT technologies were introduced such as web based applications and digital signature and Korean government enacted Digital Signature Act and Framework Act on Electronic Transaction in July 1999, which was to establish the basic framework for the system of digital signatures in order to clarify the legal relations, secure the safety and reliability of electronic transactions (messages) and to promote their use, stimulating the use of electronic records and communications on a national level.
- In December 2005, in response to the global trend encouraging the establishment of National Single Window and to the rapid change of ICT environment, Korea government enacted Electronic Trade Facilitation Act, which was wholly revised from the Act on the Promotion of Office Automation for Trade, utilizing the Framework Act on Electronic Transactions and Electronic Signature Act for the life-cycle of e-document and e-document depository and its legal effects.

9

II. Case of cross-border e-CoO - RoK

• History

- An APEC ECSG Pathfinder Project; an example of Public Private Partnership
- Dec. 2004, pre-meeting between MOCIE (public sector), KITA and KTNET(private sector) of Korea and BOFT (public sector) and Trade-Van (private sector) of Taiwan of China. Both sides reached an agreement to implement the cross border ECO exchange project.
- April 2005 and May 2006, the first and second official bilateral meeting between Korea and Taiwan of China were held.
 - Project scope and schedule was agreed
- Nov 2008, the third official bilateral meeting between Korea and Taiwan of China was held.
 - Signing ceremony of MOU for cross border ECO service

10

II. Case of cross-border e-CoO - RoK

- Third official bilateral meeting between Korea and Taiwan of China

내 용	
Date	<ul style="list-style-type: none"> ▪ 2008.11.21, Taipei
Delegates	<ul style="list-style-type: none"> ▪ Korea : MOTIE(Trade Policy Section), KTNET and Korean Mission office in Taipei ▪ Taiwan of China : MOE(BOFT), Customs, Trade-Van
Agenda	<ul style="list-style-type: none"> ▪ MOU signing for Korea-Taiwan of China ECO Transaction Service ▪ ECO Promotion Plan ▪ Bilateral Cross-Border Paperless Trade Cooperation Measures



13

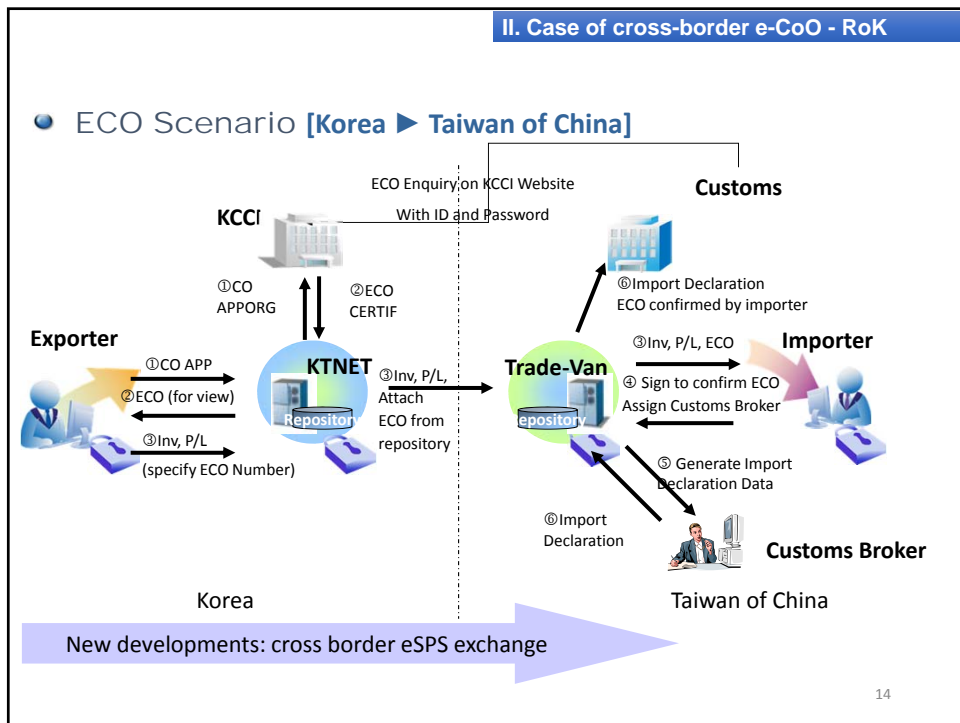
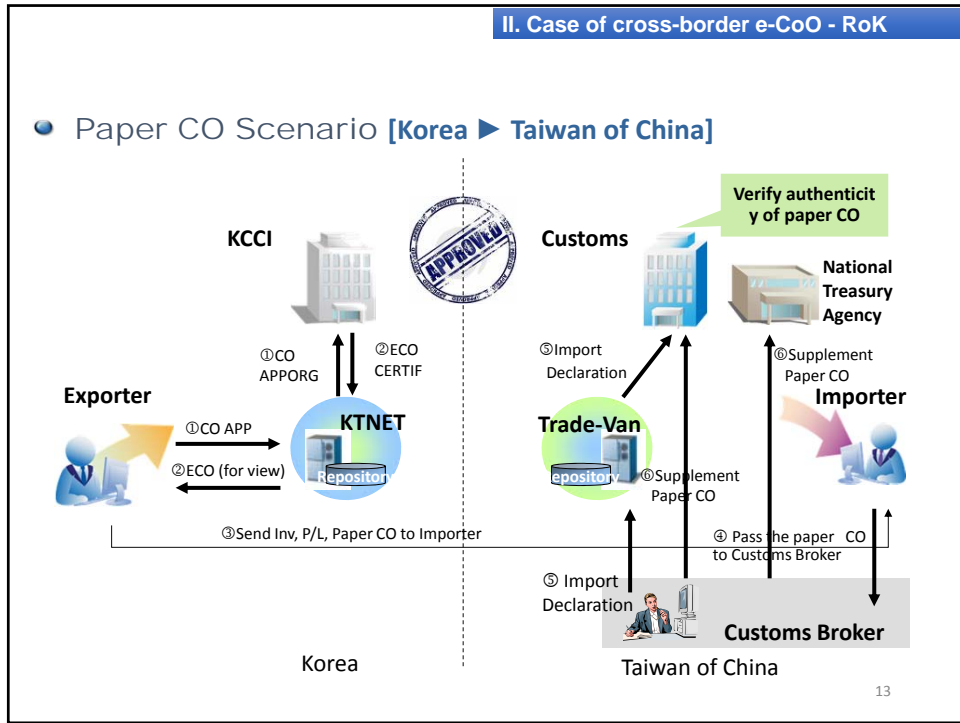
11

II. Case of cross-border e-CoO - RoK

- Objectives of the Project

1. To **facilitate cross border electronic transaction**
2. To **streamline the customs clearance process**
3. To help traders with **ease of use e-trade application** for cross border trade
4. To increase more business opportunity and improve business relationship between Korea and Taiwan of China
5. To **increase competitive edges** of Korean and Taiwan of China traders

12



II. Case of cross-border e-CoO - RoK

- Benefits to Government
 - Be the **frontrunner** in trade facilitation among other countries
 - Guarantee the **authenticity** of the cross border documents, reducing possibility of frauds
 - Reduce effort in paper CO verification
 - Speed up customs clearance process and better service to trader community

15

II. Case of cross-border e-CoO - RoK

- Benefits to Exporters/Importers
 - Exporter
 - Save time and costs (*courier express US\$23*) in applying and sending over paper CO
 - No need to get a stamp/seal on the CO from Taipei Trade Representative Office in Korea → save tremendous time (*in average 3 days*) and costs (*US\$17 per stamp, transportation cost US\$20-40*)
 - Transmit cross border documents in a secure online environment
 - Better service to their buyers
 - Importer
 - Speed up customs clearance process
 - Expedite cargo pick up → saving warehouse cost
 - Guarantee of authentic CO

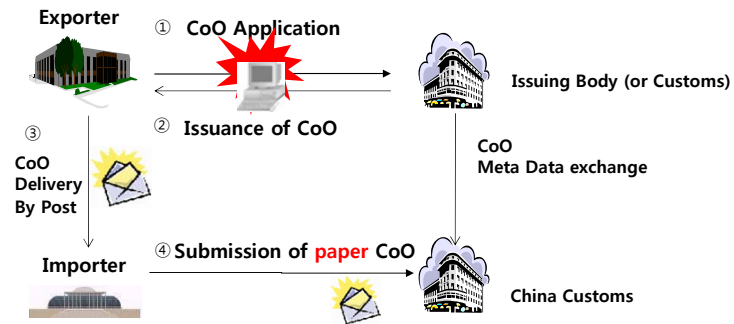
16

II. Case of cross-border e-CoO

Cross border e-CoO case - China

GACC

- China Customs has implemented projects for the exchange of Preferential CoO data with Hong Kong, Macao and Taiwan(China)



17

II. Case of cross-border e-CoO – China

PTA/FTAs signed by China (as of 2012)

	Implemented	Negotiating	Feasibility Study
ASIA	1. China-ASEAN FTA 2. China-Pakistan FTA 3. China-Singapore FTA 4/5. HK / Macao CEPA 6. ECFA ☆ APTA	China-GCC FTA China-Korea FTA	China-India FTA CJKFTA
LATIN AMERICA	7. China-Chile FTA 8. China-Peru FTA 9. China-Costa Rica FTA		
OCEANIA	10. China-New Zealand FTA	China-Australia FTA	
EUROPE		China-Norway FTA China-Iceland FTA China-Swiss FTA	
AFRICA	SPT for LDCs	China-SACU FTA	

18

II. Case of cross-border e-CoO - China

Preferential importation under FTAs/PTAs (2009-2011)

(Unit: million USD)

FTA/PTA	2009	2010	2011	Note
ACFTA	10295	18337	26821	
CCLFTA	135	381	612	
CPKFTA	379	489	773	
CNZFTA	570	841	1316	
CSGFTA	926	1417	1295	
CPEFTA	-	41	164	2010.3-12
CCRFTA	-	-	0.07	2011.8-12
CEPA (HK)	686	884	1128	
CEPA (MAC)	4	8	12	
ECFA	-	-	4121	
APTA	7354	10375	12061	
For Taiwan Agro.	-	18	21	
For LDCs	-	287	746	2010.7-12

19

II. Case of cross-border e-CoO - China

• **China's Regime on ROO Administration**

- ◆ Formulation of ROO: led by GACC
 - ☞ Stake-holders: MOFCOM, AQSIQ, CCPIT, others.
 - ☞ Mechanism: Co-ordination Committee on Administration of ROO
- ◆ Certification procedures: AQSIQ, CCPIT
- ◆ Customs procedures:
 - ☞ checks on COs or examination on goods: customs
 - ☞ origin verification:
 - ➡ for imported goods: customs
 - ➡ for exported goods: issuing bodies

20

II. Case of cross-border e-CoO - China

• **Origin Certification Modalities under FTAs/PTAs signed by China**

◆ **Non-preferential:**

- ☞ COs issued by governmental agencies: AQSIO
- ☞ COs issued by third parties: CCPIT

◆ **Preferential:**

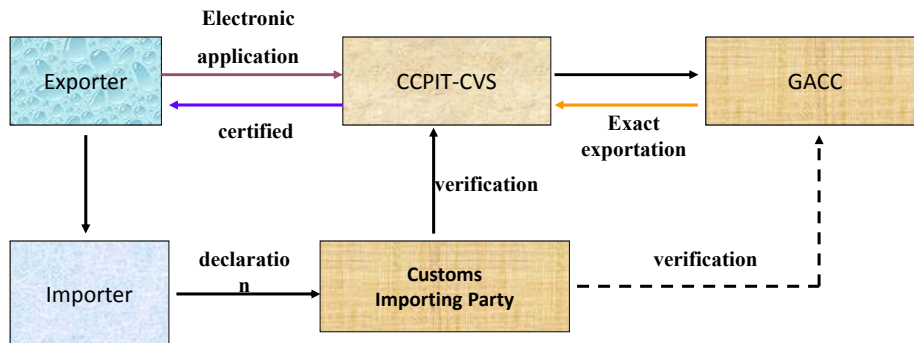
- ☞ COs issued exclusively by governmental agencies: ACFTA, CPKFTA, CCLFTA
- ☞ COs issued by both governmental agencies and third parties: CNZFTA, CSGFTA, CCRFTA, ATPA, CEPA, ECFA
- ☞ self-certification: subject to the customs value of the goods: 200USD; 600USD; 1000USD

21

II. Case of cross-border e-CoO - China

Cooperation on certification and verification between Customs and Issuing bodies

Taking CCPIT-CVS as an example:



22

II. Case of cross-border e-CoO - China

• **Cooperation on cross-border certification and verification between FTAs/PTAs Parties**

◆ legal provisions on information exchange or inter-linked network:

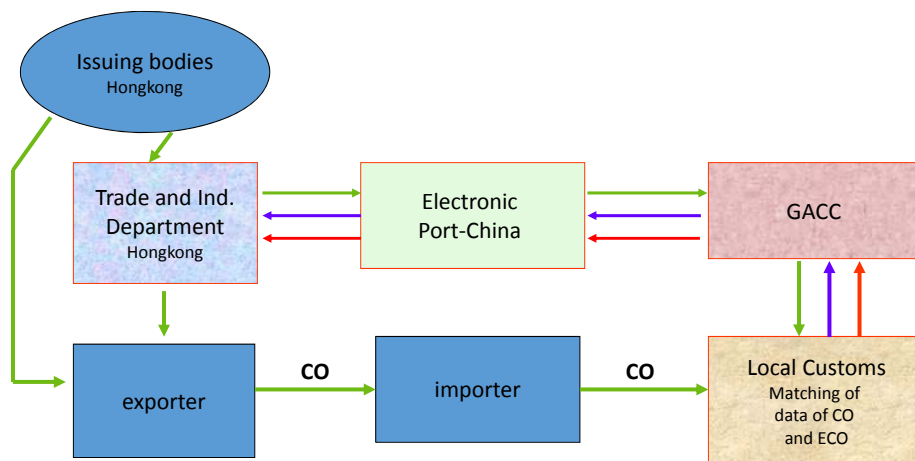
- ☞ CCLFTA
- ☞ CNZFTA
- ☞ CPEFTA
- ☞ CEPA (HK)
- ☞ CEPA (MAC)

◆ practical application of electronic certification and verification between the Parties:

- ☞ CEPA (HK)
- ☞ CEPA (MAC)

II. Case of cross-border e-CoO - China

Rationale of ECO certification and verification system under CEPA (HK)



Comparison of COs and ECO under FTAs/PTAs checked by Customs

- ◆ COs received and checked in 2011:
 - ☞ Total: 339,872
 - ☞ linked: 14,046; 4.13%
 - ☞ unlinked: 325,826; 95.87%
- ◆ COs received and checked in 1-5, 2012:
 - ☞ Total: 174,311
 - ☞ linked: 5,134; 3%
 - ☞ unlinked: 169,177; 97%

25

Lessons learned from CEPA-ECO

- ◆ For business and traders:
 - ☞ initiative to compliance
 - ☞ fast trade flows
 - ☞ less trade and business cost
- ◆ For Customs and other governmental agencies:
 - ☞ fast and effective clearance
 - ☞ accurately and effectively prevent risk of origin frauds
 - ☞ close link and interaction between Customs and related agencies and bodies.

26

II. Case of cross-border e-CoO - China

• **Problems and challenges for ECO application**

◆ co-ordination between related agencies:

- ☞ Customs and AQSIQ
- ☞ Customs and CCPIT
- ☞ Customs and other stake-holders

◆ technical infrastructure:

- ☞ single and harmonized technical platform:
 - ➡ Single exit point for exchange of electronic data
- ☞ standard platform for ECO issuance
 - ➡ uniform format and elements contained in the ECO
 - ➡ standard procedures for data transmission



27

Contents

I. e-CoO and Asia and the Pacific

II. Case Study of Cross Border e-CoO

III. Implications for APTA

28

III. Implication for APTA

● Recommendations

■ e-CoO is the way to go

- > APTA secretariat shall prepare for the transition from paper to electronic means
- > Awareness & capacity building program for member states

■ Catalyst or hindrance

- > APTA can be the first regional legal framework for cross-border e-CoO

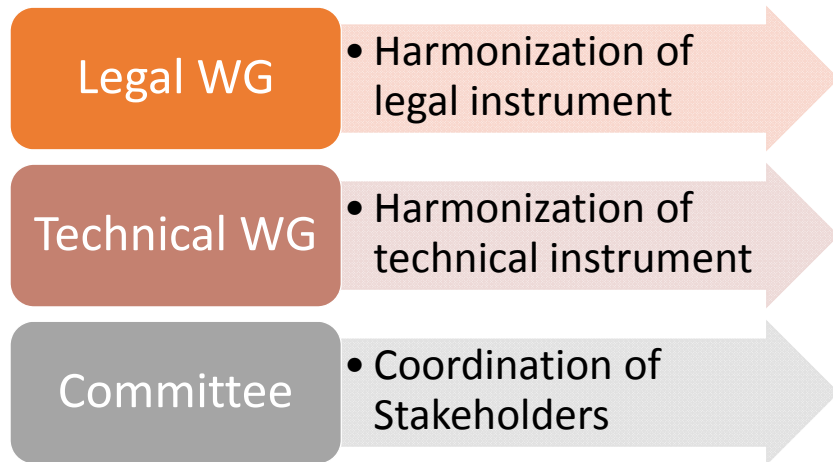
■ Coordination of stakeholders

- > complicated mix of issuances and recipients by county
- > different level of readiness and different interests

29

III. Implication for APTA

What's necessary?

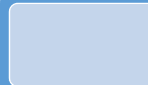


30

III. Implication for APTA

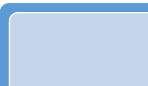
Legal issues?

- **Review of APTA provisions**



Article 1: Issuing Authorities

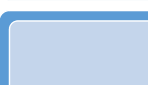
Each Participating State shall communicate the names and addresses of their respective Issuing Authorities and **shall provide specimens of their official seals** for the endorsement of Certificates of Origin to the other Participating States. Any change in the above information and specimens shall be promptly communicated to the other Participating States



Article 3: Certificate of Origin


The Certificate of Origin shall be on an **ISO A4 size paper** in conformity with the specimen text set out in Annex-II to APTA, which shall be printed in English.

The Certificate of Origin shall comprise **one original and one copy** or duplicate to be retained by the Issuing Authority. The colour of the Certificate of Origin shall be determined by each exporting Participating State and notified to the other Participating States and the Secretariat.



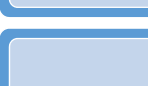
Article 8: Special Cases

If the change of destination occurs during transportation to the importing Participating State as specified in the Certificate of Origin, the exporter **shall apply in writing**, accompanied by the issued Certificate of Origin, for the issuance of new Certificate/s of Origin for all or parts of products.



Box 11 Declaration by the Exporter

The term "Exporter" refers to the shipper who can either be a trader or a manufacturer. Type the name of the producing country and the importing country and the place and date when the declaration is made. **This box must be signed by the Company's authorized signatory.**



Box 12 Certification

The certifying authority will certify in this Box.
("Place and date, **signature and Stamp of Certifying Authority**")

31

III. Implication for APTA

Are we ready?

- **Readiness of APTA e-CoO**

- **Bangladesh - ?**
- **China – Ready**
- **India - ?**
- **RoK - Ready**
- **Laos – Single Window?**
- **Sri Lanka – Single Window?**

32

III. Implication for APTA

Steps to implementation

- Awareness**
 - Member state to agree on the necessity of e-CoO
- Decision**
 - Making the Initial Decision to Examine the Feasibility of a APTA e-CoO project
 - **Agreement among members**
- Feasibility**
 - Undertaking the Feasibility Study
 - Legal / technical /environment review
- Implementation**
 - Implement the project among available member state
 - Revise provisions

33

34