Framework of Standards on E-Commerce

4th UNNExT Task Force on Cross-border Electronic Data Exchange and Forum on Trade Digitalization for Sustainable Regional Integration

14-16 March 2019
Bangkok, Thailand

Armen Manukyan
World Customs Organization
e-mail: armen.manukyan@wcoomd.org
## WCO Digital Customs Agenda

<table>
<thead>
<tr>
<th>Key Enablers</th>
<th>Focus Areas</th>
<th>Key Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital strategy</td>
<td>Increased Digital Uptake</td>
<td>Supporting WTO TFA Implementation</td>
</tr>
<tr>
<td>Legal Basis</td>
<td>Paperless Environment</td>
<td>Enhancing CBM and SW</td>
</tr>
<tr>
<td>Governance Structure</td>
<td>Comprehensive Risk Management</td>
<td>Mainstreaming the WCO Data Model and other related tools</td>
</tr>
<tr>
<td>ICT Infrastructure</td>
<td>Digital Engagement Connectivity Interoperability</td>
<td>Addressing E-Commerce challenges</td>
</tr>
<tr>
<td></td>
<td>Digital Trust Data Security</td>
<td>Analyzing Big Data</td>
</tr>
<tr>
<td></td>
<td>Communication and Information Accessibility</td>
<td>Promoting Exchange of Information (GNC-SW)</td>
</tr>
<tr>
<td></td>
<td>ICT Driven Innovation</td>
<td>Measuring Performance</td>
</tr>
<tr>
<td></td>
<td>copyright © WCO 2018</td>
<td>Supporting Sustainable Development Goals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Developing Capacity</td>
</tr>
</tbody>
</table>
Cross-Border E-Commerce
- WCO’s Perspective
Adopted by WCO Council in June 2018

Destined to a consumer (B2C and C2C)
Online initiation

What?

Physical goods
Cross-border transaction/shipment
Key Drivers - Consumer Friendly

24/7 Market

Wider choices for consumers

Competitive Prices

Advanced shipping and payment options

Efficient Delivery Services

Consumer Friendly
Challenges

Trade facilitation and security

- Increasing volumes – Speed and efficiency
- Few Large/bulk shipments → large number of low-value small shipments
- B2C & C2C – Security risks: Limited knowledge on importers and supply chain
- Data Quality: Accuracy and adequacy

Fair and efficient collection of duties and taxes

- Splitting, under-invoicing and mis-declaration
  - De minimis
  - Classification and origin

Society Protection - Criminal exploitation of e-commerce

- Illicit trade and smuggling
- Drug trafficking
- Counterfeited and pirated goods
- Illicit financial flows & Money laundering

Copyright ©2017 World Customs Organization
FoS: Key Elements and structure

1. Introduction
2. Objectives, principles and legal framework
3. Implementation strategy, monitoring, benefits and capacity building
4. Managing cross-border E-Commerce:
5. 8 Principles (Luxor Resolution)
6. 15 Standards
7. Technical Specifications and Guidelines
8. Annexes
   - Definitions
   - Stakeholders: Roles and responsibilities
   - E-Commerce Business Models
   - Revenue Collection Models
   - Data Elements
   - WCO Tools and Instruments
   - Other related tools and instruments
   - Implementation Strategy on Cross-border E-Commerce and Action Plan
   - Study Cases and best practices
Framework of Standards- Objectives

- The Framework provides the standards for the effective management of cross-border E-Commerce from both facilitation and control perspectives. Overall, the Framework:
  - Establishes global standards to promote certainty, predictability, transparency, safety and security, and efficiency in the E-Commerce supply chain.
  - Promotes a harmonized approach to risk assessment, clearance/release, revenue collection, and border cooperation in relation to cross-border E-Commerce.
  - Establishes a standardized framework for advance electronic data exchange between E-Commerce stakeholders and Customs and other relevant government agencies with the aim to facilitate legitimate shipments, providing a more level-playing field for various stakeholders.
  - Seeks to strengthen co-operation between Customs administrations, other relevant Government agencies and other stakeholders involved in cross-border E-Commerce.
Upcoming Deliverables

- Technical Specifications to Framework
- Standardized data elements and exchange mechanisms
- Business Models
- Revenue Collection Models
- Implementation Strategy
- Capacity Building Mechanism
- Pilots
- Case Studies
Thank you

armen.manukyan@wcoomd.org