

Capacity Building Workshop on Cross-border Paperless Trade Facilitation: Lessons from Ongoing Initiatives and Way Forward.

Enabling cross-border paperless trade data exchange –
findings from regional studies

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Outline

1. Introduction
2. Initiatives
3. Paperless Trade Project
4. Use of Standards
5. Legal Issues
6. Achievements and Task Ahead

1. Introduction

1.2 Need for Paperless Trade

- Substantial progress on policy front.
- Focus required on streamlining and standardization of procedures.
- Large number of agencies involved in clearances for international trade.
- Increase in exports to eTrade enabled countries.

1.3 Challenges

- Multiple entry/exit points and complex management issues
- Cumbersome procedures
- Enormous documentation
- Need for extensive process re-engineering
- Different stages of automation

.... Contd.

Challenges

- Different priorities of organisations
- Lack of awareness on Paperless Trade
- Non participation in community systems
- Adoption of standards

2. Paperless Trade Initiatives

2.1 eGovernance Initiatives

- On 14 June 2000: Minimum agenda for e-Governance developed.
- GOI approves the National E-Governance Action Plan for implementation during the year 2003-2007
- Mission Mode Projects at the center, state and integrated service levels to create a citizen-centric and business-centric environment for governance included.

eGovernance Initiatives

Electronic Government Procurement as a mission mode project with broad objectives :

- Introduce procurement policy reforms
- Improve efficiency of procurement (time and cost)
- Standardization, streamlining and automation of the procurement processes
- Create a conducive legal framework
- Create a procurement framework, which is workflow based, easy to operate, seamless and leading to paperless process management
- Provide equal opportunity to all vendors eliminating areas of discretion
- Implement standard procurement processes using generic procurement platform(s)
- To ensure adoption of adequate security measures (audit trail, authentication, integrity, non-repudiation, secrecy etc.) practices in e-procurement transaction
- Undertake a comprehensive capacity building program across the government organizations

- Publication of procurement information mandatory (notices, Tenders, Contracts/Orders etc.) on government procurement portals
- e-Procurement mandatory above a decided threshold value (Rs. 2.5 million in GoI)
- Development of a generic e-Procurement solution by GoI for wide adoption by any Government department/organization

2.2 Strategies

- **Department of Commerce selected as the nodal agency**
- **Process Re-engineering**
- **National standards**
- **Education and awareness programs**
- **Pilot projects for private sector**
- **Paperless Trade project**
- **Legal group**

3. Paperless Trade - the project

3.1 Objective of the project

- Efficient, transparent, secure electronic delivery of services by trade regulatory/facilitating agencies.
- Simplify procedures and reduce the transaction cost and time.
- Introduce international standards and best practices

3.2 The Indian eTrade Community



3.3 Institutional Arrangements

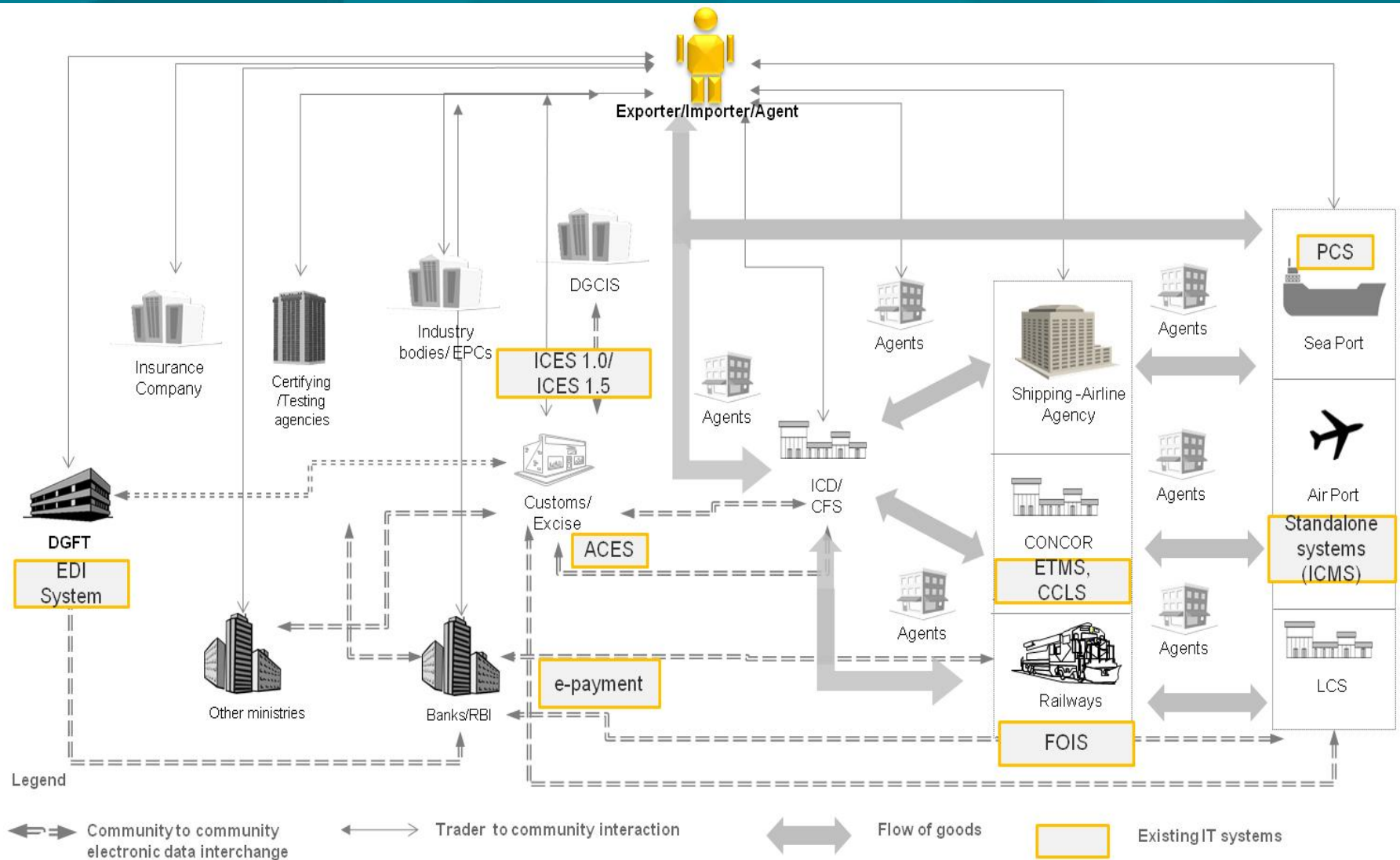
- PMO Review (MMP)
- MoS Review
- Cabinet Secretary's (EPB)
- Commerce Secretary's Monitoring
- PPP Group

4. Use of Standards

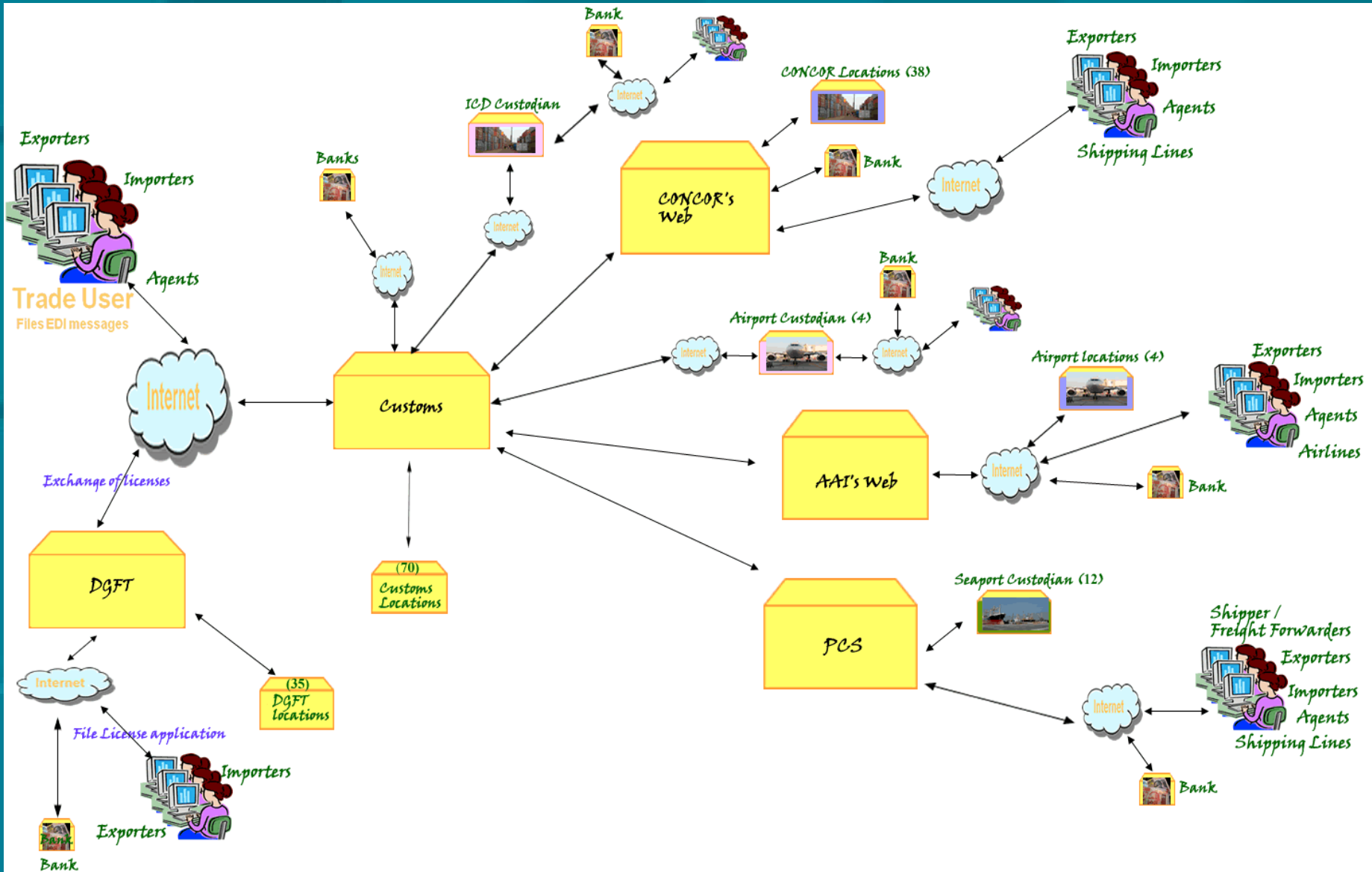
- 1988 : Adoption of Aligned Documentation System based on UN Layout key in
- 1991 : SW for pre-shipment export documents based on UN Layout key.
- The migration to United Nations Electronic Trade Documents.

- 1996 : EDIFACT declared as national standard for EDI.
 - Message development groups constituted for Customs, Ports, Airports, Banking and Private sector
- 1995 : Establishment of Article Numbering & Bar Coding Institution (GS1).
- 1998 : SubCommittee on UN/LOCODE constituted.
- Adoption of international codes
- 1997: Legal group on Electronic Commerce formed

Trade Process Flow(I)

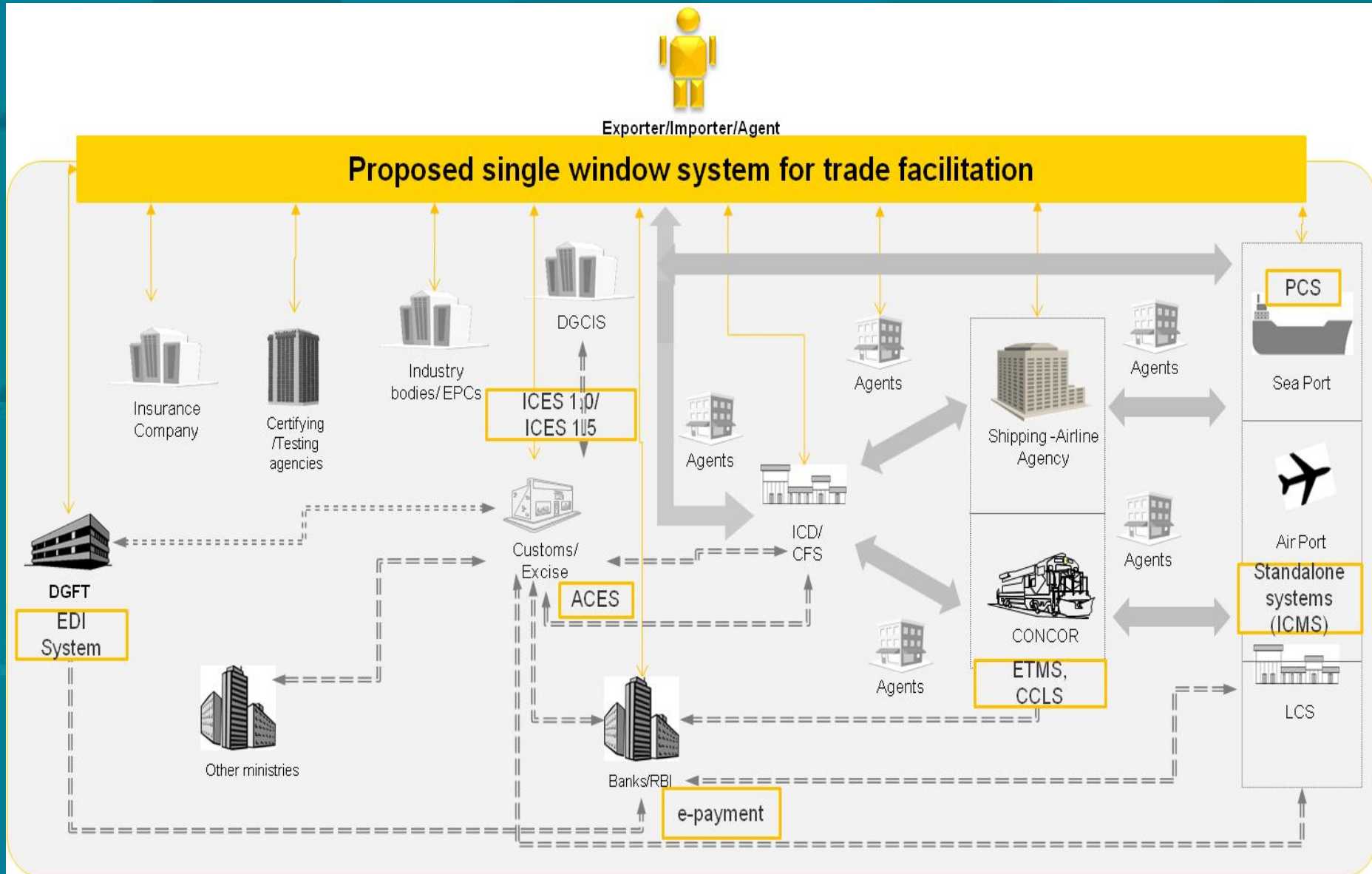


Scenario (II)



eTrade Project - Current Scenario (under migration)

Scenario(III)



5. Legal framework

1997: Inter-ministerial EC Legal group

2000: IT Act (based on UNCITRAL model)

2008: IT Act Amendment (technology neutrality, etc.)

Elements of the Legal Framework for Electronic Single Windows

Legal Basis for NSW

Authorization of SW through legislation, regulation or decree;
Authorization to access and share data between, government agencies and for cross-border information exchange.

Enabling Legal Framework

Competition, Dispute resolution and Liability issues
Data quality; Data protection, Data privacy
Exchange of data Electronic signatures Equivalence of electronic and paper documents, Electronic contracting

International Standards, Best Practices and Principles

Non-Discrimination, technological neutrality, legal interoperability, geographic neutrality etc

Elements of the Legal Framework for Electronic Single Windows

The Minimalist Approach	The Two-Tiered Approach	The Prescriptive Approach
All Technologies for electronic signature are recognized on an equal basis if the technology satisfies certain requirement	In general, all electronic Signature methods are recognized as potentially having legal value but certain technologies offering higher levels of security are associated with a stronger legal status	Demands the use of a specific technology
Accommodates future developments Avoids rapid obsolescence Allows parties to choose the type of technology appropriate to their needs	Balanced benefits and trade-offs	Offers certainty but poses a number of potential challenges and can hinder the adoption of future technologies
Technology Neutral	Balanced	Technology Specific

Electronic Signature



PW, PIN, Clickable OK or “I Confirm”



Biometric Input, Handwritten Signature



Magnetic Card



OTP



Digital Signature



Hybrid



e-Sign (Online Electronic Signature)



Mutual Recognition

-Substantive equivalence between foreign & domestic signature

6. Achievements and Task Ahead

6.1 Achievements

- Uniformity and simplification of procedures
- Re-engineered inter agency interfaces
- Standards integration
- Integration of eTrade community through a portal
- Significant reduction in transaction time of services like license application is disposed in 6 hrs. as compare to 45 days
- Reduction and early detection of frauds

6.2 Task Ahead

- Dispensation of manual systems.
- Smaller locations to be covered.
- Cross border paperless trading to be incorporated.

e.g.

- Electronic certificate of origin project
- Customs declaration

Thank You



Digital Signature

A Public Key Infrastructure consists of:

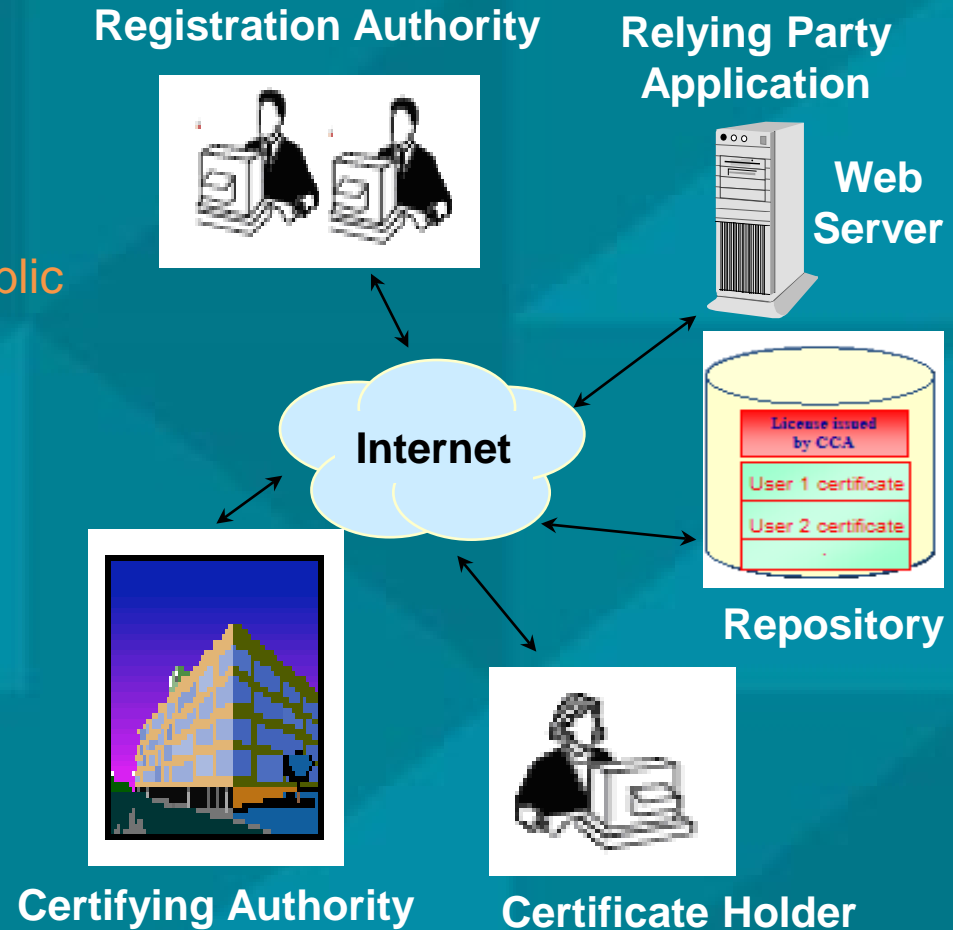
Certifying Authorities (CAs)
(Issuers)

Registration Authorities (RAs)
(Authorize the binding between Public Key & Certificate Holder)

Certificate Holders
(subscribers)

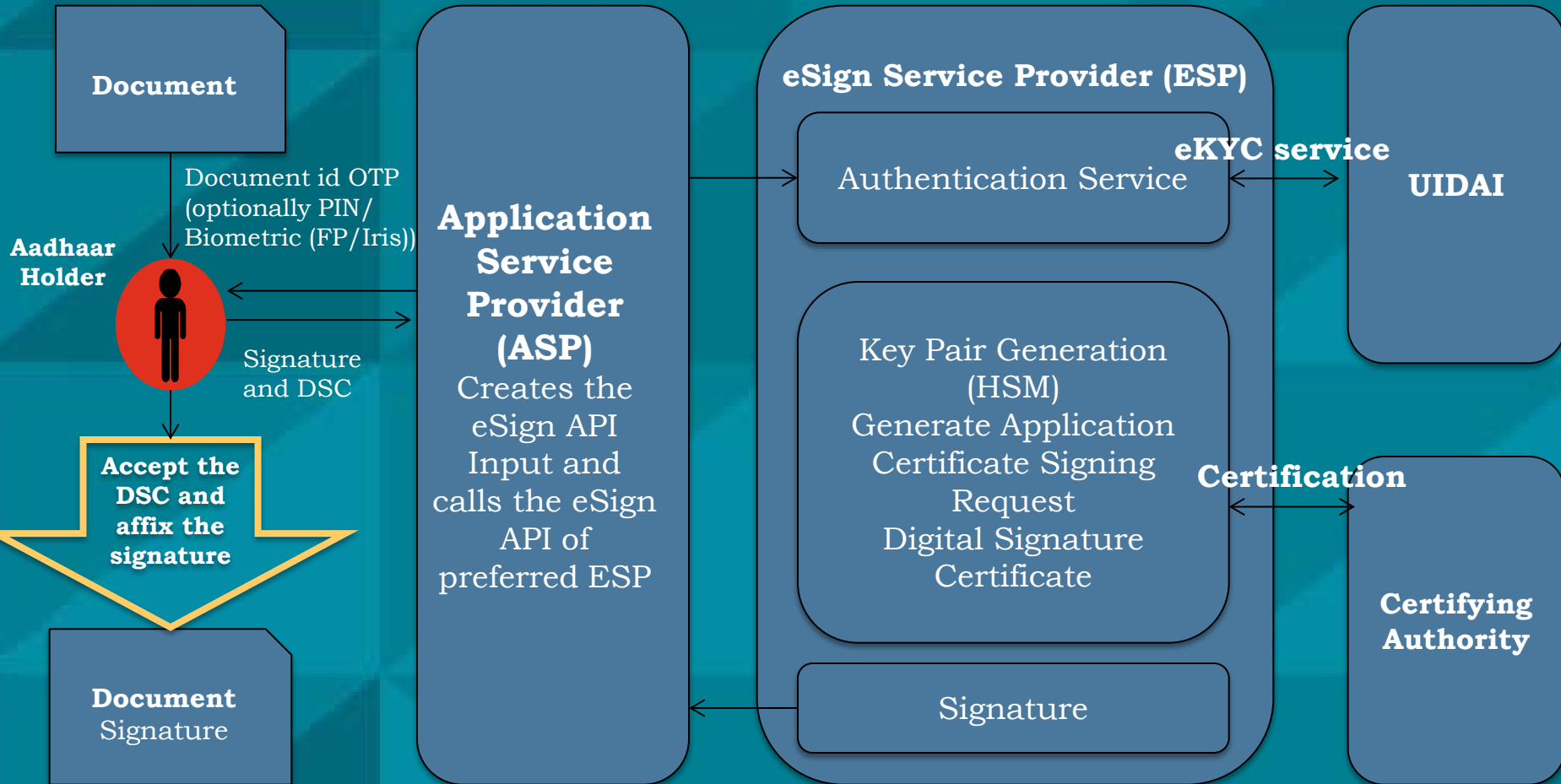
Relying Parties
(Validate signatures & certificate paths)

Repositories
(Store & distribute certificates & status: expired, revoked, etc.)





e-Sign



HSM – Hardware Security Module

OTP – One Time Password

ESP – eSign Service Provider

ASP – Application Service Provider

eKYC – electronic Know Your Customer

DSC – Digital Signature Certificate

FP – Finger Print

UIDAI – Unique Identification Authority of India



Mutual Recognition

CCA can recognize Foreign Certifying Authorities operating under a PKI Regulator, if:-

- The level of reliability of PKI environment of the country is at least equal that of India.
- The Controller (CCA) enters into a MoU with the PKI Regulator for Mutual Recognition of CAs.
- The Controller, with previous approval of the Central Government, publishes the list of recognized CAs and the CA is included in such list.

Foreign CAs not operating under a PKI Regulator need to apply to the CCA for recognition

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Committees

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EC/EDI Service Providers / ISPs

Education & Awareness Program

Standards

Recommendations

International Organisations

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Sales Force/Website

Customs

DGFT

AAI

Ports >> JNPT

Banks >> Mumbai

CONCOR

Chennai

Cochin

Tuticorin

Kolkata

Finance/Accounting

Budgets

Manufacturing

Demand

Supply & Logistics

Planet

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