



Recent development of e-CO in the region and recommended actions for APPTFA

November, 2015

HA, Sung Heun (Rama)

KTNET

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I. Korean cross-border e-C/O project case

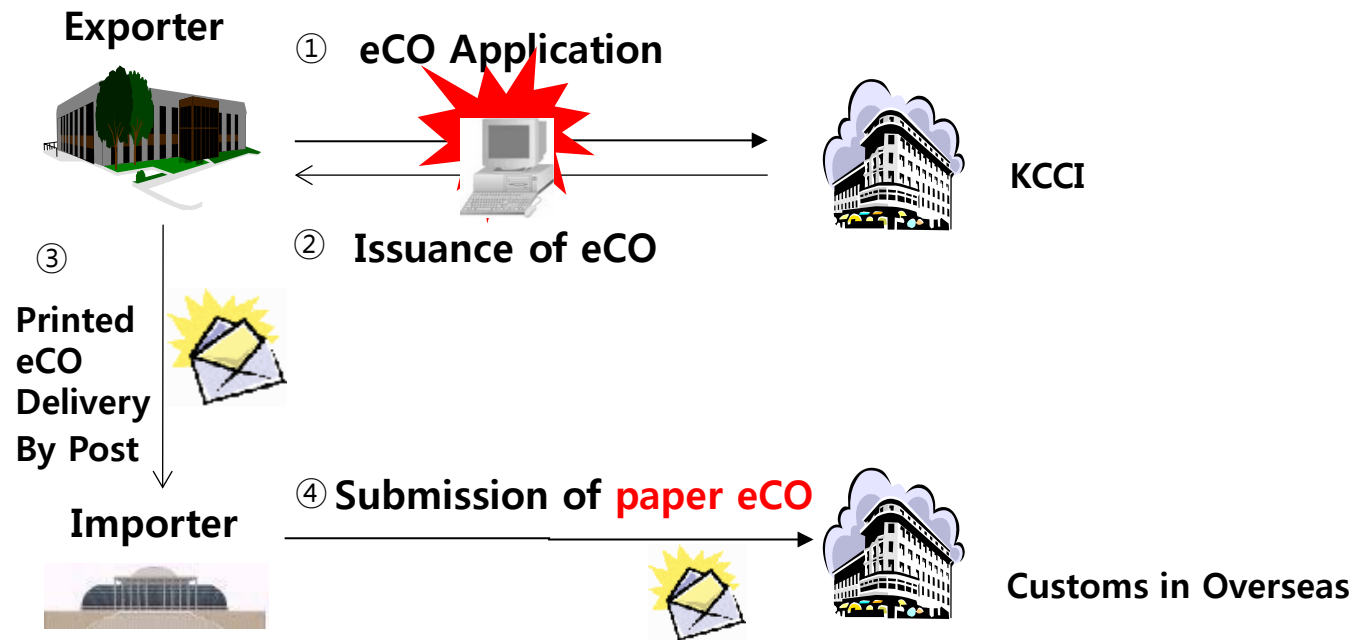
II. Review of existing c-C/O models

III. Implications for Cross-border Paperless Trade Agreement

Cross border e-CO case - RoK

● EDI/XML Certificate of Origin

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



● e-CO Process in Korea

- Registration for e-CO service
- ① Application for uTradeHub portal service
- ② Registration at KCCI office for e-CO service (visit KCCI or mail the application)
- Application process for e-CO

- ① Apply for CO at uTH Trade Portal with attachments ② KCCI reviews the application and issues an e-CO

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- ③ Once confirmed, KCCI sends e-C/O to an applicant ④ If needed, exporter can print out CO with watermark

The screenshot shows the Global Trade Portal interface. At the top, there's a navigation bar with links like "Service Intro", "Trade EIS", "eCO", "Board", and "My Page". Below this, the main heading is "Application". On the left, there's a sidebar menu with options: "Application", "Certificate", "Revocation of Exit", and "Extend e-CO". The main content area features a search bar and a filter section labeled "Applications Date" with a date range from 01/01/2017 to 01/01/2018. Below this is a table listing applications.

Document No.	Application Date	Sender ID	Recipient ID	In/Out	Transfer Status
11990906007	2014-01-16	MCA/IN/DR	ACCEDR	PI	OK
JT23289993016	2019-12-23	MCA/IN/DR	ACCEDR	PI	OK
...J2238800073	2019-12-23	MCA/IN/DR	ACCEDR	PI	OK
092178800024	2019-12-17	MCA/IN/DR	ACCEDR	PI	OK

<p>1. Exporter(Name, address, country)</p> <p>TEOSUL, KOREA</p>	<p>Certificate of Origin</p> <p>Reference no. 000-01-9901200 Reference Code 00q348m</p> <p>CERTIFICATE OF ORIGIN</p> <p>Issued by THE KOREA CHAMBER OF COMMERCE & INDUSTRY Seoul, Republic of Korea</p>
<p>2. Consignee(Name, address, country)</p> <p>CITY TARIKAWI R.O.C</p>	<p>3. Country of Origin</p> <p>The Republic of Korea</p>
<p>4. Transport Details</p> <p>FROM : KR Busan TO : TW Kaohsiung ON : 14 KINGDOM 103W</p>	<p>5. Remarks</p>

● Legal background for e-CO 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, such as web based applications and digital signature, were introduced 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, mandating the use of National Paperless Trade Platform for the issuance and circulation of trade documents including Certificate of Origin.

● Cross-border e-CO environment

- APEC ECSG Pathfinder Projects; e-CO, e-SPS, e-BL
- Dec. 2004, preliminary meeting between MOTIE (public sector), KITA and KTNET(private sector) of Korea and BOFT (public sector) and Trade-Van (private sector) of Taiwan of China for the initiation of a cross border ECO exchange project.
- The first and second bilateral meeting (April 2005 and May 2006)
 - Project scope and technical standard were agreed
- The third bilateral meeting (Nov 2008)
 - Signing ceremony of MOU for cross border ECO service

● Third official bilateral meeting between Korea and Taiwan of China

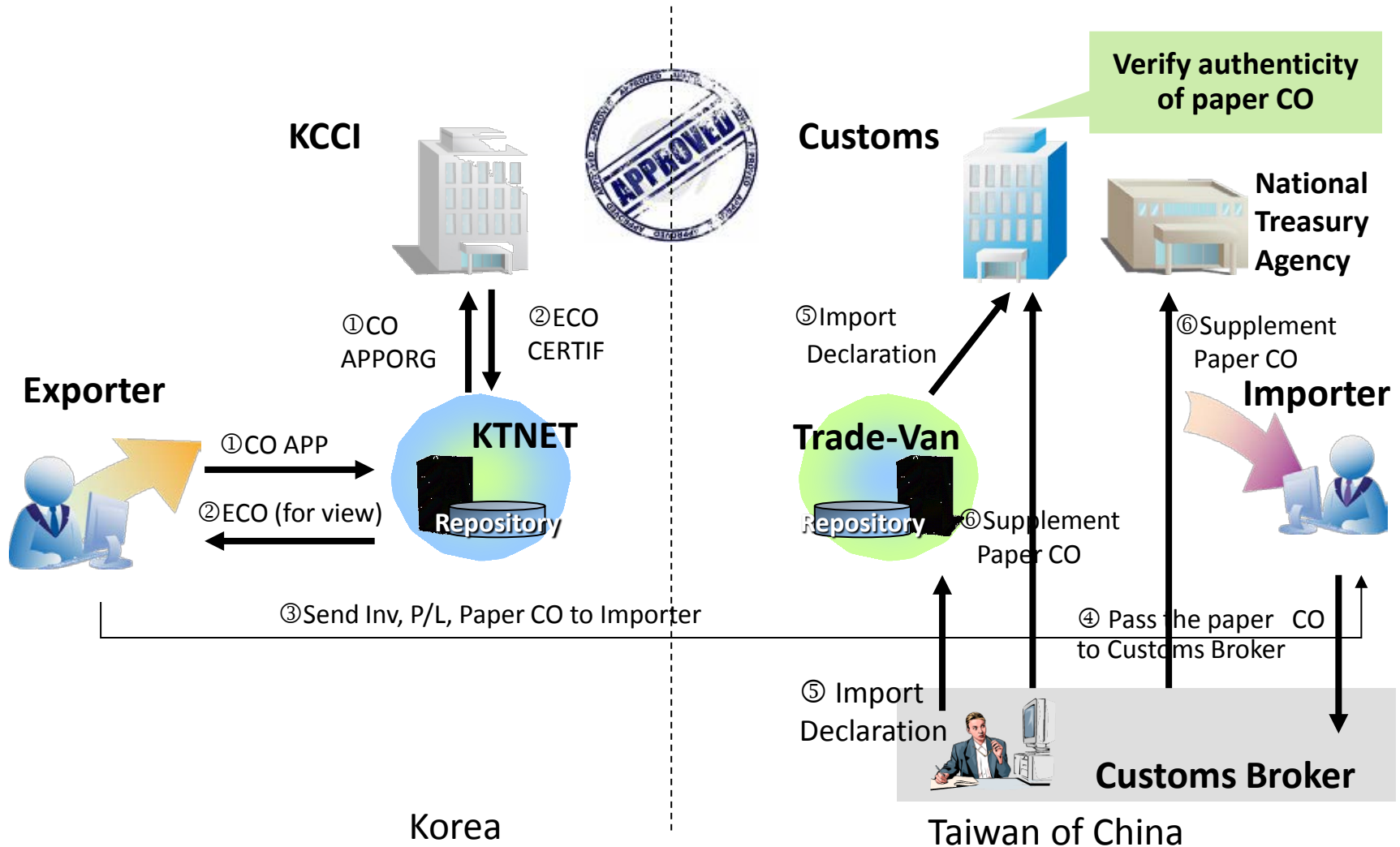
	Contents
Date	<ul style="list-style-type: none"> 2008.11.21, Taipei
Delegates	<ul style="list-style-type: none"> Korea : MOTIE(Trade Policy Section), KTNET and Korean Mission office in Taipei Taiwan of China : MOE(BOFT), Customs, Trade-Van
Agenda	<ul style="list-style-type: none"> MOU signing for Korea-Taiwan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



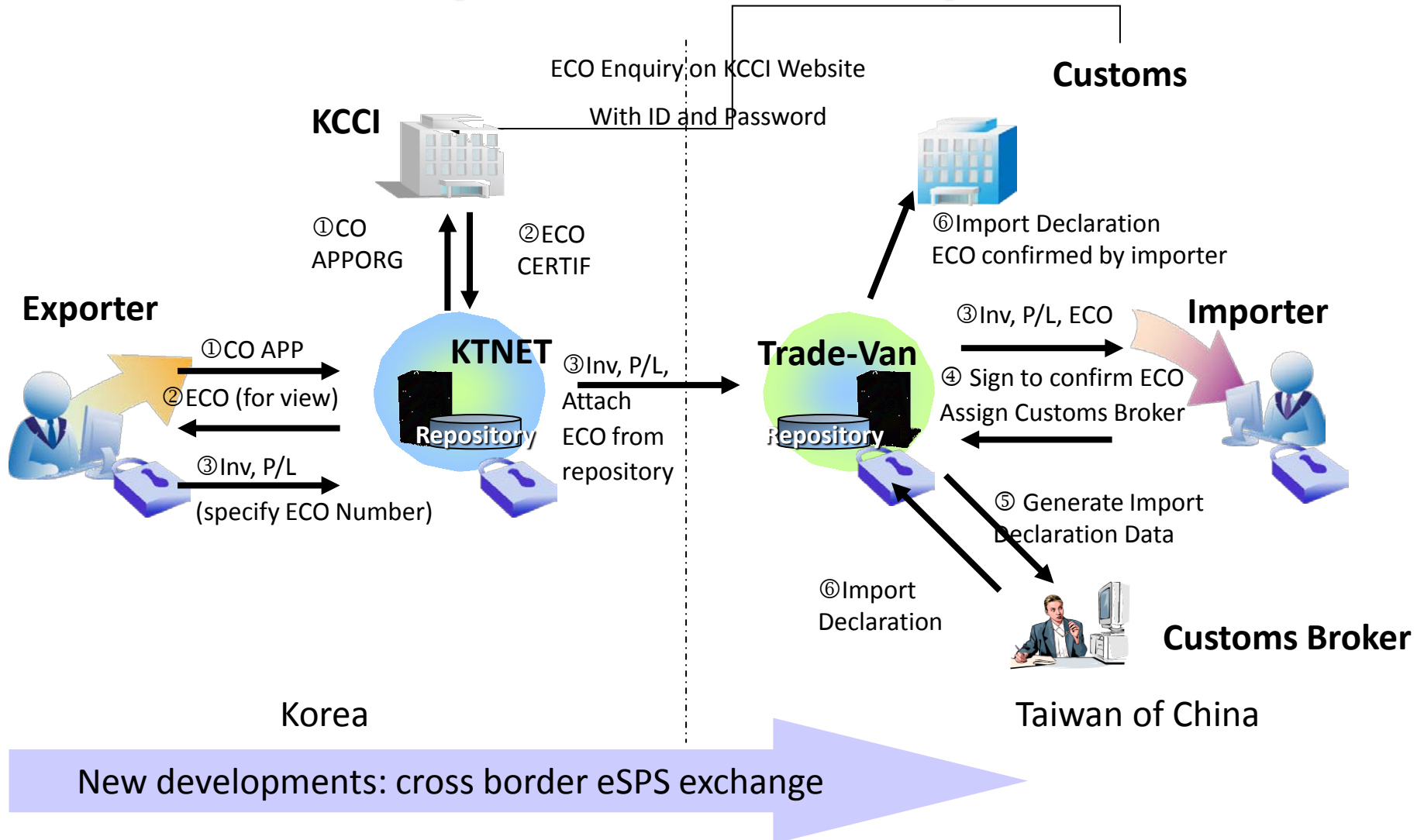
- Objectives of the Project

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

● Paper CO Scenario [Korea ► Taiwan of China]



ECO Scenario [Korea ► Taiwan of China]



● Benefits to Government

- Guarantee the **integrity and 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
- Be the **frontrunner** in trade facilitation among other countries

● Benefits to Exporters/Importers

Exporter

- Save time and costs (*courier express US\$23*) in applying and sending over paper CO
- No 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

● Challenges and lessons

Challenges

- ① No international / domestic legal framework for the recognition of cross-border electronic document
- ② No international de facto technical standards to adopt
- ③ Multiple stakeholder coordination
- ④ No B2G cross-border electronic document transaction model

Lessons

- ① Enabling international/ domestic legal environment is essential
- ② Public-Private Partnership can be a driving engine behind
- ③ International body can be a catalyst for the coordination of stakeholders
- ④ International standards and framework can facilitate the implementation

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Various definition of e-CO

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

Electronic
application of CO

- Electronically applied
- Manually issued

Electronic
issuance of CO

- Electronically applied
- Applicants print CO

Cross-border
electronic
transaction of CO

- Electronically applied
- Recipients receive CO electronically

(ICC)

e-CO status in Asia and the Pacific

Survey result on e-CO (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	√				√		

e-CO status in Asia and the Pacific

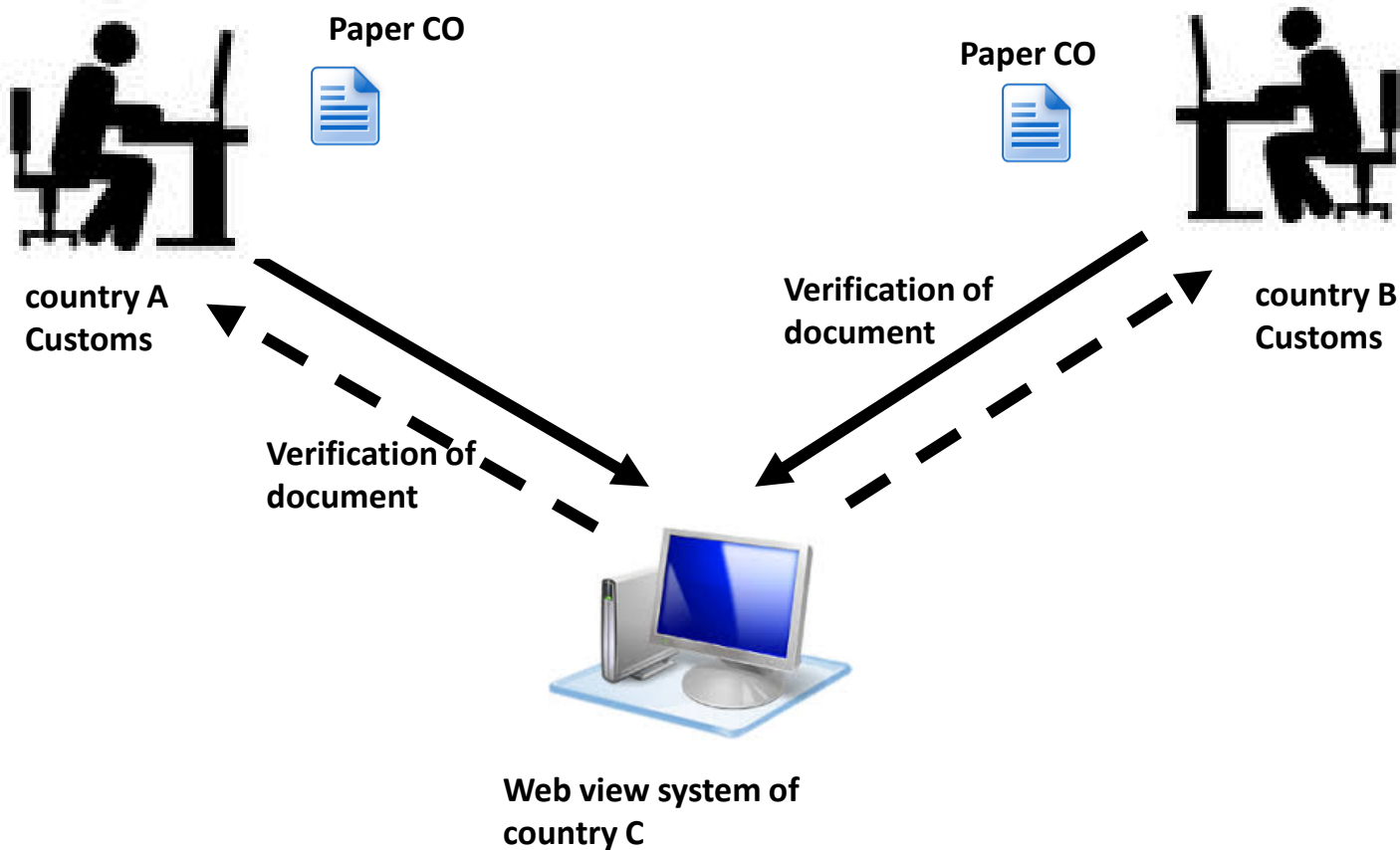
ICC e-CO member countries (as of Oct. 2015)

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, KTNET	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

Cross-border e-CO Model

Model 1. Peer to Peer web verification system

Chamber of Commerce Web e-C/O systems



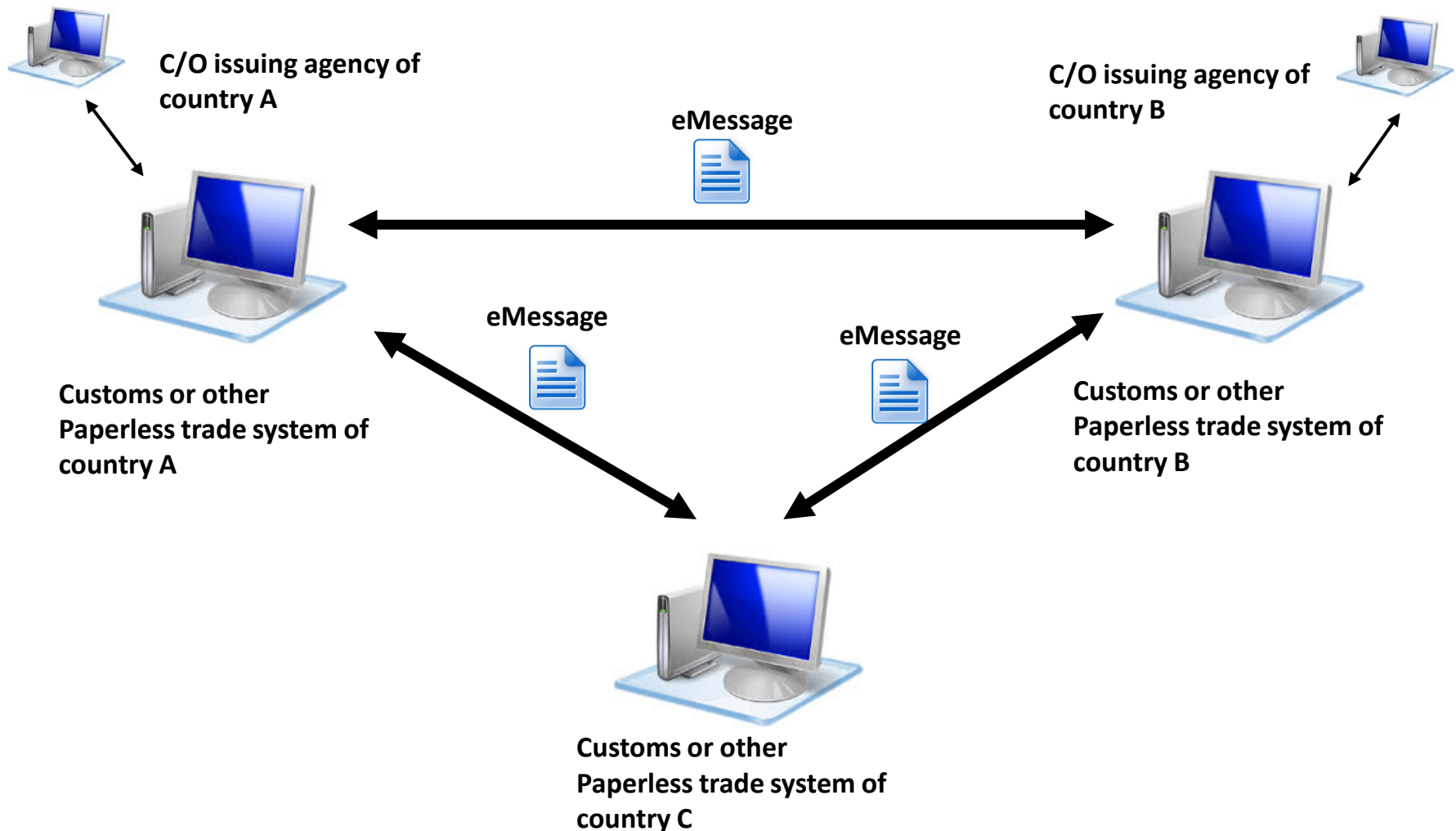
Cross-border e-CO Model

Model 2. Centralized web repository/verification system
ICC e-C/O portal, WAEMU e-C/O system



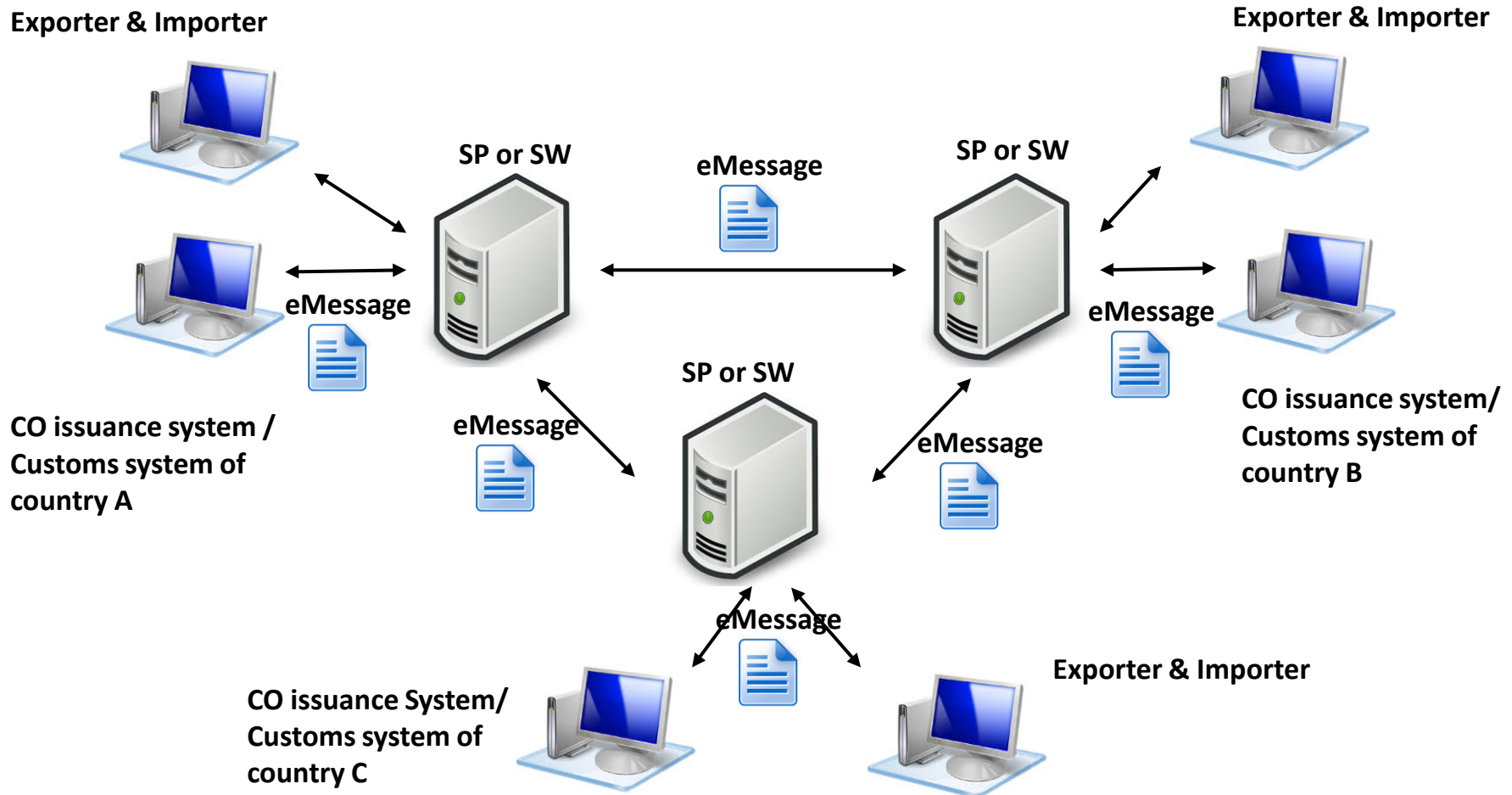
Cross-border e-CO Model

Model 3. G to G interconnection system
China – Hong Kong project



Cross-border e-CO Model

Model 4. End to End Transaction Model



Cross-border e-CO Model

Comparison of the models



	Budget	Benefit to traders	Benefit to government	Difficulty in implementation	Note
M1. Web verification					Chamber of Commerce /Customs eCO system
M2. Centralized Repository / web verification					ICC, WAEMU- Electronic Certificate of Origin
M3. G to G interconnection					China - HK
M4. End to End transaction					Korea-Taiwan (China)

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cross-border Paperless Trade
Facilitation Agreement**

● Implications

■ e-CO is the way to go

- ➡ Agencies shall prepare for the transition from paper to electronic means
- ➡ Awareness & capacity building program for member states

■ Coordination of stakeholders is a big challenge

- ➡ Complicated mix of issuances and recipients by county
- ➡ Different level of readiness and different interests

■ Catalyst or hindrance

- ➡ Will the APPTA can be the first regional legal framework for cross-border e-CO?

What's necessary?

Individual member states

Review and revamp C/O issuing system for web view function

Prepare for the e-C/O acceptance at Customs and other related agencies

Conduct feasibility study on cross-border e-C/O model

Prepare for a bilateral / sub-regional cross-border e-C/O pilot project

APPTFA LTWG

Prepare for legal framework and technical standards

Prepare for the web-view protocols

Provide assessment of cross-border e-C/O readiness and e-C/O models

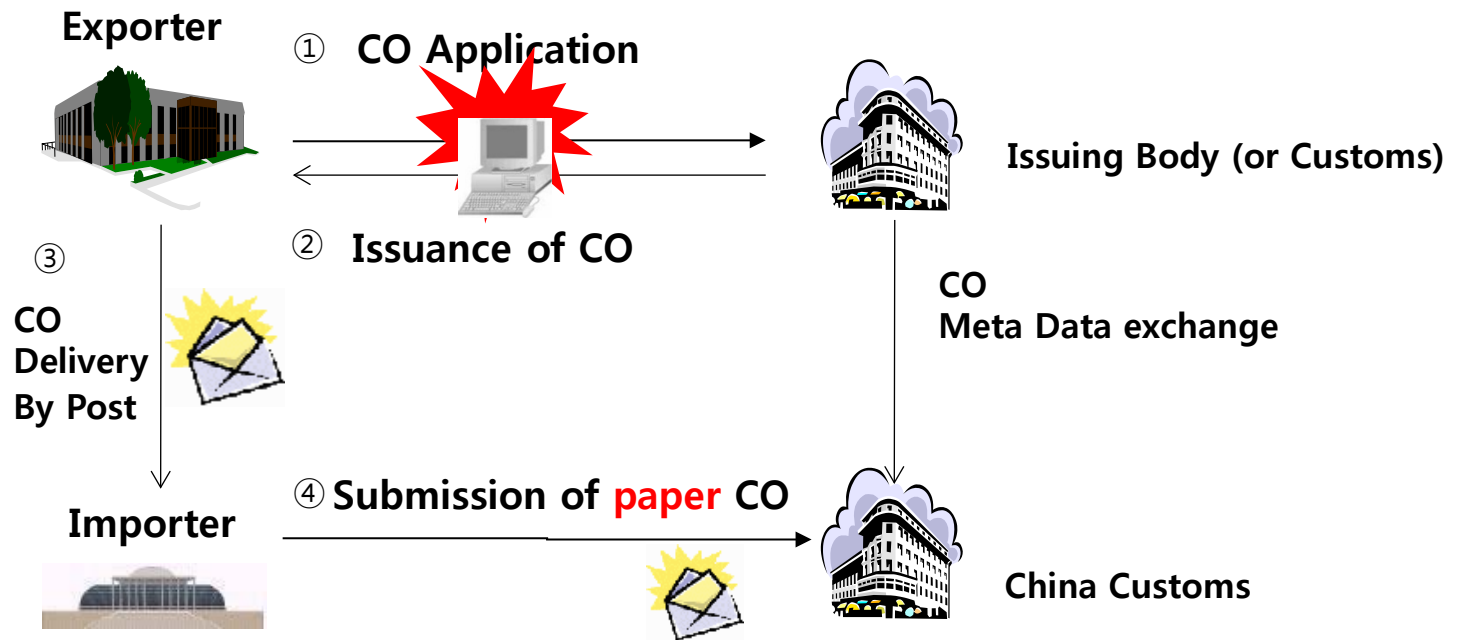
Provide awareness and capacity building program



Cross border e-CO case - China

● GACC

- China Customs has implemented projects for the exchange of Preferential CO data with Hong Kong, Macau and Taiwan(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	

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

• 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

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

- ◆ **Non-preferential:**

- ☞ COs issued by governmental agencies: AQSIQ

- ☞ COs issued by third parties: CCPIT

- ◆ **Preferential:**

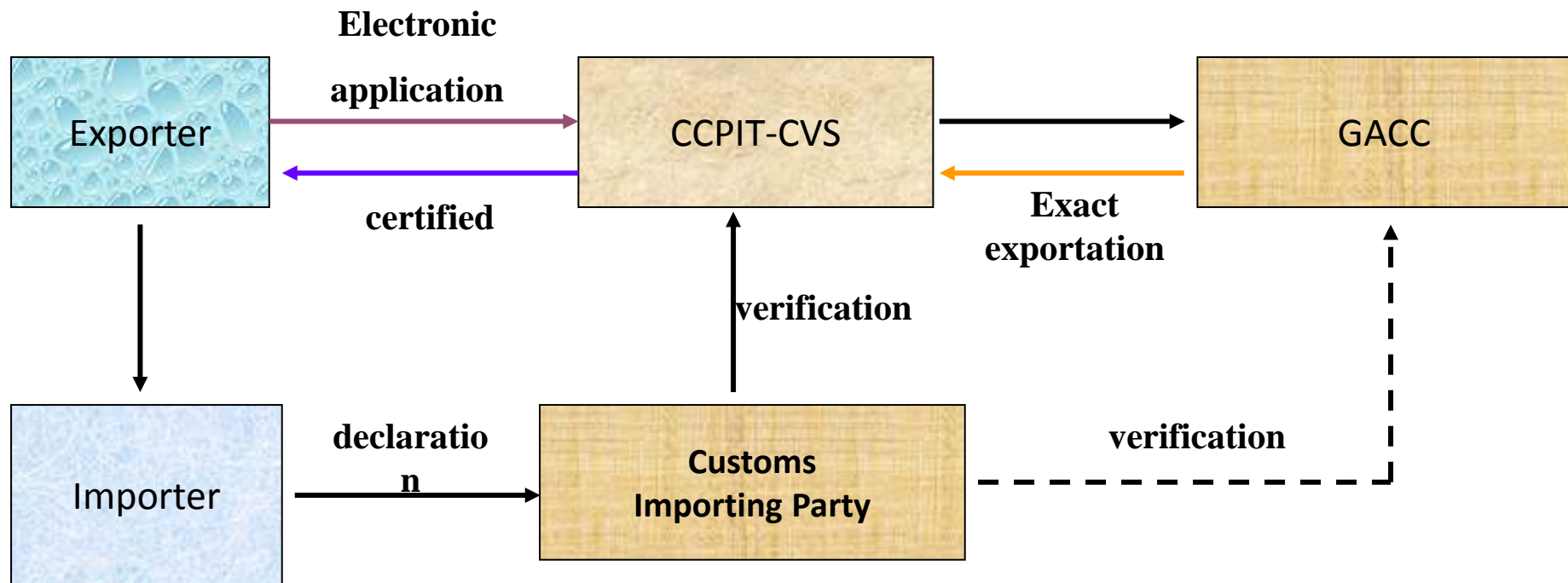
- ☞ COs issued exclusively by governmental agencies: ACFTA, CPKFTA, CCLFTA

- ☞ 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

cooperation on certification and verification between Customs and Issuing bodies

Taking CCPIT-CVS as an example:



- **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)

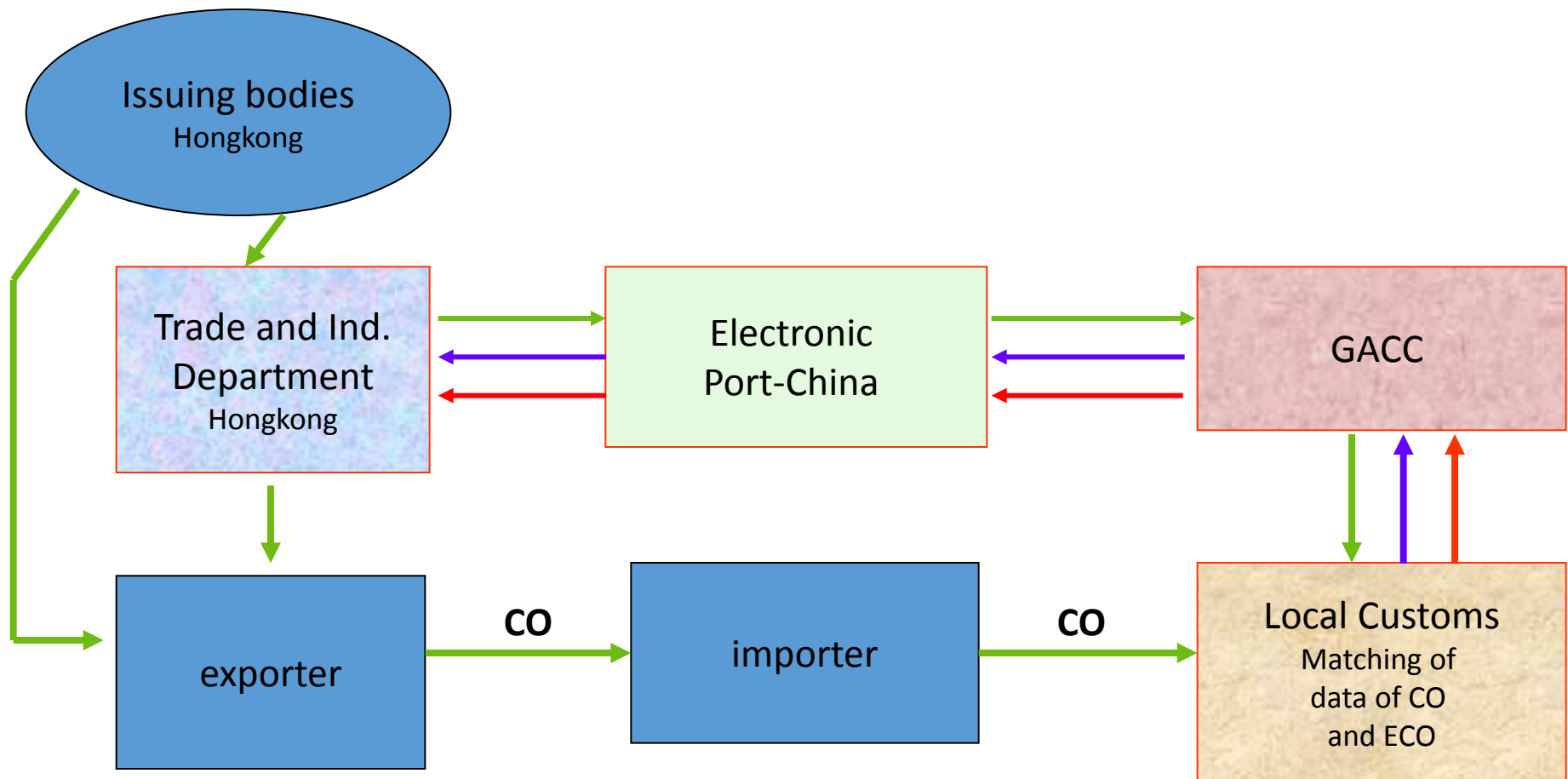
- ☞ CEPA (MAC)

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

- ☞ CEPA (HK)

- ☞ CEPA (MAC)

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%*

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.

• 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

