Implementation of Paperless Trade
- Malaysia’s Experience

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OUTLINE:

• Evolution of eCustoms System
• NSW towards Cross-border Paperless Trade in ASEAN
• Challenges and Success Factors
• Current Development
CIS-DNT Interface System implemented in 1995 allows electronic data exchange between CIS and its clients through a value-added network.

NSW was implemented based on existing EDI infrastructure provided by EDI service provider since 1995.

NSW services were enhanced to support commitment of Malaysia at ASEAN level to integrate her NSW with other ASEAN Member States’ NSW via the ASW.
CIS-DNT Interface System

TRADING PARTNERS

- Port Operators
- Shipping Agents
- Forwarding Agents/Customs Brokers
- Banks
- EDI Service Centers
- OGAs & Others

VAN Service Provider

CUSTOMS (Customs Information System)

Value-added Network

CIS DATABASE

CIS FORMAT
Malaysia’s NSW Environment

MyTradeLink ([www.mytradelink.gov.my](http://www.mytradelink.gov.my))
- Malaysia's trade facilitation portal that connects trading communities with the relevant government agencies and also other businesses involved in global trade and logistics.
Malaysia’s NSW
Towards Cross-border Paperless Trade

Trading Community
- Port Operator
- Shipping Agent
- Forwarding Agent
- Importer / Exporter
- Others

Non-Web System

Web Browser

MyTradeLink

- e- Permit
- e - Declaration
- e - Manifest
- e - Payment
- e – PCO

Users outside Malaysia’s NSW Environment

ASEAN Single Window

CUSTOMS

BANK

OGAs
Objectives of NSW

➢ To enhance trade efficiency and national competitiveness through simplifying, standardizing & harmonizing trade procedures and Government Delivery System

➢ To integrate and provide a seamless platform for the ASEAN Single Window for data exchange

✓ Ultimate objective to reduce cost of doing business vs role of Customs in control and safeguard of national revenue

( NSW has helped reduce processing time for customs declaration from 4 days to 1 day and payment of duty from 1 day to 2 hours)
Evolution of Paperless Trade System in Malaysia...cont.

NSW MAIN DRIVERS

Ministry of Finance
(Lead Agency)

Royal Customs
(Implementing Agency)

NSW Malaysia

Ministry of
International Trade & Industry
(Oversight Agency)

VAN Operator

(Trade Facilitation
Action Council)
Challenges and Success Factors

Main challenges

1. Key players (Lead agency and other government agencies) may not get the budget timely to put in place requirements to support the implementation of the NSW.

2. Many players involved and it requires efficient coordination.

3. Level of computerization of business processes differs from one organization/agency to another organization/agency and difference in data standard could lead to more complexity.

Success Factors

1. Political will and commitment in terms of national policy and financial support.

2a. Identify a strong Lead agency and ensure that all players have a common understanding of the objectives of the NSW.

2b. Establish relevant bodies (such as steering committee, task force/working groups) to undertake specific roles and responsibilities. Project Monitoring Committees

3a. Relevant agencies need to carry out business process re-engineering to streamline their respective business processes.

3b. Identify the champion to coordinate the business process re-engineering activities carried out individual agency including adoption of international standard for data standardization and harmonization.
### Challenges and Success Factors

#### Main challenges

1. Coping with changes to existing system is not an easy task.
2. Lacking ICT infrastructure particularly at remote locations could be an obstacle to the effectiveness of the NSW.
3. Hub-to-Hub connection of NSW needs full cooperation and commitment from all ASEAN Member countries to realize the evolution of ASW as targeted.

#### Success Factors

1. Establish efficient and effective change management policy and procedure.
2. Establish a strategic plan to address ICT infrastructure issues, if any.
3. The ASEAN Secretariat plays a critical role in coordinating the work of ASW working groups and steering committee.
4. Political will of Head of State towards strong commitment is essential.
Project Monitoring Committees

**NSW Steering Committee**
Chairman KSP
Sets direction, policies, strategies; monitors progress; resolves issues; ensures availability & proper allocation of resources

**NSW Implementation Committee**
Chairman -MOF
Coordinates NSW implementation activities; monitors progress; resolves implementation issues; reports progress to Steering Committee

**Technical Working Group**
Chairman KDRM
Ensures technical, functional & data specs. meet requirements; resolves technical issues; reports progress

**Legal Working Group**
Chairman MOF
Develops legal and regulatory framework

**Message Working Group**
Chairman DNT
Conducts data modeling; develops message specs.; ensures specs. meet standards

**Process Working Group**
Chairman MITI
Manages change review meetings; conducts process reengineering exercise; formulates & recommends standardization; reports progress

**Implementation Working Group**
Chairman MOF
Develops plans, schedules; coordinates activities of all stakeholders in roll-out; resolves conflict, reports progress

**Capacity Building Working Group**
Chairman MOF
Plans & coordinates awareness and educational programmes

Challenges and Success Factors
Current Development

To develop a new Customs System with further enhancement of NSW functionalities
Current Development

uCustoms

- Is a fully integrated, end-to-end, and customs modernization solution that delivers ‘single window’ services for goods clearance.
- To be used for complete electronic licensing processes by Other Government Agencies (OGAs) / Permit Issuance Agencies (PIAs) and other players in the government agencies and private sectors related to the supply chain activities via land, sea and air mode.
- Aims to take over services of Mytradelink once it is fully operational.
Thank You

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