

NEPAL: TECHNICAL READINESS FOR CROSS- BORDER PAPERLESS TRADE

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OVERALL ASSESSMENT

- Nepal overall readiness level in ICT infrastructure is fair, and willingness of stakeholders to move into paperless trade environment is high.
- Nepal Department of Customs has implemented the e-Customs (ASYCUDA). Under the National Single Window (NSW) objectives, a total of 44 Other Government Agencies (OGAs) will be connected to e-Customs via the NSW. The 1st batch is expected to comprise of 14 OGAs.
- National Trade and Transport Facilitation Committee (NTTFC) established and supported by the technical working groups for Nepal National Single Window (NNSW).

OVERALL ASSESSMENT

- Capacity building needs are high. Consideration should be given to signing and ratifying the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (FA-PT).
- This can help improving overall paperless trade environment and also effectively coordinating capacity building and technical assistance from relevant international development organizations.

INFORMATION GATHERED - PAPERLESS TRADE SYSTEM AT THE NATIONAL LEVEL

INSTITUTIONAL AND GOVERNANCE BODIES FOR ELECTRONIC DATA EXCHANGE IN PAPERLESS ENVIRONMENT

- This initiative is an extension of the Nepal India Regional Trade and Transport Project (NIRTTP) structure that was established in the early 2010s.
- There is a National Trade and Transport Facilitation Committee (NTTFC). The NTTFC is chaired by the Secretary of Ministry of Commerce, Industry and Supplies (MOICS).
- There is another sub-committee under the NTTFC, called Nepal National Single Window (NNSW) sub-committee headed by Director General, Department of Customs. The sub-committee has representation from MOICS and other relevant agencies from the public as well as from private sector. Private sector involvement includes Federation of Nepalese Chamber of Commerce and Industry (FNCCI) and the Nepal Chamber of Commerce (NCC)

INSTITUTIONAL AND GOVERNANCE BODIES FOR ELECTRONIC DATA EXCHANGE IN PAPERLESS ENVIRONMENT

- Department of Customs (DOC) is the designated agency for implementation of the Nepal National Single Window (NNSW).

LEVEL OF AUTOMATION

e-Customs

- e-Customs have been implemented nationwide. Under the NSW objectives, a total of 44 OGAs will be connected to e-Customs via the NSW. The 1st batch is expected to comprise of 14 OGAs.
- e-Customs utilizes the ASYCUDA system.
- Authentication of users is via User ID and Password.
- Digital signatures will be implemented in stages for data/document security.

LEVEL OF AUTOMATION

e-CO

- Federation of Nepal Chambers of Commerce and Industry (FNCCI) will be implementing e-CO with effect from 16th July 2019.
- Exports to European Union which requires CO is via Registered Exporter System (REX) which has been implemented for Nepal and managed by Trade Export Promotion Bureau (TEPC).

e-Payment

- Payment to regulatory agencies e.g. duties are via cheques supported by bank deposits.

LEVEL OF AUTOMATION

National Single Window

- It is in the process of implementation under the Nepal India Regional Trade and Transport Project (NIRTTP).
- 14 OGAs will be connected in the first phase. The number will reach 23 in the second phase and finally reaching to 44 in the third phase.

Timeline

- Reported for paperless trade environment to be ready by 2021.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INFRASTRUCTURE FOR PAPERLESS TRADE

Network

- Connected via VPN and high speed broadband as back up to all major border crossing points (BCPs).
- National Single Window implementation is in the preparatory phase. Hence, the method of operation and inter-operability is yet to be clear.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INFRASTRUCTURE FOR PAPERLESS TRADE

Data Center and Disaster Recovery

- The Government Integrated Data Center (GIDC) has been constructed. It is a Tier III level data center.,The DR is center is about 100 kms from the primary data center.
- The current e-Customs system is located in DOC with the intention of moving to the GIDC.
- Other OGAs do not have any systems implemented. FNCCI's new application is expected to use cloud services.
- IT Bill -2019 (now under consideration of national Parliament) proposes to form an IT Emergency Assistance Group (Clause-80) as designated by the regulation.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INFRASTRUCTURE FOR PAPERLESS TRADE

Business Continuity

- Service level agreement being developed. Standard operating procedures have been developed.

IT Security

- It is under Department of Info Tech, Ministry of Communications and Info Tech.
- Security Policy as mentioned in Clause 7 (Sub-clause 7.21) of the ICT Policy-2015.
- Digital signatures / PKI have been implemented.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INFRASTRUCTURE FOR PAPERLESS TRADE

Communications Protocol

- XML

Business Process Re-engineering

- Department of Customs Only

Data Harmonization and Standardization

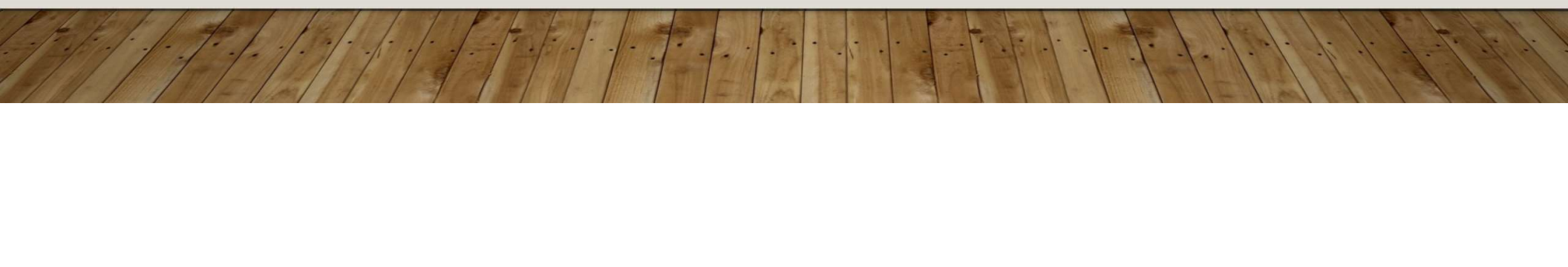
- Department of Customs Only. Adopted UN Lay Out Key

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INFRASTRUCTURE FOR PAPERLESS TRADE

Paperless Trade Implemented

- Electronic submission of declaration, invoices, packing list is done under e-Customs (ASYCUDA World). However, hard copy of these documents has to be printed out, signed and submitted for customs clearances. Due to non-utilization of PKI/Digital Signatures.

Time for Paperless Environment

- Legislative framework for online submission and clearance are already in place. Effective after the completion of legislative process of the proposed Act.
 - The provision of electronic payment is under Nepal Rastra Bank and expected to be operational in another 7-8 months.
 - Targeted to establish paperless environment for all trade transactions by 2021, according to the Blueprint as reported.
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INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INFRASTRUCTURE FOR PAPERLESS TRADE

Capacity Building

- Awareness program and workshop was conducted. Only for users of the e-Customs system. The stakeholders are being gradually educated on the use and benefits of National Single Window.

Awareness

- They are fully aware but the stakeholders (especially private sector) feels that the awareness campaign needs to be strengthened with a communications programs to keep all updated.

COMPUTER LITERACY (PRIVATE SECTOR) / ACCEPTANCE / CHANGE MANAGEMENT / COMMUNICATIONS PROGRAMS

Computer Literacy And Modernization (Private Sector)

- Level of computer literacy is high as more trading communities have their own business applications for business and operations.

Budget Constraints

- Budgets are available through government allocations as well as through multilateral agencies like the Asian Development Bank and the World Bank. However, coordination is required.

INFORMATION GATHERED - NATIONAL STATUS TOWARDS CROSS-BORDER DATA EXCHANGE

CROSS BORDER DATA EXCHANGE CAPABILITIES

- e-Customs (ASYCUDA). It supports cross -border data exchange.
- National Single Window platform being developed. Exact features unknown but original designs dictate that it is to support cross border data exchange.
- DOC is making a good progress towards paperless transaction.
- The first phase involves India. It is being discussed in the bilateral meetings between Nepal and India. Similarly discussions are going for introducing e-transaction in sub-regional forum of South Asia Sub-regional Cooperation (SASEC).

CROSS BORDER DATA EXCHANGE CAPABILITIES

- Cross-border data exchange. Only established is exchange of specific information with Indian customs through IC Gate and the exchange of data between Nepal Department of Commerce and its Consulate Office in Kolkata.
- Priority documents for data exchange
 1. Customs Transit Declaration (CTD)
 2. Sanitary and Phyto-Sanitary Certificates (SPS)
 3. Certificates of Origin (CO).
 4. Bill of Lading
 5. Transit Bond.

INFORMATION GATHERED – OTHER AREAS OF INTEREST

DATA MODEL AND INTERNATIONAL STANDARDS

- e-Customs system, ASYCUDA world is under implementation, which confirms the UN Lay out Key with reference to the WCO Data Model.

SYSTEMS DEVELOPMENT AND BUSINESS PROCESS RE-ENGINEERING CAPABILITY

- Technical capacity exists within Department of Customs, but transfer of this capacity and knowledge to OGAs would require some resources, possibly outsourcing to third party.

AEO AND RISK MANAGEMENT

- New Customs Act has proposed registering and recognizing the "Authorized Person" (Clause-34) who will be given the following privileges

THANK YOU

