Paperless Trade and Single Window: Concept, Implementation and Lessons Learnt

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Paperless Trade

Conduct of trade activities on the basis of electronic rather than paper documents e.g. electronic Customs declaration, electronic cert. of origin (application of ICT to trade procedures)

Paperless Trade Systems

Legal/regulatory and technical frameworks in which paperless trade transactions take place e.g. electronic Single Window facility, e-port management systems, Framework Act on Electronic Transaction (in RoK)
A facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If information is electronic, then individual data should only be submitted once.

Source: UN/CEFACT Recommendation 33
Benefits of Paperless Trade & Single Window

**Government**
- Effective & Efficient Deployment of Resources
- Correct Revenue Yield
- Improved Trader Compliance
- Enhanced Security
- Increased Integrity & Transparency

**Traders**
- Cutting Costs through Reducing Delays
- Faster Clearance & Release
- Predictable Application and Explanation of Rules
- Effective & Efficient Deployment of Resources
- Increased Transparency

*Single Window*
Key Success factors in Implementing National Paperless Trade Systems and Single Window

- Stakeholder Coordination
- Legal Framework
- Business Model
- Technical Issues

Political Will (Mandate)
Political Commitment
Stakeholder Coordination

- Clear Scope
- Proper Communication Channel
- Political Will (Mandate)
- Strong Lead Agency
- Stakeholder Engagement
- Inter-agency Coordination
Legal Framework

Enabling Legal Environment

- Data Quality
- Identification, Authentication & Authorization
- Data Access Authority
- Data Protection
- Competition
- SW Structure & Organization
- IPR & Data Ownership
- Legal Basis for SW
- e-Documentation
- e-Archiving
- Arbitration & Dispute Resolution
- Liability

Source: UN/CEFACT Rec. 33
Single Window Models (System View)

# Single Window Models (Establishment and Operation View)

<table>
<thead>
<tr>
<th>Type</th>
<th>Arrangement</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
<td>Establishment</td>
<td>Public</td>
<td>Govt. budget or donor funding (grant/loan)</td>
</tr>
<tr>
<td></td>
<td>Private</td>
<td>Private Sector Investment (BOT, etc.)</td>
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<tr>
<td></td>
<td>PPP</td>
<td>Joint Funding</td>
</tr>
<tr>
<td>Operation</td>
<td>Government</td>
<td>Customs. Ministry of Trade, etc.</td>
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<tr>
<td></td>
<td>Service provider</td>
<td>Private Sector</td>
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<tr>
<td>Service Basis</td>
<td>Free of Charge</td>
<td>Government budget</td>
</tr>
<tr>
<td></td>
<td>Fee Based</td>
<td>Service charge</td>
</tr>
</tbody>
</table>

- Business Process Analysis
- Data Harmonization
- ICT Application
- Business Process analysis
Challenges in Implementing National Paperless Trade Systems and Single Window

- Political Commitment
- Technical Issues
- Change Management
- Interagency Coordination
- Legal Framework
Furthering SW and Paperless Trade Beyond Borders

Initiatives for facilitating cross-border trade data exchange in the region and beyond

Legal and technical barriers in information exchange (across borders)

Increased implementation of (national) single window and paperless trade systems, but…

Rise of regional and global production networks

Need for cross-border paperless trade
Enabling Cross-border Data Exchange: Issues

Exporting Country

Goods Flow

Ship

Buy

Pay

Importing Country

Financial Flow

Information Flow

Seller

Buyer
Enabling Cross-border Data Exchange: Challenges

Common International Standard

Inter-governmental Coordination

Country A

Exporter

Capacity Gaps

Country B

SW System

Authority1

Authority2

Authority3

Authority4

Public/Private Cooperation

Harmonized Legal Framework
A new UN Treaty
- Open to interested (53) ESCAP member states (voluntary) to become parties
- Opened for signature on 1 October 2016 at UN Headquarters, New York

Objective
To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions

- Complementary to the WTO Trade Facilitation Agreement as well as (sub)regional efforts

4 year step-by-step development process (ESCAP resolutions 68/3,70/6,72/4)
- Over 30 countries directly involved in finalizing the treaty text in March 2016
INTERNATIONAL TRADE AND DEVELOPMENT

20. Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

Bangkok, 19 May 2016

Not yet in force: in accordance with article 19, the Agreement shall enter into force ninety (90) days after the date on which the Governments of at least five (5) ESCAP member States have deposited their instruments of ratification, acceptance, approval or accession to the present Agreement pursuant to article 18, paragraphs 2 and 3.

Text:

Certified true copy

CN.597.2016.TREATIES-X.20 of 23 August 2016 (Opening for signature) and CN.598.2016.TREATIES-X.20 of 23 August 2016 (issuance of Certified True Copies).

Note:

The above Agreement was adopted on 19 May 2016 by resolution 72/4 during the seventy-second session of the United Nations Economic and Social Commission for Asia and the Pacific.
Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: Contents

Preamble

Articles 1 to 16: Substantive clauses
Article 1: Objective
Article 2: Scope
Article 3: Definitions
Article 4: Interpretation
Article 5: General principles
Article 6: National Policy Framework, Enabling Domestic Legal Environment and Paperless Trade Committee
Article 7: Facilitation of Cross-border Paperless Trade and Development of national Single Window(s)
Article 8: Cross-border Mutual Recognition of Trade-related Data and Documents in Electronic Form
Article 9: International Standards for Exchange of Trade-related Data and Documents in Electronic Form
Article 10: Relation with Other Legal Instruments Enabling Cross-Border Paperless Trade
Article 11: Institutional Arrangements
Article 12: Action Plan
Article 13: Pilot Projects and Sharing of Lessons Learned
Article 14: Capacity Building
Article 15: Implementation of the present Framework Agreement
Article 16: Other agreements in force

Articles 17 to 25: Final clauses
Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: Benefits

- **Region-wide multilateral intergovernmental platform**
  Builds upon existing bilateral/subregional initiatives; Supports WTO TFA implementation; Forster harmonization and minimize necessity for numerous bilateral/subregional intergovernmental approach;

- **Strong capacity building programme**
  Inclusive imitative, open to Asia-Pacific countries at all levels of development; Strong emphasis on knowledge sharing and CB/TA among parties

- **Pilot projects**
  Allow parties to adjust their systems before engaging in actual cross-border trade data exchange

- **Action Plan**
  Allow parties with different implementation level to set actions based on their respective readiness

- **Mutual recognition**
  Commit to the goal, while allowing flexibility in how to materialize the goal
Overview of provisions: **General Principles**

- **Functional Equivalence**
- **Non-discrimination of the use of Electronic communications**
- **Technological neutrality**
- **Promotion of interoperability**
- **Improving transboundary trust environment**
- **Cooperation between the public and private sectors**
- **Improved trade facilitation and regulatory compliance**
Overview of provisions: **Key provisions**

Cross-border Mutual Recognition

- Article 8
- Article 11
- Article 12
- Article 13
- Article 14

- Capacity Building
- Institutional Arrangements
- Pilot Projects and Sharing of Lessons Learned
- Action Plan

**Key Provisions**
Overview of provisions: Cross-border mutual recognition

Article 8
Cross-border mutual recognition of trade-related data and documents in electronic form

1. The Parties shall provide for mutual recognition of trade-related data and documents in electronic form originating from other Parties on the basis of a substantially equivalent level of reliability.

2. The substantially equivalent level of reliability would be mutually agreed upon among the Parties through the institutional arrangement established under the present Framework Agreement.

3. The Parties may enter into bilateral and multilateral arrangements to operationalize cross-border mutual recognition of trade-related data and documents in electronic form, in a manner consistent with the principle of the transboundary trust environment and all the other general principles, provided that the provisions of these bilateral and multilateral arrangements do not contradict the present Framework Agreement.
Overview of provisions: Pilot projects and sharing of lessons learned

Article 13
Pilot projects and sharing of lessons learned

1. The Parties shall endeavour to initiate and launch pilot projects on cross-border exchange of trade-related data and documents in electronic form, in particular among customs and other regulatory agencies. The Parties shall collaborate on such pilot projects through the institutional arrangements established under the present Framework Agreement.

2. The Parties shall report to the Standing Committee on the progress of pilot projects to facilitate the sharing of experience and lessons learned and to establish a collection of best practices for interoperability of cross-border exchange of trade-related data and documents in electronic form. The exchange of experience and lessons learned would extend beyond the Parties to the present Framework Agreement, to the extent possible and as appropriate, in an effort to promote paperless trade implementation throughout the region and beyond.
Overview of provisions: Capacity building

Article 14
Capacity-building

1. The Parties may cooperate to provide technical support and assistance to each other in order to facilitate the implementation of the present Framework Agreement.

2. The Parties may collaborate on capacity-building through the institutional arrangements established under the present Framework Agreement.

3. The Parties shall give special consideration to requests from least developed and landlocked developing countries for technical assistance and cooperation arrangements designed to assist them in developing their paperless trade capacity and in taking full advantage of the potential benefits of the present Framework Agreement.

4. The Parties may invite development partners for more effective technical and financial assistance in the implementation of the present Framework Agreement.
More information: Webpage on the FA

United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific

“an ongoing community of knowledge and practice to facilitate the implementation of single window and paperless trade in the Asia-Pacific region”

– Tools and guides development activities
– Advocacy and Technical Training Workshops
– Knowledge sharing and

www.unnext.unescap.org
UNNExT Single Window Implementation Toolkit for Trade Facilitation
Thank you

www.unescap.org/our-work/trade-investment/trade-facilitation

unnex.unescap.org