



## Networked Customs

*How does GNC relate to C2C in SASEC?*

ASYCUDA World Workshop of SASEC  
Customs Administrations  
September 10<sup>th</sup> 2015  
Pokhara, Nepal

Gareth Lewis, Asian Development Bank

## Electronic Exchange of Data in SASEC

What is “the exchange of data?”

- Simple! It’s pretty much everything we do
  - The post
  - The telephone
  - TV, radio, social media
  - All these have background rules, standards etc.
- Here we are discussing a very specific example
- Republica newspaper, Kathmandu, last Monday – integration, customs procedures...coincidence?

## Electronic Exchange of Data in SASEC

### What are we trying to achieve?

- C2C exchange of data is a strategic aim globally, but
- It will not happen immediately and operate perfectly
- If we accept the first dot point, then let's aim to be:
  - Practical
  - Tangible
  - Achievable
  - Incremental

3

## Electronic Exchange of Data in SASEC

### Why is it worth pursuing?

- To enable interconnectivity between SASEC member states to enable the timely electronic exchange of data between Customs administrations in respect of the cross border movement of goods.
- To facilitate trade and improve risk assessment by comparing import and export goods declaration data to identify mismatches.
- To maintain high levels of trade data integrity between regional trading partners.

4

## Electronic Exchange of Data in SASEC

### Why is it worth pursuing?

- To promote harmonised processing of regional goods declarations.
- To help reduce processing time at border posts
- To permit the electronic transfer of advanced trade information between participating Customs administrations allowing:
  - real time information sharing,
  - risk assessment prior to arrival of goods, and
  - data matching, if required.

5

## Electronic Exchange of Data in SASEC

### What can be done to help achieve it?

- Each country will ensure that its national legislation (Customs & Electronic Transactions Acts) have the appropriate data protection, authentication and other means to support international data exchange.
- Countries to agree which data elements from their respective export goods declarations shall be exchanged cross border.
- Countries to agree to adopt a version of the WCO Data Model against which to harmonize their respective declaration data elements (eg: V3.4)

6

## Electronic Exchange of Data in SASEC

### What can be done to help achieve it?

- Countries must undertake a data harmonization exercise according to the provisions of UN/CEFACT Rec. 34 and the WCO SW Data Harmonization Guidelines
- The means by which relevant parties (importer, exporter, broker etc) shall be identified must be established and agreed by all countries

7

## Electronic Exchange of Data in SASEC

### What can be done to help achieve it?

- Countries must agree upon the type of message exchange to be adopted – eg: xml, webforms
- Interface and integration rules must be established and agreed
- Follow up action for mismatches to be agreed
- “Pull/push” rules for data exchange to be agreed

8

## Background to Globally Networked Customs

- Between 2009 and 2012, the WCO developed GNC.
- It was “a comprehensive analysis of the potential to rationalize, harmonize and standardize the secure and efficient exchange of information...C2C”
- The process can benefit other stakeholders including trade and other Government agencies.
- It is NOT an IT system, it is a set of standards, protocols and guidelines aimed at making C2C exchanges simple and usable.
- GNC covers administrative, technical, legal, governance and capacity building concepts.

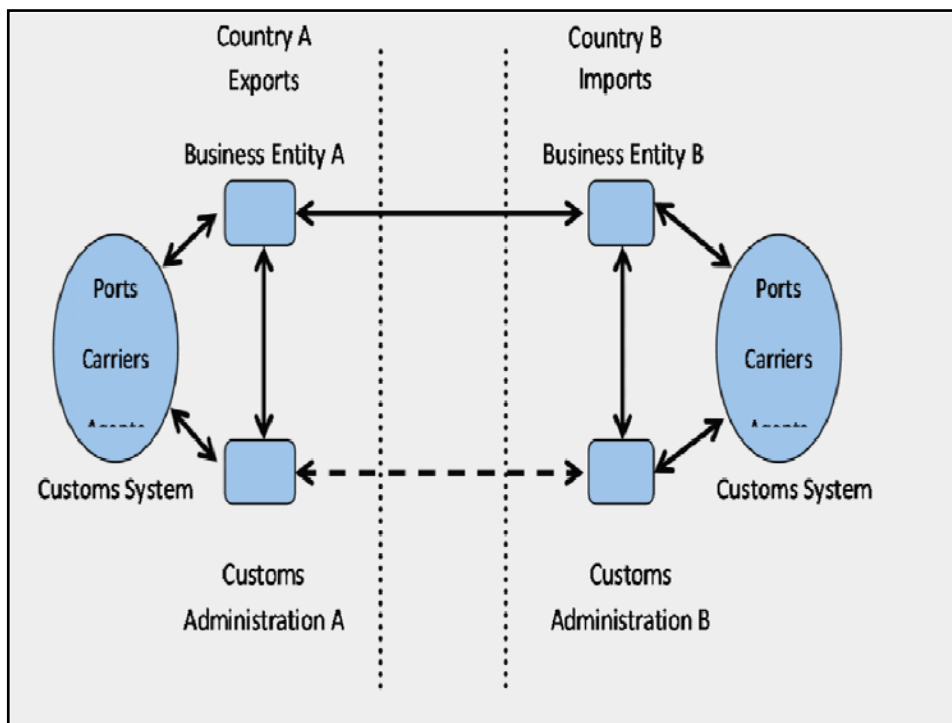
9

## GNC describes rules governing C2C data exchange

GNC = crossborder information exchange = C2C



10



## Why should GNC/C2C be a priority?

### Direct benefits for compliant trade :

- Reduction of cost and administrative burden
- Reduce physical controls & data requirements
- Simplified legitimate crossborder trade; increased predictability
- Reduction in transaction costs, dwell time and paper work

### Direct benefits for customs :

- Better quality/more trusted information
- Better risk management, increased security, safety and revenue
- Facilitated entry processing
- Better Customs Compliance Management

## What standards are relevant?

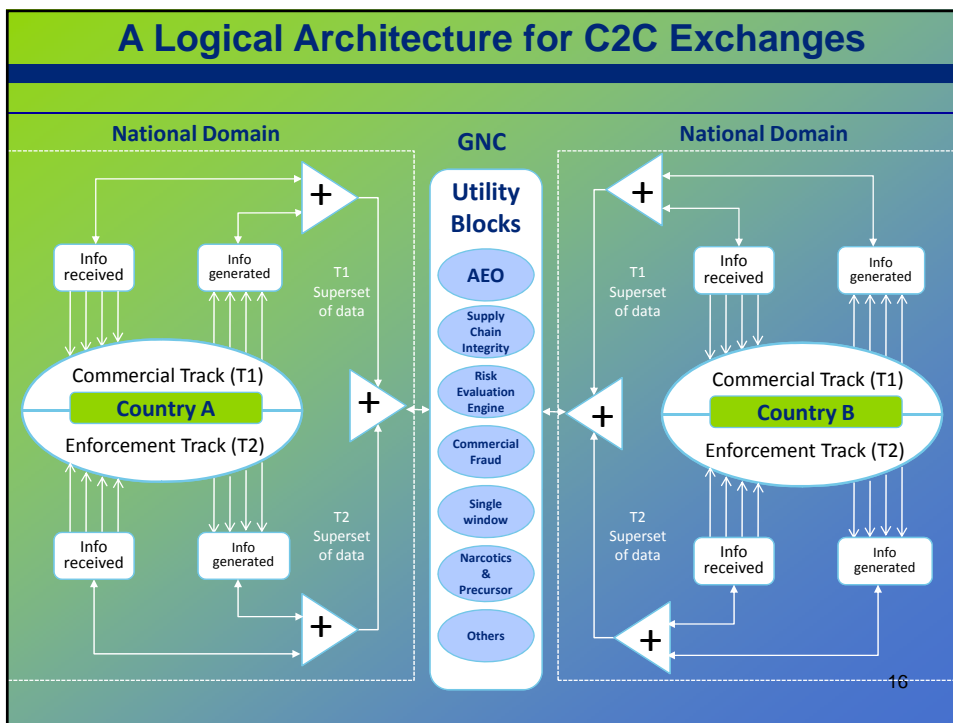
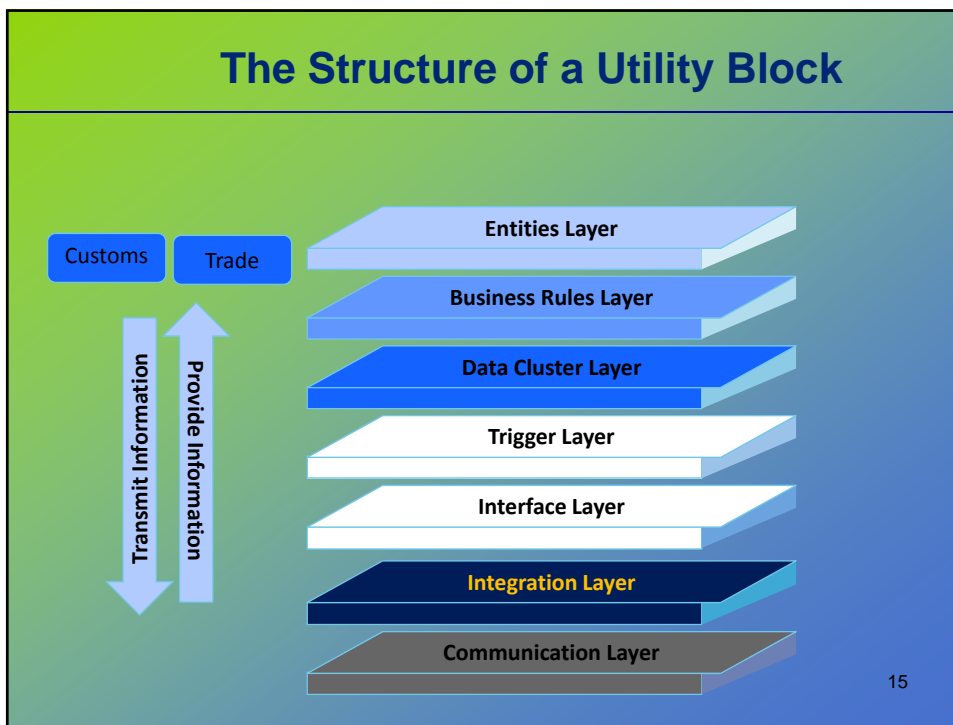
GNC/C2C should be integrated with global standards

- Implementing the WTO ATF
- UN/CEFACT, ISO
- Trade facilitation and RKC
- SAFE (1st Column, C2C)
- Advance data and Risk Management
- Data model V3
- Coordinated Border Management and Single window
- Humanitarian relief and trade recovery (In SAFE also)
- Capacity building

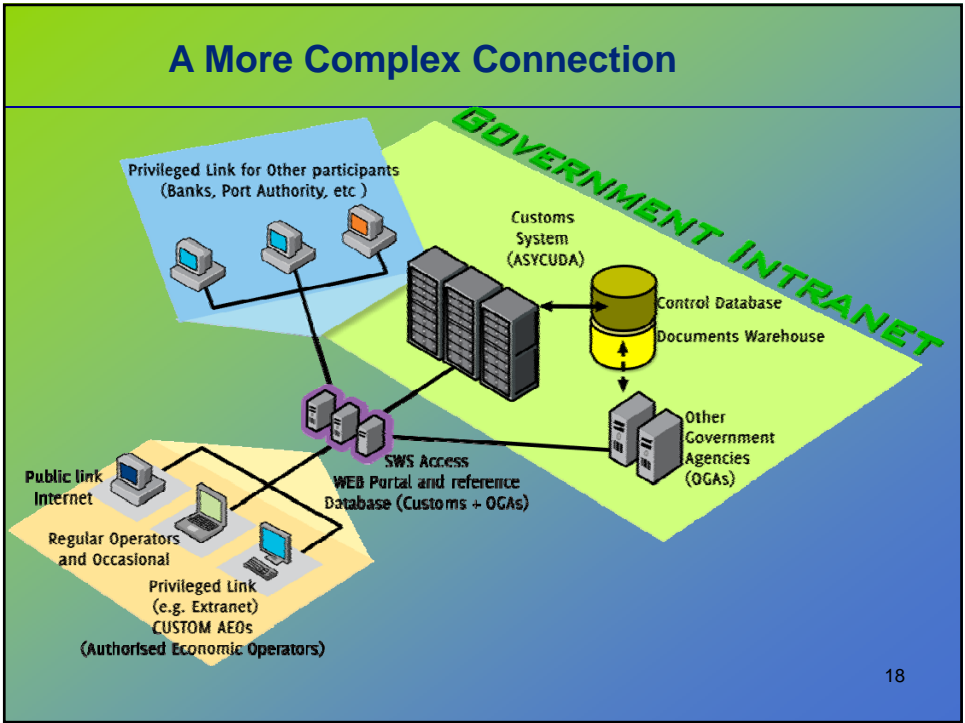
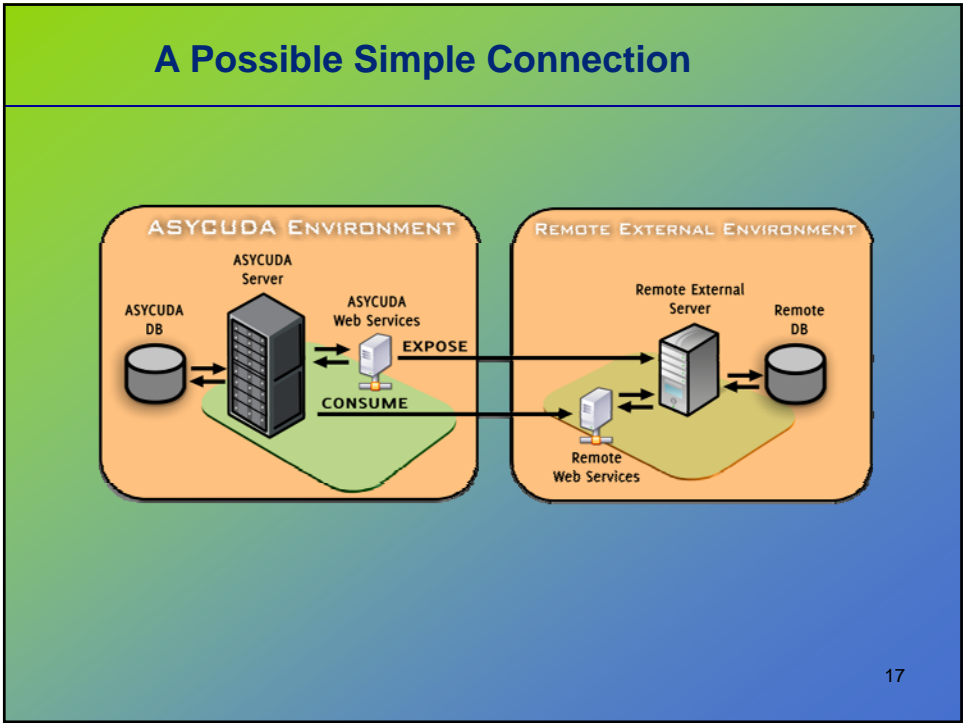
13

## The Utility Block Template

|                          |   |
|--------------------------|---|
| <b>Name of the Block</b> | e.g. AEO, Commercial Fraud  |
| <b>Purpose</b>           | What the block is supposed to do.   |
| <b>Legal Framework</b>   | The law, including the instrument providing the legal gateway.  |
| <b>Entities</b>          | Those who can send/receive information, and how to identifying them.  |
| <b>Business Rules</b>    | The specific rules for the UB. If not described elsewhere, includes relevant Protocols, Standards and Guidelines. |
| <b>Data Cluster</b>      | The list of data elements for the UB  |
| <b>Triggers</b>          | Events that either start the data flow, or respond to data receipt  |
| <b>Interface</b>         | How the parties in a GNC relationship are connected   |
| <b>Integration</b>       | How a GNC partner connects to its own systems   |
| <b>Communication</b>     | The electronic means of exchanging information  |
| <b>Advantages</b>        | Benefits delivered to: Customs, Business and Other Agencies   |







## Conclusions

- C2C completes the international trade data exchange framework
- Approved SASEC Customs Sub-group project
- Use of global standards facilitates exchange
- The Utility Block brings it all together
- ASYCUDA can contribute to C2C
- Live experiences can show how

© 2009 Deloitte Belgium

## Any Questions?

