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

**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.
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.

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)
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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

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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
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.

GNC describes rules governing C2C data exchange

GNC = crossborder information exchange = C2C
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

Why should GNC/C2C be a priority?
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

The Utility Block Template

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

1. Entities Layer
2. Business Rules Layer
3. Data Cluster Layer
4. Trigger Layer
5. Interface Layer
6. Integration Layer
7. Communication Layer

A Logical Architecture for C2C Exchanges

- **National Domain**
- **GNC**
- **Utility Blocks**
  - AEO
  - Supply Chain Integrity
  - Risk Evaluation Engine
  - Commercial Fraud
  - Single window
  - Narcotics & Precursor
  - Others
- **Country A**
  - Commercial Track (T1)
  - Enforcement Track (T2)
  - T1 Superset of data
  - T2 Superset of data
- **Country B**
  - Commercial Track (T1)
  - Enforcement Track (T2)
  - T3 Superset of data
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

Any Questions?

That's all Folks!