Promoting use of ICT

in Customs and Single Window
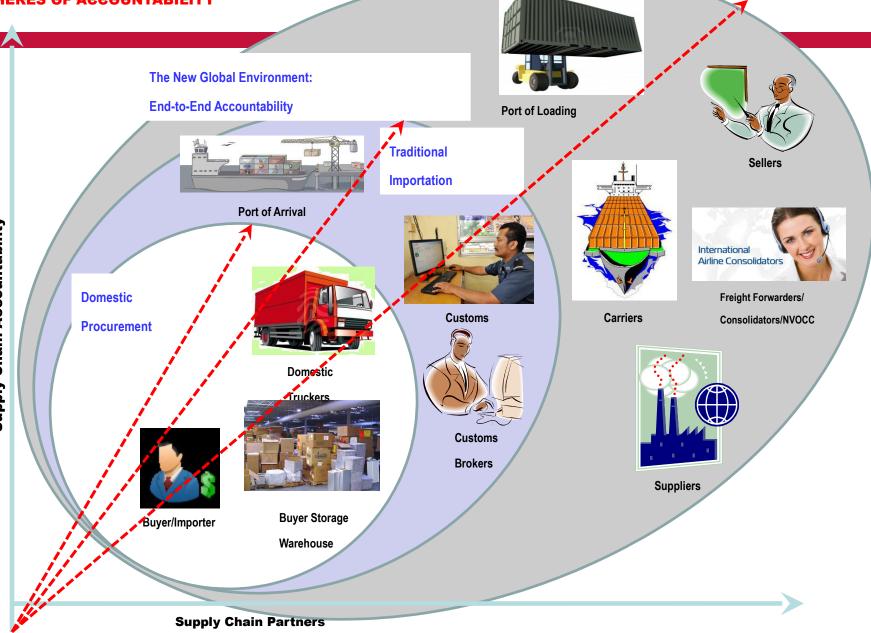
Katmandu, Nepal

23 May 2014

Dennis C. Pantastico

SPHERES OF ACCOUNTABILITY

Supply Chain Accountability (vertical axis)

Supply Chain Partners (horizontal axis)

The New Global Environment:
End-to-End Accountability

Traditional Importation

Domestic Procurement

Port of Loading

Sellers

Port of Arrival

Carriers

Freight Forwarders/
Consolidators/NVOCC

International Airline Consolidators

Customs

Domestic Truckers

Customs Brokers

Suppliers

Buyer/Importer

Buyer Storage Warehouse
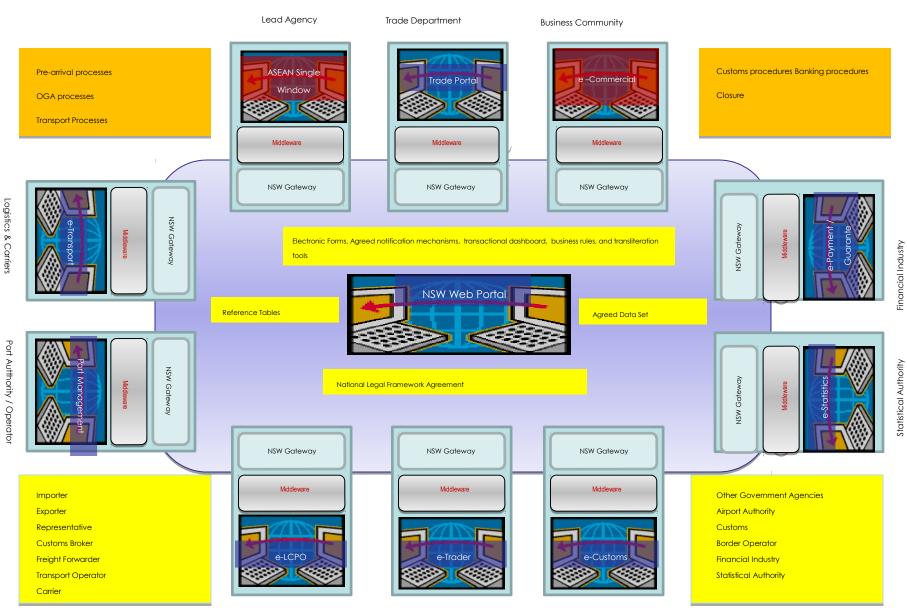
Standards and Models Considered

- Buy-Ship-Pay Model
- WCO Data Set
- UNCITRAL Model Law
- Transport Supply Chain
- Revised Kyoto Convention
- ISO 27002 on Information Security
- Transport Regulations
- Trade Regulations
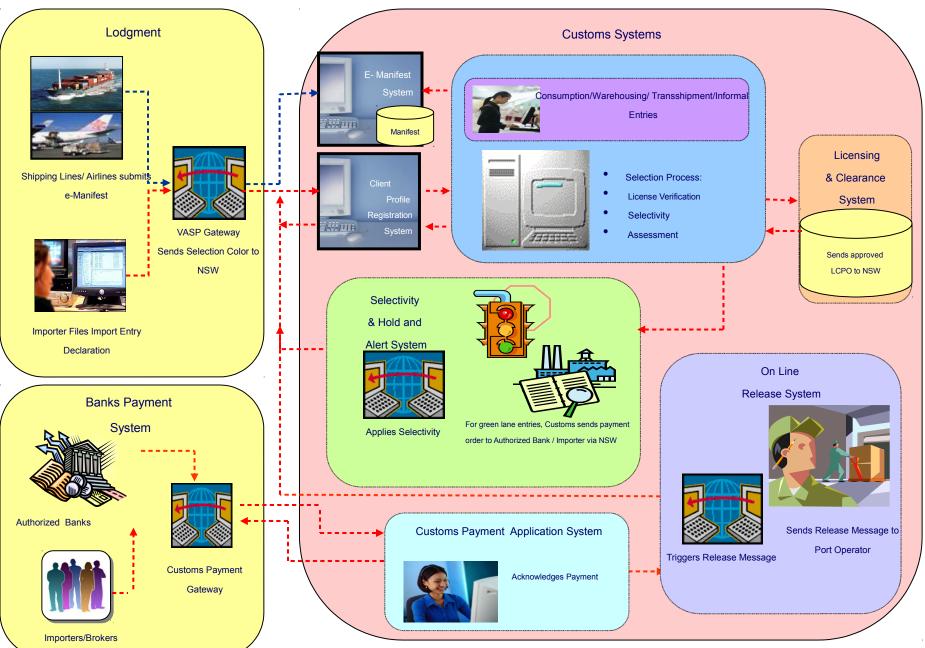- UN Recommendation 33,34,& 35
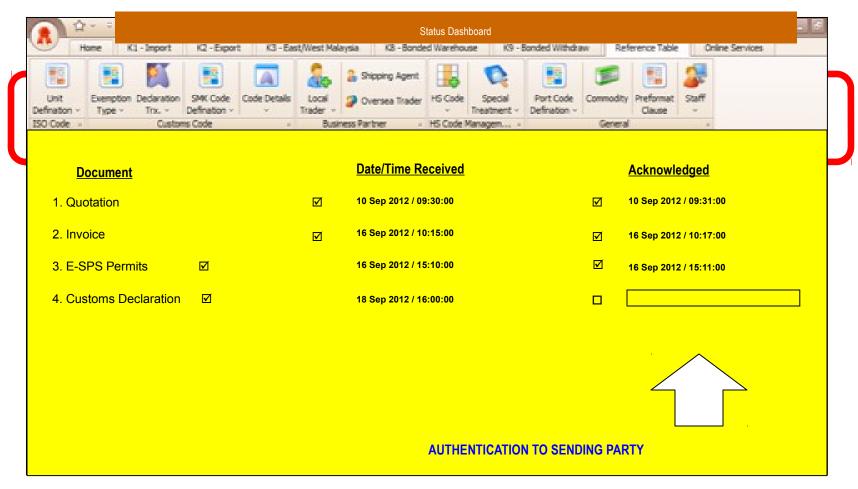
Proposed National Single Window Schematic

Lead Agency

Trade Department

Business Community

Pre-arrival processes

OGA processes

Transport Processes

ASEAN Single Window

Middleware

NSW Gateway

Trade Portal

Middleware

NSW Gateway

e –Commercial

Middleware

NSW Gateway

Customs procedures Banking procedures

Closure

Logistics & Carriers

e-Transport

Middleware

NSW Gateway

Electronic Forms, Agreed notification mechanisms, transactional dashboard, business rules, and transliteration tools

NSW Gateway

Middleware

e-Payment / Guarante

Financial Industry

Reference Tables

NSW Web Portal

Agreed Data Set

Port Authority / Operator

Port Management

Middleware

NSW Gateway

National Legal Framework Agreement

NSW Gateway

Middleware

e-Statistics

Statistical Authority

Importer
Exporter
Representative
Customs Broker
Freight Forwarder
Transport Operator
Carrier

NSW Gateway

Middleware

e-LCPO

NSW Gateway

Middleware

e-Trader

NSW Gateway

Middleware

e-Customs

Other Government Agencies
Airport Authority
Customs
Border Operator
Financial Industry
Statistical Authority

OGAs

Trading Community

Customs Authority

Customs Clearance Processes

Lodgment

Shipping Lines/ Airlines submits e-Manifest

Importer Files Import Entry Declaration

VASP Gateway Sends Selection Color to NSW

Customs Systems

E- Manifest System

Manifest

Client Profile Registration System

Consumption/Warehousing/ Transshipment/Informal Entries

- Selection Process:
- License Verification
- Selectivity
- Assessment

Licensing & Clearance System

Sends approved LCPO to NSW

Selectivity & Hold and Alert System

Applies Selectivity

For green lane entries, Customs sends payment order to Authorized Bank / Importer via NSW

On Line Release System

Triggers Release Message

Sends Release Message to Port Operator

Banks Payment System

Authorized Banks

Importers/Brokers

Customs Payment Gateway

Customs Payment Application System

Acknowledges Payment

ASEAN Experience on Single Window

NSW Dashboard

Document		Date/Time Received		Acknowledged
1. Quotation	☑	10 Sep 2012 / 09:30:00	☑	10 Sep 2012 / 09:31:00
2. Invoice	☑	16 Sep 2012 / 10:15:00	☑	16 Sep 2012 / 10:17:00
3. E-SPS Permits	☑	16 Sep 2012 / 15:10:00	☑	16 Sep 2012 / 15:11:00
4. Customs Declaration	☑	18 Sep 2012 / 16:00:00	☐	

AUTHENTICATION TO SENDING PARTY

ASW Quick Overview

- The ASW is ASEAN's program to facilitate the exchange of information between countries on trade transactions

- Individual countries establish their own electronic systems for clearing shipments that then share information through the ASW.

Near-term Goals

- Establish national single windows (6 are operational)
- Establish compatible legal systems to support the exchange of data
- Exchange data contained in regional certificates of origin, regional customs declaration, manifest, self-certified invoice, and sanitary & phyto-sanitary
- Go live by 2015

Longer-term Goals

- Reduce the average time to export and import in ASEAN to 14 days by 2017
- Exchange information on additional cross-border electronic document beyond 2015 e.g. bill of lading, advance cargo information, and dangerous goods
- Pre-arrival clearance processing
- Institutionalized targeting
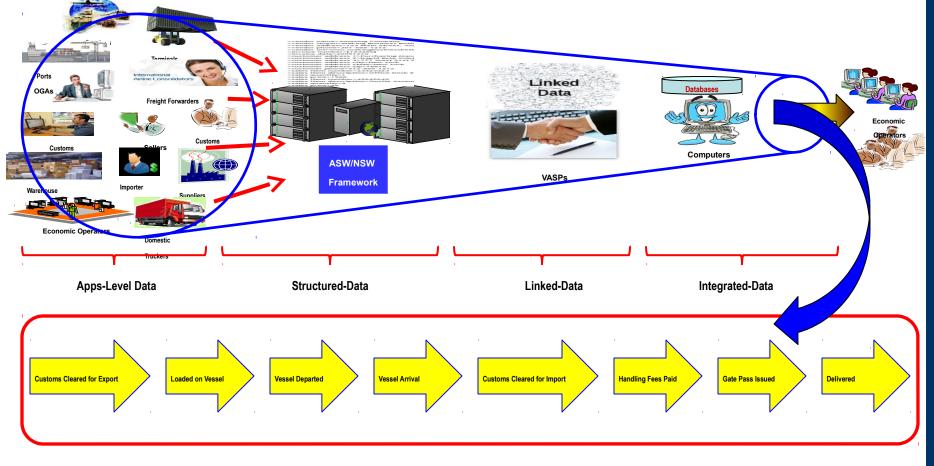- SMEs IT readiness

Long-run Challenges

- Who "owns" & who oversees the ASW?

- What organizational entity is required to run the ASW?

- What is the business model that makes the ASW sustainable?

- Reduce the number of documents

- Private sector buy-in

- Effective use of cross-border data for multi-agency risk management

- Transition to live implementation

Complementary Activities

- Piloting the ASW with all ASEAN countries by developing a front-end application for CML, as a make shift approach
- Information Security Incident Management, Version Control Procedure, Strategic Trade Management, and Customs-to-Customs Partnership
- Supporting improvements in the legal environment to support the ASW
- ASW Symposium 2
- Helping plan for the ASW beyond 2015

ASEAN Experience on Single Window

Unifying both import & export dimensions

Apps-Level Data   Structured-Data   Linked-Data   Integrated-Data

Customs Cleared for Export → Loaded on Vessel → Vessel Departed → Vessel Arrival → Customs Cleared for Import → Handling Fees Paid → Gate Pass Issued → Delivered

Information on status are harvested from the "converged data"

ASEAN Experience on Single Window

WB Doing Business – Time to Export

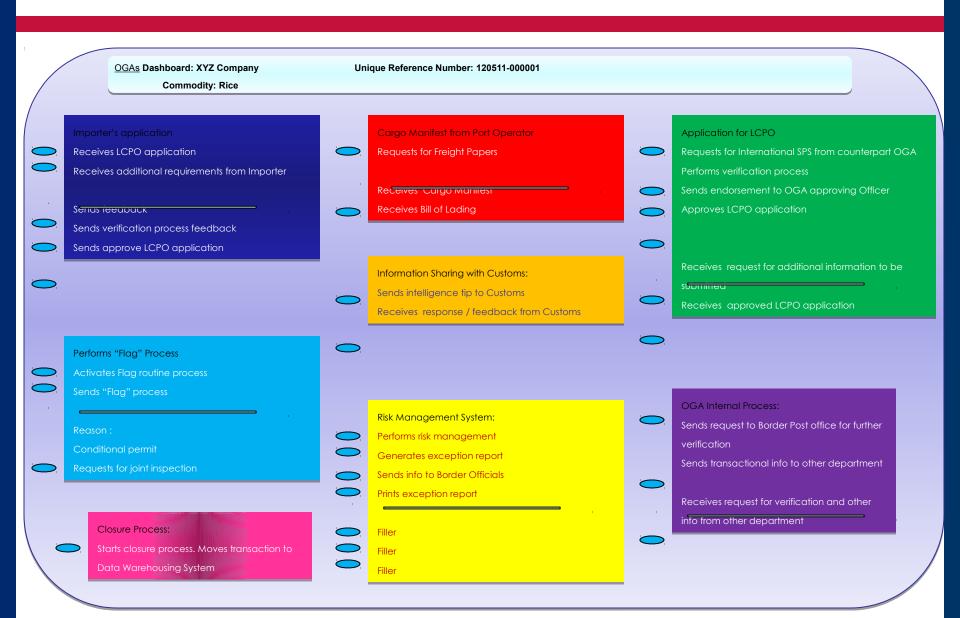| ASEAN Member States	Time to Export (days)		Document Preparation	Customs Clearance	Port Handling	Inland Handling
	2010	2014	2014	2014	2014	2014
Brunei Darussalam	27	15	11	1	2	1
Cambodia	22	24	15	3	4	2
Indonesia	21	23	13	4	4	2
Lao PDR	50	26	13	7	2	4
Malaysia	18	8	3	1	2	2
Myanmar	-	27	15	4	6	2
Philippines	16	14	8	2	3	1
Singapore	5	4	1	1	1	1
Thailand	14	13	8	2	2	1
Vietnam	22	21	12	4	4	1
Average	21.67	17.50	9.90	2.90	3.00	1.70

WB Doing Business – Time to Import

ASEAN Member States	Time to Import (days)		Document Preparation	Customs Clearance	Port Handling	Inland Handling
	2010	2014	2014	2014	2014	2014
Brunei Darussalam	19	15	11	1	2	1
Cambodia	29	24	15	3	4	2
Indonesia	27	23	13	4	4	2
Lao PDR	50	26	13	7	2	4
Malaysia	14	8	3	1	2	2
Myanmar	-	27	15	4	6	2
Philippines	16	14	8	2	3	1
Singapore	4	4	1	1	1	1
Thailand	13	13	8	2	2	1
Vietnam	21	21	12	4	4	1
Average	21.44	17.50	9.90	2.90	3.00	1.70

ASEAN Experience on Single Window

Commercial Negotiation:

Requests for Quotation

Transmits Purchase Order

Advices L/C Detail

Receives Quotation

Receives Commercial Invoice

Receives Pro-forma Export Declaration

B2G & G2B Requirements:

Requests for ATIGA

Populates application for LCPO

Populates Import Declaration

Receives ATIGA

Amends application for LCPO

Amends Import Declaration

Closure Process:

Starts closure process. Moves transaction to Data Warehousing System

Freight Papers from Carriers

Requests for Freight Papers

Receives Cargo Manifest

Receives Packing List

Receives Bill of Lading

LCPO Requirements:

Receives Approved LCPO from OGA1

Receives Approved LCPO from OGA2

Customs Clearance:

Submits Import Declaration

Tags Commercial Invoice

Tags LCPO Permits 1 and 2

Tags other documents

Receives Color Selectivity

Receives Assessed Amount

Receives Payment Advice Notification

Receives Customs Release

Application for LCPO

Requests for Permit from OGA1

Transmits Application to NSW

Tags Commercial Invoice

Tags ATIGA

Tags Cargo Manifest

Tags Bill of Lading

Receives application response

Receives request for additional information to be submitted

Receives a copy of International SPS requested by OGA1

Receives approved LCPO

Port Operator Processes:

Receives Billing for Handling Charges

Receives Payment Advice Notification from Bank

Receives Gate Pass

ASEAN Experience on Single Window

OGAs **Dashboard: XYZ Company**   **Unique Reference Number: 120511-000001**

Commodity: Rice

Importer's application

Receives LCPO application

Receives additional requirements from Importer

Sends feedback

Sends verification process feedback

Sends approve LCPO application

Cargo Manifest from Port Operator

Requests for Freight Papers

Receives Cargo Manifest

Receives Bill of Lading

Application for LCPO

Requests for International SPS from counterpart OGA

Performs verification process

Sends endorsement to OGA approving Officer

Approves LCPO application

Receives request for additional information to be submitted

Receives approved LCPO application

Information Sharing with Customs:

Sends intelligence tip to Customs

Receives response / feedback from Customs

Performs "Flag" Process

Activates Flag routine process

Sends "Flag" process

Reason :

Conditional permit

Requests for joint inspection

Risk Management System:

Performs risk management

Generates exception report

Sends info to Border Officials

Prints exception report

Filler

Filler

Filler

OGA Internal Process:

Sends request to Border Post office for further verification

Sends transactional info to other department

Receives request for verification and other info from other department

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Closure Process:

Starts closure process. Moves transaction to Data Warehousing System

ASEAN Experience on Single Window

Customs' **Dashboard: XYZ Company**

Commodity: Rice

Unique Reference Number: 120511-000001

Importer's application

Receives declaration

Receives supporting documents

Sends color

Sends assessed amount

Sends release message

Cargo Manifest from NSW / Other Sources

Requests for Freight Papers

Receives Cargo Manifest

Receives Bill of Lading

Requirements from Government Exporting Country

Requests for ACDD

Requests for ATIGA

Requests for other documents

Receives ATIGA

Receives ACDD

Receives other documents

Receives intelligence tips from bilateral agreements

Performs Risk Management

Performs selectivity process

Performs exception management

Sends hold order

Performs internal control processes

Information Sharing with Other Government Entities:

Sends intelligence tip to Other Government Agencies

Receives response / feedback from OGAs

Sends payment order to Authorized Bank

Sends schedule for joint inspection with OGAs

Receives abstract of payment from Authorized Bank

Receives gate pass notification from Port Authority / Operator

Filler

Customs Internal Process:

Performs balancing of Manifest

Generates report of overstaying shipments

Performs documentary checks

Performs joint inspection

Closure Process:

Starts closure process. Moves transaction to Data Warehousing System

Institutional Arrangements

- Identify the head and members of the following:

    - Steering Committee

    - Legal Working Group

    - Technical Working Group

    - Private Sector Experts Group

    - Project Management Office

    - Identify point persons in each NSW components

- Identify its members

- Provide coherence, effective formulation, coordination, implementation, and monitoring of the NSW

Technical Approach

- Keep it simple, user-friendly, and well-documented

- Equal treatment for all participating entities

- Phased implementation, modular approach

- Scalable, extensible, configurable, and expandable

- Use of "one" submission to "many" notifications for multiple access to a single document

- Government should partner with the private sector to sustain NSW development and eventual operation

- Extend the realm of performing risk profiling at the point of origin or exporting country

Data Governance Policy

- Data ownership, sharing, accountability

- Rules of governance

- Guiding principles of a Data Governance Council to administer cargo clearance data

- Set of procedures how data is to be stored, archived, backed up, and protected from unwarranted access

- Establish a set of controls and audit procedures that ensure ongoing compliance with government regulations

- Information security policy (ISO 27002)

Functionalities and Features

- Act as a functional integrator of cross-border business and government data and information

- Consolidator of transactional cross-border and national messages

- Synchronizer of information rules both for regional and national

- Not act as a processing tool for any government agency

Legal Requisites

- Law on Electronic Transactions

- Prime Minister Decree to establish the NSW

- Revised Customs Law

- Data protection and information security

- Establish identification, authentication and authorization process

- Electronic archiving of data

- Intellectual property rights and database ownership

Lessons Learned

- Clear vision from senior officials

- Institutional set-up where relevant officials can come together to discuss and agree on technical and legal matters

- NSWs need to be substantially under way – if not in place – by the time discussions of a regional mechanism to exchange data between them are initiated.

- Intellectual leadership is important

Lessons Learned (2)

- Developing the NSW technical architecture in a modular way that allows its components to work independently of each other to execute only one aspect of the desired functionality even if other components are not used or functioning.

- Legal impediments should also be reviewed as early as possible.

Thank you!