Cross-border E-Trade: The ASEAN Single Window

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Abstract

This paper presents Asian Single Window background and evolution; a description of what we mean by national versus regional single window; an update on Member States' National Single Window (NSW) status; an overview of Asian Single Window (ASW) technical, legal aspects; an assessment of institutional and technical aspects of the Asian Single Window work; potential benefits from the cross-border exchange of data using the Asian Single Window; incremental benefits from Asian Single Window; challenges to Asian Single Window implementation; and conclusions.

Key words: Asian Single Window, Cross-border, Trade Facilitation, market access, supply chain

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Table of Contents

List of Figure

List of Tables

1. Introduction

The ASEAN Single Window (ASW) is a unique regional initiative that combines the direct exchange of data between Association of Southeast Asian Nations (ASEAN) Member States and regional operations that allow National Single Windows (NSWs) to synchronize the data exchange across borders. The objective is to expedite cargo clearance within the context of increased economic integration in ASEAN. Key benefits from the ASW are similar to benefits from the bilateral exchange of data between countries, particularly ones with single window mechanisms in place, i.e. improved risk management and targeting, track-and-trace capabilities, supply chain integration, pre-arrival clearance, harmonization of data and procedures, and, overall, improved trade facilitation and compliance.

However, a regional mechanism provides incremental benefits that are not easy to achieve in a bilateral setting. ASW implementation ensures compatibility of Member States with international open communication standards while also ensuring that each of those Member States can then exchange data securely and reliably with any trading partners that use international open standards. This currently supports the exchange of the intra-ASEAN certificate of origin (ATIGA Form D) and ASEAN Customs Declaration Document (ACDD) on a pilot basis among seven Member States and will be expanded to exchange other types of data. Eventually the ASW, because it uses international operability standards, can support the exchange of certificates of origin and advance cargo information with non-ASEAN trading partners. Other incremental benefits include legal inter-operability, data validation at the regional level, support for ASEAN's policy harmonization efforts (e.g. phytosanitary measures and conformity assessment procedures), and better view of data exchange among Member States.

On the institutional side ASW development is managed by the ASW Steering Committee and supported by technical and legal working groups, which have been developing the technical and legal architectures. They have initiated consultations with the private sector on data to be exchanged in the ASW architecture and other complementary initiatives, and have been studying ASW sustainability options, including governance, business model, and financial feasibility.

Challenges in developing the ASW have been numerous, particularly in the first years of development while Member States worked to launch their NSWs and made difficult decisions related to the regional mechanism and functionalities. While ASW and NSW development is a long and arduous journey, Member States need to implement a panoply of complementary measures at the national level to support paperless clearance in ASEAN, including a single window-ready legal environment, risk management systems, pre-arrival processing mechanism, and Authorized Economic Operator (AEO) programs among others.

This chapter presents ASW background and evolution; a description of what we mean by national versus regional single window; an update on Member States' NSW status; an overview of ASW technical, legal aspects; an assessment of institutional and technical aspects of the ASW work; potential benefits from the cross-border exchange of data using the ASW; incremental benefits from ASW; challenges to ASW implementation; and conclusions. We hope that this discussion will inform policymakers,

researchers, and other countries and governments who are considering implementing similar cross-border data exchange arrangements.

2. Concept of National Single Window and Regional Single Window

A single window is described in UN/CEFACT Recommendation Number 33 as a facility that allows parties involved in trade and transport to lodge standardized information and document with a single entry point to fulfill all import, export, and transit-related regulatory requirements. This concept would involve a single authority or a single automated system that serves as the single point for the collection and dissemination of information. It could work well within the same regime in a country.

With existence of different regimes in a region, implementation of a single window with a single authority or single automated processing for a group of countries could be far more complex or impractical especially in terms of governance and operation. However, a regional single window in the ASEAN context involves not centralized processing of information but the electronic cross-border exchange of data between ASEAN stakeholders to expedite cargo clearance. And while the national single window does not necessarily imply the implementation and use of high-tech information and communication technology (ICT), use of ICT is inevitable for the regional single window.

3. Member State NSW status

Before going into a detailed discussion of the regional ASW architecture, perhaps it is useful to summarize the status of participating Member State NSWs, as gathered from recent NSW reports, since effective NSWs are essential to a functional regional architecture. As NSWs are constantly evolving, more accurate information may be obtained directly from Member States.

Table 1: Member State NSW Status

AMS	NSW status	Key NSW Applications
Brunei Darussalam	Brunei Darussalam has implemented some features of its NSW through the eCustoms system which was launched in stages since 2008. The e-Customs serves as the main platform of Brunei Darussalam NSW offering the on-line services on the submission and processing of customs declarations and approval permits. Several relevant government agencies utilized the eCustoms system to endorse and approve permits prior to importation or exportation of goods. i-Banking has also been introduced with cooperation of several local Banks where traders and importers will be able to pay their duties and taxes online. At present, the submission and processing of ATIGA Form D can be accessed via the web portal of the Ministry of	e-Declaration e-Manifest e-Permit i-Banking e-CO

AMS	NSW status	Key NSW Applications
Brunei Darussalam (continued)	Foreign Affairs and Trade. Integration of the ATIGA Form D application with e-Customs project is being completed. A new project commenced recently on the interfacing and integration with a number of government departments on the exchange and processing of import permits and licences. The vision of this project is to provide a common online platform (electronic single window) for <u>electronic</u> exchange and submission of trade information and documents by business and public to the controlling agencies. Multiple trade declarations will be consolidated into <u>single declaration</u> and submitted electronically to <u>multiple agencies</u> for approval and decision-making automatically. The launch of the first stage of her NSW is scheduled early 2013 and it involves: • Newly developed online Certificate of Origin system • Newly developed Brunei Darussalam NSW Portal • Integration with ASEAN Single Window The second stage includes: • Involvement of Other Government Agencies (OGA) • Centralize processing of trade documents	
Cambodia	Under the strategic plan of action to implement the Risk Management System, the Ministry of Economy and Finance (the General Department of Customs and Excise-GDCE) signed Service Level Arrangements-SLA last year with three Government bodies namely: the Ministry of Industry Mine and Energy, the Ministry of Health, and the Ministry of Commerce. Other SLAs are currently being negotiated and considered by the GDCE and other related Government bodies. Additionally, the implementation of the Risk Management System will be linked with ASYCUDA World soon. Cambodia is focusing on the implementation of her Customs automation system (ASYCUDA World) and, currently, extensive work is being carried out to complete the countrywide roll out of the ASYCUDA system. Then, this system will be used as a platform for the development and implementation of her NSW. In line with these developments, the composition of her National Single Window Steering Committee will be reviewed.	ASYCUDA World: -Geographic expansion to 20 operational Customs offices (covered 95% of import & export operation) -Manifest pilot implementation -Customs bonded warehouse -Direct Trader Input is testing -Customs Transit is developing
Indonesia	Export and import procedures are already implemented in 10 major ports nationwide. Mandatory Export-INSW Procedure to five major ports in Indonesia as of September 2010 and extended to five other ports in 2012. The port system has been integrated into the INSW expansion, particularly the electronic manifest system since November 2010. In the meantime the	e-licenses, e-payment, e-decaration, e-manifest, Single Sign On, e-logistic, NTR

AMS	NSW status	Key NSW Applications
	INSW has also added more trade facilitation assistance tools features such as trade simulation, duty rate calculator, Indonesia National Trade Repository (NTR) on line tariff information system, control goods regulation, information system, etc. INSW is also enhancing its ASW module to support utilization report generator and statistics. On-going development of INSW is the integration of Post Customs Clearance System with Port Terminal Operators to enhance to overall process of goods release. The number of messages exchanged per day in the INSW is about 140 million. There is no fee for usage as all costs are covered by the government. The NSW website of Indonesia can be accessed through http://www.insw.go.id.	
Lao PDR Lao PDR (continued)	In 2011 Lao PDR conducted a legal gap analysis and workshops for relevant government agencies and private sector in Vientiane. Now, Lao PDR is working on the Lao National Single Window Road Map Development and revising the existing NSW Committee. Besides this, the Customs Automation System has been upgraded, and testing at a major Customs border checkpoint will take place and, after the completion of the testing stage, it will be operated at the other checkpoints all over the country. The Customs Automation (ASYCUDA World) will be the platform for further development of Lao National Single Window. In May 2012, the National Single Window Team led by the Vice Minister of Finance, together with the representatives from the relevant government agencies such as Customs Department (MOF), Ministry of Public Work and Transport, Ministry of Agriculture and Forestry, Ministry of Industry and Commerce, Ministry of Science and Technology, Ministry of Planning and Investment, and the Ministry of Health officially headed to Singapore and Indonesia for the observation of the actual implementation of their NSWs. In August 2012, the Lao National Single Window Committee was established to replace the former NSW Team. The new committee is chaired by Vice Minister of Finance. The Lao NSW Committee agreed at its second meeting in 2012 to allow an international consulting company to conduct a feasibility study on establishment of Lao NSW. The study began in September 2012 and is expected to be complete in early 2013. The Lao Government urged the Lao NSW Committee to	ASYCUDA World modules

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	expedite the development of the NSW while using a Public Private Partnership approach.	
Malaysia	Malaysia's NSW has been fully operationalized since September 2009 and continuous effort is being carried out for nationwide implementation. NSW offers six core services, which are eDeclare (Electronic Customs Declaration), eManifest (Electronic Manifest), ePermit (Electronic Permit), ePermitSTA (Electronic Permit for Strategic Trade Act 2010), ePCO (Electronic Preferential Certificate of Origin) and ePayment (Electronic Customs Duty Payment). Future expansion plan of NSW will focus on completing the roll-out of its services especially to include more Permit Issuance Agencies as well as existing ports nationwide. Moreover, the promotion to utilize Online Service such as for ePayment and ePCO will be enhanced and encouraged through awareness programme. A comprehensive NSW portal covering all six core services can be accessed through (http://www.mytradelink.gov.my). The development of a National Trade Repository (NTR) is currently on-going and NSW is engaging with all stakeholders to provide relevant information to be included in the NTR.	ePermit ePCO eManifest ePayment ePermitSTA
Myanmar	As an initial implementation of the NSW, in terms of e-Customs action plan, the electronic export clearance system has been implemented since 29th August 2011 and on 2nd January 2012 import clearance system has also been implemented. The ACDD has been implemented in electronic format since 1st November 2011.	Ongoing development
Myanmar (continued)	Myanmar is in the process of choosing a system for her NSW (ASYCUDA, UNIPASS and two local systems). Her e-Customs was launched in January 2012 and four government agencies were involved. In addition, the website of Myanmar Customs Department can be accessed through the address: https://www.myanmarcustoms.gov.mm.	
Philippines	The Philippine Bureau of Customs (BOC) expects to start the second phase of the Philippine NSW in the first half of 2013. As of now, there are already 30 out of the 40 (government) agencies linked to the NSW and the remaining 10 will be connected soon. Through the NSW, traders electronically submit forms for export, import, and transit procedures only once, and they are processed and cleared by multiple government agencies in a single integrated process. NSW's phase 2 involves government-wide rationalization, standardization, and harmonization of all trade data and	ePayment, eForms including ePermits, eLicenses, eClearances

AMS	NSW status	Key NSW Applications
	enhancement of trade portals. It will also link NSW to the ASW. The NSW website could be accessed through: http://www.nsw.gov.ph	
Singapore	Singapore has implemented her National Single Window, TradeNet (TN) since 1989. Since then, TN has gone through several version upgrades. The latest Version 4.1 was implemented on 1 January 2012 to align the system to international standards and to incorporate the revised set of tariff codes under the ASEAN Harmonised Tariff Nomenclature 2012/1. The NSW website of Singapore can be accessed through: http://www.tradexchange.gov.sg/tradexchange/default.portal.	All types for import, export, transshipment
Thailand	The Thai Customs Department has signed an MOU with 36 relevant agencies on the implementation of the Thai NSW. The NSW has officially entered into operation since 2008. Nowadays, it enables live data exchange among 12 government agencies and 9,400 agents serving about 100,000 traders. In addition, the NSW is also serving 660 Customs stations and business communities including Customs House, Ports, Container Yards, Inland Container Depots, Warehouse, Industrial Estates, Export Processing Zones, and Free zones. There are 14 government agencies that are conducting the pilot test. The NSW website could be accessed through http://www.thainsw.net.	e-Import, e-Export, e-Payment, e-Licensing, e-Express, e-Tracking, e-Manifest, RFID (e-Seal) e-Certificate, (e-Service available for sea, land and air modes)
Vietnam	Viet Nam has established the Master Plan on NSW and has activated working groups on NSW. The electronic clearance system of Viet Nam Customs was expanded and available in thirteen Customs Departments nationwide. The NSW Steering Committee has approved the first version of Viet Nam's Data	Electronic Customs Declaration (E-Declare), Customs Assessment and