

WCO SINGLE WINDOW COMPENDIUM



Joint Seminar on Trade Facilitation & the Single Window

Planning Aspects of Single Window
Development in the Customs Union
and Single Economic Space Member
States



4 September 2014

Introduction to the WCO

- facts & figures

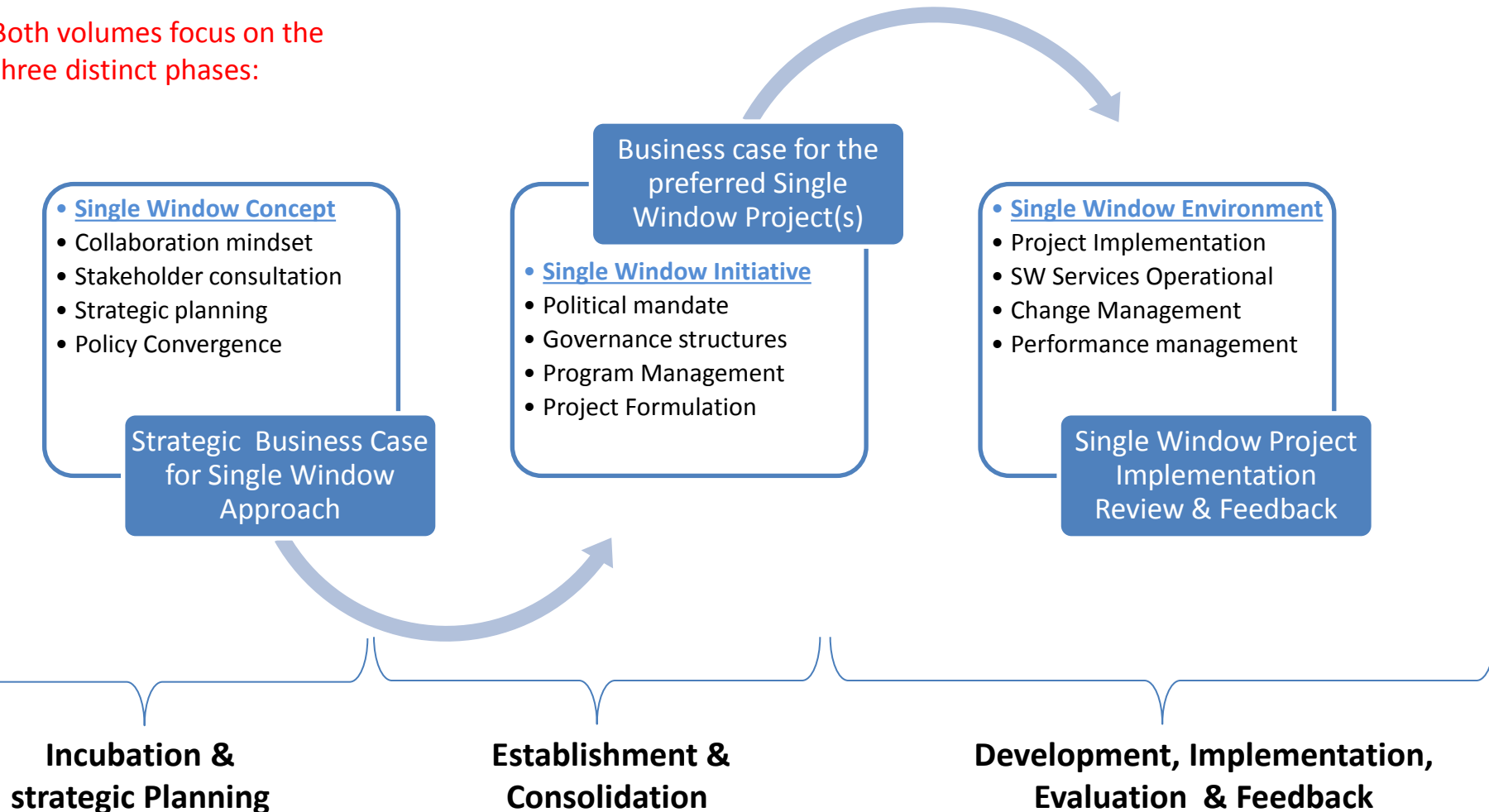


- Established in 1952 as the Customs Co-operation Council
- Renamed to WCO as working title in 1994
- Headquarters in Brussels
- 6 regional representatives
- 179 members from all geographic regions and at different stages of development
- Members process > 98% of all international trade

Introduction to the SW Compendium



Both volumes focus on the three distinct phases:



Introduction to the SW Compendium

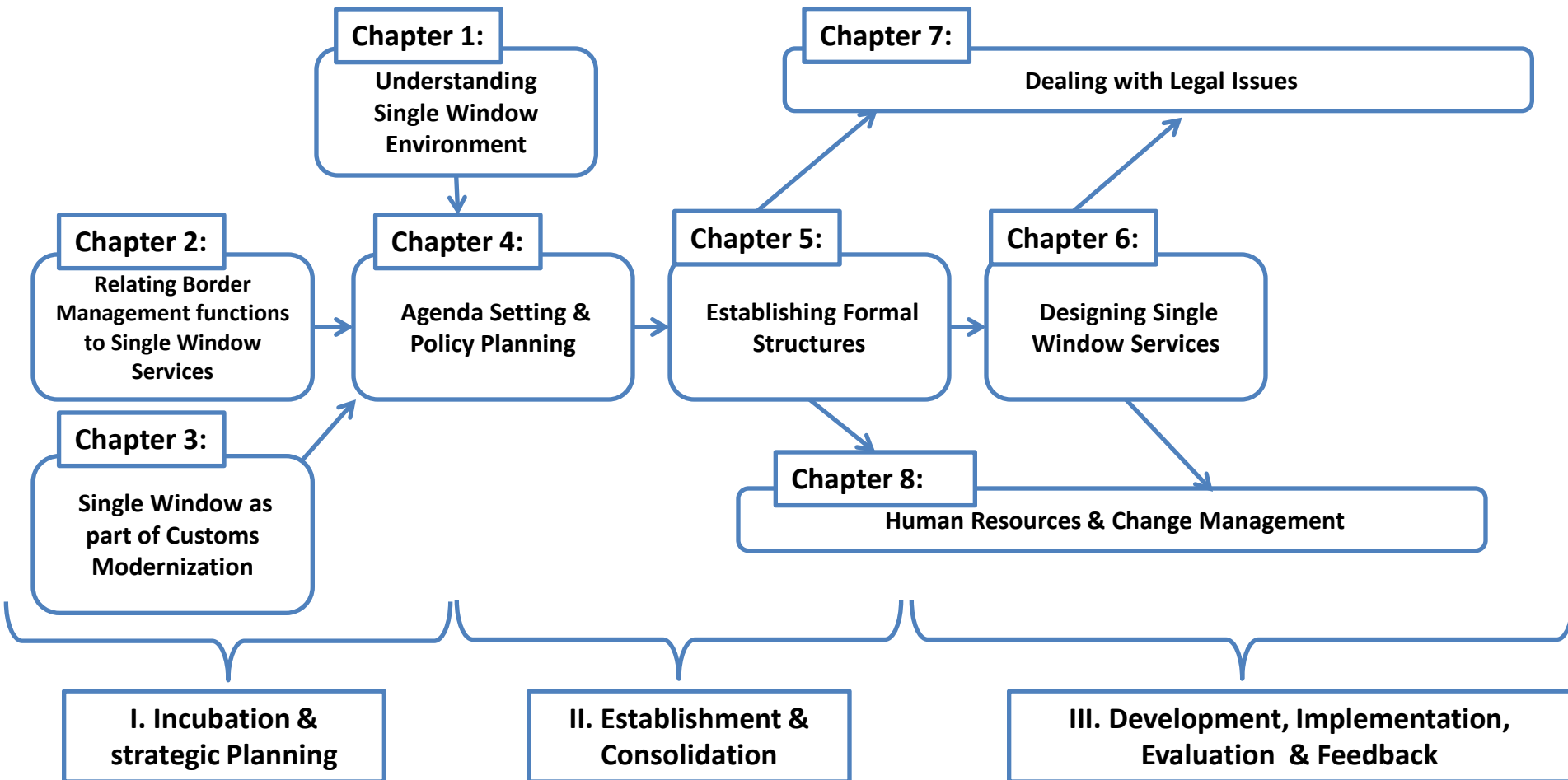


Diagram1: Layout of Chapters for Volume 1

Introduction to the SW Compendium

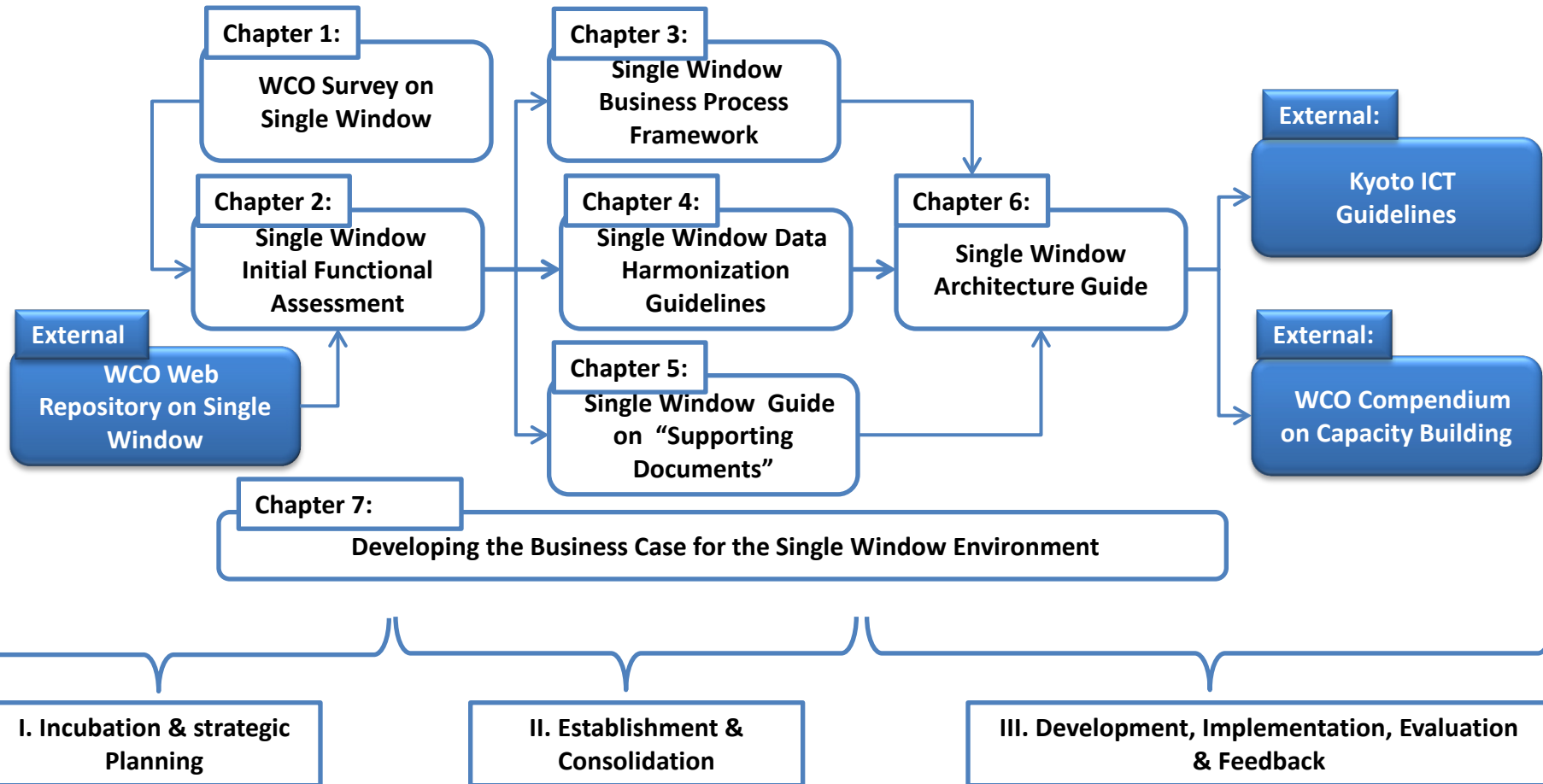
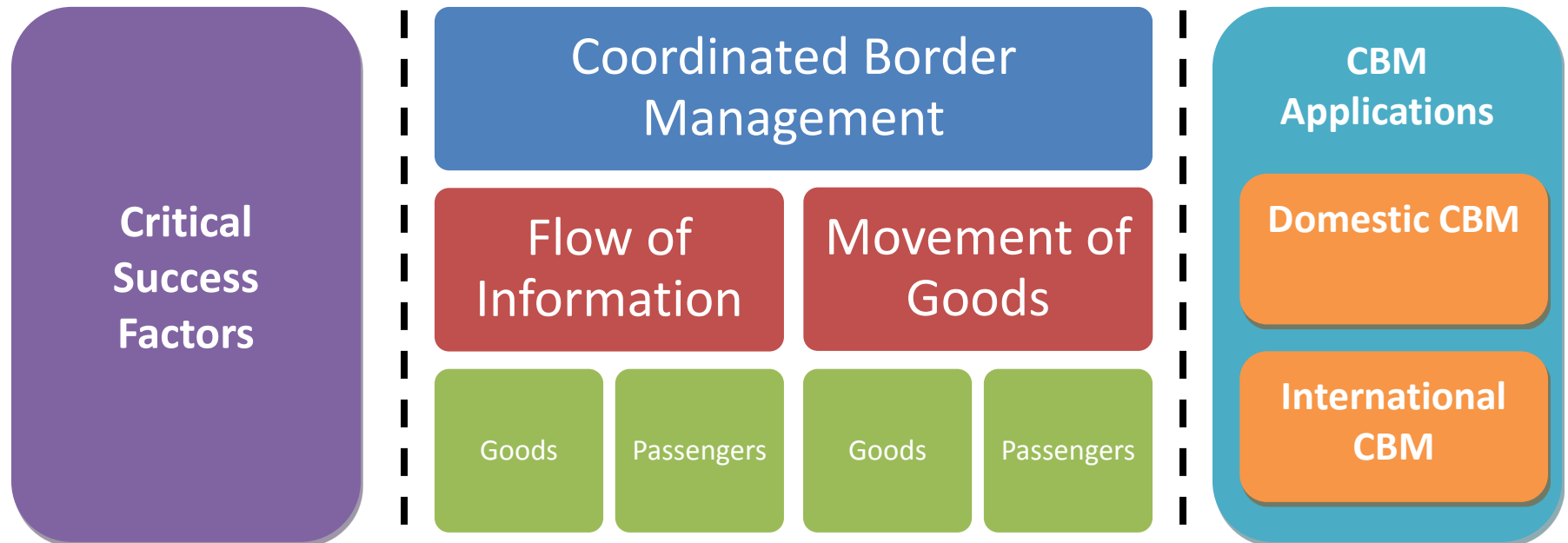


Diagram 2: Layout of Sections for Volume 2

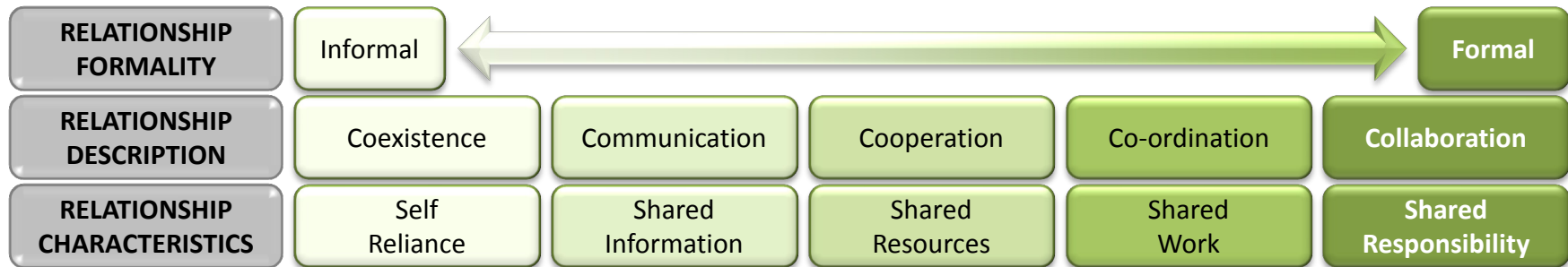
Coordinated Border Management



- The optimal flow of goods and information between Customs, Cross Border Regulatory Agencies and Trade to enable effective and efficient border management



What is CBM?



- Totally uncoordinated border situations are rare – it is common for multiple agencies to be involved in border operations
- Key issue is not the number of agencies at the border, but how well they work together
- Degree of formality is VERY important – need to move beyond informal / personal network arrangements to be sustainable

The SW in the context of CBM



- The benefits of SW is only realized when the underlying processes are critically examined and streamlined
 - It is not a magic software solution
- Information technology makes efficient processes even more efficient
 - It also makes complicated processes even more complex and unmanageable

Understanding the SW Environment



“Within the context of this Recommendation, a Single Window is defined as 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 elements should only be submitted once.”

UN-CEFACT Recommendation 33

WHO?

- Parties involved in trade and transport

WHAT?

- Standardized information and documents

WHERE?

- Single entry point

WHEN /
WHY

- Fulfill all import, export, and transit-related regulatory requirements.

HOW?

- Electronic data elements should be submitted only once

Understanding the SW Environment



Single Window Environment

- “A cross border intelligent, facility that allows parties involved in trade and transport to lodge standardized information, mainly electronic, with a single entry point to fulfill all import, export and transit related regulatory requirements, which are largely in line with the UN/CEFACT Recommendation 33”
- Intelligent Facility
 - SW not just a data switch or a simple gateway portal
 - Vehicle to providing integrated services to users
 - Revenue collection
 - Risk management
 - Shared operational controls

Understanding the SW Environment



- One-time submission
 - Incremental submission of data
 - Harmonized regulatory declarations
 - Sharing of information amongst CBRAs
 - Harmonized CBRA response

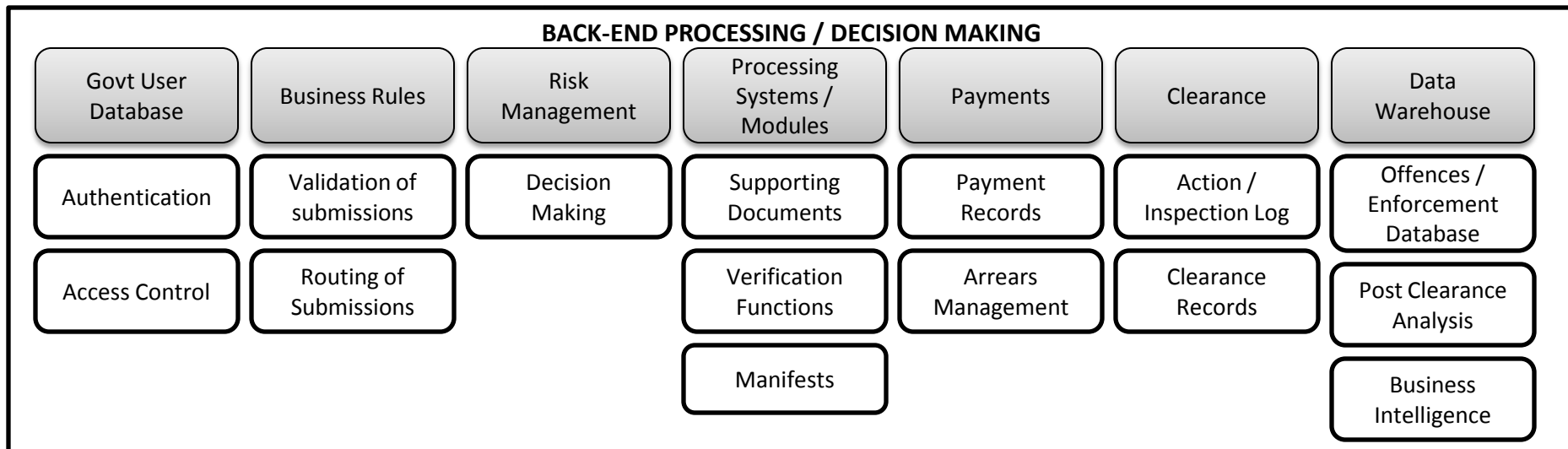
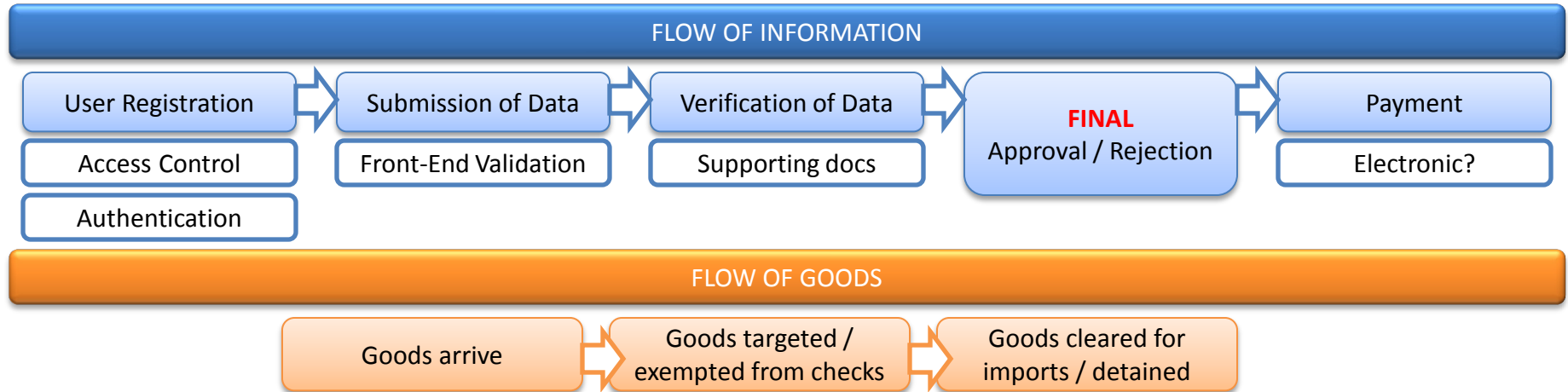
SW needs to be seen as an “environment” because it is not just an IT system, but an ecosystem of inter-dependent facilities and processes

Implemented in an integrated manner, a SW environment becomes a critical trade infrastructure

Understanding the SW Environment



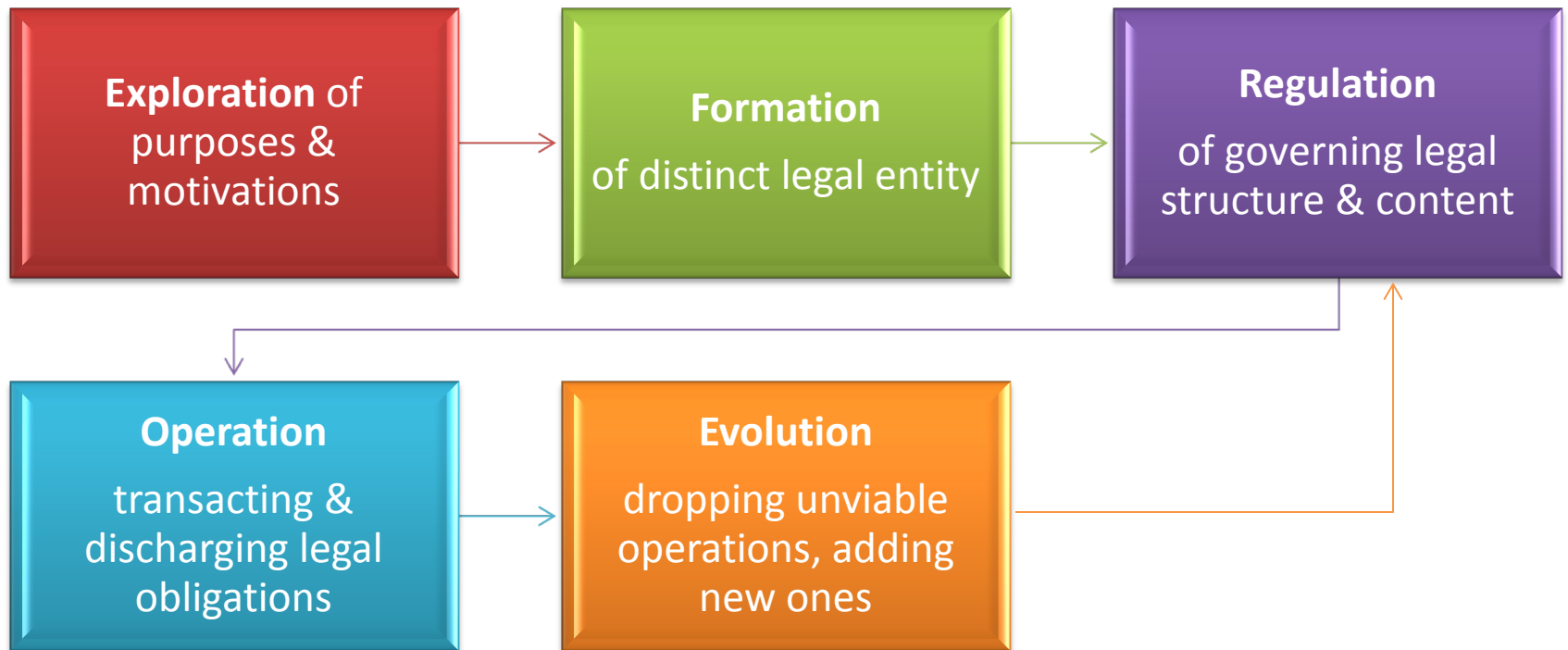
Service Interactions & Service Oriented Architecture



SW Development Processes



- Single Window Life Cycle



SW Development Processes

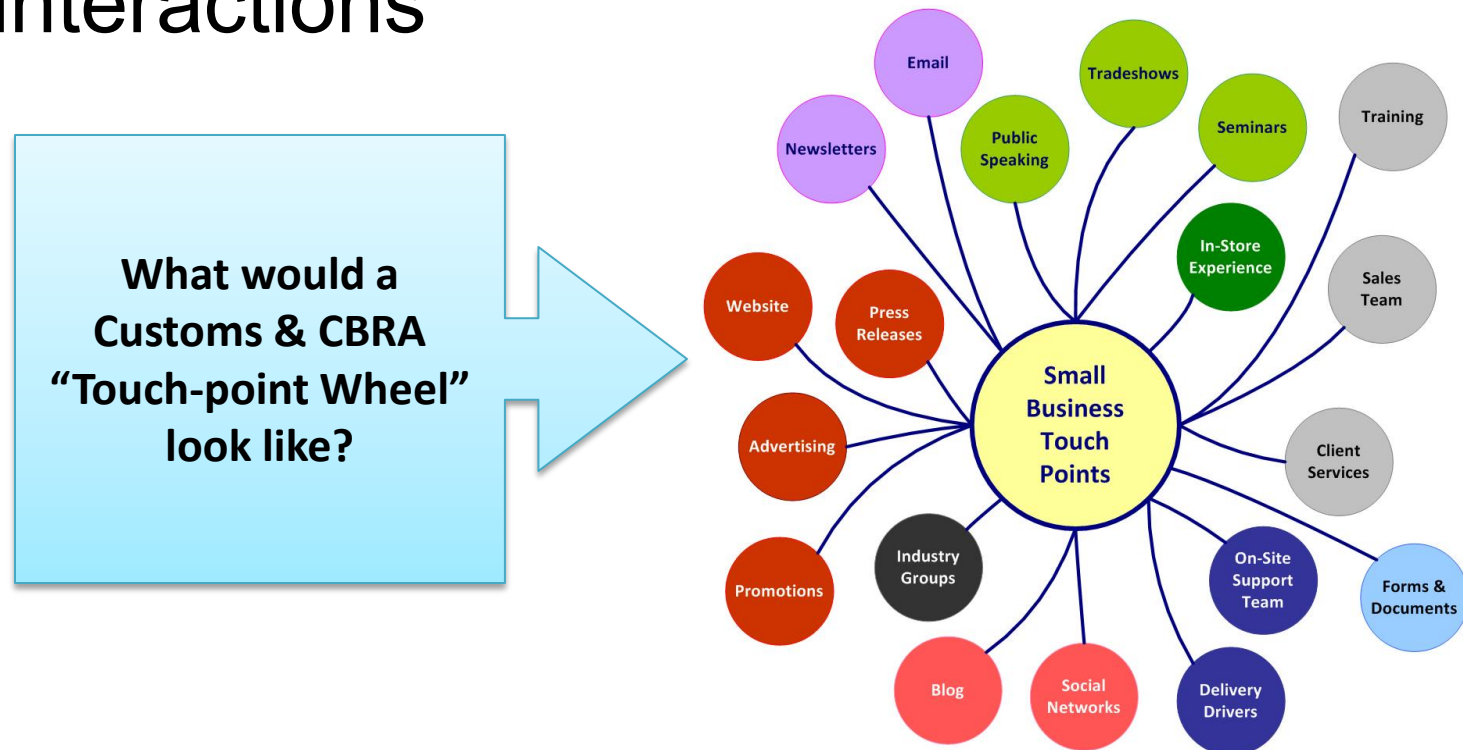


- Reality: events / developments may take place concurrently or may lag
- Responsiveness & flexibility important
 - Be aware of big picture, but do what you can first
 - Momentum is important
- Exploration phase is very essential – starting on the right footing, engaging to get the critical info necessary to start the next stage

SW Development Processes



- A SW Environment needs to be understood in terms of “services” and “interactions”



SW Development Processes



- At the high-level, everything looks quite generic
- As we drill into level of details between different agencies, different processes, the variations will surface
- SW exploration phase will study the differences to realign the citizen-service experience

SW Functional Assessment



- Functional assessment: the process for determining the high-level **current state** of users
- WCO had developed a Functional Assessment Guide to help Members in this process

SW functional Assessment



- Potentially serious issues
 - Unique identifiers
 - Different agencies having their own registration schemes
 - Data validated
 - Which key data field, how is it checked
 - Timing
 - Need to be as specific as possible
 - License, Permits, Certificates, Others
 - Opportunity to look into dematerialization
 - Enforcement
 - Essential for balance
 - Business Intelligence
 - Not just statistical reporting, but insights & sense-making
 - Law
 - Identifying issues of legal alignment

SW functional Assessment



- Challenges
 - Vague responses
 - Defensive responses
 - Incomplete responses
 - “Secret” / “Sensitive” information
- Important to build trust, engage and explain purpose

SW data harmonization: Capture, Define, Analyze & Reconcile



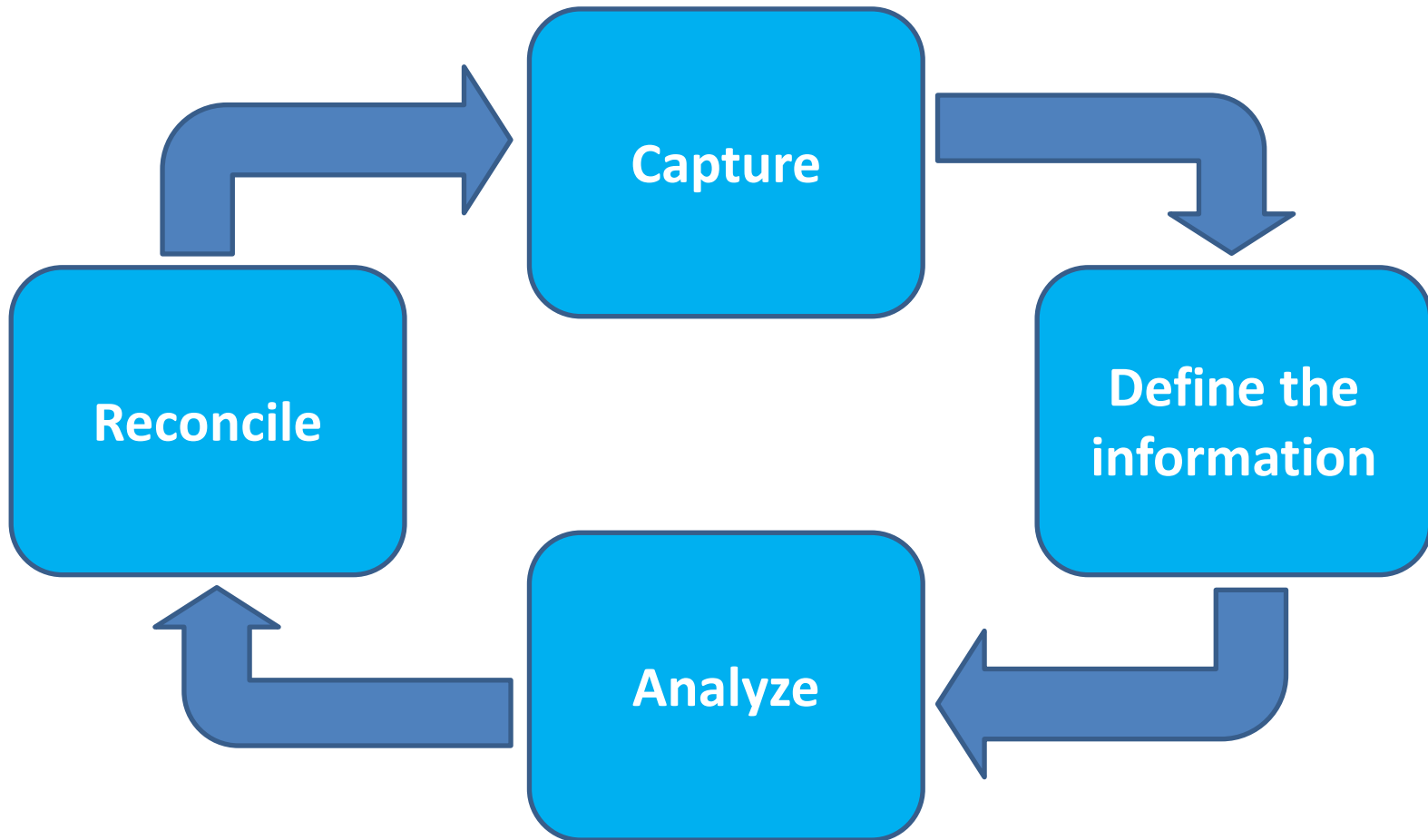
Objective:

1. To locate the exchanges of information in business processes
2. To introduce Data Harmonization

SW data harmonization: Capture, Define, Analyze & Reconcile



The 4-step cycle



SW data harmonization: Capture, Define, Analyze & Reconcile



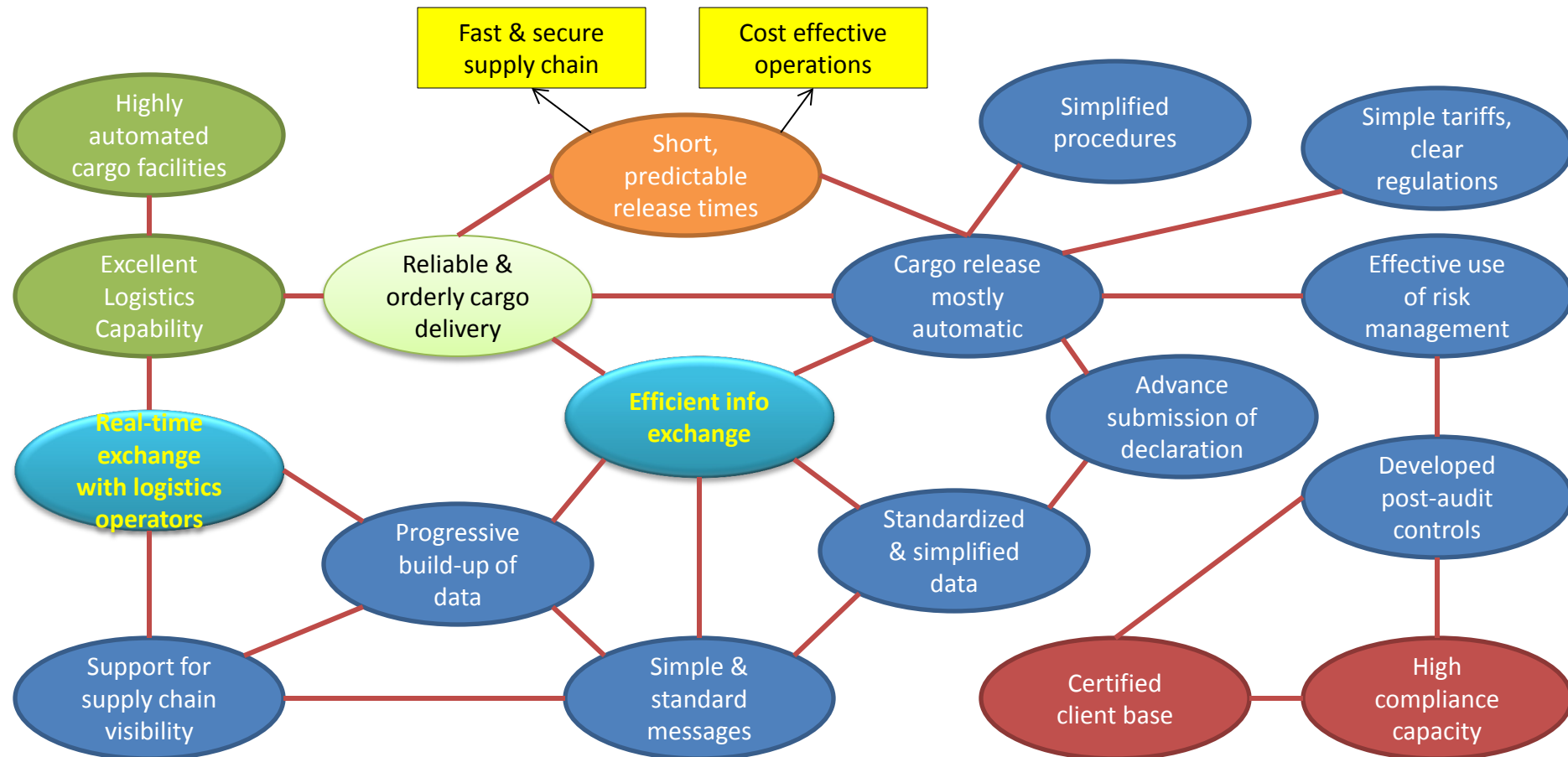
Example

Capture	Define	Analyze	Reconcile
Importer Consignee	Party responsible for the importation of the goods into the country	Importer and consignee are used inter-changeably	Importer name WCO ID: R037, an..70 Importer coded WCO ID: R038, an..17
Registration number License number Certificate number Permit number	Official number that authorizes company / party to undertake the transaction	Each number is issued by different agencies for different licensing purposes, but serves the same function of identifying the authorized the party	LPCO Authorized Party coded WCO ID: R086, an..17

HR & Change Management



- What changes with a Single Window?



HR & Change Management

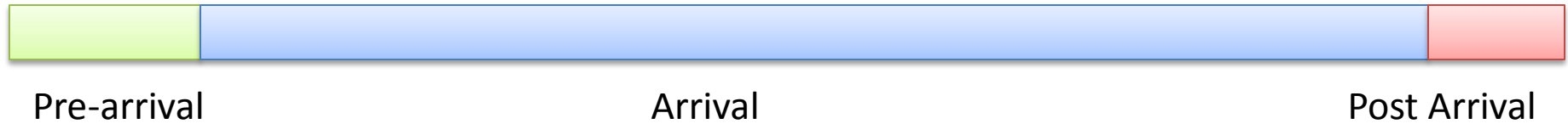


- Public sector organizations do not always have full flexibility in “hiring & firing” decisions
- Question for decision makers
 - Hiring who is needed
 - Provide training to those who need it
 - Re-deploying around new work areas
- Communication is key
 - Address concerns, provide assurances

HR & Change Management



Current State



Future State



Human resources needs to be recalibrated as processes are reviewed

- SWE would reduce the amount of manpower needed at the point of import, but the resources would need to be diverted to the pre-arrival and post-arrival stages.

- Pre-arrival: Tactical Risk management, research, sense-making, targeting, intelligence, processing of high-risk declarations

- Post-arrival: Risk profiling, business intelligence & analysis, procedure review, post-clearance audits

HR & Change Management



- Training needs analysis
 - Typically seen as the function of HR or Training, but realistically, everyone needs to play a part
 - Important part of continual improvement process

Basic

- Knowledge of customs law & powers
- Basic procedures & operational know-how

Intermediate

- On-the-job training and more specialized areas (HS, Valuation, ROO, RM, Enf)

Specialist / Expert

- In addition to regular customs areas, also capabilities on IT

Supervisor / Manager

- Leadership skills, effective management
- Sensitivity to technology & process management

HR & Change Management



- Communication
 - Internal Communication: Staff
 - Inform people formally – group meetings, staff briefing by managers / supervisors
 - Manage information – briefing kits, talking points, detailed FAQ on implementation, what will change, what will not change. Clear, consistent, purposeful
 - Establish feedback channels – allow people to respond, engage within formal channels

Deliver good information so that the discussion is not dominated by gossip

HR & Change Management



- External Communication: CBRA Partners, Trade
 - Constant position – Customs & CBRA should have fixed message and deliver it consistently
 - Press kits, publicity posters, slogans, taglines, web-images
 - Transparency of information – clear & timely communication of implementation timelines, revised procedures
 - Set aside enough time for everyone involved to know what is going to happen
 - Conduct training / briefings
 - 2-way communication – be prepared to engage
 - Open-mind to concerns, objections

IN SUMMARY



- A National Single Window project is a multi-dimensional and complex process
 - Process is key
 - Focus on services
 - Focus on your people

REGIONAL INTEGRATION



- Convergence
 - Regional collaboration
 - Regional facilitation
 - Regional controls
 - Increased harmonization reduces costs of doing business
- How?

REGIONAL INTEGRATION



- 4 levels of inter-operability

Legal Inter-operability

- Legislative Alignment

Organizational Inter-operability

- Organization & Process Alignment

Semantic Inter-operability

- Semantic Alignment

Technical Inter-operability

- Interaction & Transport

European Commission, DG DIGIT



REGIONAL INTEGRATION



- Legal Inter-operability
 - Incompatibilities between national laws makes working together difficult
 - When info is exchanged, legal validity need to be maintained
- Examples
 - ASEAN (Protocol to Establish & Implement ASW)
 - MERCOSUR (Decision of the Council of Common Market N° 1/08 (CMC))
 - Legal amendments to local laws to implement high-level agreements

REGIONAL INTEGRATION



- Organizational Interoperability
 - Re-aligning existing business processes, building new processes
 - What kind of processes are relevant regionally?
 - Registration of trading entities
 - Transit
 - Certificates
 - Value Added Taxes
 - Track-and-trace

REGIONAL INTEGRATION



- Semantic Interoperability
 - The precise meaning of the information that is exchanged
 - Data harmonization supports both semantic & syntax interoperability
 - Harmonized regional data-set
- Technical interoperability
 - How computer systems and services are linked together

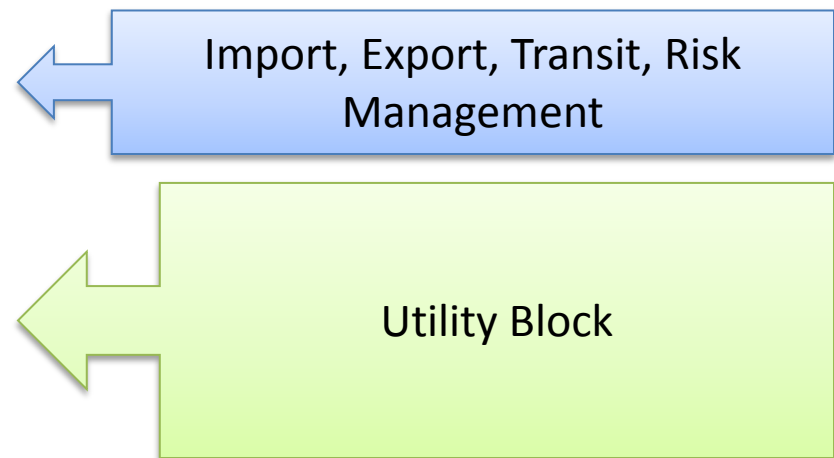
Globally Networked Customs



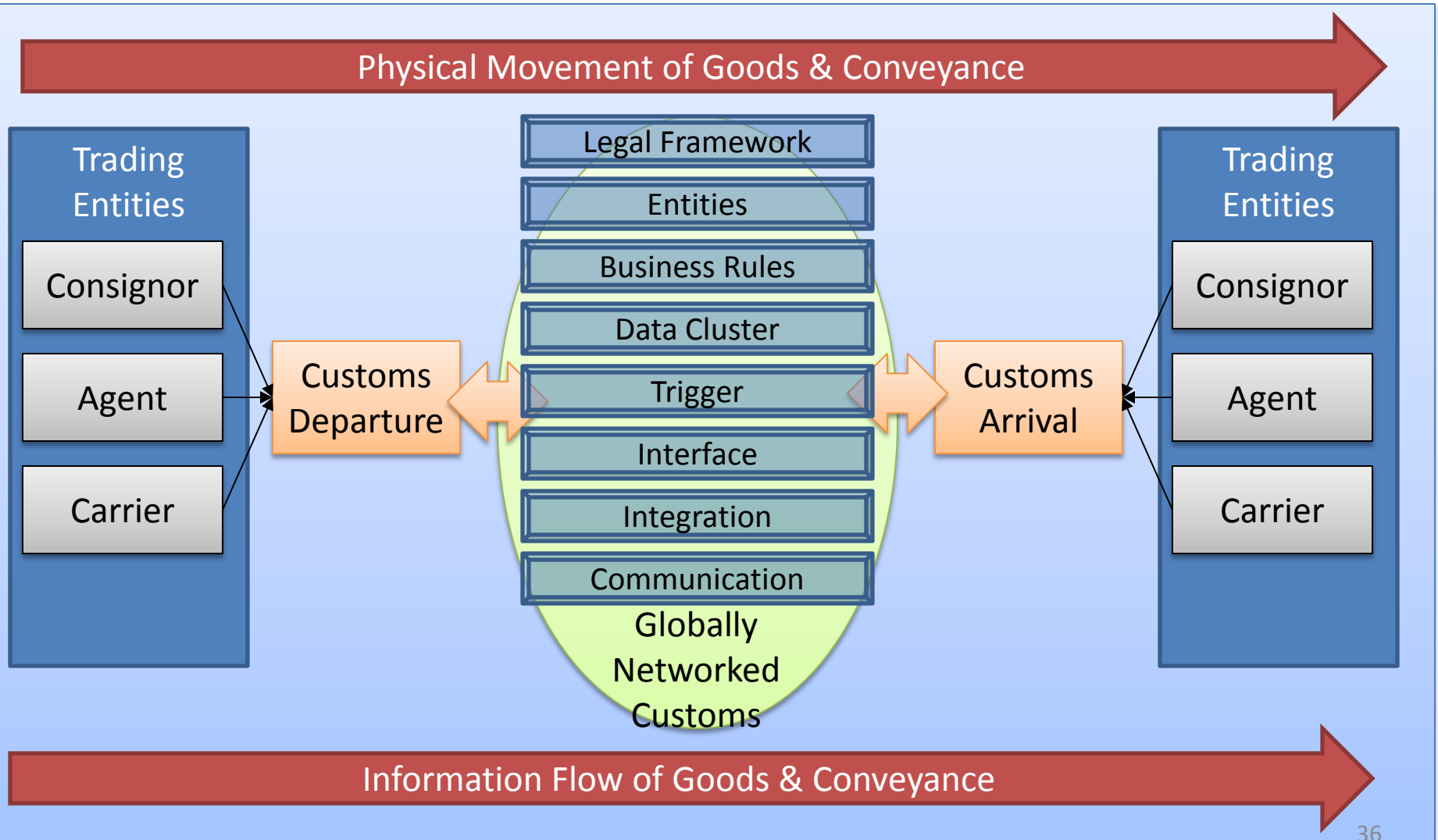
- Standardizing exchanges between countries

How is a Utility Block produced?

- Using a Template, and the GNC Protocols, Standards and Guidelines
 - at least two Members take a **specific part of the Customs Business**
 - describe what is needed for information exchange, including the reasons for doing so,



Globally Networked Customs



The Utility Block



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

The Utility Block



EXAMPLE: YOUR EXPORT IS MY IMPORT

Layer	Definition
Purpose	To specify the process that regulates information exchanges between partners for customs export and transit declaration data between participating Customs administrations
Legal Framework	<p>GNC Legal toolbox</p> <ul style="list-style-type: none">• Article 1 Automatic exchange of information for risk management purposes.• Article 2 Utility Blocks.• Article 3 Use of Information.• Article 4 Confidentiality and protection of information. <p>Regional Integration Treaty, Bilateral / multilateral mutual assistance agreement, etc</p>

The Utility Block



Layers	Definitions
Entities	<p>The national customs and border administration of member states / contracting parties to the treaty / agreement</p> <ul style="list-style-type: none">-In exporting country: “submitter”, providing assessment and release of export and transit data-In transit country: “receiver” providing data reconciliation at entry border, providing pre-arrival and exit data for next country-In destination country: “receiver” performing risk assessment and entry formalities at border.
Business Rules	<ul style="list-style-type: none">-Authorized contact points in each country <p>Detailed rules for:</p> <ul style="list-style-type: none">-Exporting country requirements for export of goods-Transit country requirements for arrival and onward transit movement of goods-Destination country requirements for importation & other customs procedures

The Utility Block



Layers	Definitions
Data Clusters	List of data elements exchanged
Triggers	<p>Events that initiates electronic data flow</p> <p>Pre-arrival: Exporting country transmits Export / transit message upon acceptance of declaration</p> <p>Exit: Exporting country (or country of departure or transit) transmit Release Message to Destination Country upon release of goods from Customs Control</p> <p>Arrival: Destination country transmits Arrival Confirmation Message to the Exporting or Transit country upon completion of customs clearance. If discrepancy noted, Discrepancy Message transmitted to country of transit</p>

The Utility Block



Layers	Definitions
Interface	Functional messages as described in the Trigger layer with technical specification of XML messages and mode of transmission
Integration	The Information technology and communication systems used for the distribution of electronic information between Partners. These systems must of necessity be properly integrated into the national customs systems of each Partner country.
Communication	The modality of the exchange (e.g. internet, peer-to-peer, hub) Encryption and data security arrangements

The Utility Block



- A fully-developed Utility Block provides sufficient details for:
 - Ensuring that the technical and non-technical issues had been fully considered
 - Ensuring convergence and inter-operability between different partner countries
 - Ensuring consistent communication between government and non-government stakeholders
 - Allowing 1 harmonized approach to be re-used multiple times

