

Temasek Foundation Centre for Trade & Negotiations (TFCTN)

Advanced Workshop on Trade Facilitation

Funded by the
British Foreign and Commonwealth Office
Nanyang Executive Centre, Singapore
18-22 February 2013

Supplemental Resource Materials For Days 1 and 2

International Texts and Documents

- International Convention on the Simplification and Harmonization of Customs Procedures, as amended (1999.) [<http://www.wcoomd.org/kybodycontent.htm>.]
- Atsushi Tanaka, WCO Research Paper No. 20, *World Trends in Preferential Origin Certification and Verification* (November 2011.) [<http://www.wcoomd.org/en/topics/research/activities-and-programmes/~media/BEA1C961C9D640B3B3122DEFD9B0292A.ashx>.]
- WCO Compendium: “How to Build a Single Window Environment;” Volume 1 – Executive Guide and Volume 2 – Professional Practice Guide. [<http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/single-window/single-window-guidelines.aspx>.]
- WTO Negotiation on Trade Facilitation [http://www.wto.org/english/tratop_e/tradfa_e/tradfa_negoti_docs_e.htm.]
- The General Agreement on Tariffs and Trade (GATT.) [General Information: http://www.wto.org/english/tratop_e/gatt_e/gatt_e.htm.]
- Uncitral Model Law on Electronic Commerce With Guide To Enactment, 1996 (with additional Article 5 *bis* adopted in 1998.) [http://www.uncitral.org/uncitral/en/uncitral_texts/electronic_commerce.html.]
- Uncitral Model Law on Electronic Signatures With Guide to Enactment, 2001. [http://www.uncitral.org/uncitral/en/uncitral_texts/electronic_commerce.html.]
- United Nations Convention on the Use of Electronic Communications in Electronic Contracting (referred to as the *UN Electronic Communications Convention*), 2005.

W. J. Luddy, Jr.
bill.luddy@mac.com
William.Luddy@wcoomd.org

(Explanatory note by the UNCITRAL Secretariat on the Use of Electronic Communications in International Contracts.)

[http://www.uncitral.org/uncitral/en/uncitral_texts/electronic_commerce.html.]

- UNCITRAL: Promoting Confidence in Electronic Commerce: Legal Issues on the International Use of Electronic Authentication and Signature Methods, 2009. [http://www.uncitral.org/uncitral/en/uncitral_texts/electronic_commerce.html.]
- United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (referred to as the *Rotterdam Rules*), 2008. [http://www.uncitral.org/uncitral/uncitral_texts/transport_goods.html.]
- Recommendation and Guidelines on establishing a Single Window to Enhance the Efficient Exchange of Information Between Trade and Government – *Recommendation No. 33*, 2005. [http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec33/rec33_trd352e.pdf.]
- Recommendation on Establishing a Legal Framework for the International Trade Single Window to Enable the Development of Single Window Systems and Exchange of Information in the Single Window Environment – Recommendation 35 (December 2010.) [http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec35/Rec35_ECE_TRADE_401_EstablishingLegalFrameworkforSingleWindow_E.pdf.]
- ELECTRONIC SINGLE WINDOW LEGAL ISSUES: A CAPACITY BUILDING GUIDE (2012), UN Economic and Social Commission for Asia and the Pacific (UNESCAP.) [<http://www.unescap.org/publications/detail.asp?id=1518>]

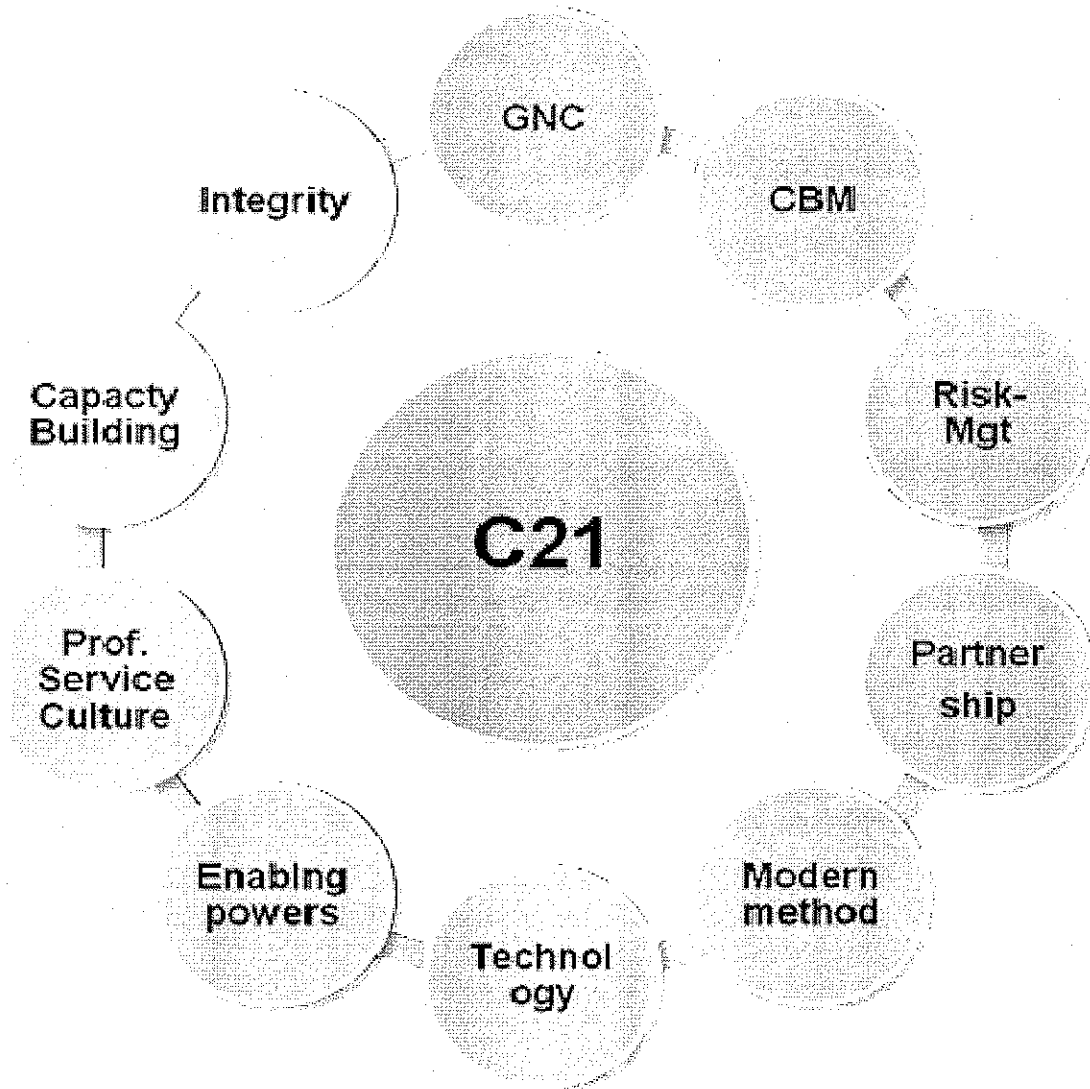
ASEAN Agreements/Documents

- ASEAN Economic Community [<http://www.asean.org/communities/asean-economic-community>.]
- Agreement to Establish and Implement the ASEAN Single Window Kuala Lumpur, 9 December 2005. [<http://www.asean.org/communities/asean-economic-community/item/agreement-to-establish-and-implement-the-asean-single-window-kuala-lumpur-9-december-2005-2>.]
- Protocol to Establish and Implement The ASEAN Single Window, 20 December 2006 (Signed copy.) [<http://www.asean.org/images/archive/23084.pdf>.]

Papers and Related Materials

- *Enabling Trade: Valuing Growth Opportunities*, World Economic Forum (World Bank and Bain & Company) (February 2013) [[http://www.weforum.org/reports/enabling-trade-valuing-growth-opportunities.](http://www.weforum.org/reports/enabling-trade-valuing-growth-opportunities)]
- ASEAN Single Window: The Intersection of Law & Technology (W. Luddy, May 2008.) [[http://dec.usaid.gov/index.cfm?p=search.getCitation&rec_no=152324.](http://dec.usaid.gov/index.cfm?p=search.getCitation&rec_no=152324)]
- Chong, Kah Wei, *Legal and Regulatory Aspects of International Single Window Implementation: The ASEAN Experience*, United Nations Commission on International Trade Law (UNCITRAL) Colloquium on Electronic Commerce, 14-16 February 2011 (United Nations Headquarters, New York.)
[http://www.uncitral.org/uncitral/en/commission/colloquia/electronic-commerce-2010program.html.](http://www.uncitral.org/uncitral/en/commission/colloquia/electronic-commerce-2010program.html)]
- W. J. Luddy, Jr., *The International Single Window: A Legal Framework View of the Path to Paperless Global Trade Development*, United Nations Commission on International Trade Law (UNCITRAL) COLLOQUIUM ON ELECTRONIC COMMERCE, 14-16 February 2011 (United Nations Headquarters, New York.)
[http://www.uncitral.org/uncitral/en/commission/colloquia/electronic-commerce-2010program.html.](http://www.uncitral.org/uncitral/en/commission/colloquia/electronic-commerce-2010program.html)]
- W. J. Luddy, Jr., *Single Window and Paperless Trade Legal Issues: A Possible Mosaic*, GLOBAL TRADE FACILITATION CONFERENCE 2011 – CONNECTING INTERNATIONAL TRADE: SINGLE WINDOWS AND SUPPLY CHAINS IN THE NEXT DECADE (Geneva 2011.)
[\[http://www.unece.org/tradewelcome/capacity-building-for-trade-facilitation/global-trade-facilitation-conference/presentations.html.\]](http://www.unece.org/tradewelcome/capacity-building-for-trade-facilitation/global-trade-facilitation-conference/presentations.html)

World Customs Organization Customs in the 21st Century (C21)



Source: Gareth Lewis, WCO

W. J. Luddy, Jr.
bill.luddy@mac.com
William.Luddy@wcoomd.org

Customs in the 21st Century (C21)

Karen A. Lobdell (May 2009)

In June 2008, the WCO Secretariat drafted "Customs in the 21st Century, Enhancing Growth and Development through Trade Facilitation and Border Security." The document resulted from an understanding among leaders of the world's customs administrations that a new strategic perspective was needed in the 21st century. The challenges faced by customs administrations were many, including globalization of business and trade, complex new governance rules, international terrorism, environmental protection and poverty reduction. Responsibilities relating to the international movement of goods have broadened – and will continue to do so – from the traditional role of collection of duties and taxes, to include executing controls and other activities that serve a wider set of government objectives.

The WCO views the accepted mission of Customs in the 21st century to be to "develop and implement an integrated set of policies and procedures that ensure increased safety and security, as well as effective trade facilitation and revenue collection." This new strategic direction, as outlined by the WCO, has 10 strategic building blocks:

- **Globally networked Customs** – the need for an "e-Customs" network that will ensure seamless, real-time, paperless flows of information and connectivity, for customs-to-customs transactions as well as customs-to-business transactions. Mutual recognition is a key enabler in this building block, which is further supported by an internationally standardized data set, interconnected systems, mutual recognition and coordination protocols between export and import transactions (*e.g.*, AEOs) and a set of rules governing the exchange of information between customs administrations (including data protection).
- **Better coordinated border management (CBM)** – this involves better coordination and communication between the various border agencies and authorities. It also includes recognizing Customs as the lead front-line administration at national borders for controlling movement of goods. There is also a need for an electronic "Single Window" that allows the trade to provide all necessary information and documentation once to the designated agency that in turn distributes it to relevant agencies.
- **Intelligence-driven risk management** – a more sophisticated understanding of the risk continuum is needed. Scarce resources require that targeting be done at the higher end of the risk spectrum. The key here will be the development of feedback learning loops that allow Customs administrations to integrate risk-related activities to learn from past decisions to build more forward-looking organizations, rather than just being responsive (*e.g.*, targeted container review vs. 100 percent scanning).

W. J. Luddy, Jr.
bill.luddy@mac.com
William.Luddy@wcoomd.org

- **Customs-Trade partnership** – Customs should enter into strategic pacts with trusted economic operators. The relationships must result in mutually beneficial outcomes.
- **Implementation of modern working methods, procedures and techniques** – the demand for rapid movement of goods, combined with complex regulatory requirements, calls for more audit-based controls undertaken away from the border, moving from transaction-based controls to using system-based controls, and moving away from paper systems. There is also a need to consider international best practices. (*See, Revised Kyoto Convention.*)
- **Enabling technology and tools** – taking advantage of new and emerging technologies to enhance processing, risk management, intelligence and non-intrusive detection.
- **Enabling powers** – the appropriate legislative provisions must be implemented to strengthen enforcement powers, provide for advance information and sharing of information domestically and internationally.
- **A professional, knowledge-based service culture** – movement towards a more customer-oriented model. Staff competencies need to support timely customer-focused processes and services that minimize the administrative burden on legitimate trade. Effective change management and enhanced leadership skills will also need to be developed.
- **Capacity building** – Customs administrations need to ensure they have the capacity and skills across all dimensions of the operating model to perform customs functions efficiently and effectively. Leadership from developed Customs administrations is critical to ensure sustainable capacity building.
- **Integrity** – the fight against corruption will remain an important task that will need to be undertaken for years to come. All capacity-building efforts could be undermined without this key building block.

Although many customs administrations are not currently capable of implementing all 10 of the building blocks described above, the goal would be that they aspire to do so. With the assistance of the WCO, through capacity-building programs, these countries will progress toward the desired outcome over time.