Regulation, policies and trends

IMO MTCC GMN Digital Week
Trieste 1/4/19
Agenda

- WTO Trade Facilitation agreement;
- Standards and Trade Development;
- IMO – Facilitation and Facilitation Convention;
- WCO – new tools and new approach to data analytics;
- DG TAXUD - Legal initiative EU SW environment for customs;
- EU single window DG MOVE RFD observation;
- Big Data;
- Blockchain;
- Industry 4.0;
- The Asiatic approach;
- Trusted network;
- Key outcomes.
INTERNATIONAL LEVEL
The goal of the agreement is to reduce the time needed to import goods by over a day and a half and to export goods by almost two days, representing a reduction of 47 per cent and 81 per cent respectively over the current average.
The authenticated and secure electronic transmission of **SPS certification data** (including the certifying statement) from one competent authority to another.

### Concrete Example

**EXPORTING COUNTRY COMPETENT AUTHORITY**
- Certification process
- Inspection procedure, testing,...
- Sending certificate

**E-cert**

**IMPORTING COUNTRY COMPETENT AUTHORITY**
- Receiving certificate
- Import procedures
- Inspection, release,...

### Advantages

**Integrity**
- Electronically secured certificates
- Cross-checking in real time
- Single national register of certificates

**Efficiency**
- Online application and processing
- Faster processing through pre-validation
- Faster processing cuts clearance time

**Security & compliance**
- Very difficult to forge
- Improved compliance with policies and procedures
- Online verification for third parties / importing nations

**Productivity**
- Single view of all relevant information
- Searchable database with all certificates
- Simple maintenance of forms

The **Standards and Trade Development Facility** is a global partnership that supports developing countries in building their capacity to implement international **sanitary and phytosanitary standards (SPS)**, guidelines and recommendations as a means to improve their human, animal, and plant health status.
IMO – Facilitation Convention

- FAL convention adopted 1965
- 118 Contracting Governments
- Contains standard and recommended practice
- Standardised documentation by FAL forms
- FAL 40 – enter into force 2018, mandatory establishment of systems for electronic exchange of info by 8 April 2019 with a transition (paper + digital) of one year
WCO – new tools and new approach to data analytics

Digitally connected supply chain
Data Pipeline-Interconnectivity & Interoperability

- Globally Networked Customs
  - Mutual Recognition of Control
  - AEO Mutual Recognition
  - Re-usable or Prepopulated Regulatory data (My Export as your Import)
  - Transit

- Interoperability of IT Systems – Single Windows
  - Data exchange
  - e-LPCO exchange
  - Connecting other stakeholders
  - Provenance of data
  - New technologies - Blockchains

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EU POLICIES
- EU single window **environment** for customs rather than a “single” SW – interoperability of services – coexisting EU and national rules –
- Exchange common data is crucial
- 2013 UCC adoption – application may 2016 – shift to a paperless fully electronic interoperable environment
- 2020 2027 EU Custom SW: cooperation between customs and other authorities
- DG TAXUD Multi annual plan till 2024
- Phase by phase implementation. First phase focused on automated acceptance by MS Customs of supporting documents
Impact Assessment:

External study: To be conducted Q1 2018-Q1 2019

Customs 2020 Project Group (key stakeholder consultation-MS and Trader’s Association)

Open public Consultation (part of a wider consultation strategy) Q2-Q4 2018

Impact assessment report and draft proposal Q3 2019

Objectives

From «paperless» customs to «paperfree» digital customs

From ‘customs centric’ system to fully integrated electronic services to economic operators for cross-border movement of goods: inter-agencies collaboration
EU single window services for cross-border operations

EU Single Window services for cross-border operations (air, maritime, rail, road)

- Digital service infrastructures: CEF digital
  - e-ID
  - e-Signature
  - e-Delivery

Traders
- Importer
- Carrier
- Freight Forwarder...
- EO at presentation
- Customs declarant
- Customs agent/representative
- Holder of the goods...
- Exporter

Harmonised portals

Customs – Border guards Cooperation

MS Regulatory Agencies involved in transport & cargo related aspects

MS Customs authorities (tax & intelligence dep)

COM:
- DG TAXUD
- DG SANTE
- DG ENV
- DG AGRI...

MS Veterinary and other authorities

FRONTEX

Police, Immigration, Coast Guards, Air, etc. (non-cargo related authorities)
The general objective of the initiative is to create a **harmonised and future-proof** digital European Maritime Single Window environment in order to reduce the administrative burden on ships and to facilitate the use of digital information with the aim of improving the efficiency, attractiveness and environmental sustainability of the maritime transport and contribute to the integration of the sector to the digital multimodal logistics chain.

Specific objectives are:

1. To establish EU harmonised reporting interfaces, data formats and semantics, processes and feedback mechanisms at EU level;
2. To establish maximum amount of data which can be requested by the administrations for port clearance;
3. To endorse and facilitate the re-use of data and information;
• Paper is still used in some extend in more than 50% of ports, often as a duplication;
• The reporting is fully harmonised only in some EU countries;
• All NSWs implemented are different – no EU level Harmonisation;
• True single window submit only-once reporting is available only in some EU countries;
• The information is seldom shared and re-used, particularly between EU countries;
• The positive impact of national single window to the shipping industry is small, sometimes even being negative.
DG MOVE EU maritime SW – RFD the reasons

- Old habits, processes, system => local authorities not want to change but keep their old ways of requesting information;
- Local, regional or sectorial authorities, or operators, do not want to give up their control on the information flows, databases, registries, etc.;
- Lack of binding technical standards imposed;
- Unclear definitions in the RFD or in other legal acts requiring information;
- Sometimes contradicting legal requirements (e.g. old vs new laws, data protection vs sharing);
- Lack of will or realisation on what is the objectives and what is required to achieve this – International perspective is missing.
Digitally connected supply chain

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Draft Regulation on Electronic freight transport information

Freight transport activities are accompanied by a large amount of information, which, in 99% of cases, still involves paper documents at one stage or another. Currently, the legal framework for acceptance of electronic freight transport information in the EU is patchy and incomplete.

The main change would concern the obligation on EU Member State authorities to accept electronic freight information. They would have to do it in a uniform manner. The proposal also suggests that the IT systems and solutions used for the electronic exchange of freight transport information should be interoperable.

The proposal would also set various requirements for eFTI services providers. They would have to ensure that:

- data was processed only by authorised users;
- data was stored and accessible for a specific period of time;
- authorities had immediate access to regulatory information on freight transport operations processed in an eFTI platform;
- data was secured.
Reporting formalities for ships arriving in and/or departing from ports of the Member States are currently set out in Directive 2010/65/EU – the Reporting Formalities Directive (RFD), but not very effective in implementation. Therefore, the directive aims to simplify and harmonise administrative procedures in maritime transport by introducing a single window for reporting formalities for ships.
The Union Customs Code (UCC) is a key element of the ongoing actions to modernise EU customs.

It provides a comprehensive framework for customs rules and procedures in the EU customs territory adapted to modern trade realities and modern communication tools.

The UCC entered into force on 1 May 2016, but some transitional arrangements still apply, most notably for customs formalities which are still in the process of being gradually transitioned to electronic systems. The UCC has simplicity, service and speed as its key objectives and one of the main aims is to complete the shift to a paperless and fully electronic customs environment.

It defines data requirements for customs, pre-arrival and pre-departure declarations, notifications, applications and decisions in an integrated way.

The EU Customs Data Model has been designed, in line with international standards like the World Customs Organisation (WCO) data model, to assist national customs authorities in adapting the data requirements to their systems.

The EU Single Window environment for customs is focused on customs formalities and involves stakeholders dealing with cross-border movement of goods.
Adeguamento del sistema informatico al CDU – roadmap

Pianificazione fino al 2025 – come da MASP 2017 e proposta COM

Sviluppo in fasi, rilascio graduale della durata di 5 anni
EXAMPLES OF COOPERATION
The Asiatic case: The LOGINIK logistics Platform

LOGINIK main purpose

1. Standard Service: Including EDI standard and Service Query standard covers multimodal transport

2. Interchange Service: Providing data interchange service to the industry using LOGINIK standard

3. Data Service: Open public sector data to the industry by using LOGINIK standard

NEAL NET Association Standard

Container Vessel Status and container Status Sharing Standard

- The three countries defined Container vessel Status and Container Status Sharing Information Sharing Standards
- Following events are enclosed:
  - Vessel Standard: ETA, ATA, CY-OPEN, CUT, ETD, ATD
  - Container Standard: Loading, Unloading, Containers Gate Out, Container Gate In, Clearance Status

Several application built by third parties covers 70% of the chinese logistics market.
How improve the market trusted network

The IPCSA (International Port Community System Association) purpose is to increase the collaboration and the trust among the different actors involved in the logistics chain.

Actions to increase cooperation and level of trust.

Actual Environment

Future Environment

Network of Trusted Network
Key outcomes

• **The World Trade Organization’s Trade Facilitation Agreement**, which entered into force in February 2017, is a milestone and can be expected to make international business cheaper, faster and easier, helping to cut trade costs globally by an average 14.3%. The impact of the TFA, which sets out a path towards harmonisation, standardisation and improved information gathering, will be to reduce the time to import goods by 47% and the time to export goods by as much as 91%;

• The ‘paperless’ dream for air and sea freight is still in the future. In both modes, there are often more people handling the back office paperwork than physically handling the cargo, and the costs reflect this.

• The **use of technology and data helps business grow** and contributes to the overall economy;

• **Single Window environments** can save resources, reduce human error and speed up trade flows;

• Human resistance to new systems, the **lack of trust between parties** and a reluctance to share information can all hold back collaboration in the supply chain;

• **Technologies such as Blockchain and the Internet of Things** will play a **crucial role in trade facilitation** and the flow of information, particularly in ensuring the accuracy and quality of data;

• The **logistics sector needs to change and become more digitally savvy**. If ‘traditional’ companies don’t embrace technology, they are in danger of being left behind; **new technology and ‘start-up’ companies** will take over their business by changing the business model;

• **Port Community Systems** continue to play a central role in driving forward the digitalisation agenda.
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