



E-Commerce Administration in the Customs World

- Implications for customs brokers and other trade chain players

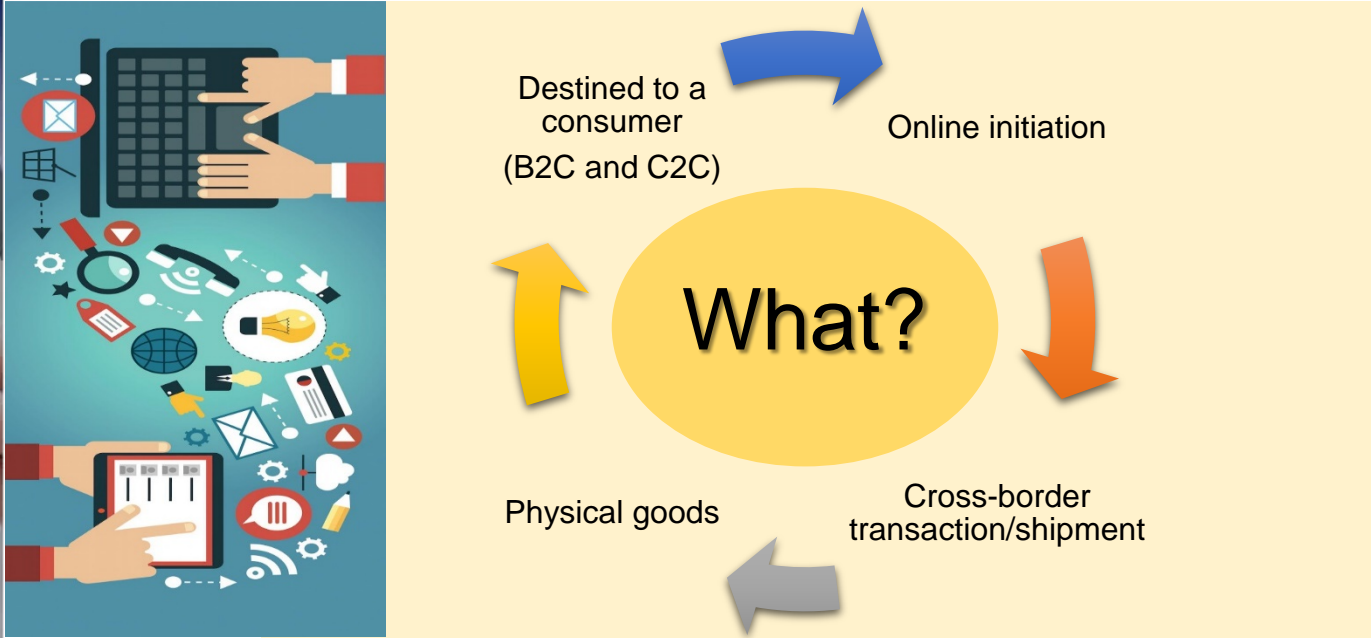
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Cross-Border E-Commerce

- WCO's Perspective





Challenges

oTrade facilitation and security

- » Increasing volumes – Speed and efficiency
- » Few Large/bulk shipments → large number of low-value small shipments
- » B2C & C2C – Security risks: Limited knowledge on importers and supply chain
- » Data Quality: Accuracy and adequacy

oFair and efficient collection of duties and taxes

- » Splitting, under-invoicing and mis-declaration
- » De minimis
 - Revenue, loss (Customs duty, VAT/GST)
 - Impact on domestic retailers
- » Classification and origin

oSociety Protection - Criminal exploitation of e-commerce

- » Illicit trade and smuggling
- » Drug trafficking
- » Counterfeited and pirated goods
- » Illicit financial flows & Money laundering



WCO Working Group On E-Commerce



Remit and Scope

- Multi-stakeholders
- Cross-cutting issues
 - » Facilitation
 - » Control
 - » Revenue
- Collaborative solutions

Themes identified by the WGEC

I. Trade Facilitation & Simplification	II. Safety & Security
<ul style="list-style-type: none"> • Definitions • Legislation • Automated systems - Single Window (OGAs) • Exchange of advance electronic data (<i>interoperability, minimum data sets, data quality, data privacy</i>) • Trusted Trader/AEO programme for e-vendors marketplaces and intermediaries - enhanced facilitation • Framework/guidelines/standards - harmonization and support to MSMEs • Return/refund (drawback) processes • Implementation and review/update of the WCO Immediate Release Guidelines and other related tools 	<ul style="list-style-type: none"> • Product safety • Illicit trade • Quarantine/bio-security • Dark web/net • Cyber security • Illicit Financial Flows - tracking financial trails • Cooperation and information exchange between Customs administrations • Smuggling of high-value items and environmentally sensitive goods • Non-intrusive inspection (NII) technologies • Review/update of relevant tools • Case studies
III. Revenue Collection	IV. Measurement & Analysis
<ul style="list-style-type: none"> • <i>De minimis</i> • Simplified entry threshold • Classification, valuation, origin issues • HS Navigator, integrated tariff database • Transactional approach vs account-based approach • Alternate models of revenue collection (including impact analysis on the industry and government) • Fees and charges • Cooperation amongst authorities (Customs and Tax) 	<ul style="list-style-type: none"> • Big Data • Stocktake and analysis of work currently being undertaken by international bodies • Research and analysis of various e-commerce business models - case studies • Measuring e-commerce flows and economic benefits • Capacity building, awareness, and education - implementation support



Where we are ?

- WCO Study Report on E-Commerce
 - Key Considerations
 - Case Studies
 - Alternate Models of Revenue Collection
 - E-Commerce webpage :
<http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/ecommerce.aspx>
- Engagements with other IOs
 - » IFCBA
 - » WTO
 - » UNCTD
 - » UPU
 - » OECD
 - » WEF
 - » CITES
 - » IPPC
 - »



What's upcoming ?

- Policy Recommendations
- Communiqué to WTO MC11
- Handbook/Guidelines
- Enhancement/update of related WCO instruments and tools including **the Immediate Release Guidelines**
- Development of policy and technical frameworks for enhanced facilitation and effective controls
 - » Simplified account based clearance
 - » Enhanced facilitation for trusted operators
 - » Efficient return and refund procedures
 - » Alternate models of revenue collection
- Exchange of Data:
 - » Between Posts and Customs
 - » Between e-platforms/vendors/intermediaries and Customs



Draft Policy Recommendations

- **PRINCIPLE I** - Advance Electronic Data, Risk Management, and Customs Control
- **PRINCIPLE II** - Facilitation and Simplification
- **PRINCIPLE III** - Security and Safety
- **PRINCIPLE IV** - Revenue Collection
- **PRINCIPLE V** - Measurement and Analysis
- **PRINCIPLE VI** - Partnerships
- **PRINCIPLE VII** - Public awareness, outreach and capacity building
- **PRINCIPLE VIII** - Legislation



Potential Solutions

- Solution- Risk based approach based on advance electronic information

- New approach to Risk Management
 - » New actors
 - » New data sources
 - » New Partnerships
- Direct Data Exchange between e-platforms and Customs
 - » Order data
 - » Payment data
 - » Shipping data
- Advance Data Exchange between Intermediaries and Customs (e.g., Post, Express, Brokers)
 - » Data with e-platforms and intermediaries
 - » Supplier's name and address
 - » Buyer's name and address
 - » Place of delivery
 - » Description of goods
 - » Value of goods
 - » Weight of goods
 - » Number of pieces
 - » Origin
 - » Delivery mode and tracking data (including consignment identifier/tracking number and carrier/postal operator)



Potential Implications for Brokers?

Positives

- Domain expertise - larger advisory and consultancy role
- Support to MSMEs - connecting with global E-Commerce
- Trusted Intermediary – account based processing/revenue collection
- Partnership with E-Vendors/Platforms – DDP solutions and regulatory compliance
- Increasing fulfilment centres →
- Going beyond border – integrated solutions



Thank you

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