Greetings from Mongolia!

GOVERNMENT OF MONGOLIA

UNITED NATIONS MONGOLIA

UNITED NATIONS UNCTAD

GLOBAL DIGITAL DIALOGUE 2023

PAN ASIAN E-COMMERCE ALLIANCE (PAA)

- Best Practice of Public and Private Partnership

First Regional Alliance now of composed of 18 Customs and Trade Service Providers

- To enable **secure** and **reliable transmission** of trade and logistics documents.

- To allow **inter-connection of network** services to provide e-Commerce transaction application services for the business community.

*Established in 2000 to promote and provide **secure, trusted, reliable and value-adding** IT infrastructure and facilities to enhance seamless trade globally*

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Pan Asian eCommerce Alliance

PAA Milestones

The conduct of **secure cross border document and data interchanges** amongst customers through the Alliance members

Provides a set of **legal agreement, specification and procedures** that enforces the legality of the electronic transactions within the PAA network

PAA Services

PAA Legal Framework

Technical Standards

Mutual Recognition of PKI

Describes the communication protocols and message **specification that governs the electronic interchange** within the PAA network

A scheme developed and designed **to regulate and oversee the use of digital certificates** for all electronic transactions within the PAA network

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PAA Extends Its Services from Asia to Europe, Oceania, Middle East and Africa

18 PAA Members from 17 Economies
- 7 Members are National Single Window Operators

PAA Value Proposition

Provide Secure Digital Cross Border Services to the Trading Community

- Connects directly to trading partners and logistic providers

Streamline End-to-End Border Regulatory Procedures

- Enables B2G, B2G2G, B2B2G electronic document exchange

Supported by a Comprehensive Legal Framework

- Promotes electronic documents
- Promotes digital signatures
- Practice dispute resolution process

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Challenges in Cross Border Exchange

Challenges

- Streamlining Trade and Business Processes

- Data Harmonization

- Legal Framework

- Enabling TRGAs and other Stakeholders

- Systems interoperability

- ICT Infrastructure

PAA Proposition

- Sharing of Domain Knowledge, and Best Practices

- Adoption of Global Data Standards and Implementation Guides

- Adoption of Model Laws

- SaaS /Service Model for the Development and Maintenance of Systems and ICT Infrastructure

- R&D Collaboration, eg Interoperable Cross BlockChain Platform

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PAA Case Studies (Annex)

1. **eCO Exchange: An APEC PathFinder Project**
   - A public-private partnership between KR MOTIE, KITA and KTNET with TW BOFT, MOF and TradeVan
   - Ensure authenticity of CO, reduce time and costs in processing documents and release of good
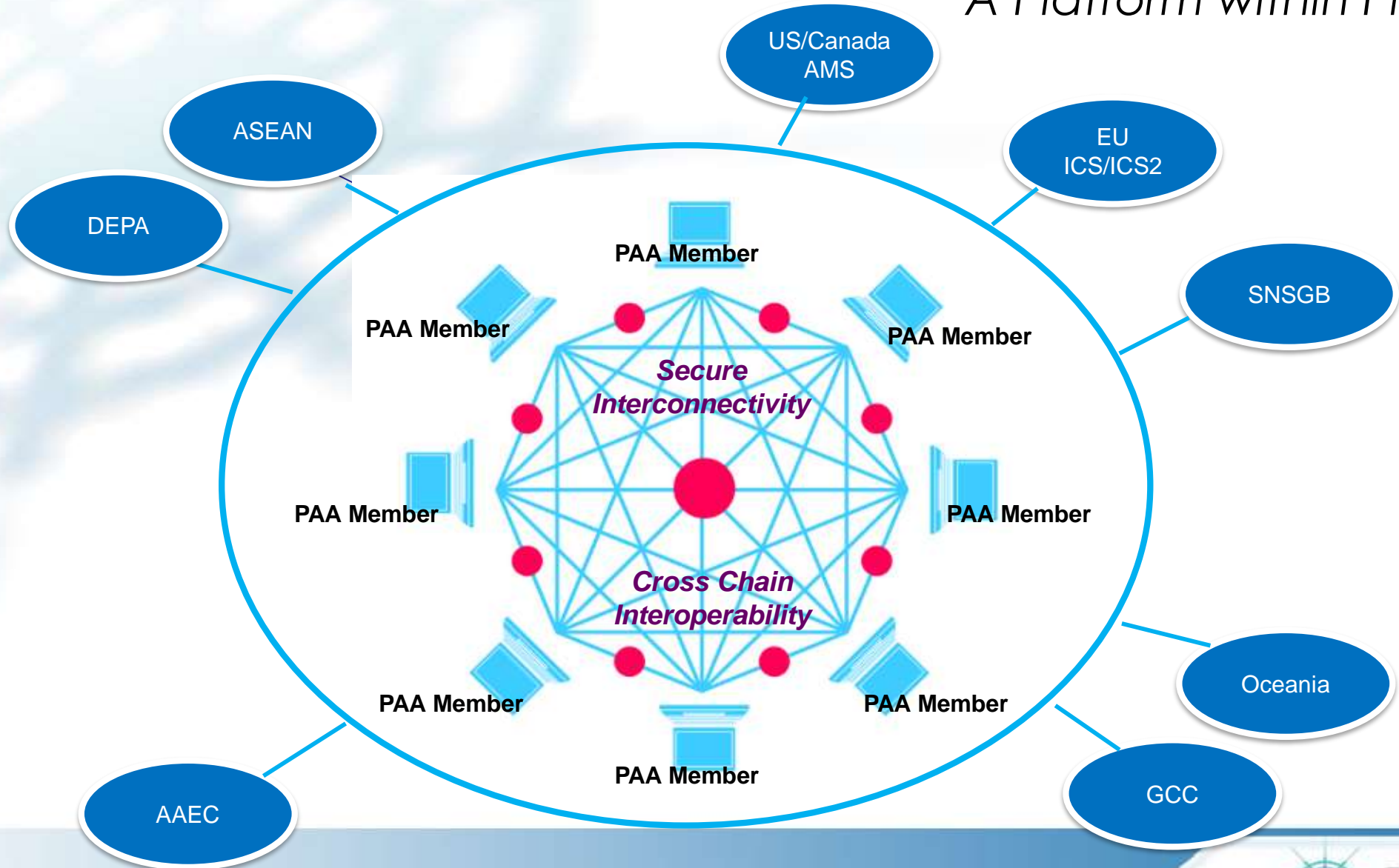
2. **InterOperable BlockChain for Cross Border Trade**
   - First cross border block-chained Customs clearance in production globally, with immutable digital information obtained from the origin, securing the data source
   - Integrated with TW National Single Window, with transaction authenticity, visibility and transparency

3. **Enabling TRGA (NPPO) for Collaborative ePhyto Exchange**
   - NPPO adoption of SaaS/Service Model for SPS Import Permit and ePhyto Certificate, with integration to NSW/Customs ePhtyo Portal for ePhyto exchange thru ASEAN Single Window, IPPC ePhyto Hub as well as bilateral with Australia
   - Collaborative G2G and B2B exchange to include SPS import permit and ePhyto to enhance compliance to quarantine requirements and facilitate clearance

PAA Digital Trade Platform

A Platform within Platforms

US/Canada AMS

ASEAN

DEPA

EU ICS/ICS2

SNSGB

PAA Member

PAA Member

PAA Member

PAA Member

Secure Interconnectivity

Cross Chain Interoperability

PAA Member

PAA Member

PAA Member

PAA Member

AAEC

Oceania

GCC

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Conclusion

- *PAA, the first regional alliance of service providers facilitating paperless trade, customs and logistics*

- *PAA shows the complementarity and collaboration between the public and private sectors*

- *PAA is serving 400,000 organizations, representing almost all active trading enterprises in the Asian market, and extending its coverage to East Asia, Middle East, Europe (EU + UK), Africa and Oceania*
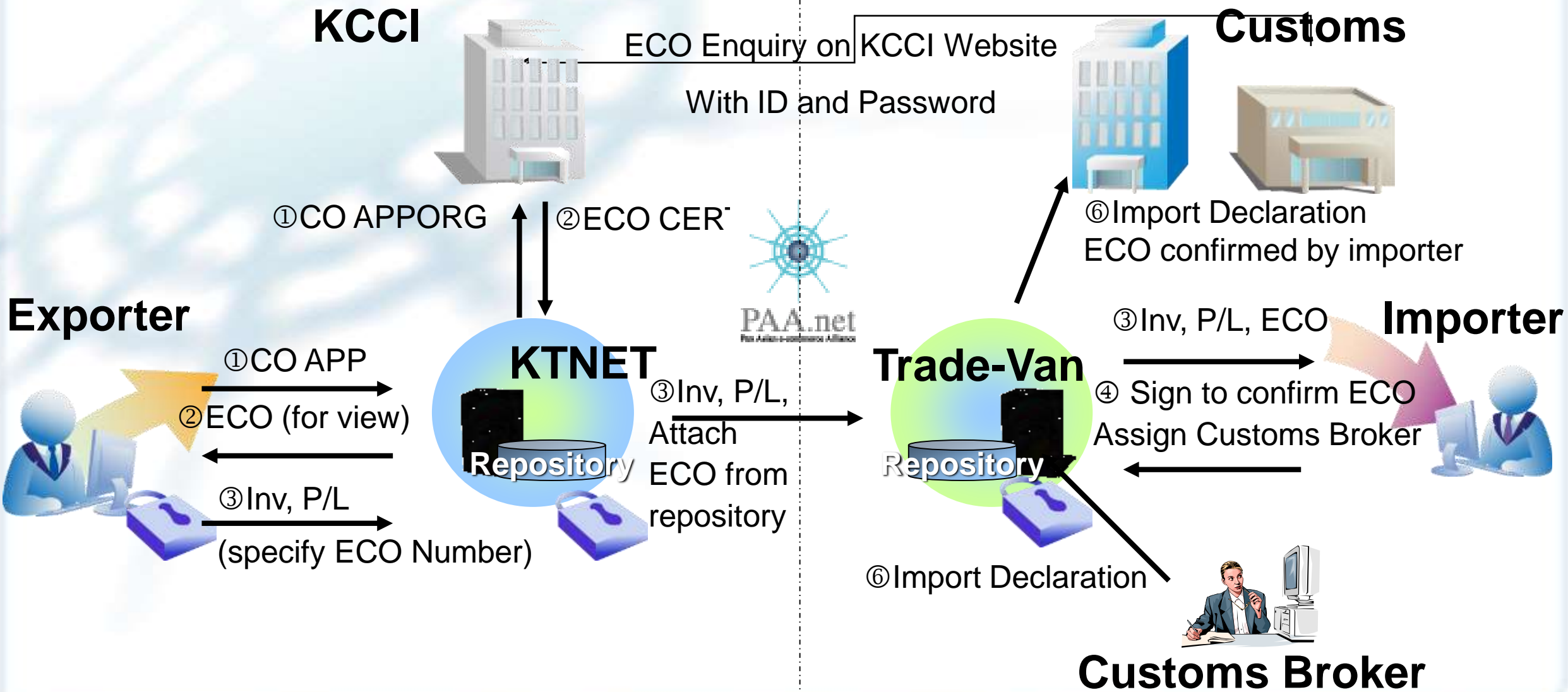
- *Welcome to visit us at www.paa.net*

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Annex: PAA Case Studies

Case Study 1

Electronic Certificate of Origin Exchange Project

A public and private partnership model

PAA eCO Exchange: An APEC Pathfinder Project

- ECO pathfinder is the most active **pathfinder project** under APEC ECSG (Electronic Commerce Steering Group)

- A Public-Private Partnership Project between **MOTIE** (public sector), **KITA** and **KTNET** (private sector) of Korea and **BOFT, MOF** (public sector), and **Trade-Van** (private sector) of Chinese Taipei was initiated.

- ECO exchange model between Korea and Chinese Taipei has been adopted by APEC member economies as a **best practice for cross border paperless trading**

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ECO Exchange : Korea to Chinese Taipei

KCCI

Customs

ECO Enquiry on KCCI Website

With ID and Password

①CO APPORG   ②ECO CERT

⑥Import Declaration
ECO confirmed by importer

Exporter

KTNET

Trade-Van

③Inv, P/L, ECO

Importer

①CO APP
②ECO (for view)

③Inv, P/L,
Attach
ECO from
repository

④ Sign to confirm ECO
Assign Customs Broker

③Inv, P/L
(specify ECO Number)

Repository

Repository

⑥Import Declaration

Customs Broker

Korea   **Chinese Taipei**

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Benefits of the ECO Exchange

Governments

- Be the leader in trade facilitation among other countries (APEC, WCO, EU)

- Guarantee the authenticity of the cross border documents, reduce percentage of fake CO

- Reduce effort in paper CO verification

- Speed up customs clearance process

- Better service to international traders

- Increase nation's competitiveness

Exporter

- Save time and costs *(courier express US$23)* in applying and sending over paper CO
- No need to get a stamp/seal on the CO from Taipei Trade Representative Office in Korea

  → save tremendous time *(in average 3 days)* and costs *(US$20 per stamp, transportation cost US$20-40)*
- Transmit cross border documents in a secure online environment
- Better service to their buyers

Importer

- Speed up customs clearance process
- Expedite cargo pick up → saving warehouse cost
- Guarantee of authentic CO

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Findings and Recommendation from APEC PSU (Policy Support Unit)

For the Korean Exporter

- Saves time and costs, eliminate e CO authentication at the Chinese Taipei Mission in Korea; and

- Avoids cost and delay of sending the paper CO by mail or express courier to the importer

- The estimates show a **total saving of US$ 217** per shipment (container) and **2 days** time saving.

For the Taiwanese Importer/ Importing Customs Broker

- Saves time and costs, eliminating the sending of eCO to the Customs Broker and to Customs.

- The estimates show a **total saving of US$ 205** per shipment (container) and **3 days** time saving.

Business Loss Avoidance

- In addition, taking into consideration the **"business loss"** avoidance per shipment with the new Global e-CO process, the saving is estimated to reach **US$ 274 for the Exporter and US$ 397 for the importer**.

Facilitating Electronic Commerce in APEC:
A Case Study of Electronic Certificate of Origin (e-CO)

APEC Policy Support Unit
October 2011

Advancing Free Trade for Asia-Pacific Prosperity

Case Study 2

Blockchain for Cross Border Trade

The first Cross Chain InterOperability Application in Trade
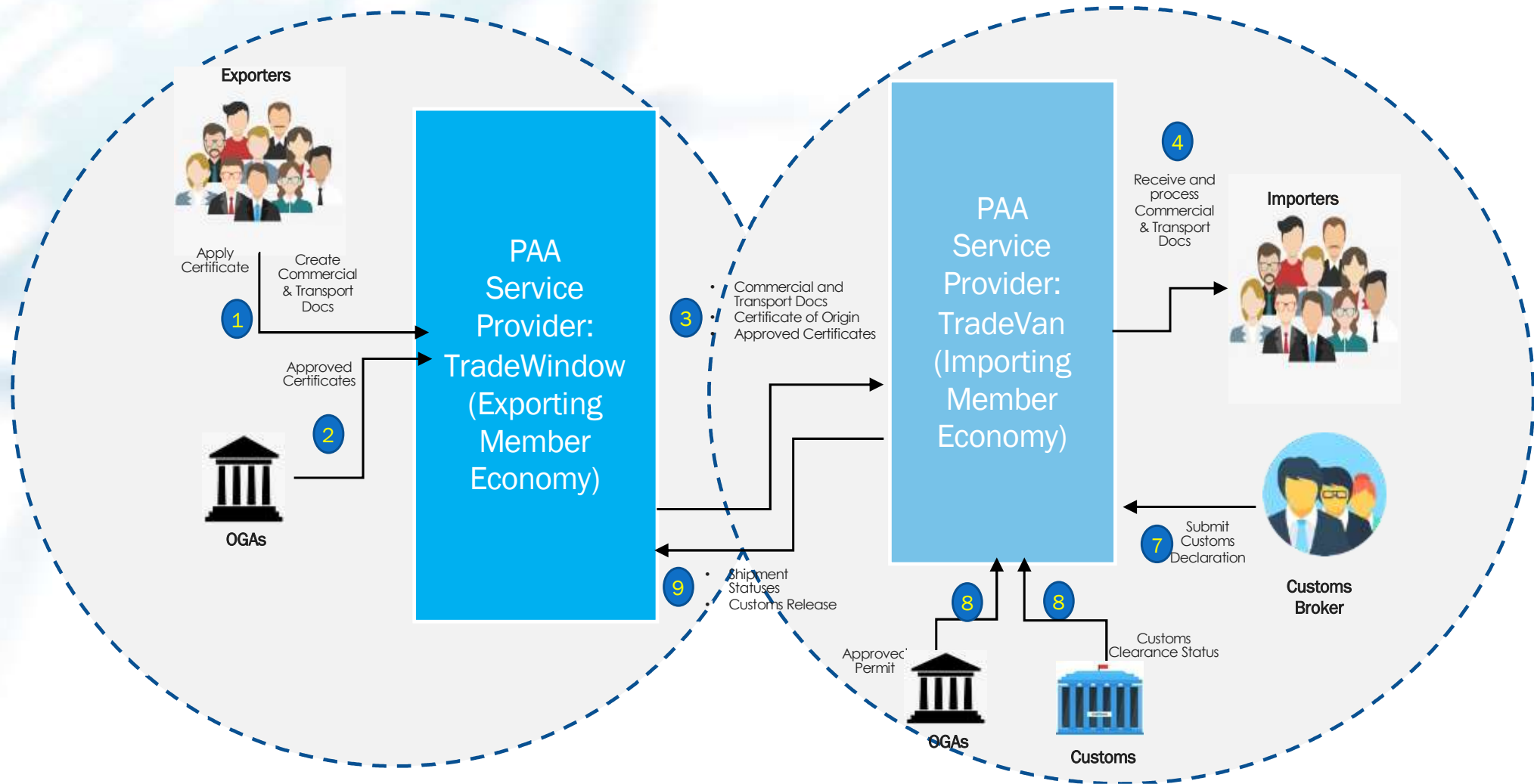
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BlockChain Application in Trade
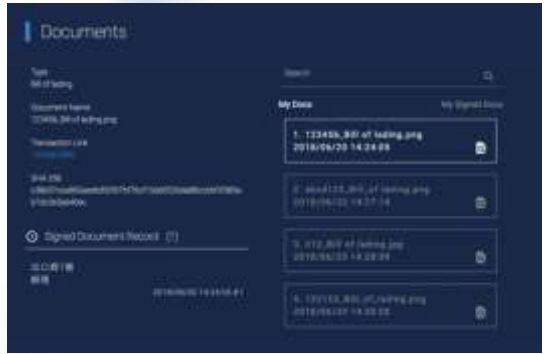
Cross Border Blockchain for Trade

Key Features of CBBP

Shipment Partners information

Shipment journey

Listing of documents

Signing records

CBBP: Cross Border Blockchain Platform

Project Review
Value Proposition for Users

NZ/SG

TW

Exporter

Cross Chain
Document
Exchange

1 min

Time: 1 min
Cost: 0

Certificate
of Origin
Commercial
Invoice
Packing List

Importer

CBBP

Time: 1 min
Cost: 0

Document
Review: 10
min

Customs Broker

CBBP

Time: 1 min
Cost: 0

Customs
Declaration

Single Window

CPT
智港貿單一窗口

Time: 1 min

Customs

Customs
declaration
documents
Review
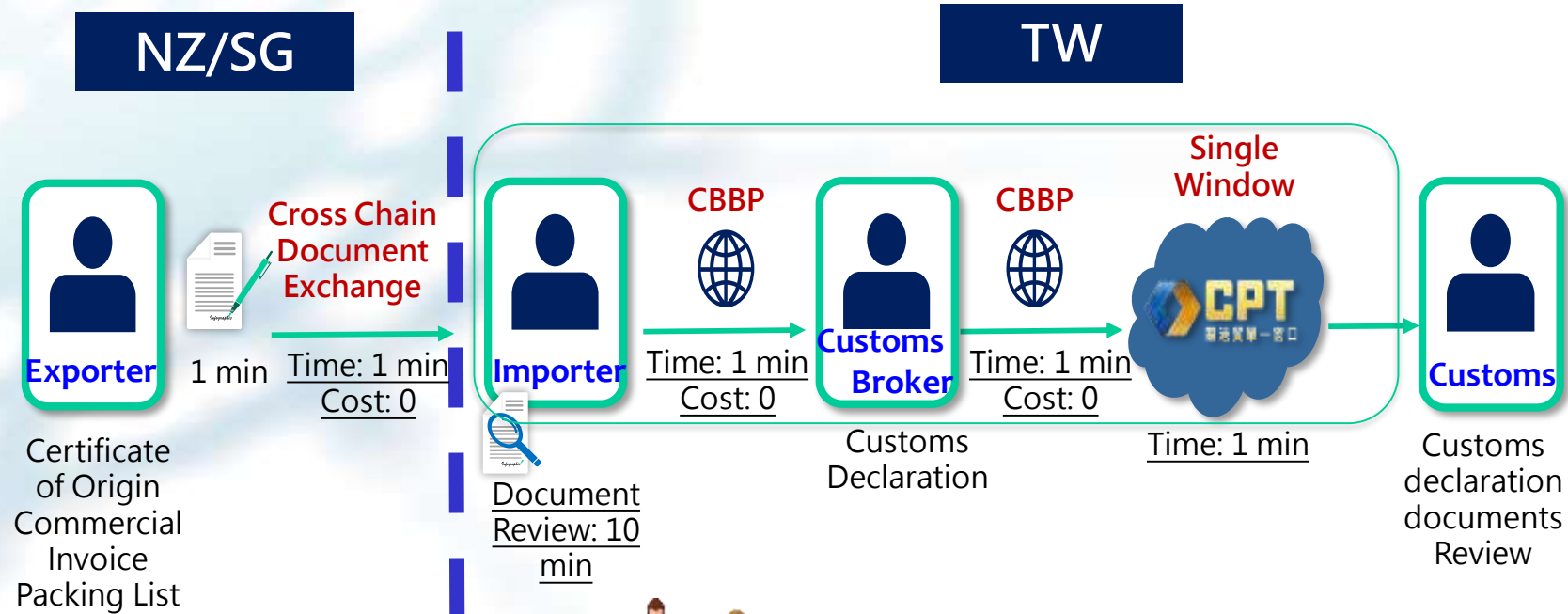
Before and After Analysis

Overseas Users	1 day -> 2 mins	USD 50 -> 0
Chinese Taipei Users	1 hour -> 13 mins	USD 10 -> 0

Note: The POC project is currently free for the users.

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CBPP Key Achievements

- **First cross border block-chained Customs clearance in production globally, with immutable digital information obtained from the origin, securing the data source**

- **Integration of Cross Border Blockchain Platform and National Single Window**

- **Incentive program for pilot users, full elimination of manual procedures**

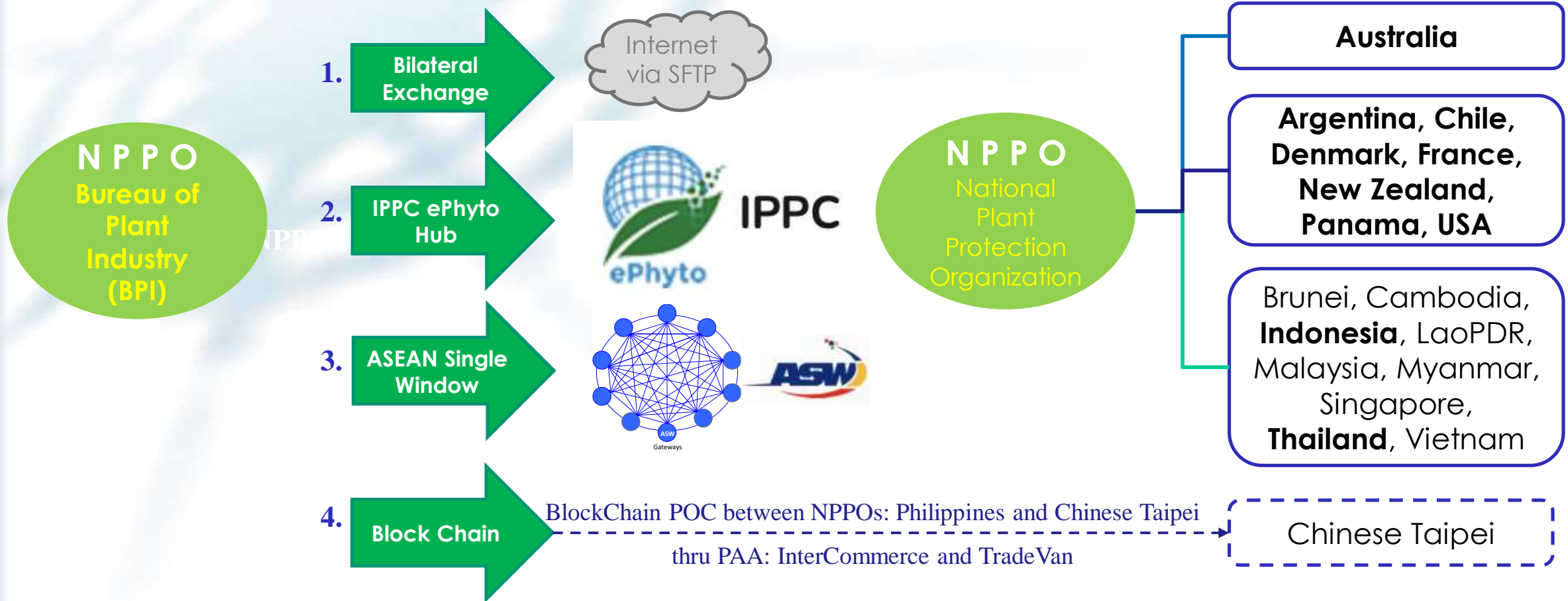- **Transaction authenticity guaranteed; full visibility and transparency**

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Case Study 3

Enabling an Economy for ePhyto Exchange

Collaborative ePhyto Exchange

Export Workflow

B 2 B

Import Workflow

5. Approved SPS/Phyto Certificate (P)

Exporter

2. Approved SPS
Import Clearance

Importer

B 2 G

3. Application
For Certificate
With
Permit Ref No

4. Approved SPS/Phyto/Health
Certificate (P)

1. SPS Import Clearance
Application

6. Approved SPS/Phyto/
Health Certificate with
eRFI Application

B 2 G

**ePhyto Issuing
Authority**

4. E- Certificate (SPS/Phyto/Health)

**Import
Quarantine
Authority**

**Cert Approval
Process**

G 2 G

**Quarantine
Clearance
Process**

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