

# Regional IT Connectivity - using WCO Standards to Facilitate Trade in SACU

by

**Richard Chopra -WCO Sweden Programme Director &  
Dalton Nxumalo -WCO Regional Project Manager**



# PRESENTATION OUTLINE

- **Introduction**
  - SACU Region
  - WCO-SACU Connect Project
- **IT connectivity in SACU**
  - Overall Objective and results
  - SACU IT Connectivity and Global Standards
  - Road Map
- **IT Connectivity enabling PTP in SACU**
  - SACU YEIME Utility Block & UCR
  - SACU PT Utility Block & PT Identifier
- **Challenges and Solutions**
- **Lessons and experience**

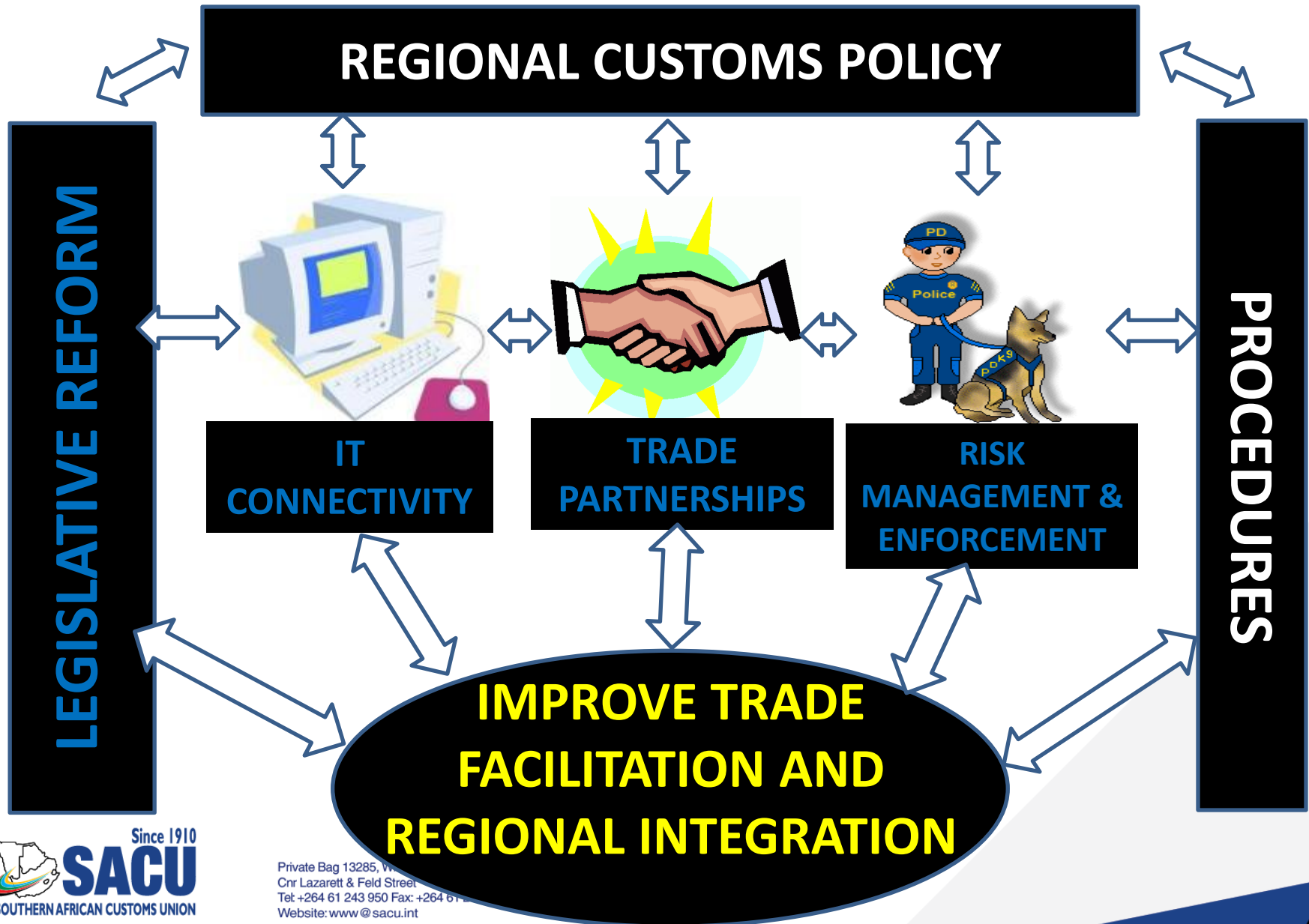
# SACU Region



## Member States

- Botswana
- Lesotho
- Namibia
- South Africa
- Swaziland

# WCO-SACU CONNECT PROJECT



# IT Connectivity In SACU

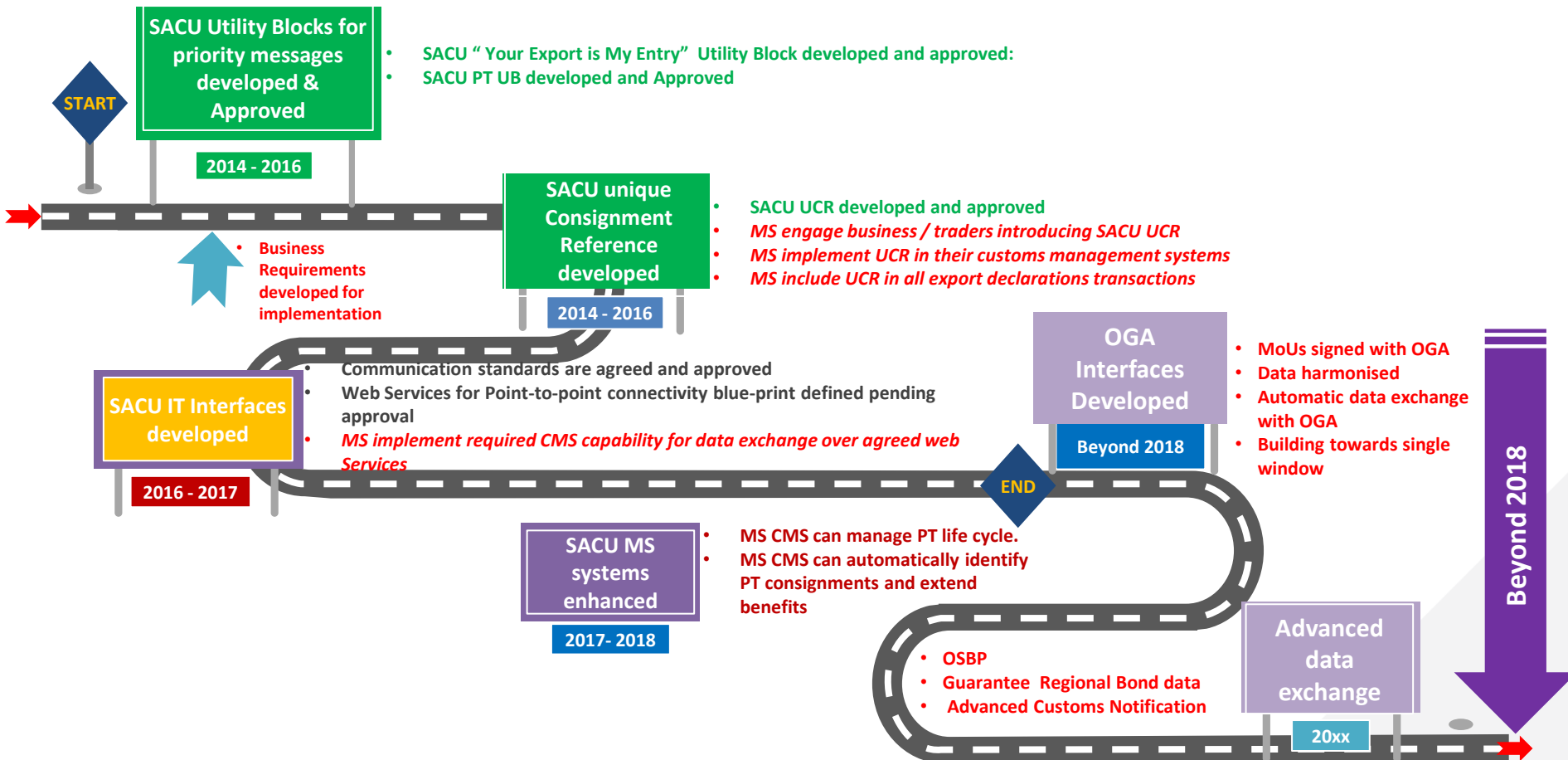
***Objective:*** *To establish real time connectivity of SACU Member States Customs Administrations' IT systems to enable regional integration and trade facilitation.*

- ***Results:***
  - Regional IT Connectivity and information exchange framework developed and implemented in SACU Customs Administrations by the end of 2018
  - SACU Customs Administrations have adequate legislative provisions to enable IT Connectivity, Data Exchange by the end of 2018
- Support among others the implementation of the SACU Customs to Customs Data Exchange; Preferred Trader Programme; Risk Management and Enforcement.

# SACU IT Connectivity & Global Standards

- In 2015 SACU adopted the WCO Globally Networked Customs (GNC) approach to guide IT connectivity development in SACU
- SACU IT Connectivity work is registered with the WCO as a GNC proof of concept pilot.
- The SACU IT Connectivity aligned with the latest version of the WCO Data Model (3.6).
- SACU IT Connectivity framework may also be used in the context of bilateral exchanges between a SACU Member State and a Member State of SADC and COMESA.

# SACU IT CONNECTIVITY ROAD MAP – 2014 TO 2018

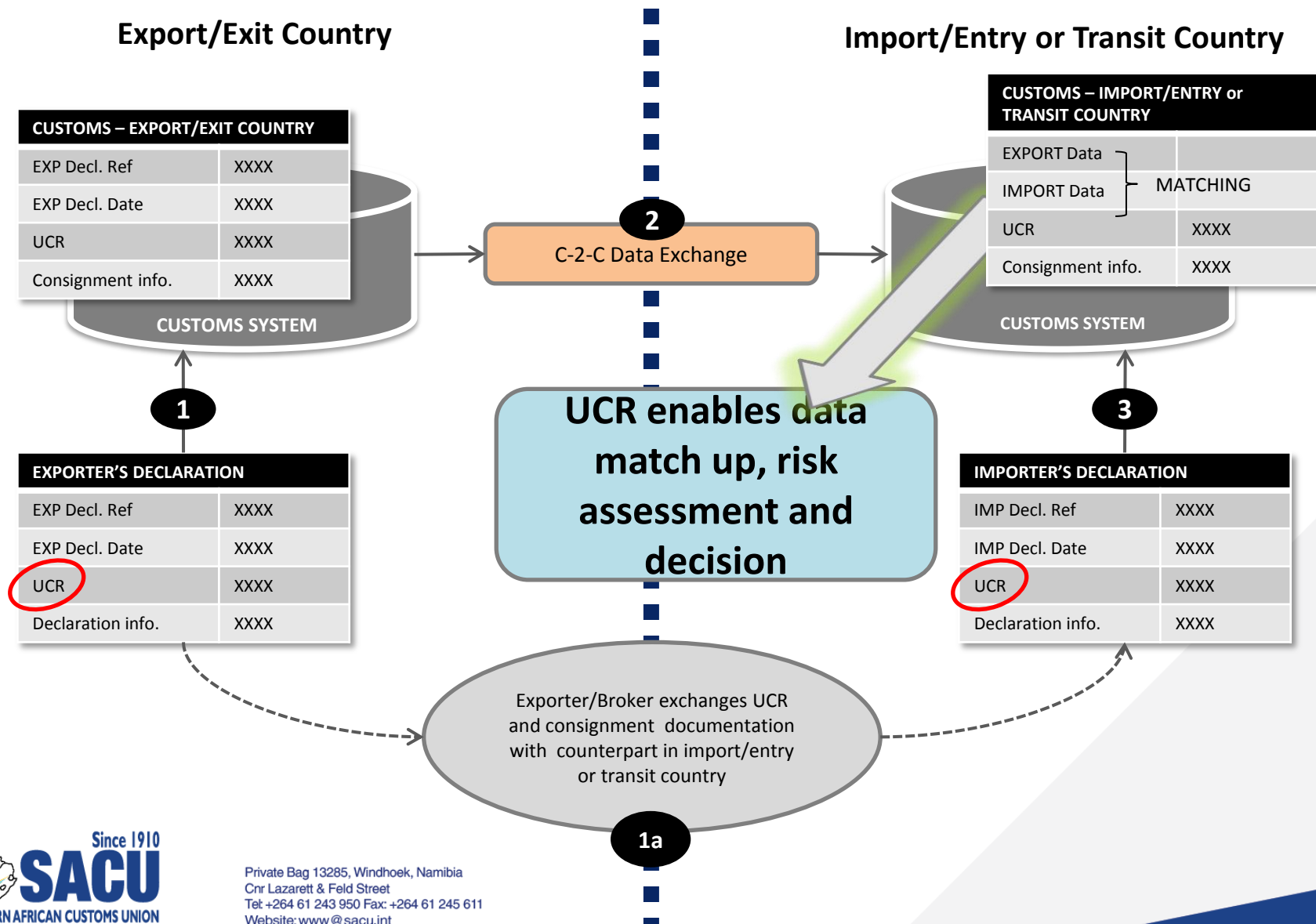


# IT CONNECTIVITY ENABLING PTP IN SACU

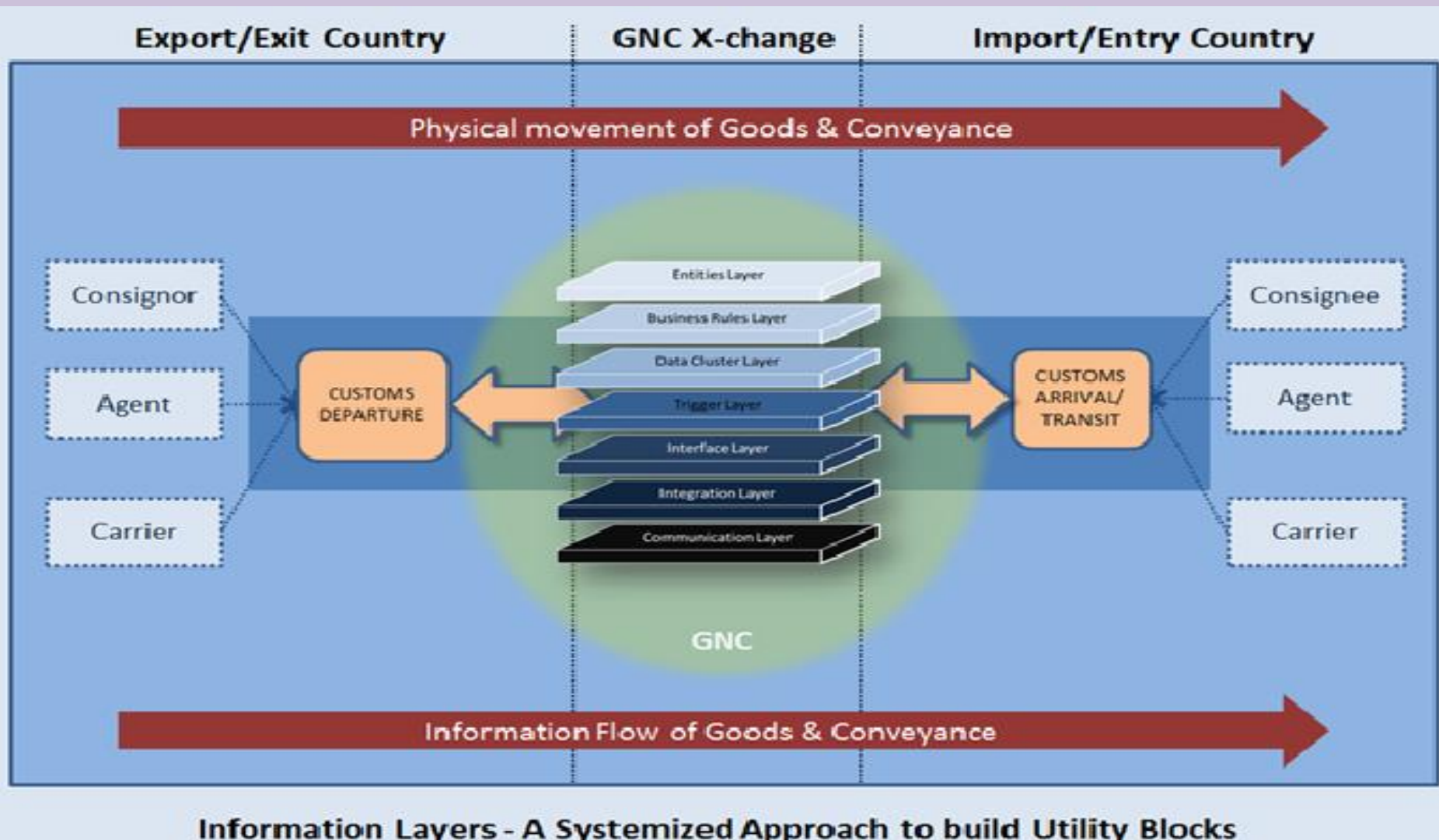
## SACU IT Connectivity Framework:

- SACU Utility Block (UB) for the exchange of Trade information (SACU Your Export is My Entry – YEIME UB);
- SACU Unique Consignment Reference (UCR);
- SACU IT Connectivity Blue Print; and
- SACU Utility Block for the exchange of Preferred Trader information (SACU PT UB).

# GOAL OF SACU IT CONNECTIVITY

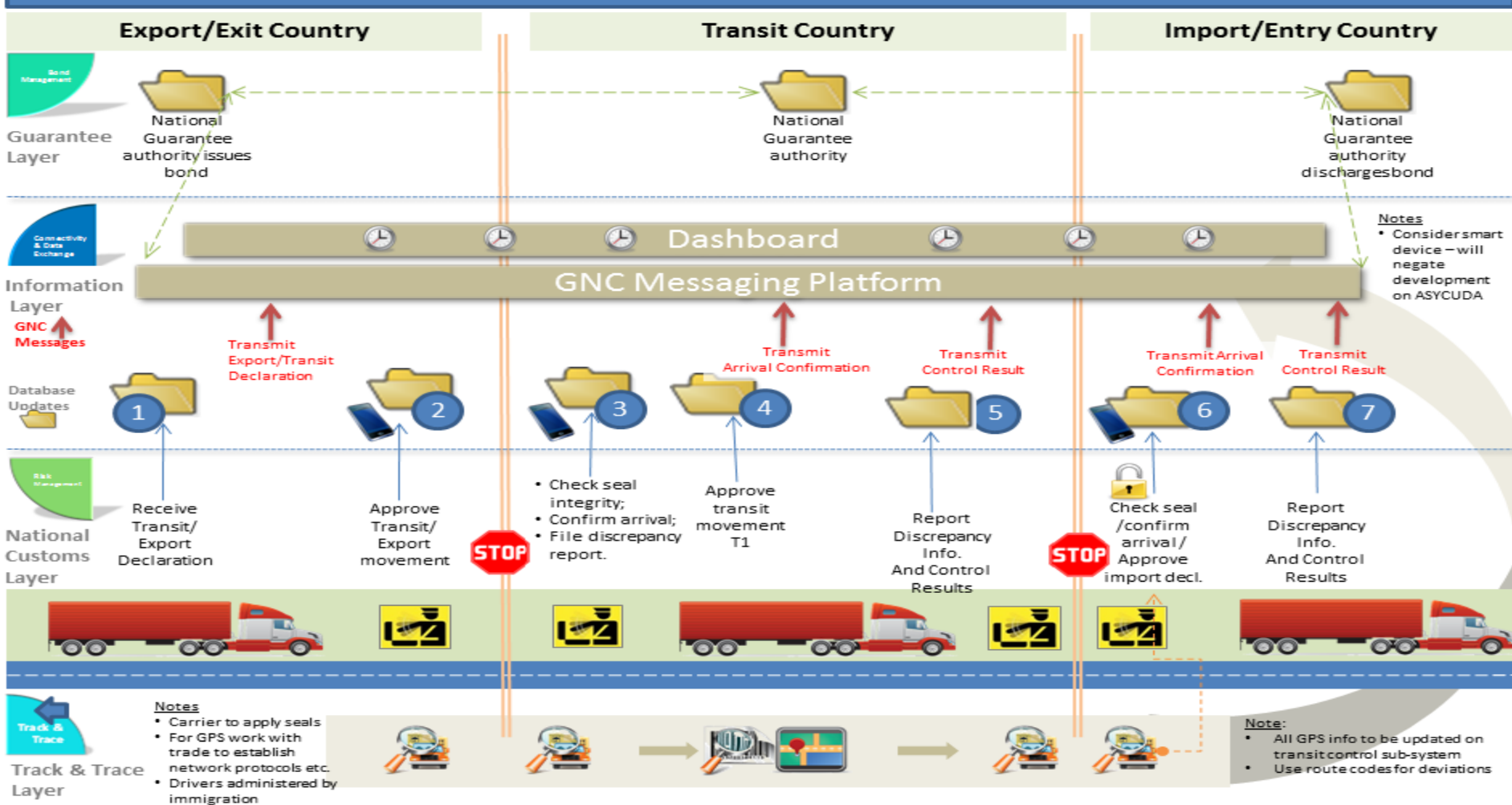


# HIGH LEVEL ARCHITECTURE OF GNC

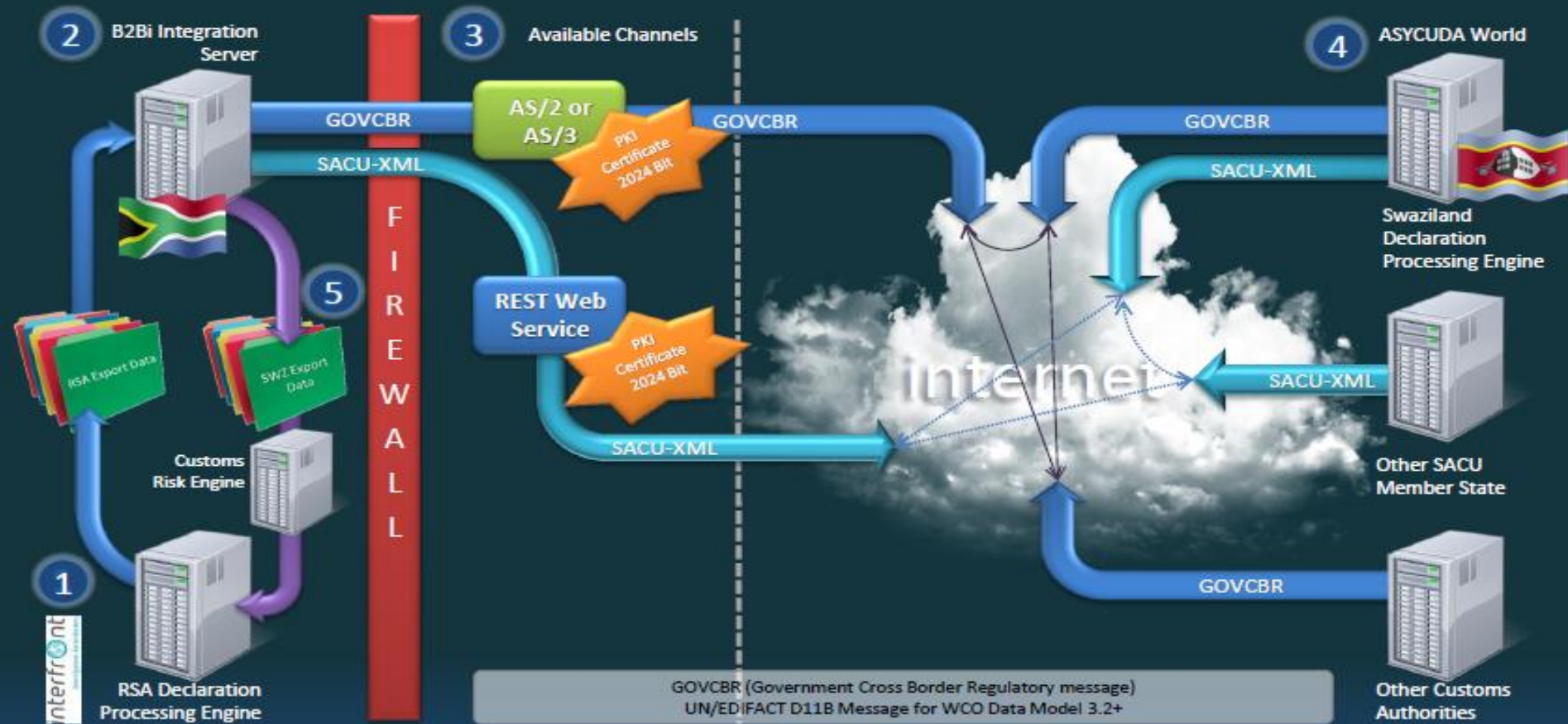


# GNC and cross border flow of goods

## CONCEPT WORKFLOW UNDER SACU GNC UTILITY BLOCK



# C-2-C Exchange Architecture



1. SARS Interfront uploads export data
2. B2Bi Server transforms export data into GOVCBR/XML format
3. Transmission across Internet via AS/2, AS/3 or Web Service
4. End user consumes GOVCBR/XML into host server and transforms into format fit for SRA ASYCUDA
5. By reciprocation, SARS receives SRA Export data for risk assessment and 3<sup>rd</sup> party (C3P) data usage.

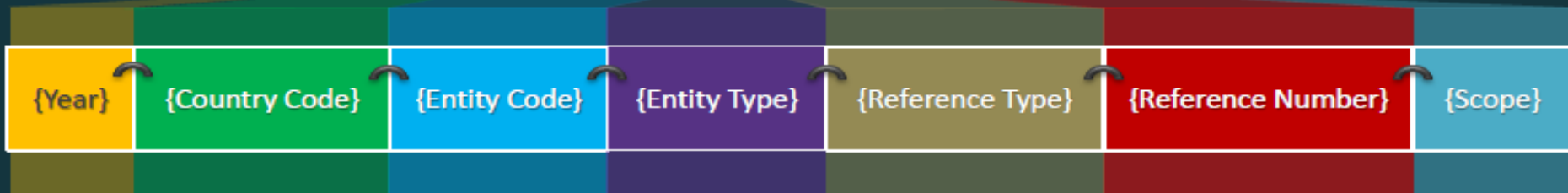
# SACU Unique Consignment Reference [UCR]



Introducing the SACU Unique Consignment Reference to be applied to all export and import declarations



**5ZA00030004CINVIN000001S ...an35**



{Year}	last character of the year over a 10 year period [1 character]
{Country Code}	Nationality of the supplier/consignor - Country ISO code (alpha-2 code)[2 characters]
{Entity Code}	Entity code of the supplier/consignor [8-13 characters]
{Entity Type}	Type of Entity code of the supplier/consignor [1 character]
{Reference Type}	Reference Type of the consignment [3 characters]
{Reference Number}	Unique reference for the consignment [14-19 characters]
{Scope}	Usage [1 character]

- C = Customs Code
- T = Tax Code [TIN]
- I = Company Registration number
- P = ID number / Passport number

- INV = Invoice
- PON = Purchase Order
- CON = Contract
- DEL = Delivery
- OTH = Other
- INF = Informal
- CUS = Customs generated
- DCL = Declarant generated

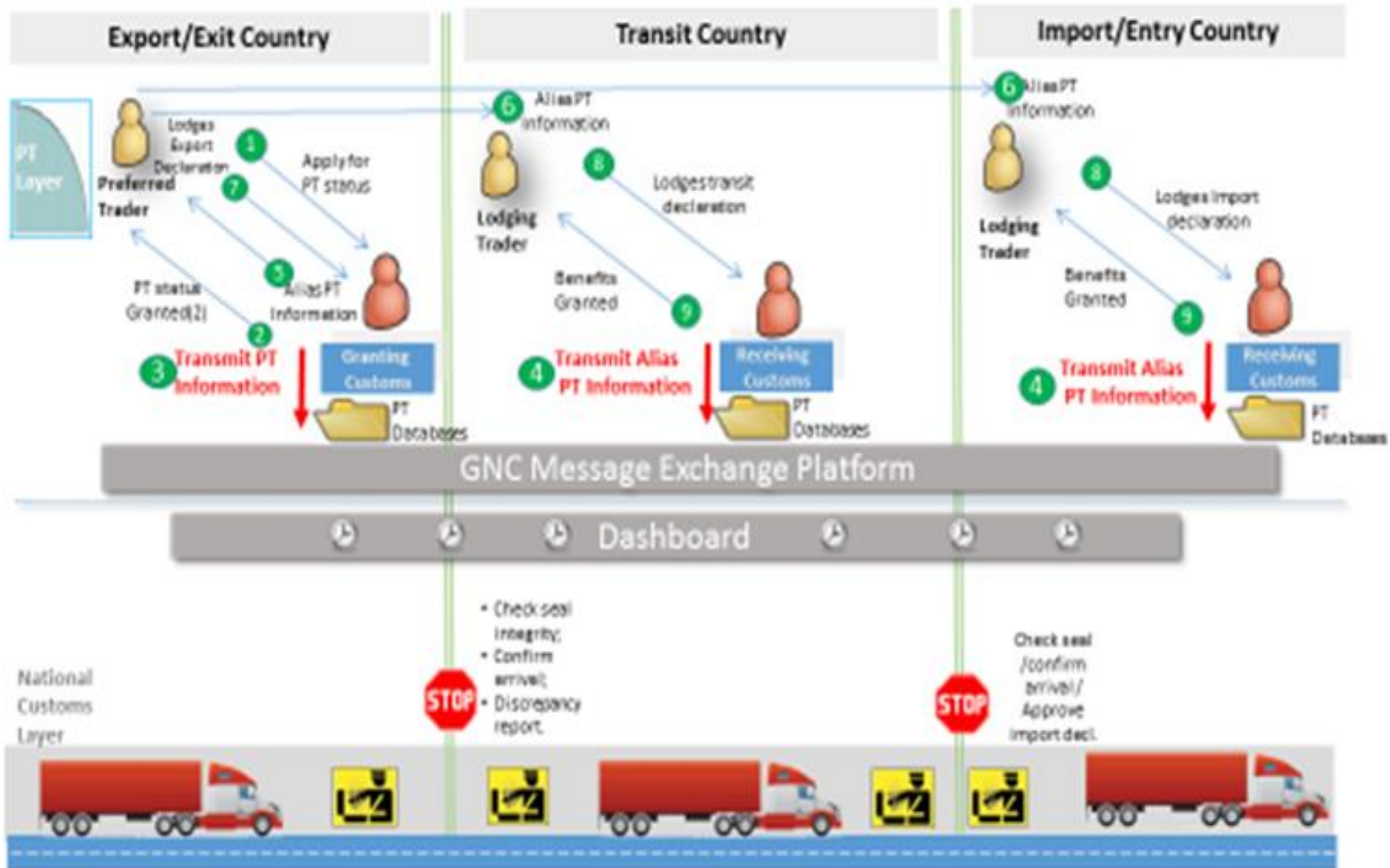
- S = Single Use
- M = Multiple Use

UCR is imperative to enable matching of import declaration data with exchanged export data.

# SACU GNC UTILITY BLOCK FOR THE EXCHANGE OF PREFERRED TRADER INFORMATION (SACU PT UB)

- Built on the GNC UB Structure endorsed by the WCO.
- Relies on the exchange of a range of functional message exchanges adopted by SACU Member States.
- The SACU PT UB data fields will be aligned with the latest version of the WCO Data Model.
- Enable system based risk management for the PT traders
- Facilitate system based granting of national and regional PTP benefits
- Enable system based Mutual Recognition of PT Traders
- The Preferred Trader ID : **Country code (alpha2) + National Trader ID**

# CONCEPT PREFERRED TRADER DATA EXCHANGE WORKFLOW



# ADVANTAGES OF THE SACU PT UB IMPLEMENTATION

## ADVANTAGES FOR GOVERNMENT :

- Reduce costs of intra-regional trade by facilitation of cross-border flow of goods for compliant traders
- Promoting harmonization and regional integration
- Reduce border management cost through reduced physical inspection and improved risk management
- Allocate scarce resources to focus on non-compliant trade
- Consistent implementation of MRA across all SACU member states
- Improves levels of compliance amongst traders and increase revenue collection

## ADVANTAGES FOR BUSINESS/TRADE

- Improve trade facilitation through more streamlined business processes for the compliant trader and reduce congestion at port, airports and border controls posts
- Reduced administrative burden and trade costs, expedited release, reduced controls at import and export and improved profitability
- Promotes transparency and predictability in the availability of preferred trader benefits
- Improved competitiveness for the Preferred Trader
- Acceleration of customs procedures and facilitation of legitimate trade.

# ADVANTAGES OF THE SACU PT UB IMPLEMENTATION

## ADVANTAGES ARE ENVISAGED FOR ECONOMIC AND SOCIAL PROTECTION:

- Reduction of smuggling and enhancement in the fight against organised crime;
- Reduction of undervaluation – increasing the collection of customs duties;
- Reduction of corruption;
- Improvement of ‘Risk analysis’ and ‘Risk Profiling’ on the pre-arrival data; and
- Improvement of overall organisational capacity of partner administrations.

## ADVANTAGES ARE ENVISAGED FOR REGIONAL INTEGRATION:

- Promote/improve cross border communication and cooperation;
- Promote the concept of One Stop Border Post (OSBP) and co-ordinated border management;
- Encourage government agencies to work together;
- Provide sustainability in administrative cooperation;
- Reduce security risks in the Region.

# PT Information Data Cluster

Ref.	Data Element	WCO ID	Description
PTH001	Transaction identification	D014	Document reference number
PTH002	Operation	017	Message function, coded
PTH003	PT Certificate Type	D013	Document name, coded
PTH004	Country code	242	Country, coded
PTH005	National Trader Identifier	R139	Trading party, coded
PTH006	Role	R005	Role Code
PTH007	Language Code	D041	Language, coded
PTH008	Full Name (Registered Name)	225	Additional statement text
PTH009	Short Name (Trading Name)	R138	Trading party
PTH010	Street and Number	239	Street and number/P.O. Box
PTH011	Postcode	245	Postcode identification

# PT Information Data Cluster

<b>PTH012</b>	<b>City</b>	<b>241</b>	<b>City name</b>
<b>PTH013</b>	Country Sub-entity (Region / District / Province)	244	Country sub-entity identification
<b>PTH015</b>	Start date	355	Event start date and/or time
<b>PTH016</b>	End date	356	Event end date and/or time
<b>PTH017</b>	PT Certificate Status	444	Control Result, coded

# Challenges & Solutions

## Challenges Encountered

1. Delayed ratification of enabling legislation
2. Slow progress in the development and signing of bilateral arrangement on protection of personal data by Customs Administration
3. Capacity Constraints on IT Technical skills in some Member States
4. Member States at different levels of Customs Systems implementations

## Foreseeable & Implemented Solutions

1. Ratification of Annex E
2. Expedite finalization of administrative arrangement for automatic exchange of customs data
3. Training of SACU Member states Officers on the WCO Data model and GEFEG F.X. Software
4. Expedite implementation of the Customs Systems at Member States Level

# Lessons and Experience

## Regional Cooperation

1. Increased level of cooperation and collaboration beyond regional work
2. Member States share competencies and skills freely
3. More bilateral cooperation between Member States
4. Acceptance of regional harmonization

## Success factor

1. Political and organizational commitment (SACU institutions support the project)
2. Extensive consultations critical prior to design of specific solution
3. IT infrastructure
4. IT Skills and modernisation
5. Enabling legislative framework

Thank you!

