



KGH 
net
Connecting Continents

Introducing the
European Connection
“A Single Window for Business”

The Swedish Connection



1876



1924



1943



1956

KGH Customs Services



1963



What is KGH Net

KGH NET

**An electronic information exchange platform,
connecting continents for trade, business
and financial purposes**





Who is KGH Net ?

Who's Behind ?



KGH Customs Services



Founded : 1963
Headquarters : Sweden
Employees : 430

Independent provider of customs services including Customs Representation, VAT Representation, Customs Consulting and Border Services.



Customer Snap-Shot

Customers Trade.



HONDA
The Power of Dreams



BYGGmax



HOLMEN

BILLERUD



SSAB



BRØDRENE DAHL



**WACKER
NEUSON**



Creating Tasteful solutions

JINDSKA



Customer Snap-Shot

Customers Logistic Providers.



Single Window

- **27 Customs Administrations of the EU Customs Union**
- **13,000 European Organizations and their trading partners from around the world**

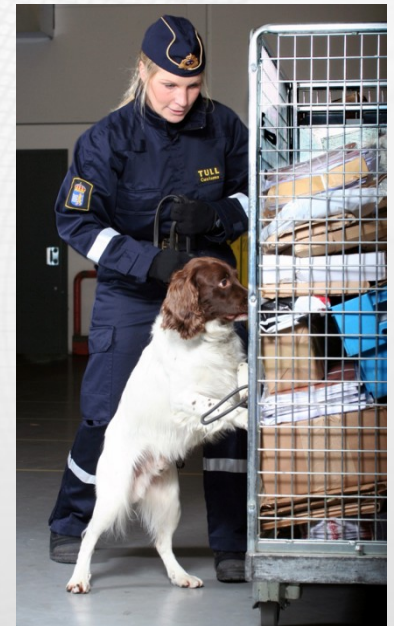


Arctic Group



Founded : 1991
Headquarters : Sweden

Arctic Group is a group of highly competent, experienced technical consultants focusing on customs applications and telecom, working with law enforcement administrations in Europe, Africa, South America and Asia.





KGH Net Services

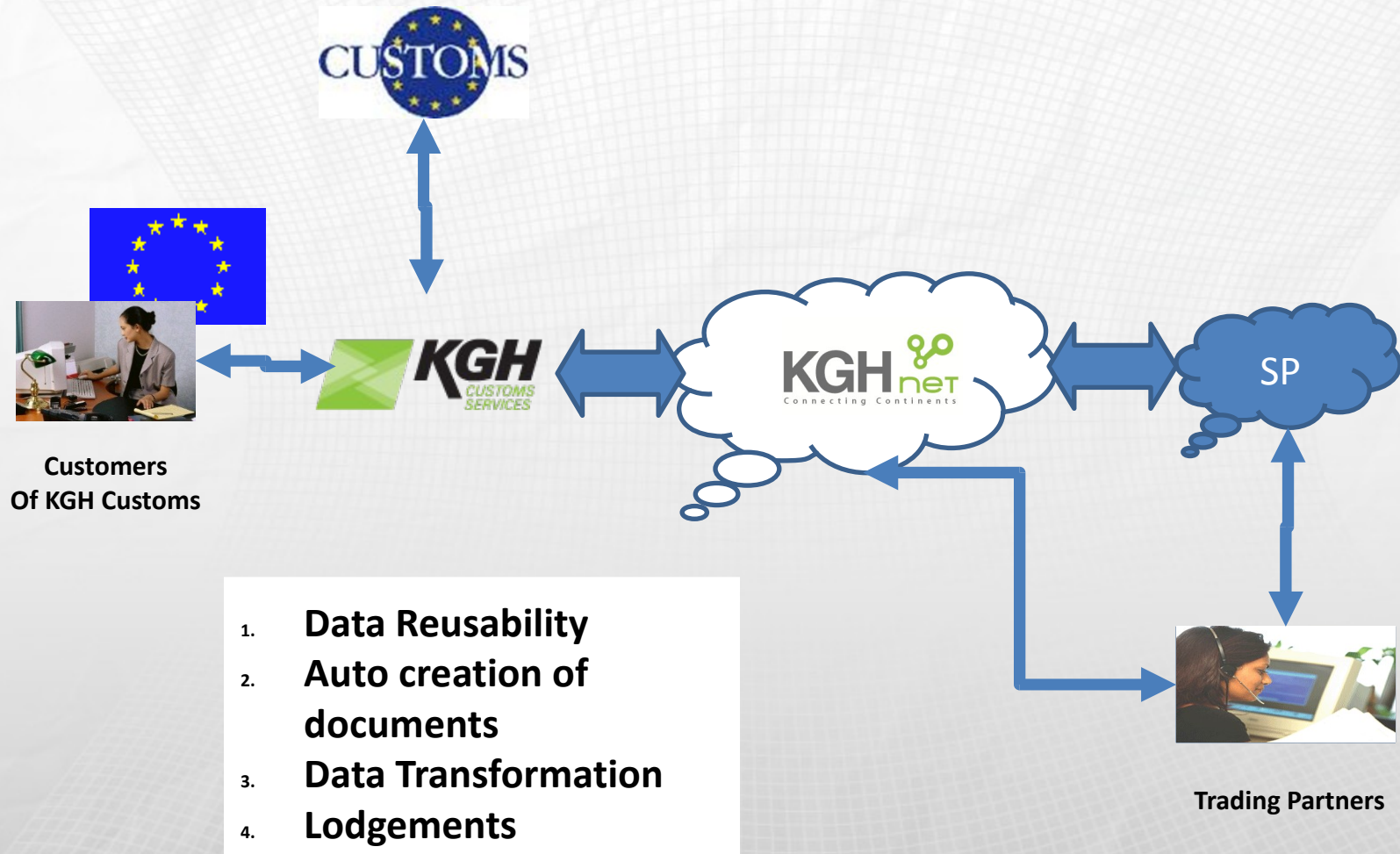
Services

- Trade Information Exchange
- Commercial Information Exchange
- Financial Information Exchange
- ENS Submissions
- Tariff Calculations
- Classification Services



Overview of Services

Overview



ArcticCLASSIFICATION



- Artificial intelligence-based expert system
- Reads and interprets readily-available, complex commercial product information
- Reasons its way through the HS classification process
- Allows importers to describe products in their own words, and doesn't force HS descriptions
- Makes expertise available to decision makers and technicians who need to get answers instantly, consistently, and accurately

ArcticCLASSIFICATION



3CE

- Query Analyzer
- Ontology
- Semantic HS
- Rules Engine
- Intelligent Q&A



HS DESCRIPTION

“Articles of Apparel not knitted or crocheted; Garments made up of fabrics of heading 5602, 5603, 5903, 5906 or 5907; Other garments of the type described in subheadings 6202.11 to 6202.19.”

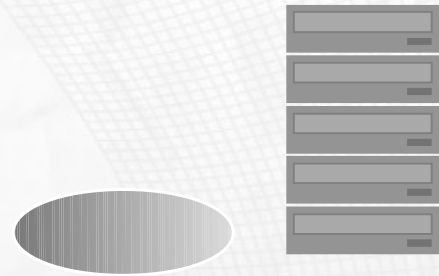
COMMON PRODUCT DESCRIPTION

“Woven ladies raincoat, waxed-cotton”



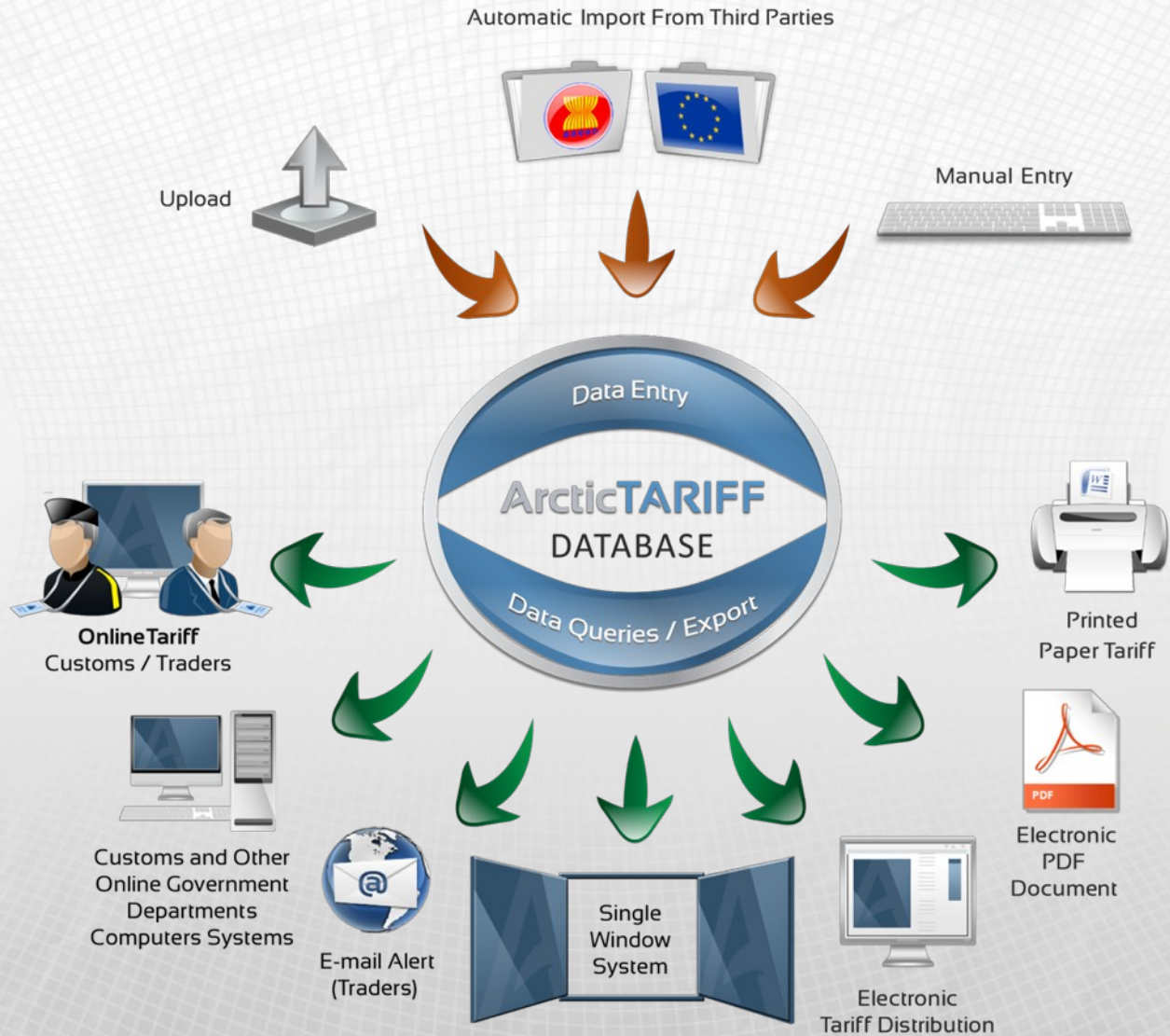
6210.30

ArcticTARIFF



- Complete electronic tariff management system with 3 key components:
 - an electronic **tariff database** of commodity codes and tariff measures
 - a **content management system** that allows data to be entered into the database
 - a facility that is able to **query and export** the data held within the tariff database, with multiple configurable automatic output formats

ArcticTARIFF





Value Proposition

Value Proposition

- Efficiency of information delivery
- Accuracy of information
- Cost savings through reduction of paper based documents
- Storage space reduction
- Data-reusability – reduces redundancy
- Reduces points of failure through manual data re-entry
- Resource maximization
- Single connectivity (Refer to Diagram)

Single Connectivity (Envisioned)



**Trading
Partners**



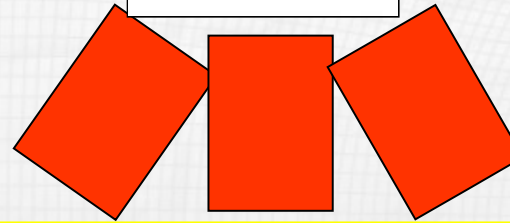
YOU



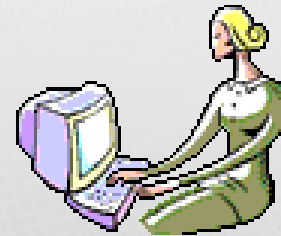
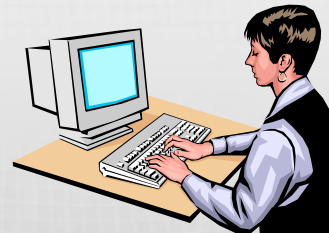
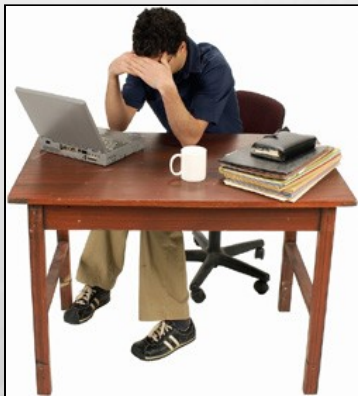
Reality



YOU



Trading Partners



Is it that simple ?



Trading Partners (A)



BUYER

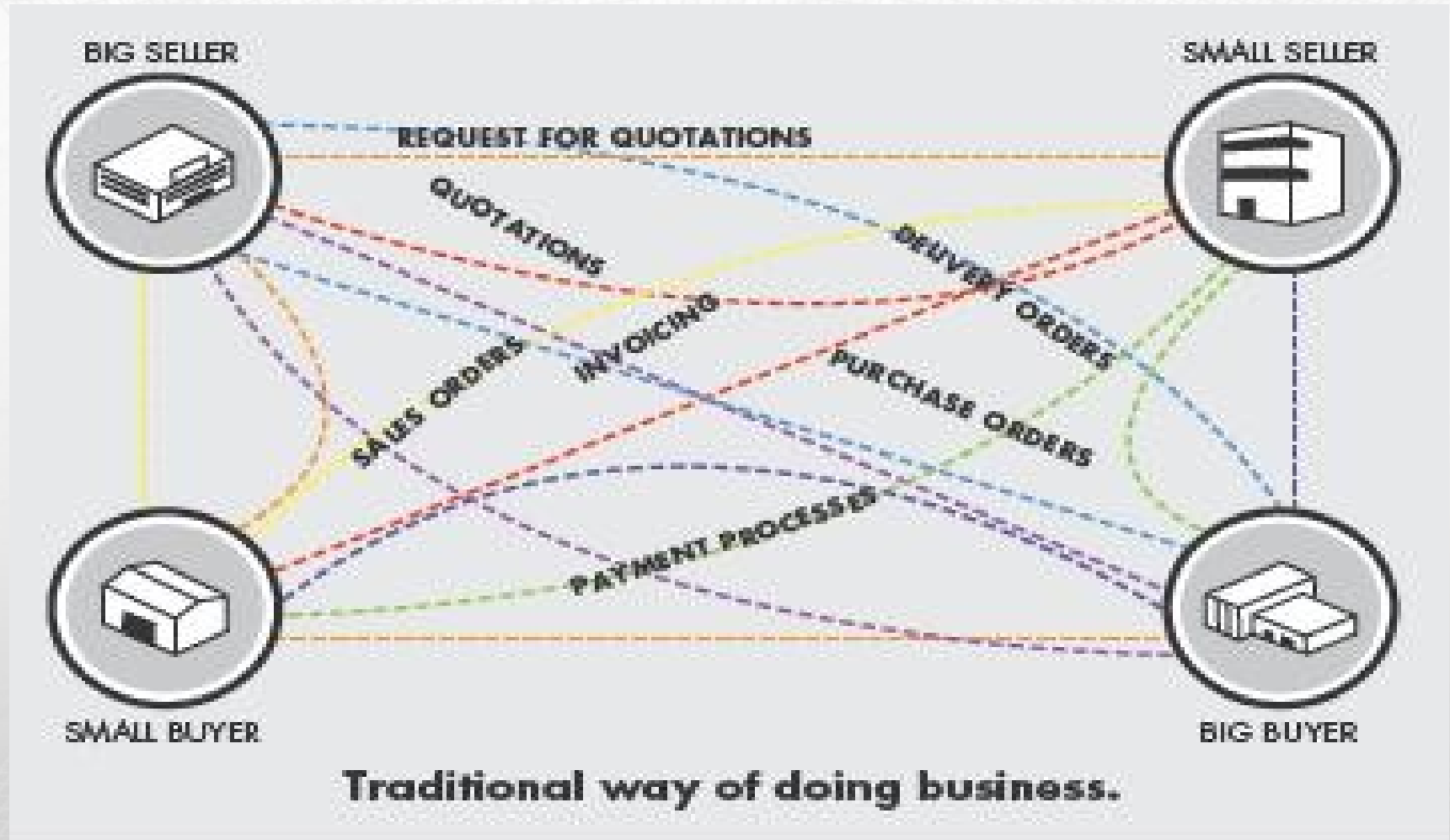
You

SELLER

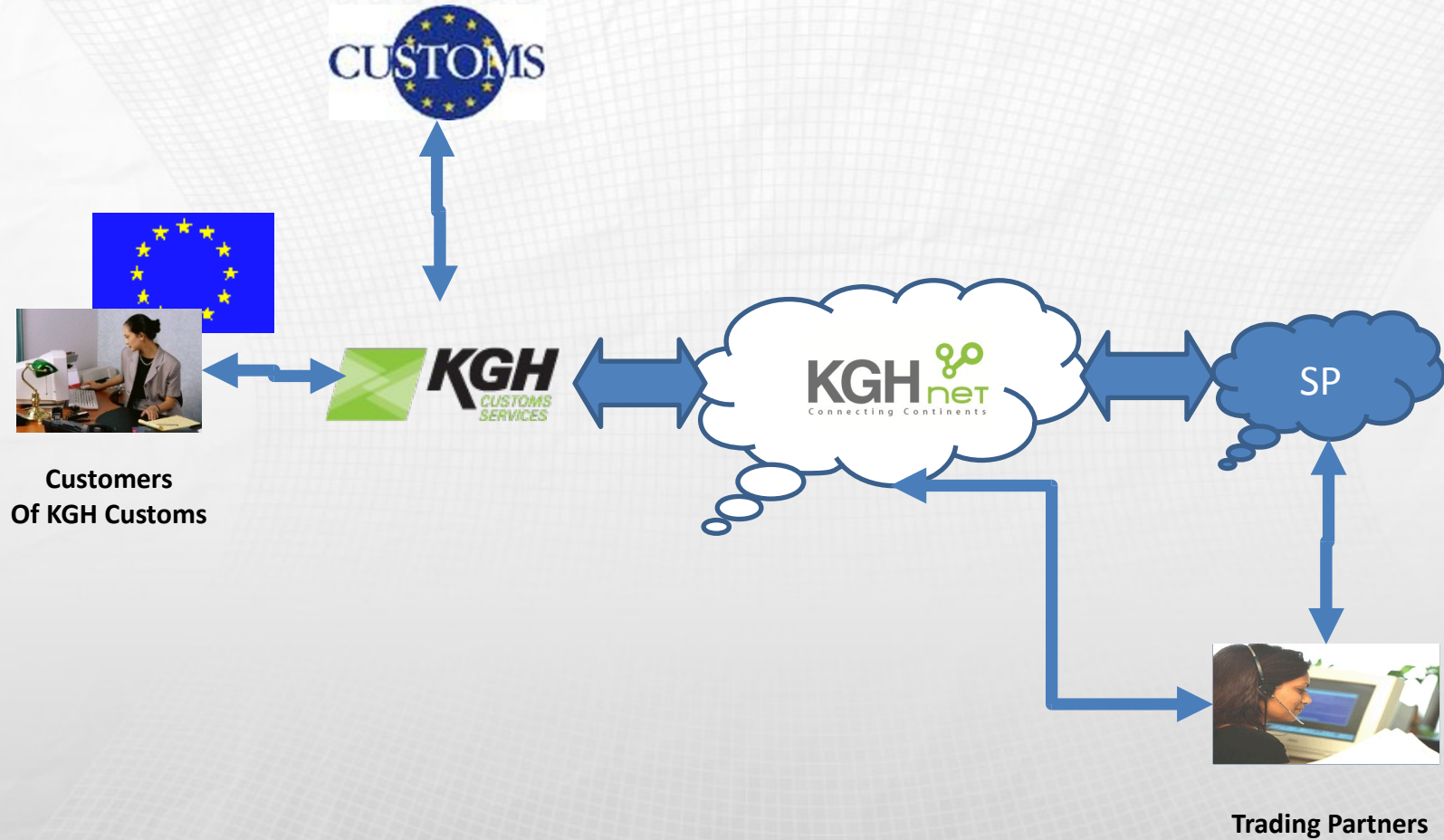
Trading Partners (B)



This is not new to you....



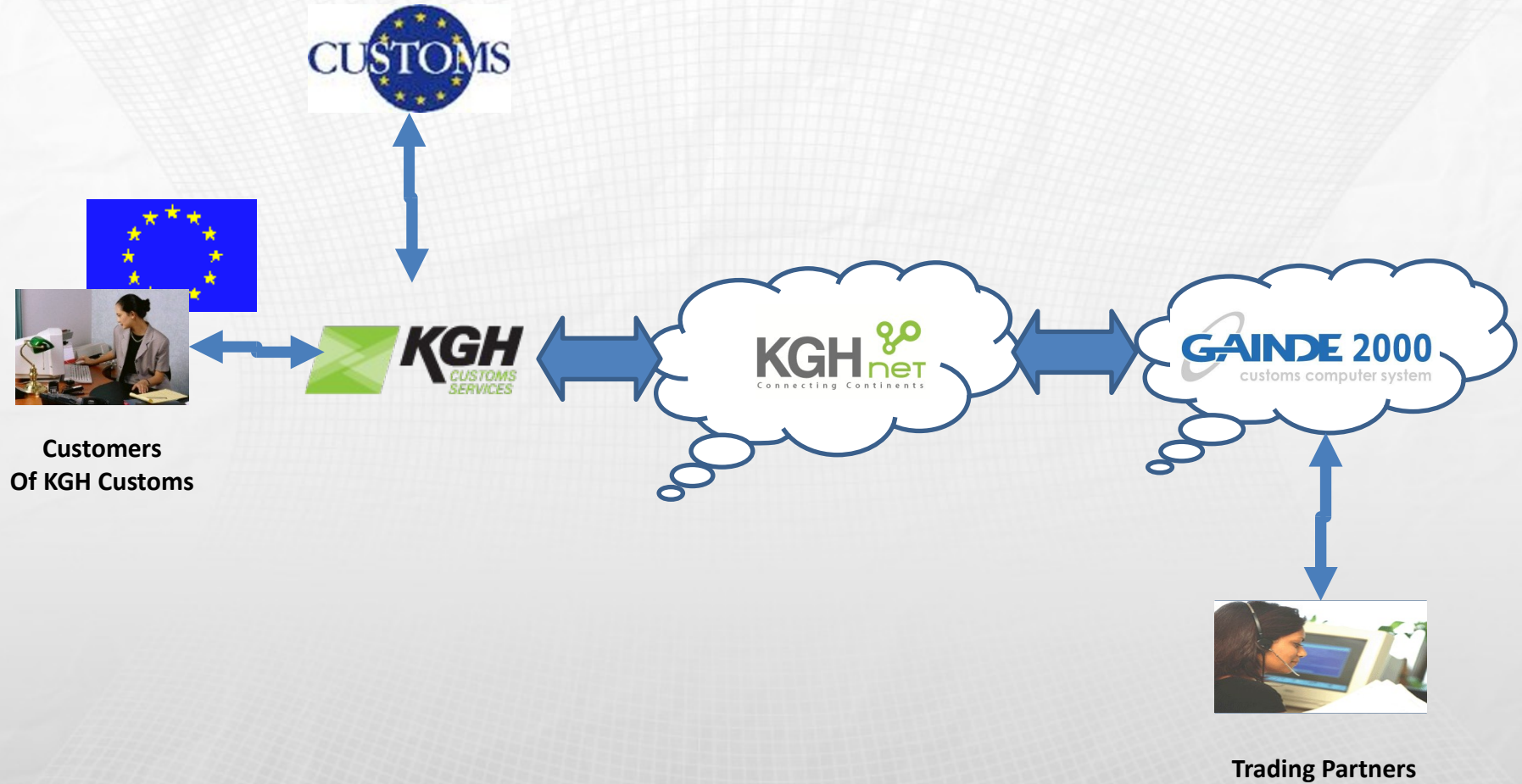
Single Connection, Multiple Services



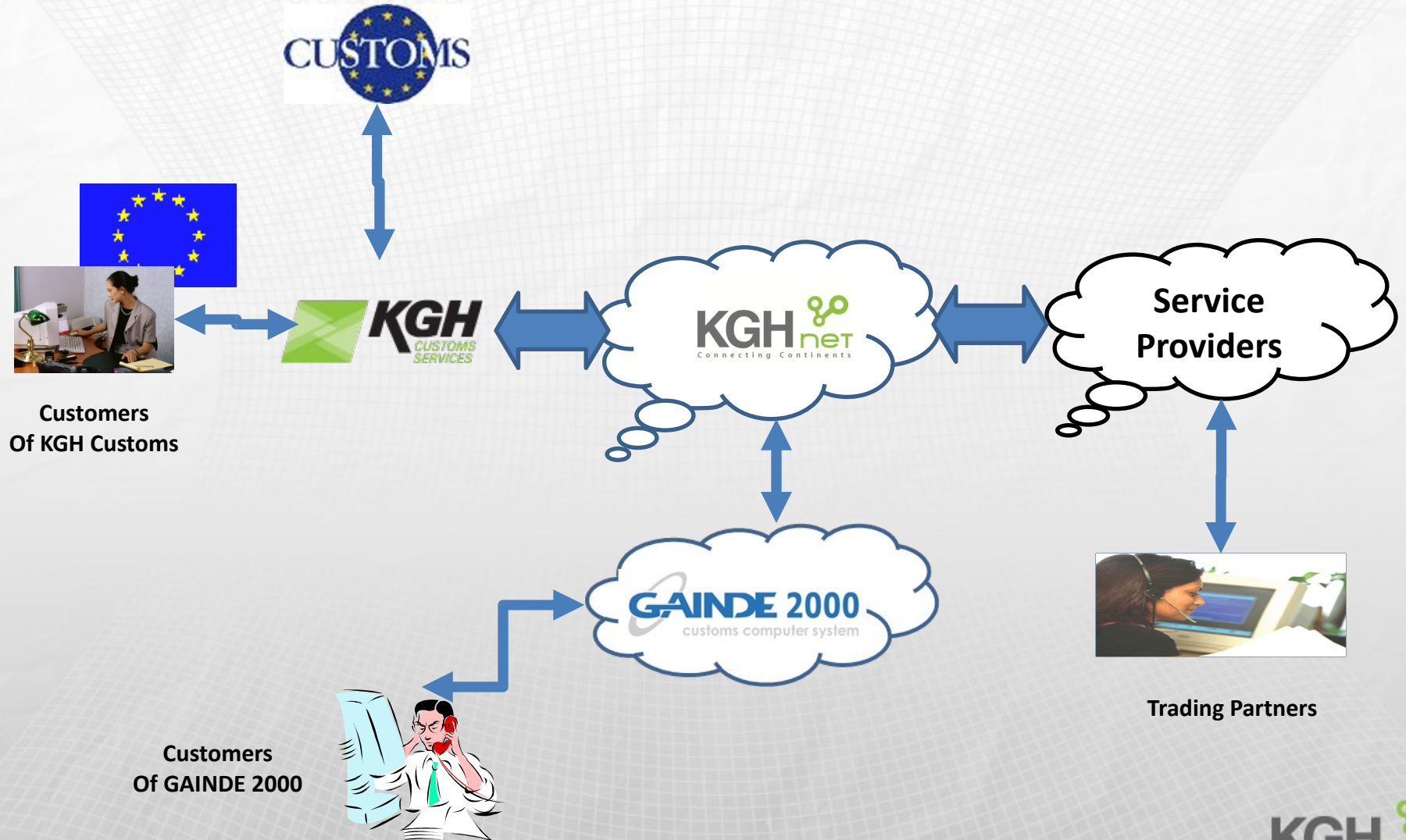


Inter-Operability of “Single Windows”

Inter-Operability of Single Windows



Multiple Inter-Operability





Challenges & Motivation

Growing Business Trends...



European Commission — Taxation and Customs Union

What is the aim of the strategy?

The strategy aims to ensure that Customs authorities are in a position to meet their obligations in a changing world. Customs must have the necessary budgetary resources to be able to **assist in the development of international trade**, applying clear and stable rules whilst **protecting society from unfair practices** in international trade and from the damage which results.

To achieve the objectives of the strategy, actions are focussed on:

- Continuing the **simplification and rationalisation** of customs legislation, taking full account of developments in information technology;
- Improving the application of legislation and increasing **co-operation between the twenty five national Customs authorities**;
- Improving the **service to traders** through closer relations between Customs and companies;
- Improving **training** for customs officers and for traders;
- Promoting **international Customs co-operation**, so as to promote the simplification of trade and customs procedures at world level.

Developing the new approach in the Customs field

Achieving the strategy is an ongoing objective and, as a further step in the process, in July 2003, the European Commission adopted a package of measures covering

- the role of customs for the integrated management of the external borders,
- a paperless environment for Customs and Trade and
- proposals for amending the Community Customs Code.

Security amendments to the Community Customs Code (Regulation (EC) n° 648/2005 of 13 April 2005) have been published in the Official Journal of the European Union on 4 May 2005. With these amendments the European Union introduces a number of measures to tighten security around goods crossing international borders. The measures will mean faster and better-targeted checks. The results are positive for customs authorities, the public and industry.

The European Commission has adopted **two proposals** (COM/2005/608 and COM/2005/609 of 30 November 2005) **to modernise the EU Customs Code and to introduce an electronic, paper-free customs environment** in the EU. The first proposal aims to simplify and streamline customs processes and procedures. The second proposal is designed to make Member States' electronic customs systems compatible with each other; introduce EU-wide electronic risk analysis and improve information exchange between frontier control authorities; make electronic declarations the rule; and introduce a centralised customs clearance arrangement. The result should be to increase the competitiveness of companies doing business in Europe, reduce compliance costs and improve EU security.

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Changing Business Trends...

The screenshot shows the top navigation bar of the European Commission Enterprise and Industry website. The main heading is 'Information and communication technologies e-Invoicing'. The text defines e-invoicing as the electronic transfer of billing and payment information. It highlights that e-invoices offer advantages like faster processing and lower costs, with a report predicting annual benefits of up to €40 billion across Europe. A sidebar on the left lists various ICT-related categories, with 'e-Invoicing' selected.

This screenshot shows a page titled 'European Commission's activities on e-Invoicing'. It details the Commission's support for e-invoicing uptake through various initiatives. A key announcement is highlighted: on 2 December 2010, the Commission adopted a communication titled 'Reaping the benefits of e-invoicing for Europe' (66 KB). Below this, a small image of a keyboard is shown, and the text continues to mention a decision to set up a European Multi-Stakeholder Forum on e-Invoicing (23 KB), announced in the Digital Agenda for Europe.

Compared to paper invoices, e-Invoices may offer huge advantages for companies - they are said to be easier to process, they reach the customer faster and can be stored centrally at very low cost. A report predicts potential annual benefits of up to **€40 billion** across Europe in the business-to-business field alone.

Over the past few years, the European Commission has given continuous support to the uptake of e-Invoicing. Thus, several initiatives at European level have been launched in order to facilitate the emergence of a pan-European e-Invoicing environment for businesses of all sizes and public authorities.

The Commission adopted on 2 December 2010, the

Communication "Reaping the benefits of e-invoicing"

Money...the most important motivator



Capgemini Consulting

SEPA: potential benefits at stake

Researching the impact of SEPA on the
payments market and its stakeholders

6.3 Size of e-invoicing potential

The estimated payments-related operational cost on the demand side is EU112 billion (2006), or 0.8% of the GDP in the EU-16. Currently, 80% to 90% of invoices are based on paper, and a paper invoice costs between EU1.13 and EU1.6516. Electronic invoicing, an automated way for suppliers and buyers to send, process, and collect invoices, reduces the cost per invoice to between EU0.28 and EU0.47, a reduction of 70% to 75%. The maximum total value that could have been reduced by e-invoicing in 2006 is EU84 billion, or 0.8% of GDP. The Capgemini questionnaire reveals that nearly 26% of the responding companies have started using e-invoicing



Thank You

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