

International Single Window Conference

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Current situation of National Single Window in Japan and Issues that Commercial Users have been concerned on Single Window

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Introduction

Kokichi Watanabe CV

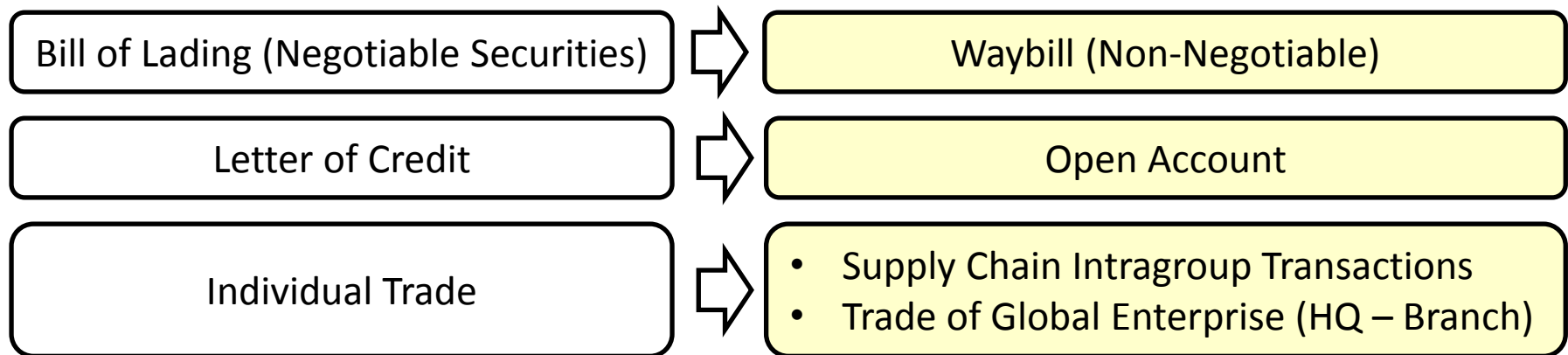
- 2012 - JASTPRO (Senior Advisor)
 - 2010 - TEDI (Trade EDI) npo (Partner)
 - 2005 - 2009 Mitsubishi Corporation: Administrative Dept.
 - 2001 - 2005 TEDI Advanced Network Ltd. (President)
 - 1969 - 2001 Mitsubishi Corporation: Business Dept.
(overseas offices for 16 years; Argentine, Colombia, Venezuela)
- Contact: kokichiwatanabe@tedi-npo.com

JASTPRO: Japan Association for Simplification of International Trade Procedures

- Founded in 1974 supported by ○ Ministry of Finance, ○ Ministry of Economy, Trade and Industry and ○ Ministry of Land, Infrastructure, Transport and Tourism
- Charter Member of AFACT (Asia Pacific Council for Trade Facilitation and Electronic Business)
- National Trade Facilitation Body of Japan in UNECE
- Support Japan Delegation for UN/CEFACT as Secretariat.
- UN/CEFACT Rapporteur for Asia and the Pacific
- Focal point of UN/Locode in Japan

Current change of environment

Favorable changes of Environment for Paperless Trade



Electronization advanced Domestically; Not so much Beyond Border

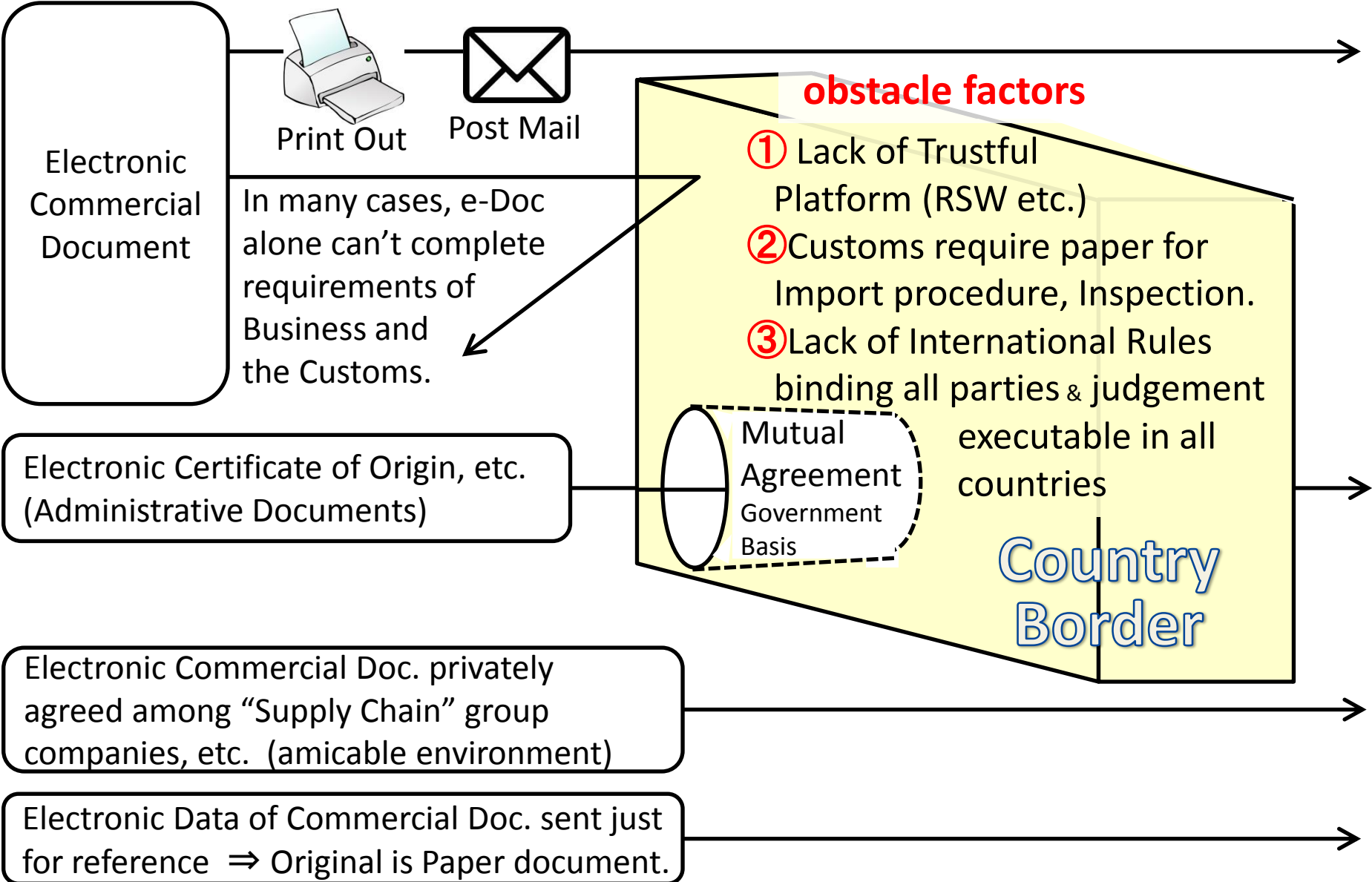
Creation of Commercial Documents with Personal Computer.

- Apply Standard Format
- Search and Deploy previous records

Electronic application for Customs procedures, Certificates (C/Origin etc.), etc.

Electronic application for Transport Documents (B/L, Waybill etc.) ... etc.

Paperless Operation progressed up to Boundary



Relation among Data, Paper requirement and Rules



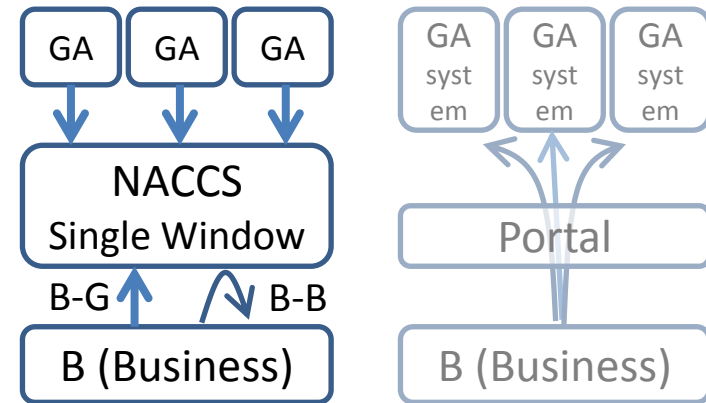
Challenging ↓

	Supply Chain Transactions	General Users Private Data Trans.	Official Doc. (C/Origin etc.)	Desirable Regional Single Window
Data Doc.	Electronic Document is sufficient for commercial Transaction	Just for reference and data search. There're cases Customs allow tentative clearance.	Depending upon mutual Agreement, elect. Certificate alone will be OK.	Electronic Doc. will be deemed genuine original of Commercial Doc.
Paper Doc. Support	Paper will be followed when so required by the Customs	Transaction is justified solely with Paper Document, for both parties, and so for the Customs	Certificate on paper will not be required normally.	Any Paper Doc. shall not be required by both parties and also by the Customs.
Rules	Sufficient with Private Rules, effective in Supply Chain	Electronic Doc. doesn't have any commercial function. Conventional law for Paper Doc. rules whole transaction	Mutual Agreement among related countries will be good for the purpose.	Legal Framework for Regional SW shall be established that bind all parties evenly, execution feasible on lawsuit.

Features of NACCS as National Single Window

- ① NACCS is a Consolidated system, integrating required functions of all Government Agencies (GA) as National Single Window,

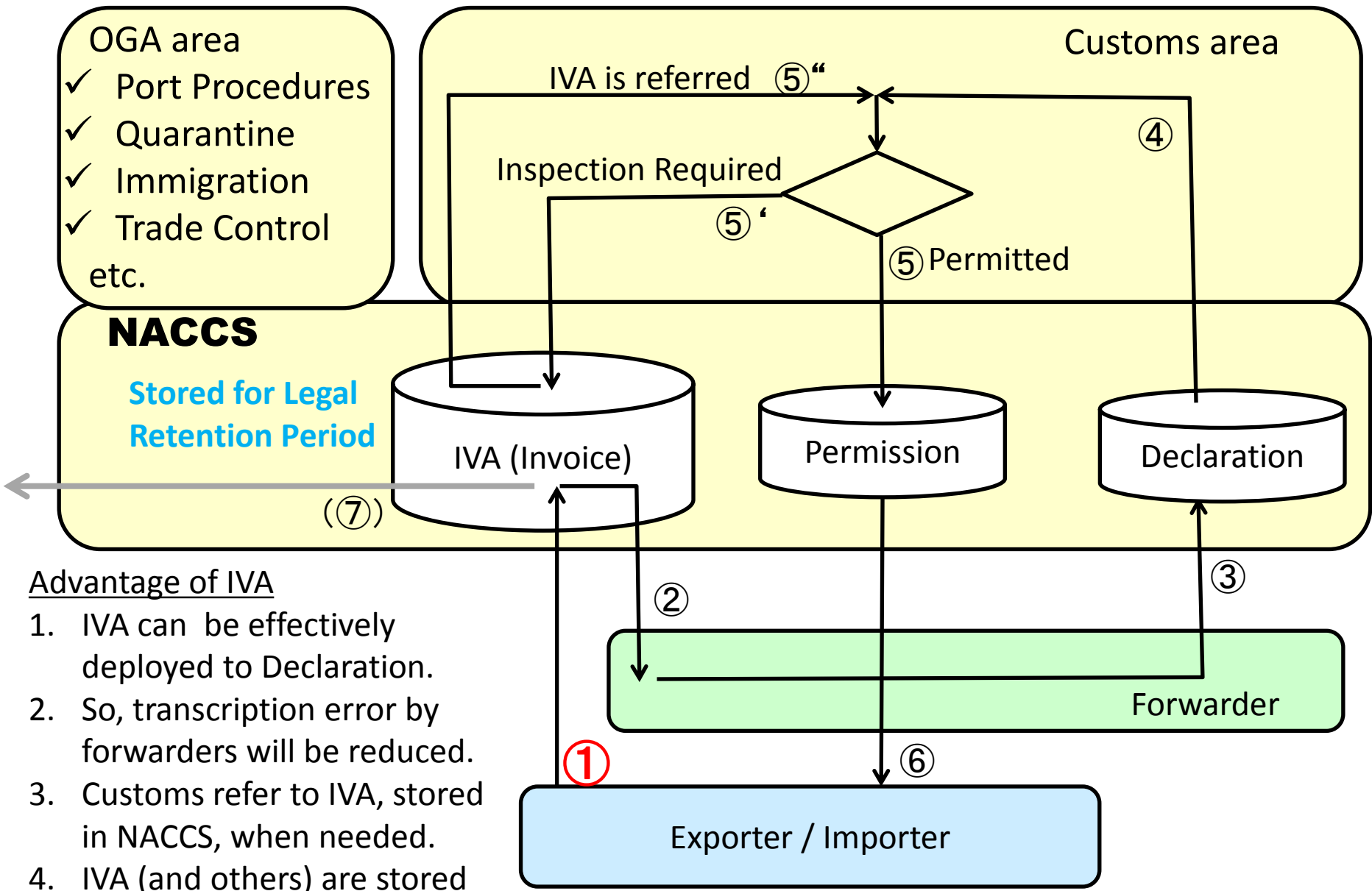
- a. Customs Clearance
- b. Port Procedures
- c. Trade Control (Security Trade)
- d. Quarantine
- e. Immigration
- f. Advanced Filing Rules
- g. Duty Tax Payment etc.



- ② NACCS receives documents from Importers/Exporters to Government B to G.
- a. Import/Export Declarations
 - b. Certificates such as Quarantine
 - c. Trade Documents (when required) in XML, PDF, XLS, DOC etc. (NO need paper)
- ③ NACCS receives documents crossing border.
- a. Manifest (for Advanced Filing Rules through Agencies in Japan.)
 - b. Certificate of Origin (Technically available but not in live use now)
- ④ NACCS provides Storage Service of electronic documents registered in NACCS as above, for whole period of legal retention, releasing obligors free from such obligation.
- ⑤ NACCS bridges exchange of electronic documents among private users of NACCS, too, as B to B service. (Details next slide s7 & 8)

Functions of NACCS (Example of Flow)

B to B & B to G
 INVOICE → DECLARATION → PERMISSION



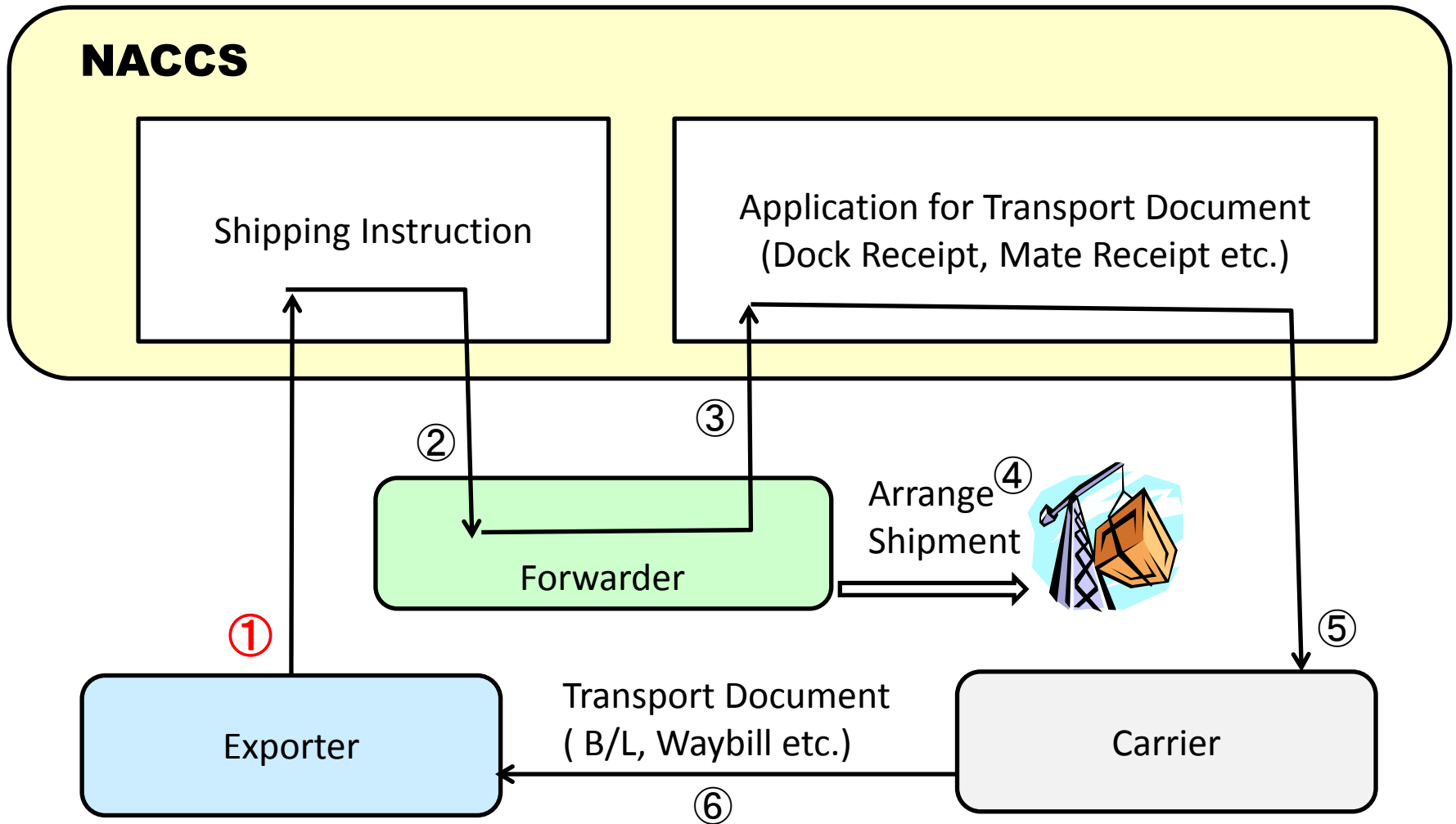
Advantage of IVA

1. IVA can be effectively deployed to Declaration.
2. So, transcription error by forwarders will be reduced.
3. Customs refer to IVA, stored in NACCS, when needed.
4. IVA (and others) are stored whole legal retention period.

Functions of NACCS

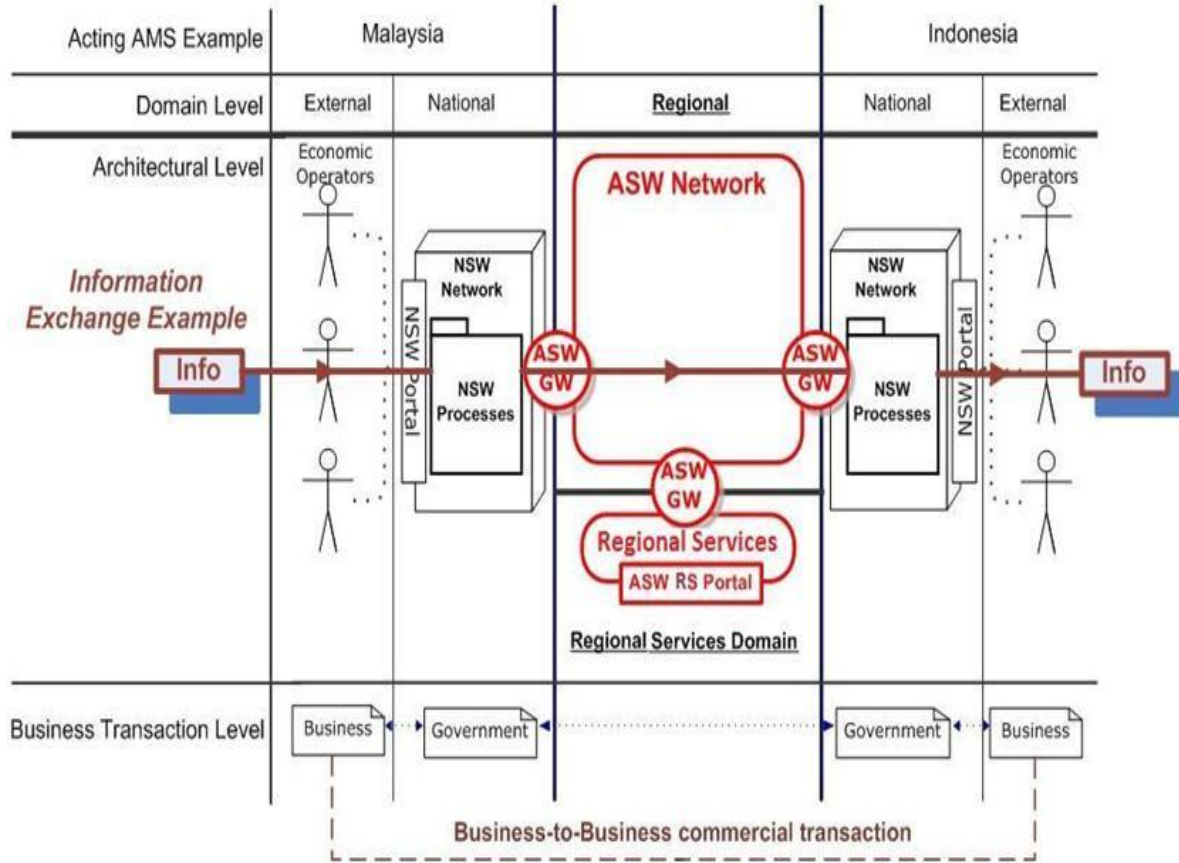
(another Example of Flow B to B)

SHIPPING INSTRUCTION → (Loading) → B/L or Waybill

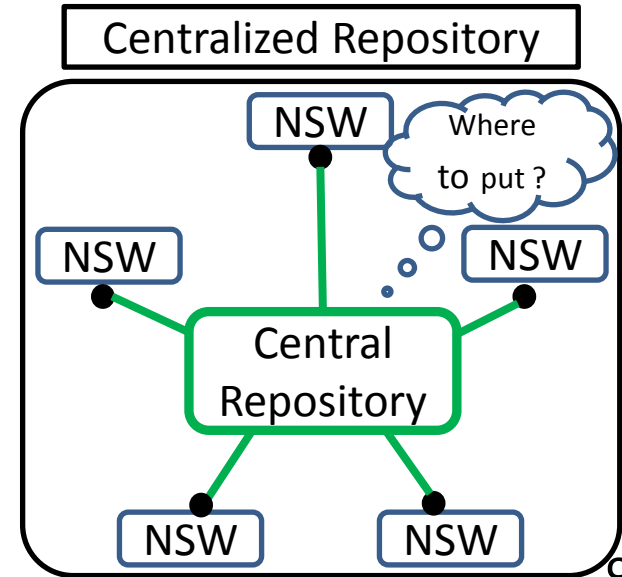
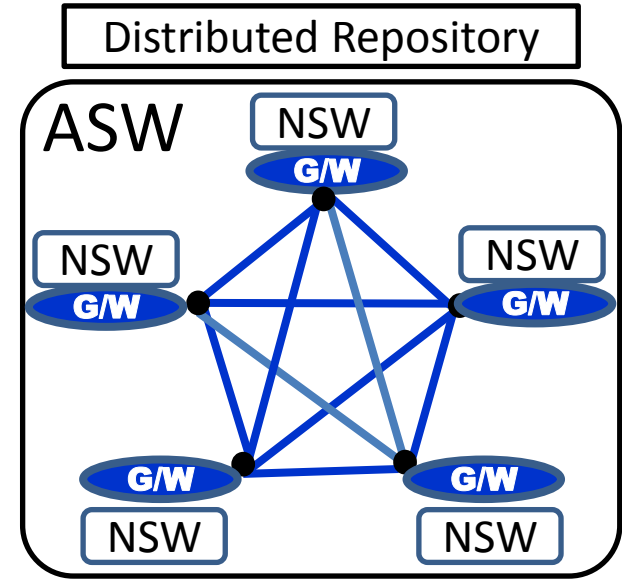


ASEAN Single Window

< 1. Issues in Structure >



ASEAN Single Window Distributed Repository



In case of Distributed Repository, depending upon its structure, synchronization of data among Repositories of related countries may be necessary.

ASEAN Single Window

< 2. Issues in Rules and Legal Framework >

- Gap analysis was conducted to check the deviation of Laws of each country, compared with the “Protocol on the Legal Framework to implement the ASEAN Single Window”.
- Remarkable issue for users of ASW will be that such ASW Legal Framework is subject to National Laws of Member countries i.e. users may not be able to defend themselves depending solely on ASW Legal Framework for the solution of international conflict.
- Official documents (Cert of Origin, etc.) will be OK with this scheme, but for private Business documents, every Commercial Rights shall be protected by Legal Framework.

Article 7

Data and Information

Point 4

The access to, exchange, use, legal validity, and confidentiality of data and information in the framework of the ASW are subject to the national laws and regulations of the respective Member Countries.

probably by nonaggression principal of the sovereignty

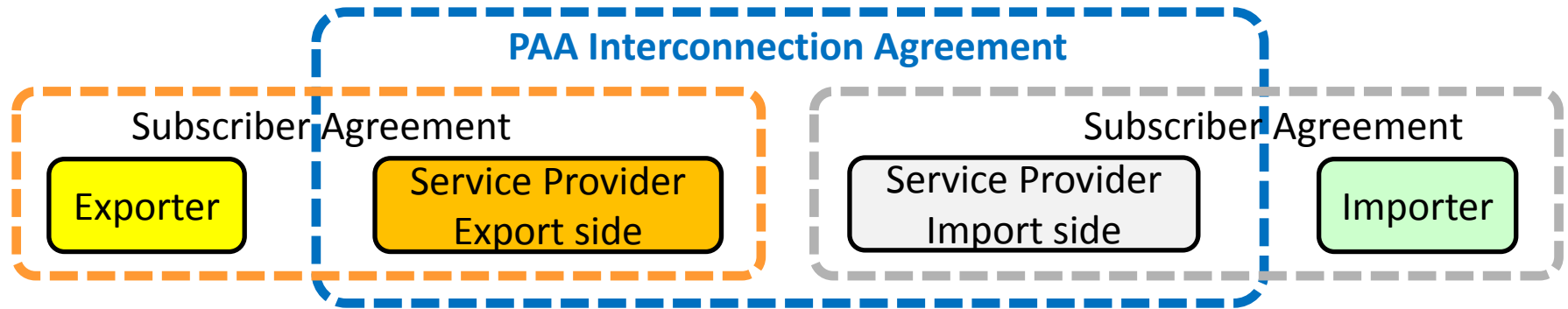
Up dated Technical Situation and issues

- Project to distribute Gateway Module to ASEAN countries and connect with National Single Window of each country is on full-fledged Pilot test stage from Sept.2015
- In each country, it is taking time for connecting NSW to Gateway.
- Indonesia, Malaysia, Singapore, Thailand and Vietnam will anticipate for the Project.
- Still remain some needs to harmonize types of e-Doc that every NSW can handle.

PAA Legal mechanism (point 1)

< Structure of Rules (Part) >

- All PAA Service Providers (SP) manually sign on “PAA Interconnection Agreement”.
- Users shall conclude with their SP “Subscriber Agreement” that binds users, indirectly, to “PAA Interconnection Agreement” where obligations of all parties are clarified, including the mutual consent on Digital Signature.



< Issues on Conflict Solution >

- As nature of Private Agreement, no way to execute Conflict Solution alone with legal force.
- Same as ASW, “legal validity of Interconnection Agreement” is subject to Local Laws.

Invalidity and Severability

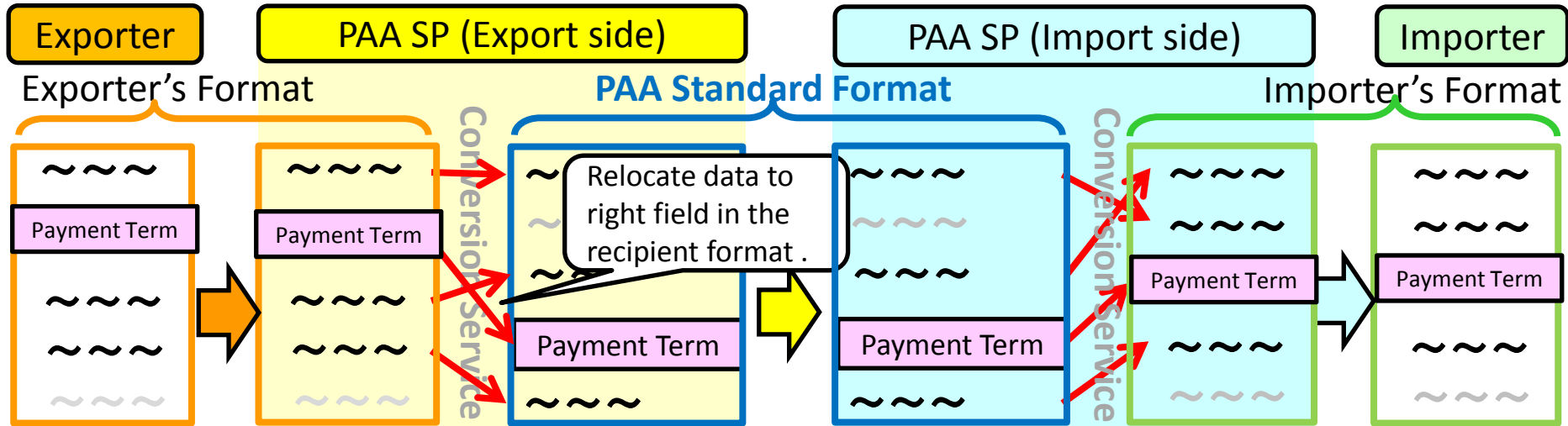
17.1

In the event of a conflict between any provision of this Agreement and any law, regulation or decree affecting this Agreement, the provision of this Agreement so affected shall be regarded as null and void or shall, where practicable, be curtailed and limited to the extent necessary to bring it within the requirements of such law, regulation or decree but otherwise it shall not render null and void other provisions of this Agreement.

PAA's mechanism for "Format Conversion" (point 2)

- ⇓ As the nature of EDI, all data of e-document shall be contained in the right fields of the Format for transfer.
- ⇓ If sender, intermediary and recipient use different Formats, data shall be relocated each time being transferred from one Format to another. (Format conversion)
- ⇓ In case of PAA, different Formats are applied as follows:
 - Exporter – PAA Service Provider (PAA SP) : Exporter's proper Format
 - PAA SP (Export side) – PAA SP (Import side) : PAA Standard Format
 - PAA SP (Import side) – Importer : Importer's proper Format

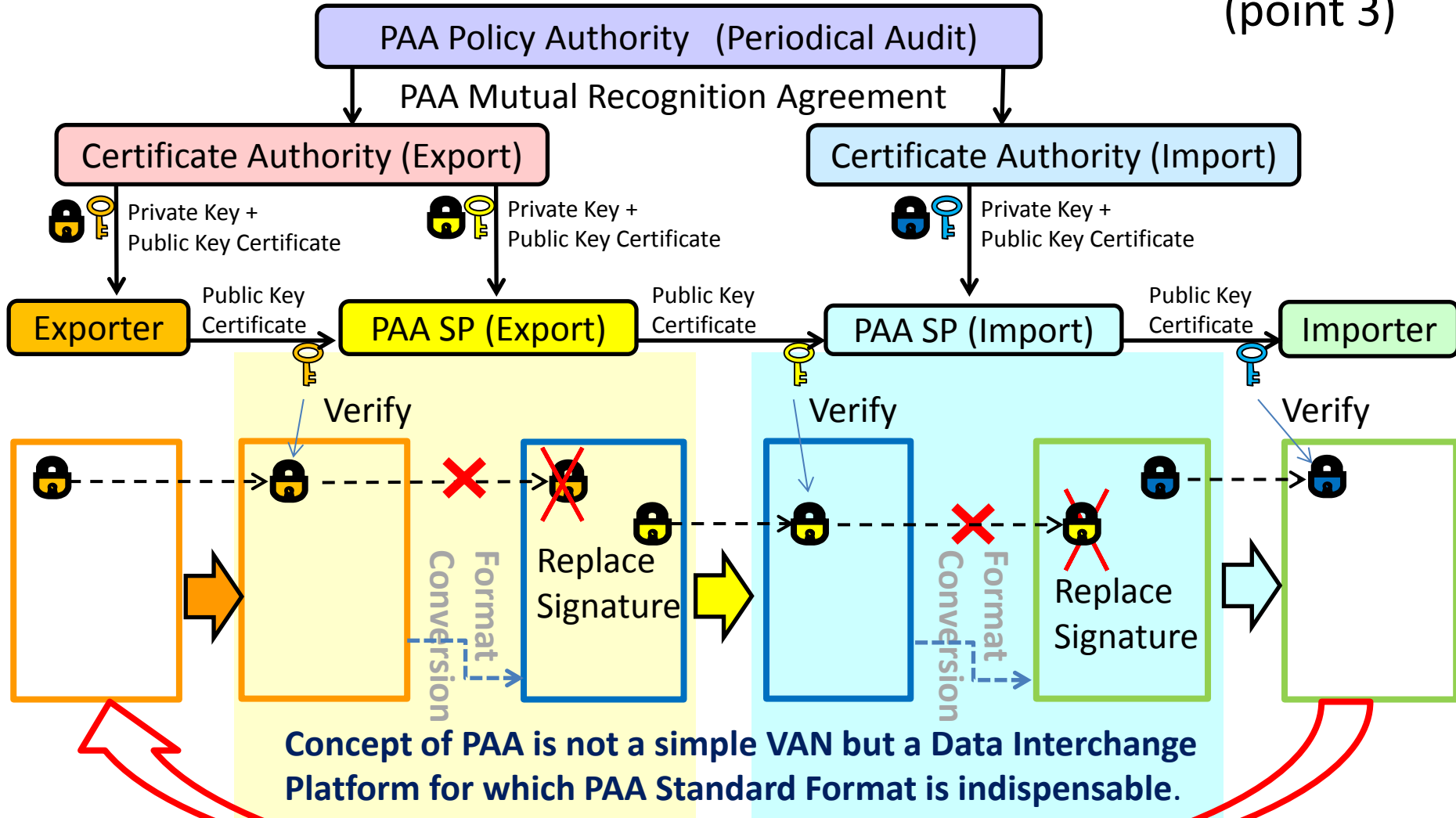
PAA SPs have PAA Standard Format plus all users' Formats and provide conversion service.



⇒ But each time Format conversion is applied, the furnished digital signature will be broken.

PAA's structure of Digital Signature and countermeasure for Breakage

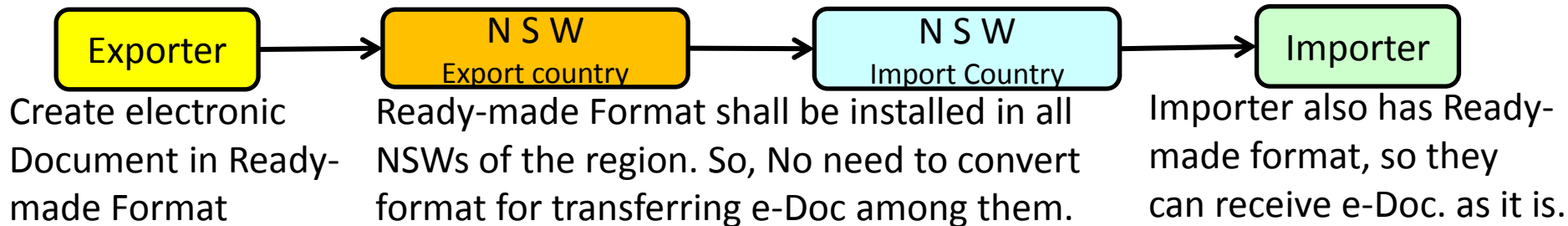
(point 3)



“Importer” must deem Signature of PAA Service Provider (Import side) as Genuine Signature of “Exporter” by PAA Rules.

Ready-made Format ---- Change the approach and solve the problem

- Global Standard such as UN LAYOUT KEY etc. shall be applied for creating Ready-made Format. Important point is to prohibit customization by users.
- The concept of Ready-made format is “NOT to be flexible” and “NOT to aim at increasing users by Flexibility”, but to provide it only to the Limited Users that they themselves can be flexible to adjust their needs to the Ready-made format.
- It may sound opposing to users but in reality it is helping them in practical way. Users don't waste cost and time for creating their own format. Among “global Ready-made format users community”, they can exchange e-documents without prior arrangement on format that will help to start-up paperless trade easily.
- Their digital signature will never be broken by format conversion throughout the transaction.



CUSTOMS' provable Benefit from “Ready-made Format”

When Ready-made format of invoice becomes a world mayor format, the customs may consider installing it in their system, in order to receive invoices from exporters directly through EDI, enabling mechanical data-matching inspection.

It may help to re-form various inspections (such as Pre-Shipment Inspection) that are required currently in advance for the arrival of consignments at import country.

Ready-made Standardized Format: More details on Invoice

Research report on e-Invoice in Asia and Proposal of Ready-made “Standardized Fixed Layout Format of Invoice”, conducted by JASTPRO, is available in the URL:

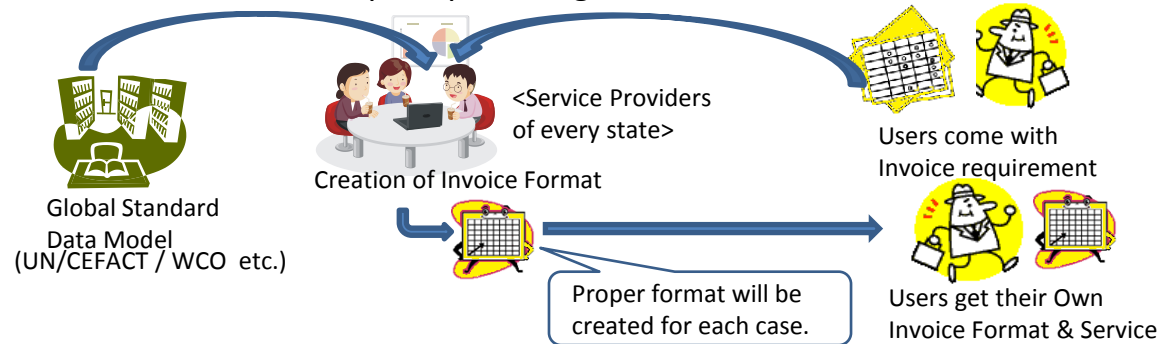
<http://www.jastpro.org/topics/pdf/e-invoicing20150327eng.pdf>

(A sample of the Figures, inserted in above Research Report)

Thank you

Difference in Concept of Standard Invoice Format

« Conventional concept of providing Format Creation Service »



« Creation of Fixed Layout and simple sale to the users »

