Transforming China eCustoms and E-Port into National Single Window

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Outline

- Progress of digitalization in China Customs
  - eCustoms: Customs clearance automation
  - Emergence of E-port
  - National single window

- Major discussions and challenges
- Policy recommendations
- Smart customs solution
<table>
<thead>
<tr>
<th>Challenges</th>
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<tbody>
<tr>
<td>1. Workload growing continuously,</td>
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<tr>
<td>larger possibility of risks being triggered</td>
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<tr>
<td>2. Have to handle a variety of trade forms &amp;</td>
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<td>observe the various preferential tax policies</td>
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<td>3. Have to design new control measures for</td>
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<td>different regions</td>
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<td>4. Must adapt to and satisfy the specific and</td>
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<td>changing needs of different enterprises</td>
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<td>5. Must conform to international customary</td>
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<tr>
<td>practices and rules</td>
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</tbody>
</table>
Progress of China Customs digitalization


1998: The Phrase of Nationwide Linked (1998-1999). China Customs commenced to implement “Customs Clearance Reform” (通关作业改革) and networked customs information system enabled the customs authorities to conduct enforcement and implement policy in a uniformed manner.


2005: Decisionmaking-support(2005-present): H2000 updated to H2010 and more paperless trading policies and customs reforms initiated. Latest ICT deployed, e.g. cloud computing, big data, IOT etc.
China eCustoms architecture
China E-port public platform and applications

- Brokers, Trading Companies
- Ports
- Warehouses
- Banks
- H2000/H2010 Clearance System
- Customs
- Trade and Industry Department, Hong Kong
- Administration of Foreign Exchange Control
- Industry and Commerce Adm.
- Tax Bureau
- Ministry of Commerce
- State Treasury
- Quarantine Bureau
# Single window initiatives in Asia

<table>
<thead>
<tr>
<th>Type</th>
<th>Countries/Economies/Regional Projects</th>
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<tbody>
<tr>
<td><strong>National</strong></td>
<td></td>
</tr>
<tr>
<td>Single Window (in operation)</td>
<td>China (e-Port), Japan (NCCS), Singapore (TradeNet), South Korea, Indonesia, Malaysia, Philippines, Thailand</td>
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<tr>
<td>Single Window (under development)</td>
<td>Other ASEAN states, Kazakhstan, Kyrgyz, Mongolia, Turkey, Tajikistan, Uzbekistan, Russia</td>
</tr>
<tr>
<td>Other Paperless Trade System</td>
<td>Hong Kong (DTTN), Indian Customs EDI(ICES), Pakistan Web-based One Customs (WeBOC)</td>
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<tr>
<td><strong>Bilateral Initiatives</strong></td>
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<tr>
<td></td>
<td>• Electronic Certificate of Origin between ROK and Taiwan</td>
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<td></td>
<td>• Electronic Exchange of Preferential Certificate of Origin among ASEAN states</td>
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<tr>
<td></td>
<td>• Electronic Sanitary and Phyto-Sanitary (e-SPS) exchange between Australia and New Zealand</td>
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<tr>
<td><strong>Subregional Initiatives</strong></td>
<td></td>
</tr>
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<td></td>
<td>• ASEAN Single Window</td>
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<td></td>
<td>• Pan Asian e-Commerce Alliance (PAA)</td>
</tr>
</tbody>
</table>
Towards single window
Major discussions and challenges

Strong political commitments to change

Efficient coordination mechanism

Leading agency issue: customs or others?

ICT infrastructure

Legal framework

Table 2: Stakeholders of China E-Port

<table>
<thead>
<tr>
<th>Role</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Agency</td>
<td>General Office of State Council</td>
</tr>
<tr>
<td>Secretariat</td>
<td>General Administration of Customs</td>
</tr>
<tr>
<td>Stakeholder</td>
<td>Other Ministries</td>
</tr>
<tr>
<td>Operator</td>
<td>China E-Port Data Centre</td>
</tr>
<tr>
<td></td>
<td>Branch office of Data Centre</td>
</tr>
<tr>
<td>others</td>
<td>Public or Private Enterprises in charge of E-Port platform operation and software development</td>
</tr>
</tbody>
</table>

Table 3: Major Acts and Policy to Support E-Port

<table>
<thead>
<tr>
<th>Law or Regulation</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Provision on electronic data of China Customs Law 2000</td>
<td>In July 2000, the National People’s Congress amended the &quot;Customs Law&quot;, Chapter 3, Article 25 of which stipulates that “the customs declaration of goods for import and export procedures, shall be made in paper and electronic data declarations in the form of declarations,“ and in Chapter 8 provides the corresponding legal responsibility.</td>
</tr>
<tr>
<td>E-Signature Law 2004</td>
<td>E-Signature Law address the qualification of the institution, which can provide the third-party authentication services. In this regard, E-Port can apply for the CA license to exchange e-document with authenticated signature, which is the legal base for electronic transaction.</td>
</tr>
<tr>
<td>State Council Guidelines on E-Port 2006,2012</td>
<td>The central government promulgated respectively in 2006 and 2012 the policy guideline on E-Port’s development. In 2006 policy, it focused on the basic coordination mechanism and responsibility of the stakeholders. In 2012 policy, it is regarding the strategic goal of E-Port and main tasks in next 5 years.</td>
</tr>
<tr>
<td>Customs Regulation on E-Customs and E-Port</td>
<td>Mainly on E-Port system’s daily operation, such as the software upgrading, maintenance, IC card authentication, etc.</td>
</tr>
</tbody>
</table>
Policy recommendations

- Continuing to obtain the political support
- Increasing investment in ICT infrastructure
- Prioritizing the inter-agency coordination
- Completing the legal framework on SW
Following mechanization, electrification, and automation, we are now standing on the threshold of the fourth industrial revolution – intelligentization. Smart solutions will be embedded into everything, including business processes.

ICT technologies such as mobility, cloud, Big Data, and IoT will form the foundation of intelligentization.
ROADS has Become a New Benchmark for User Experience

- **Real-time**: Faster, broader
- **On-demand**: Timely, on-demand
- **All-online**: Responsive, easy to share
- **DIY**: Social

ICT infrastructure: Faster, broader
Scenario-based: Timely, on-demand
Real-time content: Responsive, easy to share
Smart devices: Multi-screen, diverse

Work, health, entertainment, consumption, communication, payment…
## Private Sector Welcome Smart Customs

### Highly Efficient Customs Operation
- Centralized public data sharing across sectors
- A one-stop customs clearance
- Logistics Information Service
- Facilitate legitimate trade

### Risk-oriented Customs Supervision
- Intelligent Vehicle Monitoring System
- Standard, simplified customs procedures
- The minimum intervention risk control

### Integrity of Customs Enforcement
- Unified and standardized customs enforcement
- Law enforcement to monitor the entire process
- Transparent regulations and procedures

### Customs Platform Security
- Overall defense network
- Applied Systems Network Operation
- Reinforcing multi-level information systems
Expectation for Smart Customs

- Cloud
- Intelligent
- Visualization
- Standardizing
- Automation
- Digital
- Collaborative
Benefits of Smart Customs ICT Platform

- **Collaboration**: Get true face-to-face communication experience in different regions and cross functional departments.
- **Service**: With smart data processing and statistics, mgmt and service to shipper, broker, other parties will be improved.
- **Efficiency**: Remote Decision Support and improve business and office efficiency.
- **Cost Reduction**: Provide multiples means of communication. Reduce the cost of communication, administration and training.
- **Public Image**: Timely release of policy and news will enhance public satisfaction and overall transparency.
Huawei Smart Customs Solution

- OGAs
- Other Countries Customs
- Trader
- Customs Broker
- Airlines
- Shipping Lines
- Shipping Agency
- Bonded Warehouse
- Terminal Airport
- Carrier
- Users
- Data Center
- Disaster Recovery Center
- Backbone WAN
- Campus Network
- WLAN
- eLTE
- Video Surveillance
- Logistic Monitoring
- Cargo Inspection
- Enterprise Integrity Management
  - Clearance Mgmt
  - Tariff Mgmt
  - Logistic Supervision
  - Bonded Supervision
  - Anti-smuggling
  - Surveillance & Command
- Basic Data Management
- Administrative Management
- Single Window
- Security
- Surveillance & Command
Thank You!