Cross-border E-Commerce and AEO

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Cross-Border E-Commerce

- Exponential growth in e-commerce
- 24x7 market
- Wider choices for consumers
- Advanced shipping and payment options
- Efficient delivery services
- Few or no intermediaries
- Supports MSMEs for overseas trade

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Benefits and Opportunities

✓ Increasingly important role in global economic growth and job creation

✓ Key driver in value preservation and economic growth

✓ Opportunity for developing countries to gain a stronger foothold in the multilateral trading System

✓ Supports MSMEs for overseas trade (market access and outreach)
  o significantly lowers the costs for buyers and sellers located far apart to gain visibility and transact with each other
  o tools and visibility are similar for all companies irrespective of size

✓ Large companies use e-commerce just like small companies
Challenges

- **Trade facilitation and security**
  - Increasing volumes – Faster clearance required
  - Large number of low-value small shipments
  - B2C & C2C – Limited knowledge on importers and supply chain
  - Data Quality: Accuracy and adequacy

- **Fair and efficient collection of duties and taxes**
  - Splitting, under-invoicing and mis-declaration
  - *De minimis*
  - High-value dutiable and excisable goods

- **Society Protection - Criminal exploitation of e-commerce**
  - Illicit trade and smuggling
  - Drug trafficking
  - Counterfeited and pirated goods
  - Illicit financial flows & Money laundering

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‘de minimis’

Transitional Standard 4.13 of GA of the RKC

- Growth in low-value E-commerce
- Support to individuals and SMEs
- Reduced Administrative burden and cost

- Loss of duties and taxes
- Competitive disadvantages to domestic retailers

14th RKC/MC ‘s decision – a flexible approach towards the implementation of ‘de minimis’ provisions

Possible exclusion of specified goods (e.g. alcohol, tobacco, books) and routes

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WCO Work with Stakeholders

- Work with OECD
  - Similar concerns
  - Alternate models of revenue collection

- Work with UPU
  - Advance electronic information
  - Electronic interface between Customs and posts

- Work with UNCTAD
  - Measuring cross border e-commerce

- Work with PSCG
  - E-Commerce Action Group to provide Recommendations from the private sector’s perspective.
E-Commerce and AEO

- Strengthening security and safety of e-commerce supply chain
- Engagement with e-commerce supply chain actors
- Exchange of advance electronic information
- Know Your Customer (KYC)
- Potential AEO status for e-marketplaces/vendors, intermediaries
Future Work ….

- Collection of Members practices and initiatives
- Establishment of WCO Working Group on E-Commerce
Thank you!

For More Information

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