



# Cross-border E-Commerce and AEO



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# Cross-Border E-Commerce

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- ✓ **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**



# Benefits and Opportunities

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- ✓ **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)**
  - significantly lowers the costs for buyers and sellers located far apart to gain visibility and transact with each other
  - 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

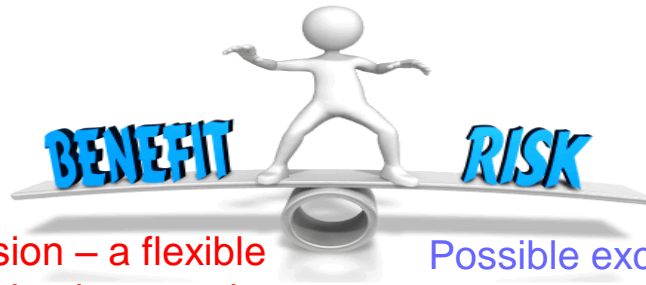


# 'de minimis'

## 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



14<sup>th</sup> 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

# 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 ....

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





• Thank you!

For More Information

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