Korea Customs Unique Consignment Reference (UCR) Project

Submitted by: Korea
I. Outline of KCS’ UCR Projects

II. Updates on KR-PH UCR Project

III. Outcomes & Lessons

IV. Future Plans
I. Outline of KCS' UCR Pilot Projects

Korea Customs needs to implement its own UCR Guideline to prepare for the following new environments:

- Launching the supply chain security program (WCO SAFE Framework, etc.)
- Pilot projects on export data exchange and cargo security with other countries
- Drawing up the strategy on global trade single window (UN/CEFACT Rec.33)

Revised Customs Act has come into effect since January 1st, 2008, which requests traders to declare the UCR and enables Customs administration to issue the UCR.

Simplified guidelines for the UCR is required for all trade and transport stakeholders in Korea.

II-3. WCO Unique Consignment Reference

Why?

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  - Pilot projects on export data exchange and cargo security with other countries
  - Drawing up the strategy on global trade single window (UN/CEFACT Rec.33)
- Revised Customs Act has come into effect since January 1st, 2008, which requests traders to declare the UCR and enables Customs administration to issue the UCR.
- Simplified guidelines for the UCR is required for all trade and transport stakeholders in Korea.
I. Outline of KCS’ UCR Pilot Projects

■ History

- Data Exchange Pilot Project with Malaysian Customs (2000)
  - Send 19 data elements for 3 kinds of goods exporting to Malaysia
  - Receive 21 data elements for 3 kinds of goods importing from Malaysia
  - No primary key (i.e., UCR) for assessing exchanged data with import dec.

  - 1st : Conveyance Report Single Window : C.I.Q. administrations
  - 2nd : Exp/Import Clearance Single Window : 13 PGAs

- Export Data Exchange Pilot with Belgium, the Philippines applying UCR (2008)
  - Belgium : Employing UCR by exporter in Korea
  - Philippines : Employing UCR in data exchange and CSD pilot

II. Key Aspects

<table>
<thead>
<tr>
<th></th>
<th>Belgium Customs</th>
<th>Philippines Customs</th>
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</thead>
<tbody>
<tr>
<td>Scope</td>
<td>Data Exchange/UCR/CSD*</td>
<td>Data Exchange/UCR/CSD</td>
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<tr>
<td>Participants</td>
<td>Hyundai Mobis Co</td>
<td>Dong In Entech Co</td>
</tr>
<tr>
<td>Cargo Route</td>
<td>Busan → Antwerp</td>
<td>Busan → Manila</td>
</tr>
<tr>
<td>Data Standard</td>
<td>WCO CDM V2.0</td>
<td>WCO CDM V2.0</td>
</tr>
<tr>
<td>Applied UCR</td>
<td>KCS UCR Numbering Standard</td>
<td>KCS UCR Numbering Standard</td>
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<tr>
<td>Communication</td>
<td>Mail/Internet (XML)</td>
<td>Internet (XML)</td>
</tr>
<tr>
<td>Data Security</td>
<td>PKI (Public Key Infrastructure)</td>
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</tbody>
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*CSD : Container Security Device*
I. Outline of KCS’ UCR Pilot Projects

- Progress of the KR-PH Project (continued)

- MOU Signing Ceremony : Sep. 2007
- Drafting Terms of Reference (TOR) : Sep. 2007
- Drafting Global Single Window Test Plan : Nov. 2007
- Communication Test : Dec. 2007
  - Exchange sample XML messages
- Amendment of Korea Customs Code : Dec. 2007
  - New provision §255-3
  - Legal background for data exchange with other countries & the use of UCR

  - Add a data element of UCR into electronic export declaration and export manifest form
  - Release modified MIGs for VAN/EDI communication, and modified schemas for internet communication
- Real Data Exchange : Jan. 2008 ~
  - 1st: 10 EX1 XML messages every day → 2nd: real-time data exchange
- Appointment of participants for the UCR project : Jan. 2008
  - Dong In Entech Co and its branch companies in the Philippines
## I. Outline of KCS’ UCR Pilot Projects

### Progress of the KR-PH Project (continued)

- Modification of ERP systems of participants: Feb. 2008
  - Exporter: Installation of automatic UCR issuing program
  - Freight Forwarder & Sea Carrier: Amendment of their ERP systems to enable to lodge UCR numbers while submitting electronic manifests to Customs
- UCR declaration: March 2008
  - 1st: Export Declaration (Internet) → 2nd: Manifest (VAN/EDI)
- Working Level Meeting in Manila: May 2008
  - Importer & freight forwarder: Agreed on the declaration of UCR numbers issued in Korea from import manifest to cargo releasing
  - Philippines Customs: Agreed on the modification of electronic systems for accepting UCR numbers issued in Korea

### Basic Principles of KCS’ UCR numbers (continued)

- Issuing Agency: Korea Customs Service

- Time of issuing UCR: Contracting level is recommended

- Time of declaring UCR
  - 1st: Export goods declaration
  - 2nd: Export manifest

- Numbering Structure
  - Length: 21 digits in maximum
  - Composition: IAC(2~3 digits), Year(1), Company ID(6), Serial No(7~10), Check digit(1)

- Unique for at least 10 years in national & international level
I. **Outline of KCS’ UCR Pilot Projects**

- **Basic Principles of KCS’ UCR numbers** *(continued)*

  ✓ Example of UCR number

  (KC8MOBIS100000010011)

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<tr>
<th>KC</th>
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<th>MOBIS 1</th>
<th>0000001</th>
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<tr>
<td>IAC</td>
<td>Year</td>
<td>Company ID</td>
<td>Serial No</td>
<td>Sub-Serial No</td>
<td>Check Digit</td>
</tr>
</tbody>
</table>

II. **Updates on KR-PH UCR Project**
II. Updates on KR-PH UCR Project

- Conceptual Diagram of Data Flow & Cargo Management

- Overall UCR Declaration Process
II. Updates on KR-PH UCR Project

- Issuing UCR numbers by the Exporter

Exporter has the autonomous (system?) to utilize export declaration number after a company number in issuing the document.

II. Updates on KR-PH UCR Project

- Export Declaration by the Exporter
II. Updates on KR-PH UCR Project

- Input UCR Numbers by the Carrier

- Add the UCR delivered via SR by exporters to the manifest reporting.
- Store the UCR mapping data in the shipper’s own ERP.

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II. Updates on KR-PH UCR Project

- Manifest Declaration by the Carrier
II. Updates on KR-PH UCR Project

■ UCR Declaration in the Philippines

PH-PMPMI-0000001-PO2A-0

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II. Updates on KR-PH UCR Project

■ Assessment of Received Data

Screen of auditing import declaration by a Customs officer
Assessment of Received Data (continued)

Updates on KR-PH UCR Project

- Import Declaration
- Received Document
- Cross-checking
- Real EXI XML Message
Applying UCR in CSD pilot

**Operation Process**

**Container Security Device: Savi Tag-696**

- Worldwide Coverage
- RFU, GPS and EPRI Modules and Antennas
- Sensor Telemetry
- Low Power Device

- Mounting Tag
- Close Door
- Assign & Lock the tag
- Departure

Geo View utilizing Google earth map

**Geo View**

- 15jun: 전체 구간 위치정보 추적
- 300: 내륙구간 위치정보 추적

SaviTrak / Container Visibility / Container Number 조회 / GeoView
Applying UCR in CSD Platform system

UCR Number Tracking

UCR No. Container No. Tracking

SaviTrak / PO search / CI Number query
Applying UCR in CSD pilot

Data Upload Flow

Outcome & Lessons
- Send: 2,404 messages
- Receive: 1,755 messages

Risk Management
- Comparing the received data with information in import manifest & declaration using UCR
- Data exchange with other countries is mandatory for security and facilitation of global trade

Export cargo tracking
- Provide export cargo tracking service using UCR by Customs
- Manage supply chain from source to destination using UCR by traders

Pre-requisite for Data Harmonization & Standardization

III. Outcomes & Lessons

- Resources
  - Necessity of independent department or team
  - Time & budget

- Regular Meeting
  - Periodical conference call

- Collaboration
  - Among departments, with the private sector, between countries

- Feasibility Study
  - Evaluation of partners: IT infrastructure, political willingness, resources, etc

- Experience
  - Important to succeed in the completion of projects
III. Outcomes & Lessons

- Lessons
  - Data Standard
    - Some of data elements: Inconsistent with WCO Data Model
  - Language Issues (e.g., company names)
  - Business Confidentiality
    - Invoice Amount
  - EX1 & CRE messages
    - Necessary to exchange EX1 & CRE messages respectively for split cargo
  - Participants
    - Unwillingness of participation in the private sector

IV. Future Plans
IV. Future Plans

- **White Paper on the UCR Pilot Project**
  - Necessary to share valuable experiences and lessons with other members & international trade communities
  - Agree to publish white paper on the UCR pilot project with Philippines Customs
    - Administrative & technical details on the projects, outcomes, obstacles, lessons, etc

- **Expand & Upgrade UCR Projects**
  - Consider regular data exchange & UCR projects with PH & BE
    - Philippines companies may issue UCR numbers for cargo exporting to Korea
  - Study the feasibility of more data exchange & UCR projects with other countries

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Thank You
감사합니다.