GNC Exchange

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Background to SACU

• 100 year old Customs Union.
• Member States benefit via a Revenue Pool sharing mechanism.
• Challenges –
  – Automation and manual processing at internal SACU borders.
  – Enabling borders to provide efficiencies for trade.
  – Statistical information gathering and reporting.
Arrival of GNC – the perfect Antidote

- Dispels the notion that all partner countries must operate the same system.
- Provides the framework and roadmap for participation regardless of current status.
- Focusses on ‘enabling’ through methodical engagement between 2 or more partners.
- Provides for a structured ICT approach in the operationalization of agreements.
- Is a catalyst for modernisation and change – at national and regional levels.
SACU – Embracing change through GNC

• **Prior to GNC** – 2 bi-lateral initiatives identify the importance and need to exchange data
  – NRA-BURS: using cloud technology
  – SARS-SRA: using peer-to-peer information exchange

• **February 2012**: SARS hosts the first SACU/SIDA regional discussion on the GNC
  – Develop concept UB.
  – Develop data clusters for export/transit data exchange.

• **November 2012**: SACU & WCO
  – Establish GNC ‘Proof of Concept” pilot initiatives.

• **May 2013**: SACU & WCO
  – formalise status of POCs and terms of reference for an independent evaluation of the POCs.
SARS-SRA approach to POC

• **Enabling Legal provisions**
  – Requires ratification of annex to the SACU agreement.

• **Data analysis**
  – Data clusters and identification on a unique transaction ID
  – Agreement on communication and data exchange protocols

• **Draft Utility Block**
  – Establishing and documenting to ‘plan of action’
  – Understanding the playing field
  – Analysis of clearance and cross-border processes

• **Stakeholders**
  – The relevance, importance and application of a unique transaction identifier.
SARS-SRA approach to POC

- **GNC X-change Scope (Phase 1)** – Simple Export between 2 neighbouring countries
  - The exchange of Export and Transit data between 2 or more Partners sharing common borders, or, 2 or more countries which are separated by ocean or airspace where ‘real time’ data exchange may not be an immediate requirement.
  - The presence of a One Stop Border Post (OSBP) may change the Customs approval process but will not alter the sequence of data flow.
SARS-SRA approach to POC

- **GNC X-change status**
  - Bi-lateral agreement pending ratification.
  - Draft UB in Progress.
  - [Data cluster](#) for export and transit information agreed.
  - [Conceptual design](#) completed
  - [Unique transaction ID](#) agreed (MRN) but still to be formalised within the trade/transaction environment.
  - [Communication protocol](#) agreed – AS/2.
  - [Cross border processes](#) mapped.
  - [C-2-C GNC architecture](#) defined.
  - Limited (ad hoc) data files have been exchanged between both partners (without transaction ID).
  - Partners preparing POC for independent evaluation and assessment.
SARS - Future view for GNC

• Regional Integration
  – Establishing GNC X-change agreements with all neighbours in the region.
    • SADC-COMESA-EAC (T-FTA)
    • Enabling efficiencies for trade along the North-South Corridor.
    • Enabling seamless control through proper chain-of-custody, seal integrity and transit management
  – IBSA-BRICS
    • augmenting both ‘your exit is my entry’ and AEO Mutual Recognition.
  – Expansion of application of GNC to other areas –
    • AEO Mutual Recognition
    • Enforcement
Our Achievements with Mozambique

• The GNC UB approach to IT Connectivity has been adopted by both countries
• The bi-lateral agreement which allows us to exchange information is in the process of being ratified in South Africa, it has already been ratified in Mozambique.
• We have agreed on the use of a common transaction identifier (UCR) which will be generated by the Exporter (country of departure) to exchange the unique key to the importer (country of destination). Consequently, the receiving country must specify for trade the requirement to include this ‘key’ on any import, or onward transit goods declaration emanating from the country of export.
• Go-live date for the transmission of daily batch data is end November 2013. Transactional/live data transmission will be done in Phase 2 (2014)
Questions?
**Triggers**

**COUNTRY OF DEPARTURE**
- **EXPORTER**
- **CUSTOMS “Exchange Role”**
- **CUSTOMS SERVER**

1. Submit Export Declaration
2. Transmit Export Consignment Information
3. Customs approves
4. Transmit Export Release Information (on Exit)
5. Supply Shipment Documents + Unique Transaction ID
6. Manifest Information
7. Acknowledgement
8. Manifest Information
9. Acknowledgement

**COUNTRY OF ARRIVAL**
- **CUSTOMS SERVER**
- **CUSTOMS “Receiver Role”**
- **IMPORTER**

2. Acknowledgement
3. Import Declaration
4. Acknowledgement
5. Acknowledgement
6. Submit Import Declaration
7. Customs approves
8. Transmit Arrival Confirmation
9. Transmit Discrepancy Information
Conceptual application of a Unique Transaction ID

Country of Export

CUSTOMS - EXPORT COUNTRY
- EXP Decl. Ref: XXXX
- EXP Decl. Date: XXXX
- UCR/Transaction ID: XXXX
- Consignment info.: XXXX

CUSTOMS SYSTEM

C-2-C Data Exchange

COUNTRY OF IMPORT/TRANSIT

CUSTOMS - IMPORT COUNTRY
- EXPORT Data
- IMPORT Data
- UCR/Transaction ID: XXXX
- Consignment info.: XXXX

CUSTOMS SYSTEM

MATCHING

1. Exporter/Broker exchanges UCR and consignment documentation with counterpart in import/destination country

2. C-2-C Data Exchange

3. UCR/Transaction ID enables data match up, risk assessment and decision

1a. Exporter/Broker exchanges UCR and consignment documentation with counterpart in import/destination country
Proposed Connectivity Options

Software must be Drummond Group Certified for ease of interoperability (http://www.drummondgroup.com)
Export Transaction Flow – South Africa to Swaziland

Outcome of discussions at Oshoek Border Post – 2013.07.04

1. Submit Export Declaration
2. Validate Export Declaration
3. Load vehicle & prepare road manifest
4. Validate Road Manifest
5. Arrives at Border & presents manifest to Customs
6. Reconciles Manifest and Declaration MRN
7a. Issues Electronic Release’ Status
7b. Issues CN1 release for each MRN
7c. Issues CN2 release for the vehicle
8. Reconciles Declaration against Cargo
9. Validates
10. Allocates Registration Status
11. Presents Registered Declaration
12. Print
13. Print

Importer:
9. Prepares Declaration with RSA MRN
11. Presents Registered Declaration

Transporter:
1. EDI
3. EDI
5. EDI

SARS System:
2. Validate Export Declaration
4. Validate Road Manifest
6. Reconciles Manifest and Declaration MRN
7a. Issues Electronic Release’ Status
7b. Issues CN1 release for each MRN
7c. Issues CN2 release for the vehicle

SARS, Border Post:
12. Reconciles Declaration against Cargo

SRA, ASCUDA:
9. Remote Electronic
10. Electronic

Importer:
9. Prepares Declaration with RSA MRN
11. Presents Registered Declaration

Importer must present:
1. SARS CN1, CN2
2. Draft SAD501 based on SARS data