



Brussels, 8 October 2019.

## **E-COMMERCE PACKAGE – OUTSTANDING WORK ITEMS**

### **(Item XVI.a on the Agenda)**

#### **I. Background**

1. The June 2018 Policy Commission and Council endorsed the WCO Framework of Standards on Cross-Border E-Commerce and extended the mandate of the Working Group on E-Commerce (WGEC) for one year, to enable it to continue the ongoing development and finalize the technical specifications, guidelines and other annexes to complete the E-Commerce Package.
2. Afterwards, the June 2019 Policy Commission and Council considered the E-Commerce Package put forward by the WGEC and the March 2019 sessions of the Permanent Technical Committee (PTC), and took note of the overwhelming significance of the cross-border movement of E-Commerce and the associated challenges faced by Customs administrations.
3. The Policy Commission and the Council endorsed the E-Commerce Package, with the exception of three documents (i.e., Reference Data Set for E-Commerce, Revenue Collection Approaches, and E-Commerce Stakeholders : Roles and Responsibilities) and extended the mandate of the Working Group on E-Commerce (WGEC), in a virtual manner, until June 2020.
4. Furthermore, the Policy Commission and the Council recognized the need to place the topic of E-Commerce on future PTC and Enforcement Committee Agendas, as the WGEC ceases to exist.
5. The draft Reference Dataset Annex, as it stands currently, has largely been drawn from the existing relevant WCO tools such as the SAFE Framework of Standards and the Immediate Release Guidelines. All of the data elements in the draft Reference dataset are available in the WCO Data Model (DM) with the exception of only three data elements

specific to e-commerce, namely, *Trading platform/marketplace name; Order number; and Parcel Number.*

6. Normally, the WCO body responsible for managing an instrument/tool on a specific topic determines the data elements based on policy imperatives and business needs. Afterwards, those data elements are mapped to the WCO DM or a subset thereof to help translate the policy dataset into a technical standard to enable seamless data exchange. In cases where some of the data elements, which may be required for an existing or new business process, are not already available in the WCO DM, they can be added to the Model through the established Data Maintenance Request (DMR) mechanism.
7. It is important to note that a number of Members had submitted sizable data sets for consideration in the development of the Reference Dataset Annex, but these lists were all rejected through the deliberation process and a new concise dataset was developed in a very open and inclusive manner, with a specific focus on the data elements needed to address the specific data requirements for E-Commerce shipments.
8. Recognizing the specificities of cross-border e-commerce and the significance of associated data requirements for an effective implementation of the Framework of Standards on Cross-Border E-Commerce, there is a potential need for a standardized data set for cross-border E-Commerce for small and low-value shipments that could meet all business requirements such as early risk assessment for security and safety, speedy release/clearance of legitimate shipments, and revenue collection, where applicable. In this regard, pilots and initiatives undertaken by Members would be useful to further refining the draft Reference Dataset.
9. The draft Revenue Collection Approaches Annex is completely aligned with the OECD guidelines on indirect tax (e.g., VAT/GST), as confirmed by the OECD. It is intentionally descriptive in nature, to provide a better understanding of the several existing options based on the OECD models, and not by any means intended to be prescriptive. Some Members were not fully prepared to endorse the exact language, at the time of presentation.
10. With regards to the E-Commerce Stakeholders: Roles and Responsibilities Annex, the draft document provides a clear description of the roles and responsibilities of various e-commerce stakeholders for a transparent and predictable cross-border movement of goods. It does not cast any additional obligation on them.
11. The WCO Framework of Standards on Cross-Border E-Commerce will promote a level playing field for e-commerce businesses, in a simplified and harmonized manner. Some of the more significant gaps include practical guidelines for data elements, data exchange, revenue collection approaches and partnerships. These guidelines are urgently needed, to avoid each country establishing its own disparate procedures and bespoke solutions, hampering market access to a foreign market.

## **II. Outstanding work items**

12. Following the decision of the Policy Commission and the Council in June 2019, Members and stakeholders were invited, via WCO virtual platform CLiKC!, to provide input and suggestions with regard to the further development of the three outstanding documents, namely Reference Data Set for E-Commerce, Revenue Collection Approaches, and E-Commerce Stakeholders : Roles and Responsibilities.

13. Based on the inputs and comments received from Members and stakeholders (Australia, Japan, Canada, the Netherlands, the US and the UPU), the draft documents have been further consolidated and updated.
14. The updated draft documents on Reference Data Set for E-Commerce, Revenue Collection Approaches, and E-Commerce Stakeholders : Roles and Responsibilities, with changes/comments in track change mode, are appended as Annexes I, II and III to this document.

### **III. Action Required**

15. The PTC is requested to :
    - examine the proposals/suggestions put forward by some Members and stakeholders with respect to the three documents: Reference Data Set for E-Commerce, Revenue Collection Approaches, and E-Commerce Stakeholders : Roles and Responsibilities (Annexes I, II and III); and
    - carry out further work and provide guidance, as appropriate, with a view to finalizing these documents, potentially by June 2020.
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