



WORLD CUSTOMS ORGANIZATION

Compendium of Case Studies on E-Commerce

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Table of Contents

Introduction..... 3

Section I - Strategy for the implementation of the WCO Framework of Standards on Cross-Border E-Commerce 5

Algeria 5

Argentina 11

Germany..... 22

Japan 27

Korea..... 34

Morocco 46

Paraguay..... 55

Peru..... 62

Serbia..... 72

Thailand 79

Section II - Revenue Collection Approaches 85

Argentina 85

Australia..... 89

Brazil..... 95

Eurasian Economic Union (EAEU)..... 119

Germany..... 124

Peru..... 126

Russian Federation..... 137

Introduction

In June 2018, the Council endorsed the WCO Framework of Standards on Cross-border E-Commerce (E-Commerce FoS), while the June 2019 Council Sessions witnessed the endorsement of the majority of the documents forming part of the WCO E-Commerce Package.

The E-Commerce FoS provides 15 baseline global standards with a focus on the exchange of advance electronic data for effective risk management and enhanced facilitation of the growing volumes of cross-border small and low-value Business-to-Consumer (B2C) and Consumer-to-Consumer (C2C) shipments, through simplified procedures with respect to areas such as clearance, revenue collection and return, in close partnership with E-Commerce stakeholders. It also encourages the use of the Authorized Economic Operator (AEO) concept, non-intrusive inspection (NII) equipment, data analytics, and other cutting-edge technologies to support safe, secure and sustainable cross-border E-Commerce.

The E-Commerce Package contains Technical Specifications to the E-Commerce FoS, definitions, E-Commerce Business Models, E-Commerce Flowcharts, Implementation Strategy, Action Plan and Capacity Building Mechanism, as well as two case study templates, developed with the objective of further enriching the Framework of Standards for its effective implementation. The Package is designed to provide necessary resource guidance to Members and relevant stakeholders when implementing various standards of the Framework.

Aside from developing standards, guidelines and providing capacity building support to WCO Members in the area of cross-border E-Commerce, the WCO facilitates communication and cooperation among WCO Members and relevant E-Commerce stakeholders in this specific domain.

Based on the two case study templates endorsed by the Policy Commission and Council in June 2019, several Members have submitted case studies on i) strategy for the WCO E-Commerce FoS implementation, and ii) revenue collection approaches. These case studies have been compiled in the inaugural edition of the Compendium of Case Studies on E-Commerce. This new tool will be incorporated in the WCO E-Commerce Package.

Recognizing that E-Commerce is a dynamically evolving environment, the WCO plans to have annual editions of the Compendium of Case Studies on E-Commerce. The Compendium is intended to be a primary source of information, including Member practices that can help support other WCO Members in their efforts to implement the WCO E-Commerce FoS in an effective and harmonized manner.

The WCO Secretariat appreciates the information provided by its Members and encourages all Members to further share case studies, following the approved case study templates.

Disclaimer

The Compendium outlines case studies as submitted by individual WCO Members. The views and opinions presented in this tool do not necessarily reflect the views or policies of the WCO or its Members.

This Compendium is available on the WCO public website: www.wcoomd.org. The Compliance and Facilitation Directorate may be contacted by e-mail: Facilitation@wcoomd.org.

Section I - Strategy for the implementation of the WCO Framework of Standards on Cross-Border E-Commerce

Algeria

E-commerce summary presentation

Introduction:

After several years of waiting, e-commerce is now conducted in accordance with Law No. 18-05 of 10 May 2018. This act lays down the conditions for engaging in e-commerce, the duties and obligations of the parties and transactions which are prohibited, such as those concerning games of chance, betting, lotteries, alcoholic beverages, pharmaceutical products and products infringing intellectual, industrial or commercial property rights.

Article 7 of the above-mentioned Law stipulates that any electronic sale of a good and/or a service by a resident e-supplier to a consumer established in a foreign country is exempt from foreign trade and exchange control formalities when its value does not exceed the equivalent in dinars of the limit set by the applicable legislation and regulations.

After its payment, revenue from the sale shall be credited to the account of the e-supplier domiciled in Algeria through a bank authorized by Banque d'Algérie or through Algérie Poste.

The e-purchase of a good and/or a digital service from Algeria by an e-consumer through an e-supplier established in a foreign country and intended exclusively for personal use is exempt from foreign trade and exchange control formalities when its value does not exceed the equivalent in dinars of the limit set by the applicable legislation and regulations.

Payment must be made from a foreign currency account held by the e-consumer as a "natural person" domiciled in Algeria.

Even though a period of six months from publication of the above-mentioned law in the Official Gazette, i.e. until 17 November 2018, was granted for natural and legal persons already operating in that period to comply with the new provisions, the legal texts did not materialize, particularly those relating to expenditure thresholds (CCEC).

With respect to the practical arrangements of e-commerce trading, the legislative text specifies that the latter must be preceded by an e-commerce offer and formalized by an e-contract validated by the e-consumer.

According to Algerian ICT experts, this law is too "general": it does not take sufficient account of the specific requirements of e-commerce platforms which act as sales intermediaries.

"A producer does not have the same mode of operation as a sales intermediary."

Also in this context, Article 12 of that law specifies that the ordering of a product or service involves three mandatory stages (see diagram below):

Article 12 of Law No. 18-05 of 10 May 2018 on e-commerce

1

providing e-consumers with contractual conditions to enable them to enter into contracts in full knowledge of all the facts

2

verification of order details by e-consumers, particularly products or services ordered, their total and unit prices and the quantities ordered to allow for changes, cancellation or the correction of errors

3

confirmation of the order leading to formation of the contract.

NB:

- The choice made by the e-consumer must be made explicit.
- Fields to be completed by the e-consumer must not contain any information intended to influence his or her choice.

Technological developments

- **Statistical data:**

Since this concerns an emerging activity based on the use of new technologies, there follows a brief overview of the ICT sector in Algeria:

Global statistics on the ICT sector in Algeria:

According to statistics published by the Ministry of Post and Information and Communication Technologies (MPTIC), the overall turnover of the ICT market in Algeria exceeded 5.5 billion dollars in 2015. This included 4.5 billion dollars for the telecoms sector alone (see tables below). In addition to strengthening infrastructure and ensuring widespread access to ICT, the Algerian Government adopted a strategy seeking to promote human capacity building by implementing a specific ICT training programme for all social categories.

Overall turnover (billion dollars)	5.5
ICT imports (billion dollars)	49,000
Contribution of ICTP market to GDP	4%
Employees	140,000

Internet users (million)	10
Number of ADSL network subscribers (million)	1.6
Penetration rate	10%
Number of inhabitants without Internet access (million)	28
Schools linked up	9,000
Universities, higher education institutions and research centres connected	100%
International bandwidth (GB)	65

Statistics relating to the Internet in Algeria:

No. of Algerian websites	76,000
SMEs connected	20%
Undertakings connected by dedicated line	700
Dedicated lines installed	34,500
Community spaces	1,500
Cyber cafes connected	5,000
Post offices connected to the Post Office Intranet	> 3,400
Nationwide sectoral intranet networks installed (education, higher education, banks, etc.)	> 30

Source: www.mptic.dz

The number of projects recorded through the National Agency of Investment Development (ANDI) for the period from 2002 to 2015 in the ICT sector is 171.

SECTOR OF ACTIVITY	NUMBER OF PROJECTS	AMOUNT (in million DA)	NUMBER OF JOBS
Information and communication technologies	171	455,064	9,748

Source: National Agency of Investment Development (ANDI), 2015

Other statistical data:

- According to a statement made in 2017 by the Chairman of the Association Nationale des Commerçants et Artisans Algériens (National Association of Algerian Traders and Craftsmen, ANCA), based on estimates made by the Association's experts and the online sector, "The Algerian e-commerce market is worth some \$5 billion".
- An e-commerce website survey carried out in 2018 showed that 6% of Algerians benefited from e-commerce, whether in terms of a sale or a purchase, and that, out of the 20 million Algerians who have a bank account, only 2.5 million have a bank card, i.e. 6%.

Law No. 17-04 of 16 February 2017 amending and completing Law No. 79-07 of 21 July 1979 on the Customs Code.

A new Customs Code was adopted in 2017 to allow Algeria to adapt to new international economic and commercial realities.

- With respect to the Customs control of postal items, a collection of articles with a summary of the respective governing regulations is set out below.

"Article 49. Customs officers have access to all post offices, including sorting rooms, communicating directly with the exterior and to the premises of international express mail undertakings to search, in the presence of post and telecommunications officials, items of Algerian or foreign origin, whether sealed or not, with the exception of items in transit, containing or appearing to contain goods such as those specified in the following paragraph.

The Post Office and international express mail undertakings are authorized to submit to Customs inspection, in the conditions provided for by the Universal Postal Union Conventions and Agreements, items subject to an import prohibition which are liable to duties or taxes levied by the Customs Administration or subject to entry restrictions or formalities.”

Prior exchange of data by electronic means (this new legislation may be incorporated into this information exchange process)

- This new feature of the Algerian Customs Code entitles the Customs Administration to conclude agreements with any entities in order to exchange information that might help it to carry out its supervisory duties.

“**Article 50 quater.** The Customs Administration may enter into Memoranda of Understanding to improve Customs inspections with parties involved in the international trade supply chain operating in Algeria.

The Customs Administration fosters the publication and dissemination, by appropriate means, including electronic means, of any Customs information of interest to users or relating to the Customs regulations in force.”

Risk management

- The same applies for Article 50 *quinquies* of the above-mentioned law in relation to cross-border security.

“**Article 50 quinquies.** The Customs Administration may conclude agreements relating to the organization and strengthening of exchanges of information with the competent national authorities with a view to preventing and punishing infringements in the fields of money laundering and terrorist financing, smuggling, commercial fraud, counterfeiting and tax avoidance and evasion.”

Facilitation and simplification

- Article 86 *quater* provides broader assistance with respect to the Customs clearance of express postal packages by means of simplified procedures:

“**Article 86 quater.** Without prejudice to the provisions of Article 78 of this Code, the Customs Administration may authorize the Customs clearance of **express postal packages** following simplified procedures to the benefit of international express courier operators in the conditions and modalities laid down by regulation.”

- Other Customs inspection measures for postal items, laid down in that Article, in particular cases:

“**Article 208.** Goods contained in packages may be verified by Customs officers when they are placed under a storage procedure. Such verification shall be carried out in the presence of the

owner of the goods, the consignee or, failing that, a prescribed court enforcement officer, in the same conditions as those laid down in Article 95 of this Code. In an emergency for safety reasons, however, the Customs Administration may, on an exceptional basis, authorize the opening of postal items and verification of their contents.”

- Article 213 of this Law lists all goods imported free of duties or taxes, including postal items:

“**Article 213.** As well as exempt goods imported or exported, provided for by special legislative provisions, the following may be imported free of duties or taxes and by derogation from the provisions of Articles 2 and 4 of this Code:

(i) postal items dispatched to their consignee by letter or parcel post and consisting of goods of a value not exceeding the authorized threshold.”

Law No. 18-04 of 10 May 2018 laying down the general rules on post and electronic communications.

Law No. 18-04, adopted in 2018, lays down the general rules on post and electronic communications and defines the framework and regulatory arrangements for activities in this sector.

- Article 79 of this Law stipulates that Customs inspection is a very important and mandatory part of the process of handling postal items, as provided for by the international conventions governing this aspect:

“**Article 79.** – Postal service operators are authorized to submit to Customs inspection, in the conditions provided for by Universal Postal Union or restricted international union Conventions and Agreements, postal items subject to an import prohibition which are liable to duties or taxes levied by the Customs Administration or subject to entry restrictions or formalities. Postal service operators are also authorized to submit to Customs inspection postal items subject to an export prohibition which are liable to duties or taxes levied by the Customs Administration or subject to exit restrictions or formalities.

Customs officers have access to permanent or mobile post offices, including sorting rooms, communicating directly with the exterior, to search, in the presence of post office officials, items of Algerian or foreign origin, whether sealed or not, with the exception of items in transit containing or appearing to contain objects such as those referred to this article.

This may under no circumstances breach the secrecy of correspondence.

Argentina

Introduction / General Overview

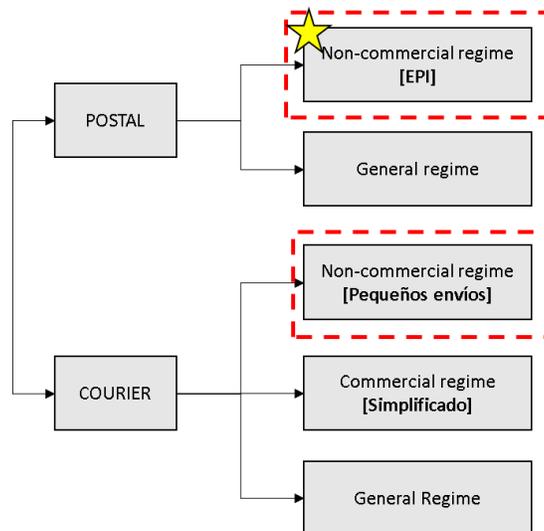
To fully understand how cross-border E-Commerce works in Argentina, it is mandatory to explain separately the two current regimes available that can be assimilated to E-Commerce trade: parcel post and express courier.

It is also crucial to determine what is considered E-Commerce and what is not.

Given the particularities of our legislation and usage of parcel post/express courier, exportations will not be taken into account into this document, as they don't match the criteria of E-Commerce depicted in the case study requested. It is worth noting that this applies to Argentina as it can be catalogued as an E-Commerce import country, which is not necessarily the same scenario for other countries.

Considering this clarification, the present document will explain in detail, differentiating each bullet point as needed to provide precise information regarding E-Commerce.

There are two especially designed regimes for non-commercial purposes, one for the postal service and another for courier service. As the majority of the volume is canalized through the Postal one, the emphasis of this document is related to it.



It is also worth mentioning that courier service tends to handle bigger and more expensive packages, and this has a direct correlation with the compliance of Customs processes and the quality of the data received. Therefore, most of the efforts and objectives aim towards improving Postal-Custom processes.

Parcel Post

Goods are shipped from third countries and arrive at the International Airport “Ministro Pistarini – Ezeiza” in Buenos Aires via plane.

Upon arrival, goods are relocated to the Post Office of the National Postal Service (*Correo Argentino*) HUB for non-intrusive inspection, sorting and labelling, national track number assignment, submission of CN22/3 and redistribution to a different Post Office, which will differ depending on the buyer’s address.

Once said goods are moved to their correspondent office, they are stored by *Correo Argentino*. After this procedure is finished, *Correo Argentino* sends a letter/mail to the addressee, informing them that their parcel is ready to be distributed after the user completes the required Customs declaration and payment of both handling fee and Customs import taxes if applied.

The user will have to log into the *Correo Argentino* website, create an account (validated with national identity number/tax id) and declare the goods contained in the parcel, utilizing the national track number assigned in the letter/mail received.

Parcels can either be delivered door to door, or require the addressee to personally concur to their respective Postal & Customs office, where a Customs officer inspects the package in presence of the consumer. This last scenario will depend on several factors, such as regime limitations, prohibited goods, special permits required to import goods, etc.

Note: In case the user needs to pick up their parcel personally as mentioned above, they can authorize someone else to do so when filling the Customs declaration.

Customs taxes (VAT + Import Tariff) and postal handling fees must be paid online, either using a credit card or through home banking.

Consumers will also be given the option to declare they are unaware of the content of the parcel; in this case they will be invited to come to the post office to take knowledge of the goods, in presence of a Customs officer. After this procedure is finished, they can continue their Customs declaration, and make the payment to conclude the procedure.

Once the Customs declaration has been lodged, a set of selectivity rules are executed to determine actions to be taken as needed to guarantee the non-violation of the regime.

After the risk analysis process, Customs sends a clearance authorization to the postal service for delivery.

In brief, the whole process can be broken down into the following steps:

1. Online purchase.
2. Goods arrive to Argentina (Airport).
3. Transportation of goods from airport to post office hub for labelling, sorting, non-intrusive inspection, national track number assignment and submission of CN22/3.
4. Redistribution to postal offices.
5. Letter/Mail of notification to the addressee.
6. Customs declaration and payment.
7. Risk analysis.
8. Delivery/Pick up.
 - a. Last mile delivery
 - b. Pick up in Postal & Customs office.

Courier

The courier scheme of E-Commerce has similarities to the Parcel Post Regime. Goods will also be shipped to the International Airport “Ministro Pistarini – Ezeiza” in Buenos Aires.

Upon arrival, the courier will fill a Customs declaration with the information contained in the invoice sent by the overseas seller, and it is then when -if needed- the goods are relocated to a different courier office depending on the buyer’s address.

Once the Customs declaration has been filled, a set of selectivity rules are executed and non-intrusive inspection is carried out to guarantee the non-violation of the regime. After this, the courier receives confirmation to proceed with the tax payment needed for clearance of the goods.

It is the courier that pays taxes and ultimately transfers this cost to the buyer when the invoice is issued. Once tax payment has been confirmed, the goods can be dispatched to the buyer’s address, where they will receive the final invoice containing delivery and tax costs. No further actions are needed from the buyer, as the courier will do the confirmation of delivered goods.

The following information will help provide precision regarding the similarities and differences between both regimes described before.

	Parcel Post	Courier
Parcel Annual Limit	None	5 parcels per year
Tax Exemption	50 USD per parcel (up to 12 times per year, non-cumulative)	None
Tax Appliance	If CIF Value > Tax Exemption = Tax 50% of declared CIF value	General Import Regime Tax Appliance (Import Tariff, VAT, etc.)
Exclusion	No commercial purpose	
	CIF cannot exceed 3000 USD	FOB cannot exceed 3000 USD
	Parcel weight cannot exceed 20 KG	Parcel weight cannot exceed 50 KG
	No item kind limit, as long as it doesn't presume commercial purpose	No more than 3 items of the same kind
Procedure	Requires Customs declaration from buyer and transmission of CN 22/3 from Postal service	Customs declaration filled by courier.
Tax Payment	Buyer generates online tax payment and executes it through home banking/credit card	Courier pays taxes and charges the buyer in the final invoice

Planning and Prioritization

Respecting the Framework of Standards, as the Argentinian Customs is currently analysing the roadmap to implement the several initiatives and best practices, the present document will refer to the actual context, procedures, and data measuring techniques for what today can be considered E-Commerce.

Although Argentina did not implemented the framework yet, there is a need to establish a clear mark between what is considered E-Commerce and what is not, and from that point on the specific processes that must be developed. As of today, current exports through courier cannot be entirely considered E-Commerce, since it is being used as a general-purpose way to reach overseas clients.

It is mandatory to establish guidelines for E-Commerce for import and mainly export, since there is a lack of legislation that cannot cope with the exponential growth that cross-border E-Commerce shows.

New legislation must include:

- Definition of what is considered/not considered cross border E-Commerce
- Simplified and agile processes that can satisfy consumer demand without a detrimental effect on control necessities
- Tax regulations and revenue collection
- Simplified regimes specially designed for E-Commerce trade
- Exchange of electronic advance data

The approach and actual focus – although it may change overtime – is to facilitate E-Commerce by creating comfortable conditions for the consumers without compromising compliance and control.

Regarding the context of both the growth of cross-border E-Commerce and the specific commercial situation in Argentina, we want to emphasise on simplifying the custom clearance process, smart non-intrusive inspection and high quality electronic advance data.

We have received negative feedback regarding the whole Customs declaration process being difficult or tedious when it comes to the parcel post regime – most commonly used regime of E-Commerce.

Requiring citizens to create accounts, declaring and valuing goods and generating an online payment are procedures we want to delegate on automatized systems.

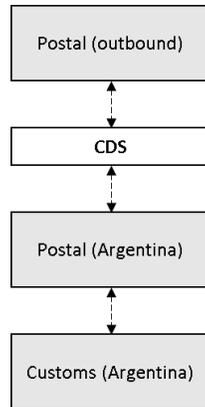
Advance Electronic Data

This can only be achieved if we receive high quality advance data, through integrations with foreign marketplaces, which will enable the post office and Customs to speed up and automatize all the clearance process.

This will easily prevent revenue losses, due to the low probability of goods undervaluation, as well promoting the use of cross border E-Commerce thanks to a simple and clean procedure with fast last mile deliveries. Those main aspects will encourage the population to make use of available regimes more often, which eventually translates into a higher revenue collection.

The current Postal-Customs Agreement establishes the requirement for the Postal office of sending all relevant information associated with parcels. Although it is not specific, it includes all pre-arrival information.

In August 2018, in the framework of the SECUREX initiative (UPU), the CDS (Customs Declaration System) system, was integrated to the current interphase between Postal and Customs.



Systems architecture implemented for CDS.

Couriers are not included in this agreement, but at the time of the making of this document, a project for including the transmission of advance electronic data in order to anticipate the clearance of the goods is being developed.

The postal timeline is entirely determined by the capacity of the Postal operator to sign the necessary agreements between other Postal offices in the frame of the UPU.

Express Couriers should be able to start sending information as from middle of 2020.

Although currently electronic advance data is not being used in a standardized process, there are two key points regarding its possible uses:

- Reduction of third parties in the logistic process: it has been shown that data quality usually tends to reduce with each third party intervention. As a general rule, the data will never be as good as the one that can be collected from the origin for this purposes.
- Improve the handling and clearance process upon arrival: advanced data allows to anticipate, speed up and increase risk assessment processes efficiency and organize workload.

Specific payment data from credit cards and other electronic payment methods is already being gathered so the internal revenue service can collect taxes from payments done for foreign-based services. Note that in the case of E-Commerce goods, the calculation is way more complex, as a purchase can be divided in several shipments, and the determination of the De Minimis threshold is not possible.

Although this may help to get a better idea of real values and main points of sale, the data sets managed by credit cards providers are different from those managed by the marketplaces, so lots of information is lost in the middle.

Having said that, the focus is being put in the marketplaces, which are the actors that ultimately have or can directly access all of the information relevant for Customs.

On the other hand, and aside from the MoUs between Customs for general purposes, the Ministry of Production signed in 2018 a MoU with China for E-Commerce data sharing purposes. This is particularly relevant for Argentina as it is calculated that around 80% of all the inbound E-Commerce trade comes from China.

The data used for E-Commerce trade, which is no different than any other data, is protected under the Personal Data Protection Law and all the information with sensible fiscal information can be transmitted from the operator to Customs but not the other way around.

Data quality improvements actions are delegated to the operators, which are ultimately benefited by being given access to fast tracks for the Customs clearance process. This procedure is yet to be implemented, as we're undergoing meetings with advance data providers which will enable a connection with several overseas marketplaces to achieve it.

Facilitation and simplification

Several improvements have been done regarding the clearance times for postal and courier service. For the postal service, in 2017, the clearance process took 7 days, nowadays in only takes 2. In the case of the courier, it takes about 5 hours.

Although the AOE regulation was released in October 2017, the specific annexes which establish the main requirements for Postal and Express Courier have not been published yet. A specific trusted trader programme (CUSE) has been set up for the Express Courier operators and its certification is an actual requirement for using the "Easy Export" programme.

While presently the share of E-Commerce transactions is not considerable in the Easy Export programme, this may change over time, and the extension of the programme to other regimes has not been yet ruled out.

In the case of the Single Window platform, although it is under development for many of Customs transactions, it is not clear yet which roll will it take regarding E-Commerce shipments.

Risk management

The main methods for both postal and courier are I) Non-intrusive inspection II) Physical inspection and III) Automatized rules and manual analysis over Customs declarations.

- i) In the case of the postal parcels, 100% of the parcels are scanned. In the case of couriers, selectivity is applied.
 - a. Prohibited items and possible violations to the regime are analysed.
 - b. Every item is scanned in a deposit at the airport for courier and at the postal office hub for postal service.

- ii) When needed, a physical inspection process is executed. Note that this must be in the presence of the consumer, so this means that when a physical inspection is required, items cannot be delivered door to door; presence of the consumer is a must.
- iii) Postal service has 2 Customs declarations (CN 22/3 and DJEN), couriers have only one.
 - a. Automatic rules are executed at the moment that Customs receives the CN22/3 (which is sent by *Correo Argentino* through a batch process that is executed once a day).
 - b. Automatic rules and manual analysis is realized after Customs receives the payment associated with a declaration.

Note that this criteria has been applied way before the release of the WCO framework, and new approaches have not been tested yet. Therefore, gaps between both cannot be analysed.

Postal data set	
DJEN (submitted by User)	CN 22/3 (submitted by Postal service)
Tracking Number	Tracking number
Addresse's Tax ID	Registry date
Item category	Custom office
Units	Addresse's last name
Unitary value	Addresse's first name
Shipping value	Addresse's street
Item description	Street number
	Floor
	Department
	Postal code
	City
	Province
	Type of delivery (Door to door - pick up)
	Origin country
	Weight
	Currency
	Value
	Item description
	Sender

Postal declaration

Courier data set (submitted by Courier)	
Regime Indicator	Shipping Type
Customs	Addresse's Identity Document Type
Courier Tax ID	Addresse's Identity Document Number
Manifest ID	Addresse's Name
Flight ID	Address
Transport ID Number	Addresse's City
Origin Country	Addresse's Province
Bulks	NCM Code (8 Digit Tariff Code)
Net Weight	Goods Description
FOB Value	NCM Unit Type
Freight Value	NCM Quantity
Insurance Value	NCM FOB Value
Total Value	NCM Taxable Value
Sender's Name	NCM Tax Base
Sender's Address	Tax Type
Sender's City	Tax Aliquot
Sender's Province	Tax Amount
Sender's Country	

Courier declaration

Postal

1. Parcels are sorted according to the postal segmentation.
2. Customs analyse 100% of the parcels through NII.
3. Parcels arrive to postal and Customs mixed offices.
4. Post sends CN 22/3 information.
5. Customs analyse the CN 22/3 information and assigns a delivery circuit.
6. Buyer declares goods.
7. Customs analyse buyer's declaration and maintains/reassigns a delivery circuit.

Courier

1. Parcels are sorted according to the available regimes.
2. Customs declaration is filled by the Courier.
3. Risk analysis processes are executed.
4. Parcels are inspected through NII.
5. Courier pays taxes.
6. Goods are cleared and authorized for delivery.

Note: although the Customs declaration is completed by the courier instead of the consumer, in both regimes the buyer is identified, as a specific field for that purpose ("National Identity Number/ Tax ID") is required in order to fill the declaration.

Annex to
doc. PC0616Eb

Currently there is no feedback circuit that involves other government agencies or private sector besides the required by court.

Parcels are sent to a controlled area and immediate intervention to the designated court is given when a possible positive on narcotics or other specific prohibitions such as guns is detected while scanning them.

Partnerships, public awareness, outreach and capacity building

As of today, we are working on developing new arrangements with couriers, Post Office, logistics operator and advanced data providers.

With the new legislation available, we have the CUSTOMS-POST OFFICE AGREEMENT (AFIP-CORASA) which is based in data exchange, tax payment and confidentiality agreement between both parties.

A committee has also been created between Customs, Post Office, Ministry of Modernization, which gathers regularly to discuss future strategies, analyse new proposal and improvements to the regime.

There are two dedicated websites available for buyers/consumers and other parties to check the information regarding all the current E-Commerce import regimes.

One of them is published in the [customs official website](#), the other one is available in the [Post Office](#) website.

Both sites have manuals, tutorials and detailed information regarding regulation and the whole import process related to E-Commerce.

There are also social media publications, such as info graphics, tutorial videos and a dedicated FAQ. Finally, there is an email system available for consumers to inquire either the Customs or Post Office in case they need further information regarding the whole import process.

Measurement and Analysis

As we currently have no way to determine exactly which goods have been bought through an E-Commerce platform, the differentiation can only be done over operative knowledge.

Although the WCO E-Commerce Framework is still under study, the data set proposed has a similar structure to what is already implemented. Nonetheless, adopting the whole set will improve the quality of information at the Customs disposal, which is going to help improve the precision of statistics overall, thanks to the addition of new fields such as marketplaces. This will help to get a better grasp of consumers demands, trends and behaviour, as well strengthen our efforts to avoid the undervaluation of goods.

Regarding the Postal and Courier regimes, statistics are done only with Custom's information taking into account the declaration and data sets mentioned above, with no legislative framework. Additional information for project analysis is gathered from operators.

The main use for them are related to regime's analysis, evaluation and correction or improvement, besides for inter-governmental informative purposes.

Technological developments

As from May of 2018, Customs has initiated a reengineering process that involves the whole organization, being Postal, Courier and E-Commerce one of the key subjects to improve and modernize, both in processes and technology-wise. This includes, for example the incorporation of cutting edge technology non-intrusive inspection elements, RFID and facial/object recognition systems.

As from March 2019, a Computed Tomography Scanner is being tested in the Postal Office HUB, being the first of this kind for Argentinian Customs, and acting as a pilot for the evaluation of the technology.

Use of RFID is being designed for the control and automation of transits, and facial/object recognition for the controlling of sensible areas.

Germany

1- General introduction

The EU legislation sets the framework for national standards; the foreseen major change requires the submitting of electronic data in all sectors, including postal operators and leads to a uniform approach regarding electronic risk analysis in e-commerce. Now there are still differences between courier and postal consignments regarding the data provided. While courier operators need to provide electronic (advance) data for the majority of the consignments, postal operators usually provide CN 22 / CN 23 data in a non-electronic version.

Therefore, the processes for handling e-commerce consignments will change significantly in the near future on EU level.

2- Advance Electronic Data

- *Is there any legal framework that requires (or enables) the exchange of electronic advance data? Is there any differentiation between economic operators with similar business activities (e.g., postal operators and express couriers)?*
Harmonized EU-legislation, i.e. entry summary declarations (not mandatory for postal operators at the moment).
- *Is there any timeline defined for the submission of data, and if so, what is it?*
According to EU legislation; entry summary declarations as well as submitting electronic declarations prior to the presentation to customs.
- *Describe the purposes for which advance electronic data is used (safety & security risk analysis, financial risk analysis, etc.).*
The mentioned aspects.
- *Describe how data security, protection and privacy aspects are ensured (if applicable, also in relation to voluntary data submission).*
Harmonized EU legislation, if necessary individual MoU.
- *Describe any measure(s) taken to ensure or improve data quality.*
Regular, risk oriented checks.
- *Are there new actors and data sources identified (e.g., new reporting obligation introduced in legislation) in relation with e-commerce, and how can they improve the effectiveness and efficiency of risk analysis?*
Harmonized EU legislation.
- *Any possibility / incentive for voluntary submission of additional data? What is the basis of such submission (e.g., legislation, MoU, etc.)? What are the main benefits of such extra reporting?*
Harmonized EU legislation.
- *Any possibility for the re-use of data (including data provided by different e-commerce stakeholders)? How is the liability issue tackled in the case of reporting and re-use of data by different actors?*
Harmonized EU legislation.

3- Risk management

- *New approach or elements introduced to the risk management processes following the implementation.*
 - *Describe the main principles and methods used for the risk analysis of e-commerce shipments.*

Risk oriented spot checks, based on electronic risk analysis (where available), control of adversely known goods or economic operator.
 - *What are the main benefits of the new approach? What were the main gaps/ challenges of the old system?*

New approach based on harmonized EU legislation; enables electronic risk analysis in areas where little or no electronic data was available.
 - *Any differentiation between transport modes?*

See general remark: Availability of data differs between the transport modes (courier / postal).
- *Describe the approach in detail, to the extent possible, including the use of non-intrusive inspection (NII) technologies.*

Harmonized EU legislation, risk oriented spot checks of the consignments selected for checks (either electronically or manually), documentary and physical checks including non-intrusive technologies.
- *What are the measures taken to cope with a large number of unknown parties?*

Harmonized EU legislation, risk oriented spot checks.
- *Describe how other government agencies and private sector stakeholders are involved in risk management.*

Meetings and cooperation with other government agencies in order to exchange information and data (where required and legally allowed).

Private sector stakeholders, i.e. courier operators, are obliged to provide electronic advance data in accordance with EU legislation but are not involved in risk management.

4- Facilitation and simplification

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to make the understanding easy.*
- *What is the scope of simplified processes (e.g., low value shipments, all e-commerce goods, goods subject to prohibitions and restrictions are excluded, etc.).*

Harmonized EU legislation, foreseen processes / authorizations for simplifications.
- *Is a level playing field ensured in terms of*
 - *economic operators*
 - *transport modes*
 - *others.*

See above.
- *Do economic operators need to comply with specific criteria in order to benefit from simplifications and expedited release of goods? Can e-commerce stakeholders (in particular e-platforms and marketplaces) take part in AEO programmes? Are there any specific criteria that they have to meet due to their particular business model?*

Harmonized EU-legislation.

- *Is there any specific trusted trader programme set up for e-commerce stakeholders (in addition to AEO)?*
- *What is the average release time of non-risky e-commerce shipments?*
n.k.
- *Are there any simplified methods available for the determination of the*
 - *Origin*
 - *Customs value and*
 - *Classification**of the goods? Describe these methods in detail.*
Harmonized EU legislation.
- *Is there any possibility for account-based consolidated reporting and payment of the Customs duties and taxes due in relation to e-commerce goods?*
Harmonized EU legislation, change foreseen in 2021 (consolidated accounting and payment under the “Import-One-Stop-Shop (IOSS)” processes).
- *Do you have in place (or plan to establish) a Single Window or any other centralized platform for the Customs clearance of e-commerce shipments?*
- *Describe the return/refunds procedures in detail.*
Harmonized EU legislation, request for the refund necessary.

5- Safety and Security

- *Is there any IT system in place for safety & security risk management?*
EU Member States use the combination of the Import Control System (ICS) for risk analysis and the Customs Risk Management System (CRMS) for exchange of risk related information.
- *Describe the approach applied in detail, including the use of dynamic risk profiling to identify high-risk shipments.*
To assess the risks and respond appropriately a set of common risk criteria for security and safety purposes were developed. The criteria are included in the EU Member States’ risk analysis systems (ICS), where they are automatically applied on the incoming Entry Summary Declarations. Any potential risk is then mitigated by specially trained risk analysts and where necessary subject to a control. The criteria applied are set out in an implementing act adopted by the EU Commission under Article 50 (1) of the Union Customs Code and is not public. Therefore a more detailed description of the approach is not possible.
- *Is there any inter-agency cooperation established with other government agencies?*
German customs is an integral part of the German security and intelligence architecture, and as such is in constant cooperation with all competent authorities.
- *What is the role of private sector stakeholders in identifying illicit trade channels and high-risk e-commerce goods?*
The economic operators are legally obliged to enable customs to identify risks by lodging Entry Summary Declarations for all goods brought into the EU and can also grant customs access to their computer systems (Art. 127 UCC).

6- Partnerships

- *What kind of partnership arrangements have been established with e-commerce stakeholders?*

Harmonized EU legislation.

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to facilitate understanding.*

7- Public awareness, outreach and capacity building

- *Is there a dedicated website available to consumers and private stakeholders, developed by the Customs administration, which collects all the relevant information and regulatory requirements related to cross-border e-commerce?*

www.zoll.de / https://www.zoll.de/DE/Privatpersonen/Postsendungen-Internetbestellungen/postsendungen-internetbestellungen_node.html

English version: [https://www.zoll.de/EN/Private-](https://www.zoll.de/EN/Private-individuals/Postal_consignments_internet_order/postal_consignments_internet_order_node.html)

[individuals/Postal consignments internet order/postal consignments internet order_node.html](https://www.zoll.de/EN/Private-individuals/Postal_consignments_internet_order/postal_consignments_internet_order_node.html)

- *How do you ensure that e-commerce stakeholders are aware of their responsibilities and obligations related to e-commerce goods?*
- *What other measures are taken or methods used to raise consumers' awareness of the regulatory requirements?*

8- Technological developments

- *Is there any strategy developed at the national level for the exploration and use of modern technologies?*

Harmonized EU legislation; participation in EU pilot programmes.

- *What are the most relevant technological developments intended to be used in relation to cross-border e-commerce: for what purpose / in which part of the Customs process?*

See above.

- *Are there any pilots and trials already in place or under planning?*

On harmonized EU level.

- *If such pilots are in place, or certain technological developments are already in use in relation with cross-border e-commerce, what are the main challenges and benefits of their use?*

9- Timeline, Benefits and Challenges

- *What was the timeline to implement the Standard(s) concerned?*

Due to legal and political requirements, the timetable for implementation was / is limited to 1,5 to 2 years; for safety and security risk analysis the implementation of ICS was concluded in 2012. The implementation deadline and the legal framework for implementation have been set by the EU Commission.

- *Which were the main difficulties or challenges encountered during the implementation process?*

- The very short implementation time.
- The technical and legal determination of the new customs declaration.

- The provision of data by the postal or courier services.
- Availability of electronic data; for safety and security risk analysis the main challenge was the quality of the submitted data.
- *What are the key enablers for a successful implementation?*
 - Timely provision of all legal requirements.
 - Timely submission of specifications.
 - Testing and acceptance of systems.
 - Availability of electronic data; for safety and security risk analysis the main challenge was the quality of the submitted data.
- *What are the most important lessons learnt?*
 - That the deadline for implementation in an IT System may only be set after all legal requirements have been met.
 - For safety and security risk analysis: regular evaluation of risk criteria and constant development of IT-solutions is important.

10- Capacity Building

- *Which instruments and tools of the WCO or other international organizations were considered?*
None
- *Has any support been received from WCO or other organizations/countries to facilitate the implementation?*
No
- *Is there any plan to support other countries' implementation based on the experience gained?*
No

11- Compliance and Future Developments (if applicable and/or available)

- *What was the response of stakeholders to the implementation approach?*
- *What is the approach to ensure compliance (penalties, education, etc.)?*
Spot checks, documentary and physical checks.
- *How is the success of the approach measured?*
Evaluation of statistics of seizures.
- *Next steps (phases, reviews, adjustments, if applicable, other Standards to be implemented)?*

Japan

1. Introduction / General Overview

With the rapid growth of E-commerce transactions, the numbers of import declarations for small consignments have more than tripled for the past 10 years: from 12.3 million in 2010 to 39.5 million in 2019. In comparison with that increase, the increase of Customs officers is not significant: an increase by 10% during the same period.

Smugglings of methamphetamine* via air cargo demonstrate an upward trend. The number of seizures of methamphetamine in 2019 from air cargo increased drastically by 8.2 times year-on-year (107 cases); its amount in 2019 also increased remarkably by 14 times year-on-year (316kg). (*Methamphetamine occupies 80% of total seizures of illicit drugs in Japan in 2019.)

There are a lot of seizures of illicit drugs and suspensions of IPR infringing goods from postal items that are also a major vehicle of E-Commerce shipments. The seizures of drugs from postal items accounts for 50% of total seizures in 2019: 520 cases out of 1,046 cases; the suspension of IPR infringement goods from postal items accounts for 88% of total suspension in 2019: 21,091 cases out of 23,934 cases.

Besides, the Tokyo Olympic and Paralympic Games is scheduled from July to September in 2021 for which counterterrorism measures need to be reinforced.

Against this backdrop, the Japan Customs has employed various measures including advance information on air cargo and postal items to fight against smugglings and to prevent terrorism.

2. Advance Electronic Data (AED), Risk Management and Partnership

(1) For air cargo

- Legal basis
Art. 15(1) of Customs law, etc.
- Party responsible for reporting
Captain of incoming aircraft in principal. Practically, airlines, forwarders, etc., by virtue of Art. 26 of Customs law that stipulates the act of agency.
- Reporting timeline, reporting method, etc.
See annex 1
- Partnership arrangement
See annex 2

(2) For postal cargo

- Legal basis
Art. 8 of the Universal Postal Union Convention
- Party responsible for reporting
The Japan Post sends AED received from foreign postal operators to Japan Customs via the NACCS that is Japan's single window.
- Reporting method and the use of AED in Customs

See annex 3

- Approach for risk management including the use of non-intrusive inspection (NII) technologies
NII equipment such as X-ray machines and Trace Detection Systems (TDS) have been deployed in Customs offices which handle foreign postal items.

In addition, the use of AI technology for X-ray scanning of postal items to identify the degree of risk has been studied. Currently, this study focuses on the improvement of accuracy of image identification and on the refinement of user-friendliness in order for Customs officers to be able to more efficiently select postal items for inspection.

3. Measurement and Analysis

The Japan Customs has carried out the time release study (TRS) at almost triennial intervals and has publishes its result. According to the latest TRS whose result was published in 2018, the average time from import declarations for air cargo to the issue of import permission is 0.3 hour. This figure is 0.0 hour for declarations from AEOs: the immediate release. For details, see annex 4.

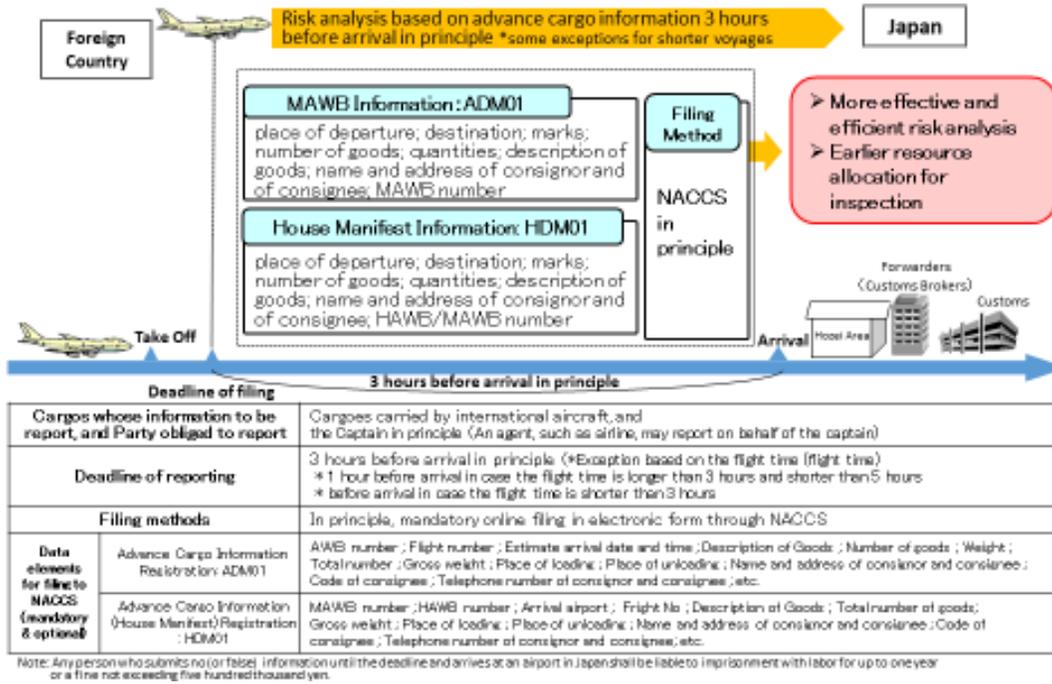
4. Capacity building

The Japan Customs has supported capacity building activities of the WCO. For example, following events were financed by the Customs Cooperation Fund (CCF)/Japan: the WCO Asia-Pacific (A/P) regional high-level seminar on Cross-Border E-Commerce Framework of Standards in New Delhi in July, which immediately followed the adoption of WCO E-Commerce Framework of Standards at the WCO Council Session in July 2018; and the workshop on E-Commerce Framework of Standards for Nepalese Customs at Kathmandu in November 2019.

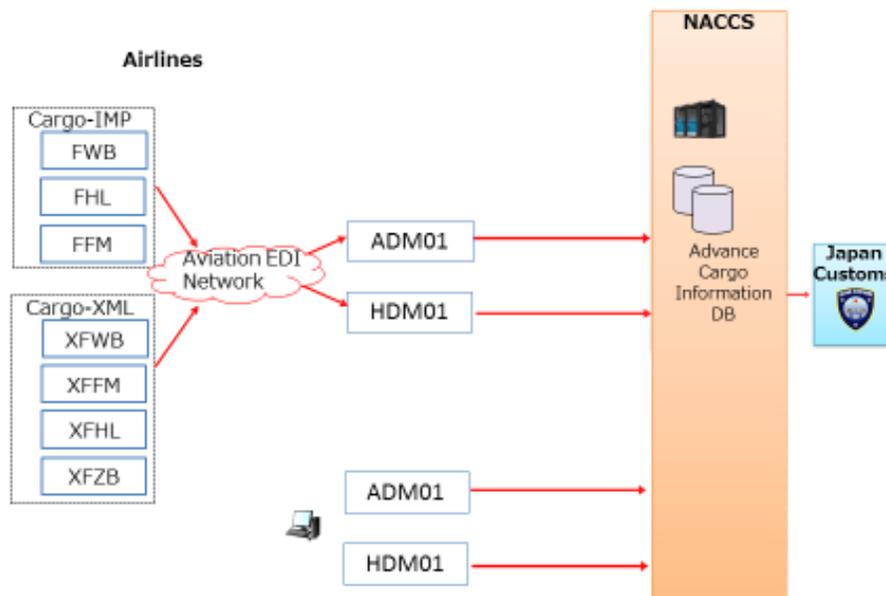
The Japan Customs continues to contributing to capacity building activities of the WCO.

Summary of Advance Electronic Information on Air Cargo in Japan

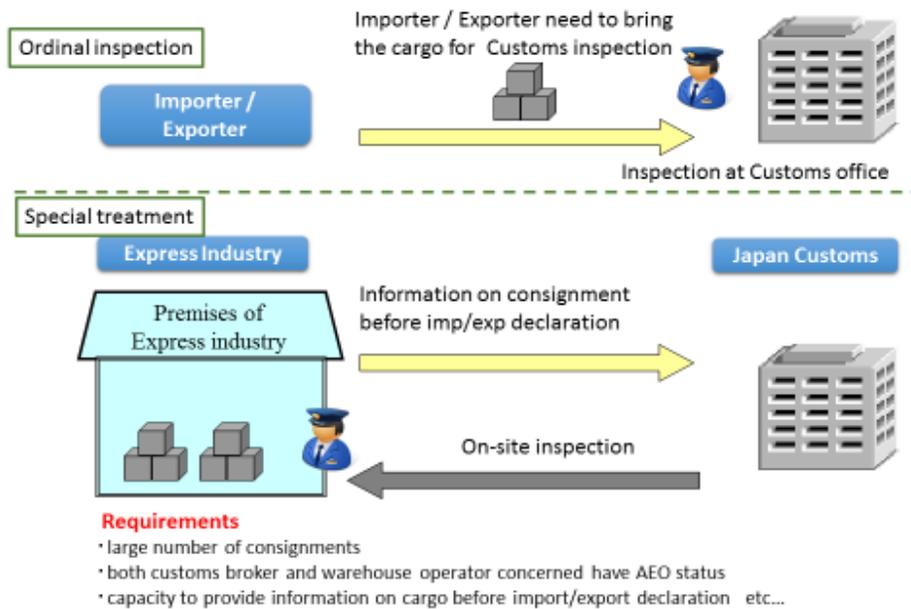
Annex 1



Schema of reporting methods

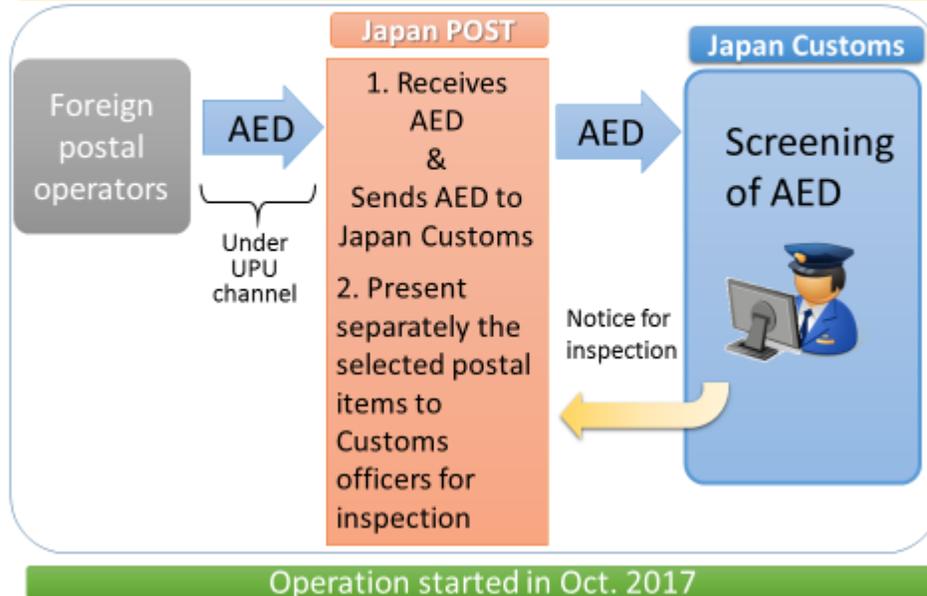


Cooperation with Express Industry



1

Utilizing AED on postal items for Customs Control in Japan Summary



Flow of information (1)

Foreign postal operators

Send AED on CN22/23 in UPU electronic data interchange format (ITMATT)

Elements:

1. Consigner's name & address (inc. telephone number);
2. Consignee's name & address (inc. telephone number);
3. Description of contents
4. Quantity
5. Value
6. Weight
7. Postal item number (bar code)
8. HS code (for commercial senders only)
9. Country of origin of goods (for commercial senders only)

UPU server

2

Flow of information (2)

UPU server

Download AED in UPU format (ITMATT)

Japan Post IT system

Convert UPU format to CSV

Send AED in CSV

NACCS (Japan's SW)

Japan Customs



Screening of AED

Notice for Inspection of selected postal items



Post offices



Present separately the selected items to Customs for inspection

3

Website of Ministry of Finance

Annex 4

財務省 Ministry of Finance, JAPAN

第12回 輸入通関手続の所要時間調査

Result of the 12th TRS

平成30年7月6日
財務省

通関所要時間 海上貨物 2.1時間に短縮、航空貨物 0.3時間を維持
～第12回 輸入通関手続の所要時間調査～

- 通関所要時間(税関への輸入申告から輸入許可までの所要時間の平均は、海上貨物で2.1時間と前年度(平成27年)に比べて0.3時間短縮しました。航空貨物で、0.3時間と前年度(平成27年)並みの所要時間となっています。
- AEO輸入者の特例申告貨物(AEO貨物)に係る通関所要時間については、海上貨物で0.1時間、航空貨物で0.0時間と、前回調査並みの所要時間となっています。

⑧1 AEO(Authorized Economic Operator)認定事業者(輸入者)は、貨物のセキュリティ管理を金融庁等が実施する輸入者として税関が承認を行うことであり、AEO輸入者については、貨物の取扱いに特例措置(特例申告)を行うことが認められています。

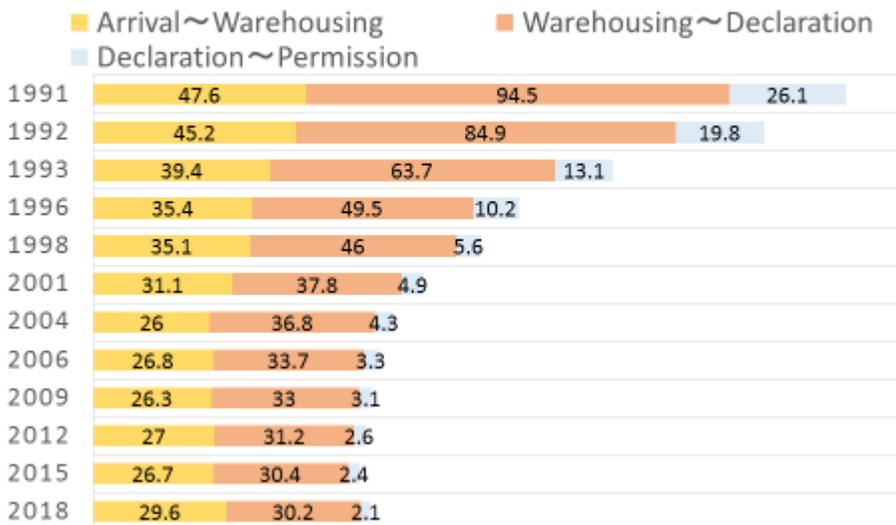
平成28年10月より実施した、輸入申告官署の自由化を利用して輸入申告した貨物(自由化申告貨物)の通関所要時間については、海上貨物で1.9時間、航空貨物で0.3時間となっています。

別添1: 集計結果(海上貨物)PDF-1228107
別添2: 集計結果(航空貨物)PDF-11828107
別添3: 調査の概要PDF-1228107

1. Aggregated data on sea
2. Aggregated data on air
3. Study method

Policy Evaluation through TRS (1)

CHANGES IN THE MEANTIME REQUIRED FOR A TIME PERIOD FROM ARRIVAL TO RELEASE ON SEA CARGO



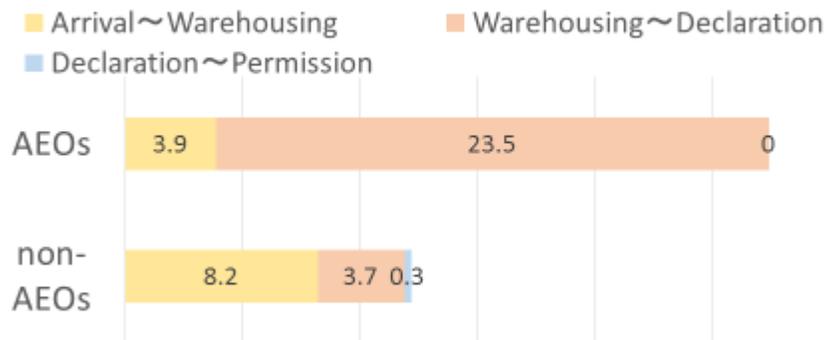
Policy Evaluation through TRS (2)

CHANGES IN THE MEANTIME REQUIRED FOR A TIME PERIOD FROM ARRIVAL TO RELEASE *ON AIR CARGO*



Comparison between AEO and non-AEO (air cargo)

MEANTIME REQUIRED FOR A TIME PERIOD OF THE PROCEDURES FROM ARRIVAL TO RELEASE OF AEOs



* In this survey, express cargos occupies approximately 81% of total cargos of the non-AEOs, while that of AEOs is only about 1%, which is considered to cause the longer mean time for AEOs compared to non-AEOs.

Korea

1- Introduction / General Overview

1.1 *General description of the current practice and approaches to handling cross-border e-commerce shipments*

1.1.1 *Trends, relevance of and legislative framework for cross-border e-commerce, if possible and available, supported by statistics on,*

1.1.1.1 *Annual number of volumes (shipments) and declarations (if applicable, the proportion of low value shipments)*

Year	Taxation (General importation)	Tax exemption		Total
		General Declaration	List Clearance (Simplified)	
2018	1,081,000 cases	12,016,000	19,158,000	32,255,000

1.1.1.2 *Taxes and duties collected from e-commerce goods*

Year	Duties	VAT	Total
2018	USD45,419,000	84,228,000	129,647,000

1.1.1.3 *Average time for clearance of e-commerce goods*

It takes about one and half hours on average (for express cargos carried by air and cleared by list clearance).

1.1.2 *Use of electronic advance data*

The advance electronic data filed by express couriers is used to select cargos to be inspected.

1.1.3 *Main issues and challenges that the customs administration has to face in relation with cross-border e-commerce shipments*

The need for a separate system has emerged in line with the surge of e-commerce trade.

Appropriate Customs policies and incentives to effectively lead e-commerce supply chain stakeholders to cooperate and comply with.

In terms of e-commerce goods shipped by international mail, their advance electronic data cannot be received nor liable, which makes risk management and statistics calculation harder.

2- Planning and Prioritization

2.1 *Which were the main elements/circumstance that triggered the (need for the) implementation of the Framework of Standards?*

In line with the skyrocketed e-commerce trade, Korea Customs Service (hereinafter KCS) has mapped out a diversity of administrative measures and responses. Therefore, some principles in the WCO Framework of Standards on E-Commerce are implemented in Korea; risk management, utilization of Advance Electronic Data (AED), use of the WCO Data Model, simplification and

facilitation, inter-agency cooperation, etc. KCS would refer to global standards for additional areas which are not taken into effect.

2.2 Prioritization of standards

2.2.1 What aspects have been taken into account in setting up the priority and the roadmap for the implementation?

Voluntary compliance and feasibility of e-commerce stakeholders (e.g. express couriers, forwarders) to implement standards.

2.2.2 Why is this approach / priority considered the most effective for e-commerce goods? For example, it is for providing facilitation and compliance, minimizing risk of undervaluation, preventing revenue losses, enhancing the predictability of delivery times if there is a need to pay duties and taxes, creating comfortable conditions for consumers (buyers) because there is no need to pay duties and taxes directly upon goods arrival, etc.

It is considered as the most effective approach in terms of trade facilitation.

2.2.3 If not all the Standards have been selected for implementation, what was the basis for the selection?

Because the KCS has developed standards and procedures by its own schedule to handle e-commerce goods before the Framework of Standards was established, there can be some standards not been applied yet. But it doesn't mean that those are not selected.

Among standards which are not yet implemented, KCS will select standards to be implemented.

2.2.4 Is there any phased implementation foreseen?

It is scheduled to be implemented in phases.

2.2.5 Use of studies, gap-analysis between 'as-is' and 'to

It is about to be introduced but there is no plan to utilize analysis by independent experts.

2.3 Were any other government agencies, besides Customs, involved in the planning phase?

Korea Post Service is required to raise volume and quality of Electronic Advance Data on postal items containing e-commerce goods.

National tax agency is required to be involved in the implementation of the Framework standards for relevant works such as collecting VATs .

3- Advance Electronic Data

3.1 Is there any legal framework that requires (or enables) the exchange of electronic advance data? Is there any differentiation between economic operators with similar business activities (e.g., postal operators and express couriers)?

For an express cargo, the electronic data shall be filed before its entry. However, electronic data of an international mail is not submitted in advance, and the data is provided after the entry.

3.2 Is there any timeline defined for the submission of data, and if so, what is it?

A manifest of air cargo shall be filed up to 4 hours before the entry of the plane. For a short haul such as shipment from China, Japan, Taiwan, Hong Kong, and the Far East region of Russia, however, the manifest shall be filed before the departure of the flight from the port of loading. A Manifest of express cargo shall be submitted up to one hour prior to the entry.

A manifest of sea cargo shall be filed up to 24 hours before loading of the cargo at the port of charge. For a short haul, the manifest shall be submitted before the departure of vessel at the port of charge. When it comes to a sea cargo in bulk, the manifest shall be filed up to four hours before the entry.

3.3 Describe the purposes for which advance electronic data is used (safety & security risk analysis, financial risk analysis, etc.).

To select and inspect a high risk cargo using advance electronic data.

3.4 Describe how data security, protection and privacy aspects are ensured (if applicable, also in relation to voluntary data submission).

Individual consumers and traders are induced to use Personal Customs Code (PCC) instead of Social Security Number to protect privacy.

3.5 Describe any measure(s) taken to ensure or improve data quality.

Penalties are following when the insufficient or incorrect data is filed with customs. Penalties can be an additional inspection of the cargo or charging a fine.

3.6 Are there new actors and data sources identified (e.g., new reporting obligation introduced in legislation) in relation with e-commerce, and how can they improve the effectiveness and efficiency of risk analysis?

Currently there are no new actors and data sources identified by legislation. However, a platform/marketplace operator or re-deliverer (purchase intermediary) would be added as new actors following the amendment of the legislation.

3.7 Any possibility / incentive for voluntary submission of additional data? What is the basis of such submission (e.g., legislation, MoU, etc.)? What are the main benefits of such extra reporting?

Currently, there is an ongoing process of amendment of the legislation to obtain additional data such as order number and details from a platform/marketplace operator.

It would be possible to obtain additional data through the amendment of legislations. Also, it will give benefit such as expedited clearance to the compliant platform operators.

Tapping into the additional data, it would be possible to check and verify accuracy of declarations submitted by declarant (broker).

3.8 Any possibility for the re-use of data (including data provided by different e-commerce stakeholders)? How is the liability issue tackled in the case of reporting and re-use of data by different actors?

If there is legal basis which stipulates purpose, scope, limitation of re-use of data, data could be considered to be shared but so far, there is no case.

4- Risk management

4.1 New approach or elements introduced to the risk management processes following the implementation.

4.1.1 Describe the main principles and methods used for the risk analysis of e-commerce shipments.

KCS conducts risk management of e-commerce shipments tapping into results of inspection and detection, and risk analysis. Also, it cooperates with other government agencies for risk management.

The risk indicators mainly used are item description, names and address of consignor and consignee which are identified as risky and name and address of consignee which are used repeatedly.

4.1.2 What are the main benefits of the new approach? What were the main gaps/challenges of the old system?

It helps safe and expedited clearance since the advance data is used in the pre-clearance stage to select shipments to be inspected, and the data is also referred at the x-ray inspection by x-ray interpreters.

4.1.3 Any differentiation between transport modes?

Korea doesn't have land border and only has sea and air transport modes. A unified process is applied to an express cargo and international post regardless of the transportation mode (plane/vessel).

4.2 Describe the approach in detail, to the extent possible, including the use of non-intrusive inspection (NII) technologies.

KCS conducts a non-intrusive inspection using technological equipment such as an x-ray machine and an ion scanner.

4.3 What are the measures taken to cope with a large number of unknown parties?

For express cargos, all consumers (importers) can be identified based on Personal Customs Code (PCC) and EAD submitted by express couriers so there can't be unknown parties.

However, for postal items, there can be a large number of unknown parties due to lack of EAD. KCS cannot conduct 100% x-ray inspection and manual selectivity on postal item.

4.4 Describe how other government agencies and private sector stakeholders are involved in risk management.

KCS collaborates with the public sector such as the Ministry of Food and Drug Safety and the Ministry of Environments, etc. At the same time, the Korea Products Safety Association is one of the key partners in the private sector.

5- Facilitation and simplification

5.1 Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to make the understanding easy.

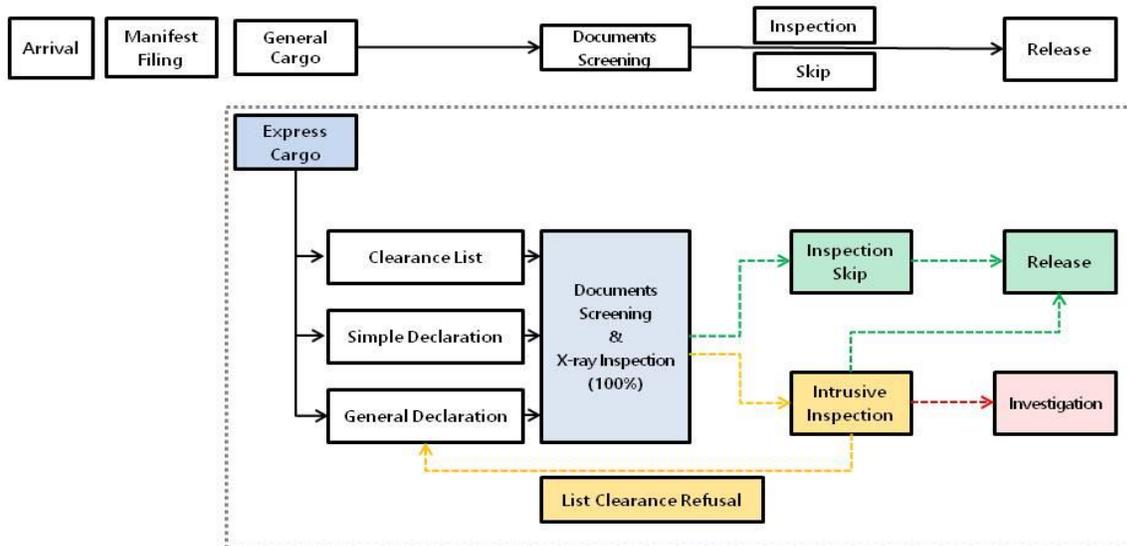


CLEARANCE OF E-COMMERCE GOODS : EXPRESS CARGO

VALUE = PRICE OF PRODUCT + TRANSPORTATION CHARGE (USD)

- ① VALUE ≤ 150\$: ONLY SUBMIT 'CLEARANCE LIST'
EXEMPTION OF TARIFF AND V.A.T DUTIES
NOT APPLICABLE FOR COMMERCIAL OR LICENSE/PERMIT REQUIRED GOODS
*PRODUCTS FROM THE US ARE APPLIED UP TO 200\$ (KOR-US FTA)
- ② 150\$ < VALUE ≤ 2000\$: SUBMIT SIMPLIFIED IMPORT DECLARATION
FILL IN LESS INFORMATION (57 ITEMS) ON IMPORT
DECLARATION
OTHER DOCUMENTS (B/L, INVOICE, P/L, ETC.) NOT NEEDED
- ③ VALUE > 2000 \$: SUBMIT GENERAL IMPORT DECLARATION
FILL IN FULL INFORMATION (69 ITEMS) ON IMPORT DECLARATION
ALL TRADE DOCUMENTS (B/L, INVOICE, P/L, ETC.) ARE NEEDED
FOR COMMERCIAL GOODS OR LICENSE/PERMIT REQUIRED GOODS

CLEARANCE OF E-COMMERCE GOODS : EXPRESS CARGO

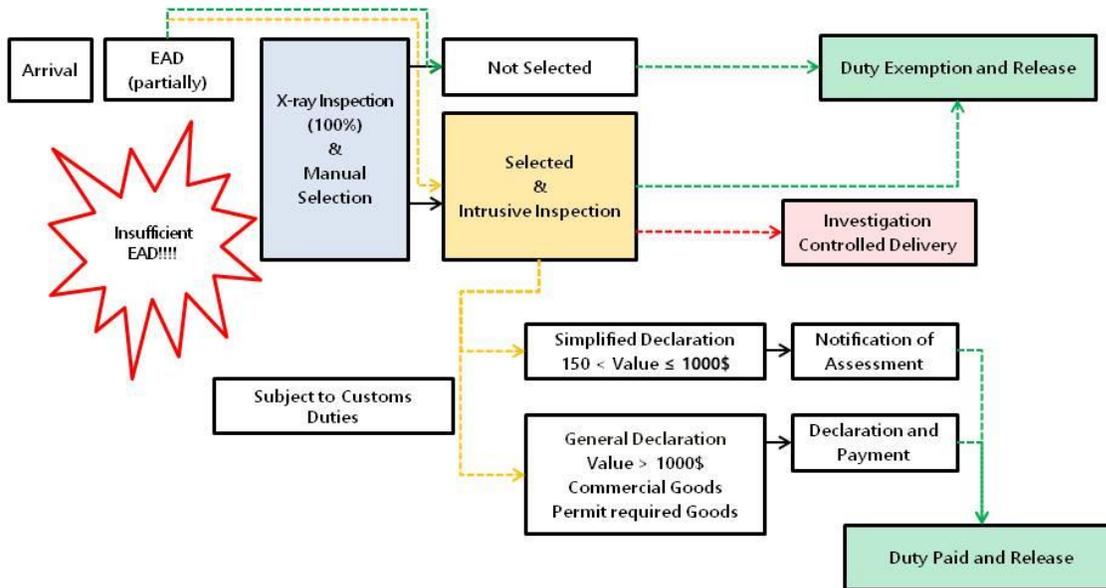


CLEARANCE OF E-COMMERCE GOODS : MAIL

VALUE = PRICE OF PRODUCT + TRANSPORTATION CHARGE (USD)

- ① VALUE \leq 150\$: DUTY EXEMPTION AND RELEASE AT THE SPOT
- ② 150\$ < VALUE \leq 1000\$: SEND **SIMPLIFIED DECLARATION APPLICATION** TO RECIPIENT
DUTIES WILL BE CALCULATED AND LEVIED BY CUSTOMS
'NOTIFICATION OF ASSESSMENT' BASIS
- ③ VALUE > 1000 \$: SUBMIT **GENERAL IMPORT DECLARATION**
FILL IN FULL INFORMATION (69 ITEMS) ON IMPORT DECLARATION
ALL TRADE DOCUMENTS (B/L, INVOICE, P/L, ETC.) ARE NEEDED
'DECLARATION AND PAYMENT' BASIS
FOR **COMMERCIAL** GOODS OR **LICENSE/PERMIT REQUIRED** GOODS

CLEARANCE OF E-COMMERCE GOODS : MAIL



DE MINIMIS THRESHOLD FOR PERSONAL GOODS

STIPULATED IN CUSTOMS ACT AND ORDINANCE

<CUSTOMS ACT ARTICLE 94>

CUSTOMS DUTIES MAY BE EXEMPTED ON ANY OF THE FOLLOWING IMPORTED GOODS;

4. GOODS DETERMINED BY THE ORDINANCE AS **SMALL-SUM(LOW-VALUE) GOODS** RECEIVED BY **RESIDENTS IN KOREA**

<CUSTOMS ACT ORDINANCE ARTICLE 45>

② GOODS WHICH ARE EXEMPTED FROM CUSTOMS DUTIES BY CUSTOMS ACT ARTICLE 94 SUBPARAGRAPH 4 ARE ANY OF THE FOLLOWING GOODS;

1. GOODS OF WHICH **VALUE IS UNDER 150 USD** AND RECOGNIZED FOR **PERSONAL USE**.

5.2 What is the scope of simplified processes (e.g., low value shipments, all e-commerce goods, goods subject to prohibitions and restrictions are excluded, etc.).

Please refer to the answer to 5.1.

*5.3. Is a level playing field ensured in terms of
economic operators
transport modes
others.*

In terms of economic operators, Postal operator doesn't have duty to do customs declaration and EAD on postal items are scarcely filed to Customs before clearance. Compared with postal operator, express couriers might feel that playing field is not level considering their cost for submitting EADs and compliance with other customs obligations.

5.4 Do economic operators need to comply with specific criteria in order to benefit from simplifications and expedited release of goods? Can e-commerce stakeholders (in particular e-platforms and marketplaces) take part in AEO programmes? Are there any specific criteria that they have to meet due to their particular business model?

Up to date, there is no specific simplified clearance process only for e-commerce shipments. However, the exclusive process would be mapped out in the near future. The process may include submission of order details for expedited clearance benefits.

E-commerce stakeholders are not the subject to be AEOs. However, KCS is planning to enable e-commerce stakeholders to take part in the AEO programs.

There are no specific criteria to be satisfied by business model.

5.5 Is there any specific trusted trader programme set up for e-commerce stakeholders (in addition to AEO)?

There isn't specific / additional trusted trader program for e-commerce stakeholders. KCS is willing to widen AEO program to e-commerce stakeholders.

5.6 What is the average release time of non-risky e-commerce shipments?

For a low risk e-commerce shipment carried as air-express cargo and applied for list clearance, less than 30 minutes are required.

*5.7 Are there any simplified methods available for the determination of the
Origin
Customs value and
Classification
of the goods? Describe these methods in detail.*

There are no simplified methods for the determination of the origin, classification and Customs value.

5.8 Is there any possibility for account-based consolidated reporting and payment of the Customs duties and taxes due in relation to e-commerce goods?

There is no centralized platform which integrated customs clearance and duty payment of e-commerce shipments.

5.9 Do you have in place (or plan to establish) a Single Window or any other centralized platform for the Customs clearance of e-commerce shipments?

Though there is no centralized platform, it is planned to build a platform for e-commerce clearance only.

5.10 Describe the return/refunds procedures in detail.

Filing of the export declaration is necessary for the tax refund of e-commerce shipments of which the value is USD 1,000 or over.

When it comes to the shipments of which the value is USD 1,000 or under, simplified method is applied without export declaration. If the shipment is returned to a third person, not the seller, simplified method cannot be applied. In this case, the buyer can get the tax refund only after the export declaration.

6- Safety and Security

6.1 Is there any IT system in place for safety & security risk management?

KCS is using an Image Processing System, which scans bar-code number on top of the parcel and automatically matches to its manifest information so that x-ray interpreters can compare x-ray picture and parcel information simultaneously.

Also, KCS is developing AI X-ray machine to select high-risk e-commerce parcels to be in place soon.

6.2 Describe the approach applied in detail, including the use of dynamic risk profiling to identify high-risk shipments.

Recent detections and trends of illicit activities are received from frontline customs officials. Also, information of high-risk business is obtained, and these data are uploaded on the Data Warehouse (DW). Using the DW, customs officials analyze the clearance data, and find out risk factors. Tapping into combinations of risk factors, concrete risk patterns are created, and the patterns are saved as risk criteria. Finally, the risk criteria are used for cargo selectivity.

6.3 Is there any inter-agency cooperation established with other government agencies?

KCS works closely with the key public agencies that secure public health and safety, such as the Ministry of Food and Drug Safety, the Korean National Police Agency, and Quarantine agency. At the same time, those in charge of logistics such as express couriers and Korea Post Service are in cooperation with KCS.

6.4 What is the role of private sector stakeholders in identifying illicit trade channels and high-risk e-commerce goods?

When couriers discover a risk behavior such as a delivery of shipment to the address different from that on the declaration, couriers shall report it to the customs authorities.

7- Revenue collection

7.1 Refer to the template for revenue collection models.

Currently, KCS runs buyer / consumer based revenue collection model

8- Partnerships

8.1 What kind of partnership arrangements have been established with e-commerce stakeholders?

KCS may sign MOU on securing liability of data and providing risk information with express couriers.

8.2 Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to facilitate understanding.

Registration of e-commerce supply chains, and submission of relevant data would be implemented following the amendment of legislations.

9- Public awareness, outreach and capacity building

9.1 Is there a dedicated website available to consumers and private stakeholders, developed by the Customs administration, which collects all the relevant information and regulatory requirements related to cross-border e-commerce?

Consumers and private stakeholders can easily access the relevant information through the web site of Korea Customs Service: <http://unipass.customs.go.kr> and <http://www.customs.go.kr>.

9.2 How do you ensure that e-commerce stakeholders are aware of their responsibilities and obligations related to e-commerce goods?

KCS informs express couriers of responsibilities and regulations when they apply to register their business. For the declarant, the customs notify measures to be taken to avoid mistakes, by email or by hosting a meeting.

9.3 What other measures are taken or methods used to raise consumers' awareness of the regulatory requirements?

KCS announces items banned to be released, and things to be taken to avoid mistakes in the clearance process using SMS, SNS, Public media, and etc.

10- Measurement and Analysis

10.1 Describe the approach used for the measurement of cross-border e-commerce, including the following main aspects:

Scope of the statistics

Dimensions considered in the statistics (e.g., value, quantity, geographic locations, type of goods, etc.)

Data input with the code, 'E-commerce('15' for general import declarations and 'A' for List clearance)', following submission of the import declaration and clearance list.

The number of importations, value, proposition of items, and country of departure in the statistics of importations are considered in the statistics.

10.2 Are returns also measured? If yes, please describe the approach in detail.

Returns are not measured.

10.3 What are the main sources used for drawing up statistics? Is the private sector directly involved in drawing up statistics on cross-border e-commerce goods?

The statistics are drawn up based on the data that express couriers and brokers filed to the customs. The private sector is not involved in the statistics.

10.4 Is there any legislative framework on statistics available in the country?

There is no legislative framework for statistics calculation.

10.5 To what extent is the WCO Data Model considered for statistical purposes?

Up to date, WCO Data Model Standards 3.4 ver. is applied.

10.6 For what purposes are these statistics used?

The statistics are used as reference for decision making policies on e-commerce.

11- Technological developments

11.1 Is there any strategy developed at the national level for the exploration and use of modern technologies?

Considering the maturity and stability of new technologies and impact of laws and system, technologies are explored and applied in phases of research, pilots, and development.

To be specific, new technologies below are under development to be applied to clearance of e-commerce shipments:

- X-ray image interpretation by AI to be applied to the shipment management;
- Introduction of the block chain technology to the customs clearance; and
- Establishment of platform for big data analysis

11.2 What are the most relevant technological developments intended to be used in relation to cross-border e-commerce: for what purpose / in which part of the Customs process?

KCS is running a test operation for interpretation of x-ray images and selectivity of high risk goods by Artificial Intelligence. At the same time, a project to develop a block chain technology-adopted

e-commerce platform for import and export is in process. The block chain technology helps e-commerce stakeholders share the data relevant to order, payment and delivery.

11.3 Are there any pilots and trials already in place or under planning?

The projects are being implemented or scheduled to be implemented: interpretation of x-ray images using Artificial Intelligence; and establishment of an e-commerce platform for import /export using block chain technology.

11.4 If such pilots are in place, or certain technological developments are already in use in relation with cross-border e-commerce, what are the main challenges and benefits of their use?

With respect to the project of x-ray image interpretation by AI, it is expected to reduce workload of x-ray interpreters that resulted from the exponentially increased e-commerce volume. Meanwhile, the customs expects to obtain reliable, comprehensive, and verified data from the stakeholders if it taps into the block chain technology in the e-commerce platform for import and export.

12- Timeline, Benefits and Challenges

12.1 What was the timeline to implement the Standard(s) concerned?

KCS mapped out a three year plan to be launched in 2020.

12.2 Which were the main difficulties or challenges encountered during the implementation process?

Amendment of legislations to modify clearance system in accordance with the WCO standards and cooperation of stakeholders following the modification of clearance process.

12.3 What are the key enablers for a successful implementation?

Stakeholders' cooperation on the implementation is a key to success.

12.4 What are the most important lessons learnt?

It is pivotal to understand the nature and features of e-commerce business including its platform. And tailor-made policy of taxation system is needed.

13- Capacity Building

13.1 Which instruments and tools of the WCO or other international organizations were considered?

Diverse tools, guidelines, and framework of standards released by the WCO were referred.

13.2 Has any support been received from WCO or other organizations/countries to facilitate the implementation?

E-commerce systems of the USA and China were good reference.

13.3 Is there any plan to support other countries' implementation based on the experience gained?

KCS' experience would be surely shared upon the request by other countries.

Morocco

1- Introduction / General Overview

- *General description of the current practices and approaches to handling cross-border e-commerce shipments*
 - *Trends, relevance of and legislative framework for cross-border e-commerce, supported by statistics (if possible and available), on*
 - *annual number of volumes (shipments) and declarations (if applicable, the proportion of low value shipments)*
 - *taxes and duties collected from e-commerce goods*
 - *average time for clearance of e-commerce goods*
 - *other important information.*
 - *Use of electronic advance data*

In Morocco, the scale of cross-border e-commerce continues to expand, thanks to the proliferation of commercial websites (of which there are more than 1,000), the growth of electronic payment options and partial liberalization of the foreign exchange system, which was formalized in 2010 by the Foreign Exchange Office's circular No. 1737 allowing 10,000 dirhams a year to be spent exclusively on e-commerce conducted on foreign websites.

Other positive factors include:

- High Internet penetration: over 67% of the population have access to the Internet;
- High uptake of banking services: more than 70% of the population have a bank account;
- A range of relevant legal instruments, including:
 - Law No. 53-05 on the electronic exchange of legal data;
 - Law No. 09-08 on the protection of individuals with regard to the processing of personal data;
 - Decree No. 2-08-444 of 21 May 2009 establishing a National Council for Information Technology and the Digital Economy;
 - Law No. 31-08 on consumer protection;
 - Decision of the Minister Delegate to the Prime Minister in charge of Economic and General Affairs No. 649-07 of 4 May 2007 setting advertising and consumer information terms concerning telecommunications services.

- use of electronic advance data.

As part of the UPU's SECUREX Project, the objective of which is to set up electronic interchange between postal operators and with Customs administrations (Morocco is a pilot country), Customs and Poste Maroc have introduced a system of electronic advance data (EAD).

This system allows three types of messaging, structured in line with the joint WCO-UPU Standards, namely:

ITMATT: electronic exchange of CN22/CN23 declarations between designated operators of origin and destination: in production.

CUSITM: electronic exchange of CN22/CN23 declarations between Post and Customs: in production.

CUSRSP: electronic transmission of Customs decision to Post (authorized, to be retained, charges, etc.): under development.

For express courier consignments, designated operators must submit electronically a summary declaration (manifest), using the Customs IT system, before express courier consignments arrive in Morocco.

- *Main issues and challenges that the Customs administration has to face in relation to cross-border e-commerce shipments*

Cross-border e-commerce creates a twofold challenge for Customs: goods must flow freely but, at the same time, they must be checked as effectively as possible by:

- simplifying procedures by cutting delivery costs and times;
- preventing losses of duty and tax revenue caused by the practices of splitting and under-invoicing, in fraudulent exploitations of tax and duty exemptions; and
- combating cybercrime.

2- Planning and Prioritization

- *Which were the main elements/circumstances that triggered the (need for the) implementation of the Framework of Standards?*
 - Need to keep pace with the exponential growth in e-commerce;
 - Need to meet the challenge described above.
- *Prioritization of Standards:*
 - *What aspects have been taken into account in setting up the priority and the roadmap for the implementation?*
See factors mentioned in the first part of point 2.
 - *Why is this approach/priority considered the most effective for e-commerce goods? For example, it is for providing facilitation and compliance, minimizing risks of undervaluation, preventing revenue losses, enhancing the predictability of delivery times if there is a need to pay duties and taxes, creating comfortable conditions for consumers (buyers) because there is no need to pay duties and taxes directly upon goods arrival, etc.*
 - Reduces risks of undervaluation;
 - Prevents revenue losses;
 - Improves predictability of delivery times;
 - Creates comfortable conditions for consumers.
 - *If not all the Standards have been selected for implementation, what was the basis for the selection?*
All the Standards are implemented, or implementation is ongoing.

- *Is there any phased implementation foreseen?*
- *Use of studies, gap-analysis between 'as-is' and 'to-be' situations and any other analyses made by independent experts.*
Yes.
- *Were any other government agencies, besides Customs, involved in the planning phase?*
No.

3- Advance Electronic Data

- *Is there any legal framework that requires (or enables) the exchange of electronic advance data? Is there any differentiation between economic operators with similar business activities (e.g., postal operators and express couriers)?*
For postal consignments: the UPU's SECUREX Project.

For express courier services: Articles 49 and 57 of the Customs and Excise Code, and Decision No. 3414-12 of the Minister for the Economy and Finance dated 2 October 2012.

- *Is there any timeline defined for the submission of data, and if so, what is it?*
For postal consignments: Before the consignments arrive (timeline not set more precisely).

For express courier services:

- By air:
 - at least 4 hours before the aircraft arrives;
 - no later than take-off time of the aircraft from the last airport served, if the flight duration is less than 4 hours.
- By sea:
 - at least 24 hours before the ship docks;
 - no later than the ship's departure time from the last port served, if the sailing time is less than 24 hours.

- *Describe the purposes for which advance electronic data is used (safety & security risk analysis, financial risk analysis, etc.).*
Safety and security risk analysis, commercial fraud risk analysis.
- *Describe how data security, protection and privacy aspects are ensured (if applicable, also in relation to voluntary data submission).*
 - Enforcement of Law No. 09-08 on the protection of individuals with regard to the processing of personal data;
 - Information of a private or confidential nature relating to third parties is covered by professional secrecy and may not be divulged without the express consent of the person providing it, except in the context of court proceedings or the tax authorities,

or agencies and establishments responsible for collecting statistics (Customs and Excise Code, Article 45 ter).

– Application by Customs of a data security policy and charter.

- *Describe any measure(s) taken to ensure or improve data quality.*

The SECUREX Project mentioned above provides for re-processing by the postal authorities to improve the quality of data in postal declarations.

- *Are there new actors and data sources identified (e.g., new reporting obligation introduced in legislation) in relation with e-commerce, and how can they improve the effectiveness and efficiency of risk analysis?*
- *Any possibility / incentive for voluntary submission of additional data? What is the basis of such submission (e.g., legislation, MoU, etc.)? What are the main benefits of such extra reporting?*

The data required are stipulated.

- *Any possibility for the re-use of data (including data provided by different e-commerce stakeholders)? How is the liability issue tackled in the case of reporting and re-use of data by different actors?*

4- Risk management

- *New approach or elements introduced to the risk management processes following the implementation.*
 - *Describe the main principles and methods used for the risk analysis of e-commerce shipments.*
 - *What are the main benefits of the new approach? What were the main gaps/challenges of the old system?*
 - *Any differentiation between transport modes?*

Implementation of risk management in respect of e-commerce consignments is ongoing, as part of the SECUREX Project mentioned above.

- *Describe the approach in detail, to the extent possible, including the use of non-intrusive inspection (NII) technologies.*

Equipment is available at all Customs inspection points (ports, airports and border crossings).

The Administration systematically uses non-intrusive inspection technologies for exports.

For imports, there is computerized inspection based on risk analysis.

- *What are the measures taken to cope with a large number of unknown parties?*
- *Describe how other government agencies and private sector stakeholders are involved in risk management.*

The Administration has concluded data sharing agreements with a number of public- and private-sector partners (tax authority, banks, health inspection and regulatory bodies,

National Social Security Fund/CNSS, logistics companies, etc.), and these have been incorporated into the risk analysis system.

Committees have been set up to monitor compliance with these agreements.

5- Facilitation and simplification

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to make the understanding easy.*

Customs clearance procedure:

Clearance of e-commerce consignments is done through a simplified procedure whereby goods to a value of 1,250 dirhams may be released under cover of the transport document.

De minimis system for duties and taxes:

Non-commercial articles, sent from abroad to persons habitually resident in Morocco, are admitted free of duty and taxes up to a value of one thousand, two hundred and fifty (1,250) dirhams.

Multi-channel payment of duties and taxes:

Duties and taxes receivable may be paid directly by consignees using a multi-channel payment system (GAB, m-banking, e-banking, etc.) or via the postal operator or express courier.

Online calculator of Customs duties:

An application called ADIL ("Online Assistance with Customs Clearance of Imported Goods") is available to consignees to calculate the duties and taxes they need to pay.

- *What is the scope of simplified processes (e.g., low value shipments, all e-commerce goods, goods subject to prohibitions and restrictions are excluded, etc.).*
Low value shipments, apart from alcoholic beverages and tobacco and prohibited and restricted goods.
- *Is a level playing field ensured in terms of*
 - *economic operators*
 - *transport modes*
 - *others.*

Yes.

- *Do economic operators need to comply with specific criteria in order to benefit from simplifications and expedited release of goods?*
In order to benefit from simplified procedures and faster release of goods, express couriers must be:
 - authorized by the postal service supervising department;
 - authorized by Customs.

Can e-commerce stakeholders (in particular e-platforms and marketplaces) take part in AEO programmes?

Yes.

Are there any specific criteria that they have to meet due to their particular business model?

No.

- *Is there any specific trusted trader programme set up for e-commerce stakeholders (in addition to AEO)?*

No.

- *What is the average release time of non-risky e-commerce shipments?*
2 hours.

- *Are there any simplified methods available for the determination of the*
 - *Origin*
 - *Customs value and*
 - *Classification**of the goods? Describe these methods in detail.*

Yes, for postal consignments, the CDS (Customs Declaration System) operated by the UPU is an application that provides assistance with the classification of goods.

Similarly, Customs provides consignees with an application called ADIL (“Online Assistance with Customs Clearance of Imported Goods”) to calculate the duties and taxes they need to pay at the normal and preferential tariffs (depending on origin).

- *Is there any possibility for account-based consolidated reporting and payment of the Customs duties and taxes due in relation to e-commerce goods?*

To be clarified.

- *Do you have in place (or plan to establish) a Single Window or any other centralized platform for the Customs clearance of e-commerce shipments?*

Customs information system: BADR (*Base Automatisée de Dédouanement en Réseau*).

- *Describe the return/refunds procedures in detail.*

Imported postal consignments:

- All items not delivered to consignees must be returned within 3 months of the date of their removal;
- Consignments must be presented in the state in which they were removed on importation and must have the same weight;

- A list showing the references for the consignments being returned to their point of origin is given to the Customs service, which authorizes the return operation after checking the paperwork and verifying the consignments being returned to their point of origin.

Exported postal consignments:

- Reimported consignments that originated in Morocco are admitted free of duties and taxes on presentation of the documents relating to their initial exportation: CN22/CN23, or the SGD.

6- Safety and Security

- *Is there any IT system in place for safety & security risk management?*
Yes, the BADR system mentioned above.
- *Describe the approach applied in detail, including the use of dynamic risk profiling to identify high-risk shipments.*
- *Is there any inter-agency cooperation established with other government agencies?*
Yes.
- *What is the role of private sector stakeholders in identifying illicit trade channels and high-risk e-commerce goods?*
Private-sector stakeholders are encouraged to report illicit trade channels and high-risk goods traded in e-commerce.

7- Revenue collection

- *Refer to the template for revenue collection models.*
Duties and taxes receivable may be paid directly by consignees using a multi-channel payment system (GAB, m-banking, e-banking, etc.) or via the postal operator or express courier.

8- Partnerships

- *What kind of partnership arrangements have been established with e-commerce stakeholders?*
With the post: signature in 2017 of a memorandum of understanding on Customs-Post co-operation.

With express couriers: the ability to benefit from the simplified Customs clearance procedure for express consignments is conditional on signature by the express courier of terms and conditions for use of the bonded warehouse, which govern its relationship with Customs.

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to facilitate understanding.*

9- Public awareness, outreach and capacity building

- *Is there a dedicated website available to consumers and private stakeholders, developed by the Customs administration, which collects all the relevant information and regulatory requirements related to cross-border e-commerce?*

This information is available on the website of the Customs and Excise Administration:
www.douane.gov.ma.

- *How do you ensure that e-commerce stakeholders are aware of their responsibilities and obligations related to e-commerce goods?*

Postal operators and express couriers: see point 8 above.

Consumers: see first question, point 9 above.

- *What other measures are taken or methods used to raise consumers' awareness of the regulatory requirements?*

Video clip explaining the Customs clearance procedure for postal and express consignments.

10- Measurement and Analysis

- *Describe the approach used for the measurement of cross-border e-commerce, including the following main aspects:*
 - *Scope of the statistics*
 - *Dimensions considered in the statistics (e.g., value, quantity, geographic locations, type of goods, etc.)*

Statistics on cross-border e-commerce are compiled and monitored by other departments.

- *Are returns also measured? If yes, please describe the approach in detail.*

No.

- *What are the main sources used for drawing up statistics? Is the private sector directly involved in drawing up statistics on cross-border e-commerce goods?*

- *Is there any legislative framework on statistics available in the country?*

Yes.

- *To what extent is the WCO Data Model considered for statistical purposes?*

- *For what purposes are these statistics used?*

11- Timeline, Benefits and Challenges

- *What was the timeline to implement the Standard(s) concerned?*
All the Standards are implemented, or implementation is ongoing (see point 4 above).
- *Which were the main difficulties or challenges encountered during the implementation process?*
- *What are the key enablers for a successful implementation?*
- *What are the most important lessons learnt?*

12- Capacity Building

- *Which instruments and tools of the WCO or other international organizations were considered?*
Revised Kyoto Convention.
- *Has any support been received from WCO or other organizations/countries to facilitate the implementation?*
- *Is there any plan to support other countries' implementation based on the experience gained?*

13- Compliance and Future Developments (if applicable and/or available)

- *What was the response of stakeholders to the implementation approach?*
- *What is the approach to ensure compliance (penalties, education, etc.)?*
Communication.
- *How is the success of the approach measured?*
- *Next steps (phases, reviews, adjustments, if applicable, other Standards to be implemented)?*

Paraguay

1- Introduction / General Overview

- *General description of the current practices and approaches to handling cross-border e-commerce shipments*

The National Customs Directorate (Dirección Nacional de Aduanas, DNA) treats courier imports (importaciones por Remesa Expresa, IRE) in accordance with the final provision of DNA Decision No. 121/2018, preceded by other provisions from 2014, which regulates the already implemented computerized uses:

- ✓ IRE1 (Simplified Clearance of Documents);
- ✓ IRE2 (Simplified Clearance from USD 0 to USD 100);
- ✓ IRE3 (Simplified Clearance from USD 100 to USD 1,000; and
- ✓ IRE4 (Simplified Clearance up to USD 1,000, with Customs broker intervention).

The DNA treats courier exports (exportaciones por Remesa Expresa, ERE) in accordance with DNA Decision No. 136/2018, which regulates the already implemented computerized uses:

- ✓ ERE1 (for documents);
- ✓ ERE2 (for goods from USD 0 to USD 1,000);
- ✓ ERE3 (for goods from USD 0 to USD 1,000, with Customs broker intervention).

- *Trends, relevance of and legislative framework for cross-border e-commerce, supported by statistics (if possible and available), on*
 - *annual number of volumes (shipments) and declarations (if applicable, the proportion of low value shipments)*
 - *taxes and duties collected from e-commerce goods*

It should be pointed out here that exports are not subject to any Customs or internal duty or tax in Paraguay.

COURIER IMPORT STATISTICS; PERIOD CONSIDERED FOR REPORT: FROM 01/01/2018 TO 30/09/2019								
2018				2019				
	DECLARED WEIGHT	DOLLAR FOB	TAXABLE DOLLAR	REVENUE PYG	DECLARED WEIGHT	DOLLAR FOB	TAXABLE DOLLAR	REVENUE PYG
OVERALL TOTAL	1,962,368.109	12,510,018.67	17,600,776.03	15,123,203.847	1,462,034.825	15,313,743.77	19,918,777.99	19,854,360.076

COURIER EXPORT STATISTICS; PERIOD CONSIDERED FOR REPORT: FROM 01/01/2018 TO 30/09/2019								
2018				2019				
	DECLARED WEIGHT	DOLLAR FOB	TAXABLE DOLLAR	REVENUE PYG	DECLARED WEIGHT	DOLLAR FOB	TAXABLE DOLLAR	REVENUE PYG
OVERALL TOTAL	37,488.510	412,528.27	412,528.27	0	61,718.430	741,250.62	741,250.62	0

- *average time for clearance of e-commerce goods*

Depending on the channel assigned, the time varies: between 30 to 45 minutes.

- *other important information.*

- *Use of electronic advance data*

Courier companies that wish to carry out simplified exports should send their advance data in accordance with technical specifications laid down by the DNA and by means of web services. Courier companies generate the export documentation from this information.

- *Main issues and challenges that the Customs administration has to face in relation to cross-border e-commerce shipments*

These shipments generally have to be dealt with very rapidly, sometimes to the detriment of the necessary Customs control.

2- Planning and Prioritization

- *Which were the main elements/circumstances that triggered the (need for the) implementation of the Framework of Standards?*

The DNA's predominant concern was to formalize courier exports.

- *Prioritization of Standards:*

- *What aspects have been taken into account in setting up the priority and the roadmap for the implementation?*

Courier imports were formalized first, followed by exports in a second stage. The whole process began with the cooperation of courier companies. After seeing the benefits of computerization, these companies decided to take part in this project with the DNA and have been involved since 2014.

- *Why is this approach / priority considered the most effective for e-commerce goods? For example, it is for providing facilitation and compliance, minimizing risks of undervaluation, preventing revenue losses, enhancing the predictability of Consignment times if there is a need to pay duties and taxes, creating comfortable conditions for consumers (buyers) because there is no need to pay duties and taxes directly upon goods arrival, etc.*

For the DNA as an institution, this approach represented another challenge in strengthening trade facilitation and improving certainty with regard to exported goods.

- *If not all the Standards have been selected for implementation, what was the basis for the selection?*

It should be pointed out that the DNA neither sells nor purchases goods, i.e. it is not an e-commerce agent as such. It focuses on regulating undertakings that use Customs/state services to import and export e-commerce goods.

- *Is there any phased implementation foreseen?*

At the current time the project is 100% complete.

- *Use of studies, gap-analysis between 'as-is' and 'to-be' situations and any other analyses made by independent experts.*
- *Were any other government agencies, besides Customs, involved in the planning phase?*
For these measures, the DNA always involves other institutions that have to take part in the processes. Their participation, however, is conditioned by their operational priorities.

3- Advance Electronic Data

- *Is there any legal framework that requires (or enables) the exchange of electronic advance data? Is there any differentiation between economic operators with similar business activities (e.g., postal operators and express couriers)?*

The legislation consists of DNA Decision No. 653/2016, which approves the “Advance Electronic Submission of the Air Waybill (TEMA)” software application, and No. 1057/2019, the “Advance Electronic Submission (TERE 2)” software application.

The only difference introduced by the Paraguayan legislation is courier or express mail companies on the one hand, and the National Postal Service on the other. In terms of Customs legislation, however, they all have the same responsibilities.

- *Is there any timeline defined for the submission of data, and if so, what is it?*

TEMA: The airline should submit air waybill data between two hours (for regional flights) and four hours prior to the aircraft’s arrival in the country.

TERE 2: The courier company should submit single air waybill data between two hours (for regional flights) and four hours prior to the aircraft’s arrival in the country.

- *Describe the purposes for which advance electronic data is used (safety & security risk analysis, financial risk analysis, etc.).*

Data are used for goods risk analysis.

- *Describe how data security, protection and privacy aspects are ensured (if applicable, also in relation to voluntary data submission).*

All web services used by the DNA are covered by a security protocol laid down in the documents: WSAA, signed certificates, data encryption, etc.

- *Describe any measure(s) taken to ensure or improve data quality.*

- ✓ Advance submission.
- ✓ Confirmation of the tax identifiers of co-signatories and/or shippers.
- ✓ Confirmation of the identity documents of co-signatories and/or shippers, if they are not taxpayers.

- *Are there new actors and data sources identified (e.g., new reporting obligation introduced in legislation) in relation with e-commerce, and how can they improve the effectiveness and efficiency of risk analysis?*

Nothing in particular has been identified up to the date of this report.

- *Any possibility / incentive for voluntary submission of additional data? What is the basis of such submission (e.g., legislation, MoU, etc.)? What are the main benefits of such extra reporting?*

The main benefit is the speeding-up of procedures.

- *Any possibility for the re-use of data (including data provided by different e-commerce stakeholders)? How is the liability issue tackled in the case of reporting and re-use of data by different actors?*

These data can be re-used by the Under Secretary of State for Taxation (Subsecretaria de Estado de Tributación, SET). The latter is currently focusing on other projects.

4- Risk management

- *New approach or elements introduced to the risk management processes following the implementation.*

- *Describe the main principles and methods used for the risk analysis of e-commerce shipments.*
- *What are the main benefits of the new approach? What were the main gaps/challenges of the old system?*
- *Any differentiation between transport modes?*

These shipments are for air transport only.

- *Describe the approach in detail, to the extent possible, including the use of non-intrusive inspection (NII) technologies.*
- *What are the measures taken to cope with a large number of unknown parties?*
- *Describe how other government agencies and private sector stakeholders are involved in risk management.*

5- Facilitation and simplification

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to make the understanding easy.*
- *What is the scope of simplified processes (e.g., low value shipments, all e-commerce goods, goods subject to prohibitions and restrictions are excluded, etc.).*
- *Is a level playing field ensured in terms of*
 - *economic operators*
 - *transport modes*
 - *others.*
- *Do economic operators need to comply with specific criteria in order to benefit from simplifications and expedited release of goods? Can e-commerce stakeholders (in particular*

e-platforms and marketplaces) take part in AEO programmes? Are there any specific criteria that they have to meet due to their particular business model?

- *Is there any specific trusted trader programme set up for e-commerce stakeholders (in addition to AEO)?*

The DNA is still in the process of AEO implementation.

- *What is the average release time of non-risky e-commerce shipments?*
- *Are there any simplified methods available for the determination of the*
 - *Origin*
 - *Customs value and*
 - *Classification**of the goods? Describe these methods in detail.*
- *Is there any possibility for account-based consolidated reporting and payment of the Customs duties and taxes due in relation to e-commerce goods?*
- *Do you have in place (or plan to establish) a Single Window or any other centralized platform for the Customs clearance of e-commerce shipments?*

The DNA introduced a simplified clearance system by means of DSWEB software developed in-house.

- *Describe the return/refunds procedures in detail.*

Since exporting in Paraguay is not subject to any taxation, no refunds can be made.

6- Partnerships

- *What kind of partnership arrangements have been established with e-commerce stakeholders?*

The TERE System had to be developed to allow courier companies to carry out these exports or imports. With this requirement, the DNA allowed them to register for this type of business.

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to facilitate understanding.*

7- Public awareness, outreach and capacity building

- *Is there a dedicated website available to consumers and private stakeholders, developed by the Customs administration, which collects all the relevant information and regulatory requirements related to cross-border e-commerce?*

The DNA webpage contains all the information foreign trade operators may need. In this particular case, the information can be found at: <https://www.aduana.gov.py/3276-22-remesa-expresa.html>.

- *How do you ensure that e-commerce stakeholders are aware of their responsibilities and obligations related to e-commerce goods?*

DNA legislation also sets the corresponding penalties for non-compliance. To avoid these penalties, however, all the systems are developed with the participation of the same operators, views are exchanged and there is a trial period before mandatory implementation.

- *What other measures are taken or methods used to raise consumers' awareness of the regulatory requirements?*

8- Measurement and Analysis

- *Describe the approach used for the measurement of cross-border e-commerce, including the following main aspects:*
 - *Scope of the statistics*
 - *Dimensions considered in the statistics (e.g., value, quantity, geographic locations, type of goods, etc.)*

- *Are returns also measured? If yes, please describe the approach in detail.*
- *What are the main sources used for drawing up statistics? Is the private sector directly involved in drawing up statistics on cross-border e-commerce goods?*
- *Is there any legislative framework on statistics available in the country?*
- *To what extent is the WCO Data Model considered for statistical purposes?*

The WCO model is currently being implemented in Paraguay and in MERCOSUR. The first action will be in the INDIRA system rather than in simplified clearance procedures.

- *For what purposes are these statistics used?*

9- Technological developments

- *Is there any strategy developed at the national level for the exploration and use of modern technologies?*

Paraguay relies on the Ministry of Information and Communication Technologies (Ministerio de Tecnologías de la Información y Comunicación, MITIC), the state regulator in this field.

- *What are the most relevant technological developments intended to be used in relation to cross-border e-commerce: for what purpose / in which part of the Customs process?*

Implementation of the e-signature in Customs operations: in their declaration by the persons involved, and in the Customs clearance process by Customs officials.

- *Are any pilot schemes and trials already in place or being planned?*

These have been in place since 2017.

- *If such pilots are in place, or certain technological developments are already in use in relation with cross-border e-commerce, what are the main challenges and benefits of their use?*

The main challenge is to incorporate the use of the e-signature of other institutions involved in import and export processes.

The main benefits of the e-signature for Customs processes are legal validity, security and non-repudiation.

10- Timeline, Benefits and Challenges

- *What was the timeline to implement the Standard(s) concerned?*

From the second half of 2014 to the first half of 2015: TERE implementation for imports. This has been mandatory since that time.

From the second half of 2018, TEES implementation for exports. This has been mandatory since that time.

- *Which were the main difficulties or challenges encountered during the implementation process?*

Natural resistance to formalization.

- *What are the key enablers for a successful implementation?*

- ✓ Provision of sound information to those involved.
- ✓ An understanding of the benefits to be obtained from implementation.
- ✓ The technological infrastructure available to the DNA.

- *What are the most important lessons learnt?*

Although the implementation process is gradual, it is rather stressful until it becomes standardized, and then everything goes according to plan.

11- Capacity Building

- *Which instruments and tools of the WCO or other international organizations were considered?*

- *Has any support been received from WCO or other organizations/countries to facilitate the implementation?*

- *Is there any plan to support other countries' implementation based on the experience gained?*

The Paraguayan DNA has provided technical assistance to Bolivian Customs for implementing TERE and TEMA.

12- Compliance and Future Developments (if applicable and/or available)

- *What was the response of stakeholders to the implementation approach?*

They were cooperative.

- *What is the approach to ensure compliance (penalties, education, etc.)?*

Implementation of the legislative frameworks and respective penalties.

- *How is the success of the approach measured?*

- *Next steps (phases, reviews, adjustments, if applicable, other Standards to be implemented)?*

Peru

1- Introduction / General Overview

- *General description of the current practices and approaches to handling cross-border e-commerce shipments*
 - *Trends, relevance of and legislative framework for cross-border e-commerce, supported by statistics (if possible and available), on*
 - *annual number of volumes (shipments) and declarations (if applicable, the proportion of low value shipments)*

Postal Shipments:

About three million mails per year, of which only 20% of them generate a Declaration.

Fast Delivery Shipments: (EER in Spanish)

Eight hundred thousand express consignments per year, of which around 80% generate Declarations.

- *taxes and duties collected from e-commerce goods*
No information is available.

- *average time for clearance of e-commerce goods*

Postal Shipments:

The average time is 4 hours from the transmission of the postal manifest to the release of goods.

Fast Delivery Shipments:

The average time is 6 hours from arrival to release of goods.

- *other important information.*
- *Use of electronic advance data*

Fast Delivery Shipments:

Only for fast delivery shipments, electronic advance data is used through advance clearance.

- *Main issues and challenges that the Customs administration has to face in relation to cross-border e-commerce shipments*

Postal Shipments:

1. Undervaluation of manifested value
2. Partial shipments
3. Inadequate description of goods
4. Incomplete description of the recipient
5. Delay in arrival and delivery of the goods
6. Restricted goods without authorization for entry
7. Estimated arrival times for unforeseen shipments

Fast Delivery Shipments:

1. Undervaluation of the declared value
2. Partial shipments
3. Inadequate description of goods
4. Restricted goods without authorization for entry

2- Planning and Prioritization

- *Which were the main elements/circumstances that triggered the (need for the) implementation of the Framework of Standards?*

Postal Shipments:

1. The Universal Postal Convention
2. Improving the process of entering postal shipments
3. Having a predictable e-commerce
4. Establishing obligations for foreign trade operators

Fast Delivery Shipments:

1. The Peru – Unites States Trade Promotion Agreement
2. Improving the process of entering fast delivery shipments
3. Having a predictable e-commerce
4. Establishing obligations for foreign trade operators

- *Prioritization of Standards:*

- *What aspects have been taken into account in setting up the priority and the roadmap for the implementation?*

Postal Shipments and Fast Delivery Shipments

1. E-commerce predictability
2. Obligations of foreign trade operators
3. Importance and increase in e-commerce
4. Increase in foreign trade

- *Why is this approach / priority considered the most effective for e-commerce goods? For example, it is for providing facilitation and compliance, minimizing risks of undervaluation, preventing revenue losses, enhancing the predictability of delivery times if there is a need to pay duties and taxes, creating comfortable conditions for consumers (buyers) because there is no need to pay duties and taxes directly upon goods arrival, etc.*

Postal Shipments and Fast Delivery Shipments:

1. Provide ease of compliance with current regulations
2. Minimize customs clearance risks
3. Control of deadlines and clearance times
4. Determination of import duties and taxes
5. Determination of advance information for the fast EER's clearance

- *If not all the Standards have been selected for implementation, what was the basis for the selection?*

No standards have been selected for implementation.

- *Is there any phased implementation foreseen?*
None.
- *Use of studies, gap-analysis between 'as-is' and 'to-be' situations and any other analyses made by independent experts.*
None.
- *Were any other government agencies, besides Customs, involved in the planning phase?*
None.

3- Advance Electronic Data

- *Is there any legal framework that requires (or enables) the exchange of electronic advance data? Is there any differentiation between economic operators with similar business activities (e.g., postal operators and express couriers)?*

Fast Delivery Shipments:

For the case of fast delivery shipments only, advance information of the data is used by advance clearance.

There is a difference between express service and postal shipments companies. The ESER (Express Consignment Service Company) is under the framework of the PERU – US Trade Promotion Agreement and the customs and postal shipments under the Universal Postal Convention and the applicable customs legislation.

- *Is there any timeline defined for the submission of data, and if so, what is it?*

Fast Delivery Shipments:

The ESER electronically transmits to SUNAT the data of the EER manifest, in accordance with the structure published on the SUNAT web portal. Such transmission must be made up to two (02) hours before the arrival of the means of transport. In the event that the transport is carried out in a shorter period than the indicated, this information must be transmitted until the time of arrival of the means of transport.

In the advance clearance, the declaration is made within thirty calendar days before the arrival of the means of transport. Goods must arrive in a period no longer than thirty calendar days from the day following the date of declaration numbering.

- *Describe the purposes for which advance electronic data is used (safety & security risk analysis, financial risk analysis, etc.).*

Fast Delivery Shipments:

- Risk management
- Faster customs clearance

- *Describe how data security, protection and privacy aspects are ensured (if applicable, also in relation to voluntary data submission).*

Data security, protection and privacy aspects are ensured through the user code and SQL key that trade operators have to use for registering or sending the data to SUNAT.

- *Describe any measure(s) taken to ensure or improve data quality.*

A new information transmission platform – Customs Clearance System – SDA, is being implemented and is in force for postal mail and EER entry.

- *Are there new actors and data sources identified (e.g., new reporting obligation introduced in legislation) in relation with e-commerce, and how can they improve the effectiveness and efficiency of risk analysis?*

Transmission and recording of information with structures in accordance with WCO. Advance information allowing to manage the risk before the arrival of the cargo.

- *Any possibility / incentive for voluntary submission of additional data? What is the basis of such submission (e.g., legislation, MoU, etc.)? What are the main benefits of such extra reporting?*

No incentive is provided.

- *Any possibility for the re-use of data (including data provided by different e-commerce stakeholders)? How is the liability issue tackled in the case of reporting and re-use of data by different actors?*

Data are reused in addition to declaration numbering, risk management, also to determine restricted and prohibited goods.

4- Risk management

- *New approach or elements introduced to the risk management processes following the implementation.*

- *Describe the main principles and methods used for the risk analysis of e-commerce shipments.*

Multi-Variant Filters - MVF for EER entry.

- *What are the main benefits of the new approach? What were the main gaps/ challenges of the old system?*

Increased predictability and certainty in incident findings.

- *Any differentiation between transport modes?*

Not known.

- *Describe the approach in detail, to the extent possible, including the use of non-intrusive inspection (NII) technologies.*

Non-intrusive inspection is always applied for documents, journals and periodicals in the EER entry.

Non-intrusive inspection is randomly applied for documents, journals, periodicals and low value goods in POSTAL entry.

- *What are the measures taken to cope with a large number of unknown parties?*

Advance risk management, non-intrusive control and physical examination of the goods in EER entry. Postal System does not have in advance risk management.

- *Describe how other government agencies and private sector stakeholders are involved in risk management.*

The ESER participates through the sending of risk indicators in the transmission of the manifest and declaration of goods.

5- Facilitation and simplification

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to make the understanding easy.*

POSTAL CONSIGNMENTS

The process establishes as basic premises the following:

1.- Centralization of clearance ex officio (SUNAT and SERPOST S.A) without the presence of the recipient for the clearance of postal shipments with a FOB value up to US\$ 2 000.00.

2.- Immediate delivery to the recipient by SERPOST S.A. of those postal shipments that have a FOB value of up to US\$200.00. No Customs Declaration is made (except for restricted goods and those established by SUNAT), because approximately 81% of shipments do not exceed the above value, so it is necessary to simplify the processing of these shipments that do not pay import duties and taxes and optimize the control actions for shipments that effectively have to pay duties and taxes.

3.- Paperless clearance, using information from the SUNAT portal.

There are 4 main stages in the process:

1.- Control process of Entry Manifest, concerning the transmission and numbering of the postal manifest at the level of sacks by SERPOST to SUNAT; registration and control of the transfer of postal shipments; control and monitoring of postal shipment; transmission of the postal manifest; data from shipments without requiring DIF (Easy Import Declaration); Reconciliation of postal shipments registered by the customs officer; generation of alerts, as well as actions to regularize postal shipments that are not reconciled.

2.- Process of Registration and Validation of the Easy Import Declaration (DIF), referring to data capture for the generation of the DIF, assignment of the specialist for dealing with the DIF, numbering and dating of the DIF, allocation of single items for the postal shipments, filing the Declaration and Web Service for the electronic notification of SUNAT to SERPOST.

3.- Physical Examination Process, concerning the diligence, rectification and reassessment carried out by the customs officer in the DIF, as well as the associated processes of return and reshipment of postal consignments.

4.- Consultation and report process, the Customs Officer Portal permits the access to the information and traceability of shipments to the customs official, SERPOST and final recipient.

In the case of Fast Delivery Shipments (EER), the process consists of performing the following processes:

I. EER ENTRY PROCESSES

A. EER MANIFEST - ENTRY

1. Manifest numbering
2. Manifest Rectification

3. Incorporation of EER guides into the manifest
4. Consultations and reports on SUNAT web portal
5. Consultations and reports in SUNAT module

B. EER CUSTOMS DESTINATION - ENTRY

1. Declaration numbering from the manifest
 2. Numbering of the Consolidated Declaration
 3. Numbering of the Declaration by individual transmission
 4. Declaration numbering at the window
 5. Declaration Rectification (by electronic transmission or by module)
 6. Assessment of taxes, surcharges and collection
 7. Guarantee in advance or payment of taxes, surcharges and collection
 8. Control channel display - ASSIGN CONTROL CHANNEL
 9. Notification by Declaration Module
 10. Diligence record (with or without incident)
 11. Show release
 12. Customs destination without RUC
 13. Inquiries and reports on SUNAT web portal
 14. Inquiries and reports in SUNAT module
- *What is the scope of simplified processes (e.g., low value shipments, all e-commerce goods, goods subject to prohibitions and restrictions are excluded, etc.).*
POSTAL: The de minimis threshold includes items of correspondence, documents, newspapers or non-commercial periodicals and goods whose FOB value does not exceed US\$ 200.00, per shipment and identified as national subheading 9810.00.00.10. The competent authority to determine postal shipments that qualify as de minimis is SUNAT and national law calls it "direct distribution", which is also responsible for determining the customs value, the correct classification of the goods contained in the postal shipment, managing the risk in customs clearance and tracking the cargo to complete the import process.

EER: About fast-delivery shipments, de minimis threshold covers Category 1 consignments relating to correspondence, documents, newspapers or non-commercial periodicals, and identified by the national subheading 9809.00.00.10 and category 2 whose goods have FOB value not exceeding US\$ 200.00, per shipment, and identified by national subheading 9809.00.00.20. SUNAT is also responsible for determining the customs value, the correct classification of the goods contained in the postal shipment, managing the risk in customs clearance and monitoring the cargo to complete the process of import.

Goods subject to restrictions and prohibitions apply for both EER and POSTAL and the consignee must submit or attach documents from the sector competent for legal entry into the country of the imported good.
- *Is a level playing field ensured in terms of*

- *economic operators*
- *transport modes*
- *others.*

There is a level playing field for both EER and Postal service, under the scope of the general customs law and its rules of procedure, if applicable.

- *Do economic operators need to comply with specific criteria in order to benefit from simplifications and expedited release of goods? Can e-commerce stakeholders (in particular e-platforms and marketplaces) take part in AEO programmes? Are there any specific criteria that they have to meet due to their particular business model?*

The Authorized Economic Operators – AEO are not covered by the POSTAL and EER entry.

- *Is there any specific trusted trader programme set up for e-commerce stakeholders (in addition to AEO)?*

It is not considered to date.

- *What is the average release time of non-risky e-commerce shipments?*

Postal shipments: 1 to 4 days depending on the service provided

EER: up to 48 hours

Under normal circumstances, customs clearance of fast-delivery shipments (EER) to the import for consumption procedure takes place within six (06) hours, calculated after the last of the following events: (a) Presentation of the necessary customs documents, confirmed with the receipt of the electronic transmission of the information; b) Arrival of the shipment, confirmed with the electronic transmission of the tally in detail.

- *Are there any simplified methods available for the determination of the*

- *Origin*
- *Customs value and*
- *Classification*

of the goods? Describe these methods in detail.

There is a simplified method for determining the customs value in the POSTAL process, through the REFERENCE VALUE CHAPTER, approved with RESOLUTION OF NATIONAL INTENDANCY No. 08-2018-SUNAT/310000 of 9.4.2018, which states that in cases of clearance at the importer's choice, the customs value can be determined according to the securities reference card published on the institutional portal.

- *Is there any possibility for account-based consolidated reporting and payment of the Customs duties and taxes due in relation to e-commerce goods?*

There is an electronic system in the POSTAL business that allows to regroup postal shipments to obtain a single declaration from the same recipient for the purpose of cancelling the corresponding duties and taxes.

- *Do you have in place (or plan to establish) a Single Window or any other centralized platform for the Customs clearance of e-commerce shipments?*

It is not planned.

- *Describe the return/refunds procedures in detail.*

The reshipment or return of fast delivery shipments – EER entry occurs when they, being manifested to a third country, are disembarked by mistake, or when there is a change of address of the recipient. The return of shipments occurs when the recipient of the shipment is not located or having been located, the recipient does not accept the shipment and must be returned to origin.

In the case of POSTAL SHIPMENTS, the goods that are deficient or do not correspond to that requested by the importer, as long as it is not delivered to the consignee, may be returned to the country of origin at the request of the consignor or the Postal Company.

6- Safety and Security

- *Is there any IT system in place for safety & security risk management?*
- *Describe the approach applied in detail, including the use of dynamic risk profiling to identify high-risk shipments.*
- *Is there any inter-agency cooperation established with other government agencies?*
- *What is the role of private sector stakeholders in identifying illicit trade channels and high-risk e-commerce goods?*

There is no IT systems in place for safety and security risk management.

7- Revenue collection

- *Refer to the template for revenue collection models.*

No information is available.

8- Partnerships

- *What kind of partnership arrangements have been established with e-commerce stakeholders?*
- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to facilitate understanding.*

There are no agreements and partnerships with the private sector regarding e-commerce.

9- Public awareness, outreach and capacity building

- *Is there a dedicated website available to consumers and private stakeholders, developed by the Customs administration, which collects all the relevant information and regulatory requirements related to cross-border e-commerce?*

Yes, there is a dedicated website available to consumers and private stakeholders for EER and POSTAL - www.sunat.gob.pe. The aforementioned SUNAT web portal collects all the necessary information that the user or recipient of the POSTAL and EER service related to electronic commerce must know, it has to be understood for the customs clearance of the goods.

- *How do you ensure that e-commerce stakeholders are aware of their responsibilities and obligations related to e-commerce goods?*

Through campaigns, events, academic forums and workshops to foreign trade operators, which are communicated and disseminated through the SUNAT portal mentioned above.

- *What other measures are taken or methods used to raise consumers' awareness of the regulatory requirements?*

Advertising campaigns through radio, television and written press.

10- Measurement and Analysis

- *Describe the approach used for the measurement of cross-border e-commerce, including the following main aspects:*
 - *Scope of the statistics*
 - *Dimensions considered in the statistics (e.g., value, quantity, geographic locations, type of goods, etc.)*
- *Are returns also measured? If yes, please describe the approach in detail.*
- *What are the main sources used for drawing up statistics? Is the private sector directly involved in drawing up statistics on cross-border e-commerce goods?*
- *Is there any legislative framework on statistics available in the country?*
- *To what extent is the WCO Data Model considered for statistical purposes?*
- *For what purposes are these statistics used?*

There are no agreements and partnerships with the private sector regarding e-commerce.

11- Technological developments

- *Is there any strategy developed at the national level for the exploration and use of modern technologies?*
- *What are the most relevant technological developments intended to be used in relation to cross-border e-commerce: for what purpose / in which part of the Customs process?*
- *Are there any pilots and trials already in place or under planning?*
- *If such pilots are in place, or certain technological developments are already in use in relation with cross-border e-commerce, what are the main challenges and benefits of their use?*

There are no technological developments implemented at the national level in relation to e-commerce.

12- Timeline, Benefits and Challenges

- *What was the timeline to implement the Standard(s) concerned?*
 - *Which were the main difficulties or challenges encountered during the implementation process?*
 - *What are the key enablers for a successful implementation?*
 - *What are the most important lessons learnt?*
- No timeline.

13- Capacity Building

- *Which instruments and tools of the WCO or other international organizations were considered?*
- *Has any support been received from WCO or other organizations/countries to facilitate the implementation?*
- *Is there any plan to support other countries' implementation based on the experience gained?*

WCO tools and instruments are not known related to e-commerce and capacity building standards.

14- Compliance and Future Developments (if applicable and/or available)

- *What was the response of stakeholders to the implementation approach?*
- *What is the approach to ensure compliance (penalties, education, etc.)?*
- *How is the success of the approach measured?*
- *Next steps (phases, reviews, adjustments, if applicable, other Standards to be implemented)?*

No specific plans for future developments to ensure compliance through established penalties for e-commerce.

15- Additional or Final Comments

- *Any additional or final comments.*
- None.

Serbia

According to the Strategy for the implementation of the WCO Framework of Standards on Cross-Border E-Commerce, there are some issues which can describe the current situation of e-commerce practice in Serbia.

1. Introduction/General Overview

Legal framework - **The Customs Law** ("Official Gazette of the RS ", No. 95/18), which regulates general rules and procedures applicable to goods brought into or out of the customs territory of the Republic of Serbia is adjusted to EU regulations, as well as the **Decree on customs procedures and customs formalities** ("Official Gazette of the Republic of Serbia", No. 39/19), which explains in more details the prescribed procedures.

The Director of the Customs Administration has passed Instructions for implementation of the simplified procedure for express consignments. For the purpose of uniform application of the regulations from the jurisdiction of the Customs Administration and pursuant to Article 519 of the Regulation on the Customs Permitted Treatment of Goods ("Official Gazette of the Republic of Serbia", 93 / 2010,63 / 2013, 145/2014, 95/2015, 44/2016 and 10/2017).

The **Law on trade** ("Official Gazette of the Republic of Serbia", No. 52/19) and the **Law on electronic commerce** ("Official Gazette of the Republic of Serbia", No. 41/09, 95/13, 52/19) regulate the conditions and manner of providing information services, obligations to inform a recipient of the service, a commercial message, rules pertaining to the conclusion of contracts in electronic form, liability of the information service provider, supervision and misdemeanors.

2. Planning and Prioritization

The main elements/circumstances that triggered the implementation of the Framework of Standards are the adoption of the EU standards contained in the Union Customs Code (UCC) and other regulations, which could enable full implementation of the best practices for e-commerce systems development.

In this case, implementation of the simplified procedure for express consignments for the purpose of uniform application of the regulations in line with the best practice in EU countries. It can provide fully efficient customs procedures in e-commerce.

3. Advance Electronic Data

The legal framework that requires the exchange of electronic advance data comprises the **Law on trade** ("Official Gazette of the Republic of Serbia", No. 52/19) and the **Law on electronic commerce** ("Official Gazette of the Republic of Serbia", No. 41/09, 95/13, 52/19). These laws regulate the conditions and manner of providing information services, obligations to inform a recipient of the service, a commercial message, rules pertaining to the conclusion of contracts in electronic form, liability of the information service provider, supervision and misdemeanors.

4. Risk Management

In the risk management processes there are 2 situations - before the delivery of the goods or after entering of the goods in the customs territory.

The operator of the express consignments shall, **before the delivery of the goods**, take over the data from the manifest for the goods declared there for delivery (hereinafter: manifest), classify consignments by groups and propose consignments for control based on the indicators of its own risk analysis system.

The operator shall send the data from the manifest to the Customs Administration's information system, as follows: permits number, type of manifest, consignment identification number, country of dispatch, country of consignor, country of origin (optional), consignee's name, consignee's TIN (optional, except for Group III of consignments when this information is required), personal identification number (optional, except for Group III of consignments when this information is required), commercial description of goods, HS classification number (optional), invoice number (optional), value of goods in currency from the invoice accompanying the goods, value of goods in dinars, number of packages (optional), gross weight (optional), the proposal of the customs clearance group, the proposal for control of the Customs Administration, the date, the number of the transport document, the identity of the means of transport and the type of means of transport (optional). Please note that when it comes to entering information regarding the tariff number of goods in a manifest, the same does not have to be entered if the description of the goods is given, but this information must be entered in the supplementary declaration. Also, if the operator has the information on the tariff number of the goods, he is obliged to enter the same in the manifest, as well as in the consolidated manifest of the received consignment.

The manifest, signed by electronic certificate of the employee of the express consignments operator, shall be sent to the competent customs office.

The Customs Administration shall process data from the manifest electronically. At that point, the Customs Administration's risk analysis is carried out. The customs officer shall examine all the data on the consignments from the manifest in the application for manifest processing, i.e. check which consignments are marked for control and inspection by the operator as well as the consignment marked on the basis of the risk analysis system. At this stage of control of the manifest, redistribution by groups is carried out, if there is a need for this and / or the authorized customs officer can also mark the consignments that were not marked after the risk analysis was carried out.

After reviewing the manifest, the customs officer shall mark the manifest as processed and the information system of the express carrier shall receive the data on the consignments marked for control.

In the other situation, upon delivery of the goods, the operator shall send the cargo manifest to the Customs authority. For consignments that have arrived, and pursuant to Article 520, paragraph

1 of the Regulation on the Customs Permitted Treatment of Goods ("Official Gazette of the Republic of Serbia", 93/2010, 63/2013, 145/2014, 95/2015, 44/2016 and 10/2017) (hereinafter the Regulation), the consolidated manifest of the received consignments shall be submitted in the form of a summary declaration referred to in Article 101, paragraph 1, point 2 of the Customs Law. The consignments designated for control and inspection are physically separated by the operator according to information received in the reviewed manifest by the Customs Administration. Also, at this stage, the manifest shall be supplemented with information on the the consignments that arrived and that were not previously announced and they are automatically marked for control and review.

Upon receipt of consignments, and on the basis of the previous control of the data from the manifest, the consignments referred to in Article 520, paragraph 3, points 1, 2 and 3 for which the manifest is submitted by electronic exchange of information prior to the arrival and which were not marked for control and inspection, are to be released immediately upon delivery.

The consignments referred to in Article 520, paragraph 3, points 1, 2 and 3 of the Regulation, for which the manifest was not submitted by electronic exchange of information prior to arrival, are to be released followed by a note on the manifest.

Consignments that were not designated for control and inspection, immediately upon arrival receive their unique number, and consignments that are assigned to control and inspection shall receive their unique number only after completion of the control and inspection.

Bearing in mind that the consignments referred to in Article 520 paragraph 1, points 1 and 2 are the consignments to which, under the provisions of Article 218 of the Customs Law, no import duties are paid, but they are not exempt from VAT, their discharge in the system will be effected after registration of the payment of the calculated VAT, which the customs officer will enter into the system, and for which the guarantee of the operator will be active until the moment of submission of proof of payment of VAT. If the operator does not submit proof of VAT payment within 7 days from the date of release of the goods for free circulation, the debt will be collected from the guarantee provided.

After the completed control of the consignments designated for control and inspection, in addition to the automatically generated data on the date and time of the start of the inspection, the date and time of the completion of the inspection, the code of customs officer in charge of the inspection; the finding and the results of the review and the new distribution by groups (if the redistribution by group was made by the order of the Customs authority) are entered in the information system of the Customs Administration. In addition to these data, the customs information system also keeps the data forwarded by the operator.

For consignments from Group III, the operator shall be obliged to submit a supplementary declaration in accordance with Article 521, paragraph 6 of the Regulation, within 7 days from the day of acceptance of the manifest, and then an invoice with the calculated amount of duties shall be printed for the operator.

Together with the supplementary declaration, the operator must enclose all the documents specified in section 44 and all the invoices relating to the consignments in question, where the customs officer must place the label "customs cleared" on each invoice or bill of lading, while a unique number / numbers is entered in section 40 (if supplementary declarations for multiple senders are submitted, all unique numbers of all senders shall be entered).

Submission of partial supplementary declarations (for parts of consignments) shall not be possible.

For consignments from Group IV, a regular customs procedure shall be carried out by submitting a declaration with all prescribed documents in a manner and in accordance with the Rulebook on the form, content, method of filing and filling in the declaration and other forms in the customs procedure ("Official Gazette of the Republic of Serbia", no. 7/15, 45/15, 56/15 ... 96/17, 117/2017), where the unique number of the consignment shall be entered in section 40 as mentioned in the previous paragraph.

If by control and inspection of the selected consignments it is determined that the consignment does not belong to the declared group, then the consignment shall be declared for Group IV and a regular customs procedure shall be carried out. If consent, certificate or permit is required for the implementation of the procedure for placing goods for free circulation for a specific consignment, the goods shall be placed in free circulation after obtaining the consent, certificate or permit.

5. Facilitation and simplification

In order to simplify the customs procedure for express consignments, the Customs authority may authorize that some of the commercial or official documents together with the application for putting the goods under the customs procedure replace the declaration, therefore only the legal entities that fulfill prescribed requests could use the mentioned procedure, and for other legal entities a regular customs procedure shall be carried out.

Approach in case of simplifications, according to the legal framework means that at the start of the procedure some requirements must be fulfilled by the applicant as follows:

- to have a registered office in the customs territory of the Republic of Serbia,
- that his primary activity is the express transport and delivery of postal consignments,
- to possess a certificate for a qualified electronic signature,
- that the conditions and criteria are met in accordance with the provisions of Article 27 (except as referred to in paragraph 1, item 3), Articles 28 and 29 of the Regulation,
- to be the holder of the customs warehouse to which only the express consignments shall be delivered,
- to have a comprehensive guarantee,
- to provide adequate measures for the protection of electronic documents,
- to allow customs authorities, at any time, the physical and electronic access to customs documentation and records, for control purposes.

The request shall be submitted to the competent customs office in accordance with the provision of Article 519, paragraph 2 of the Regulation, on the prescribed form. With the same request, the applicant shall also request from the Customs authority the approval of deferred payment of the customs debt in accordance with Article 263 of the Customs Law.

The Applicant shall be obliged to enclose with the request an appropriate guarantee, as a form of security for payment of the customs debt, in accordance with the provisions of Art. 225, 228, and 231 of the Customs Law.

Upon receipt of the request, the customs office shall verify that all the necessary data are included in the request and that all the necessary documents are attached to it. If it finds that the request contains a formal defect that prevents it from acting or if it is incomprehensible or incomplete, the customs office shall, in accordance with the Law on General Administrative Procedure and Article 203 of the Regulation, order the applicant to remedy the deficiencies.

If the request is complete, the customs office shall check the fulfillment of the requirements for the approval of the specific application.

The Customs Office shall make a decision on the request in accordance with the Law on General Administrative Procedure and Article 204, paragraphs 1, 3 and 4 of the Regulation.

The customs office's permit is entered into the information system and submitted to the applicant.

The issued permit must indicate the deadline for submitting the supplementary declaration for the consignments referred to in Article 520, paragraph 3, item 3, or for consignments for which a customs debt may incur and which are not subject to trade policy measures and this is 7 days from the date of acceptance of the manifest in accordance with the provision of Article 521, paragraph 6 of the Regulation.

The permit holder shall be obliged to inform the Customs Office in writing of all circumstances that arise after the approval has been issued, which may affect its modification, amendment or further application.

The permit may be suspended, revoked or amended in accordance with Art. 205 - 208 of the Regulation.

In addition to this simplified procedure for express consignments, it should be noted that almost 80% of express consignments are being distributed within 1 hour from the landing of the plane.

6. Safety and Security

There is an IT system of the Customs Administration of Serbia (ISCS) with fully incorporated risk management system, which could be used for dynamic risk profiling to identify high risk targets, without any inter-agency cooperation established with other government agencies.

If by control and inspection of the selected consignments it is determined that the consignment does not belong to the declared group, then the consignment shall be declared for Group IV and a regular customs procedure shall be carried out. If consent, certificate or permit is required for the implementation of the procedure for placing goods for free circulation for a specific consignment, the goods shall be placed in free circulation after obtaining the consent, certificate or permit.

In Republic of Serbia the biggest challenge is how to gain trust of consumers and in that context important are the mechanisms for protection and prevention in stamping out of the grey economy.

7. Revenue collection

Bearing in mind that the consignments referred to in Article 520, paragraph 1, points 1 and 2 are the consignments to which, under the provisions of Article 218 of the Customs Law, no import duties are paid, but they are not exempt from VAT, their discharge in the system will be effected after registration of the payment of the calculated VAT, which the customs officer will enter into the system, and for which the guarantee of the operator will be active until the moment of submission of proof of payment of VAT. If the operator does not submit proof of VAT payment within 7 days from the date of release of the goods for free circulation, the debt will be collected from the guarantee provided.

It should be noted that the new Law on postal services is about to be enacted and it will regulate the concept of „e-wallets“, „eco-commerce system“, „omnichannel“, „post pack service“. In this context, the National Bank of Serbia has enabled e-wallets.

Also important is to provide flexibility with regard to the methods of payment. One of the problems is the lack of a domestic platform like Amazon, Alibaba, etc.

8. Partnerships

The Customs Administration of the Republic of Serbia, in the light of the growing e-commerce and increasing global security concerns, gives its best to simplify processes and implement operational solutions that e-commerce demands, but to make more in this area, we need improved IT systems and more trained people, because we are at the very beginning of using e-commerce and we are struggling with a lot of challenges, which we are trying to solve in cooperation with other stakeholders (above all Post of Serbia, but it's neither easy nor quick process, as well as other companies like DHL, FedEx, TNT, UPS and others).

9. Public awareness, outreach and capacity building

There is a dedicated web site (www.upravacarina.rs.) available to consumers and to private stakeholders, which is developed by the Customs Administration of Serbia (CAS), which collects all the relevant information and regulatory requirement related to current customs procedures and, among others, to cross-border e-commerce.

In addition, there is a Facebook page. In this way, all interested parties can ask questions and receive answers from different services of CAS.

10. Measurement and Analysis

According to research undertaken by the Ministry of Trade, Tourism, and Telecommunications of the Republic of Serbia, we can say that there are currently 3.18 million e-commerce users in Serbia, who spend \$99.16 USD online annually. Four years from now, an expected 4.15 million online shoppers will spend approximately \$114.36 USD.

Dividing internet usage into age groups gives a better picture of the Serbian e-commerce market – 99% of 16-24 year olds, 95% of 25-34 year-olds and 87% of 35-44 year-olds log on daily. The older generations also log on regularly with 45-54 year-olds and over 55s showing a 75% and 81% daily penetration rate, respectively.

76% of Serbian shoppers like to pay via prepaid card when shopping online.

Internet penetration in Serbia is currently 62.7%, and should reach 67.2% by 2022. Smartphone penetration is a little less (47.9%), but is projected to grow to 53.8% in the next four years.

89% of online shoppers in Serbia buy via desktop, a stark contrast to the amount of smartphone (4%) and tablet (1%) shoppers.

11. Technological development

In our case there are developed Business and IT Strategy of CAS, dealing, among the others, with the exploration and use of modern technologies.

12. Timeline, Benefits and Challenges

The Customs Administration of the Republic of Serbia, in the light of growing e-commerce and increasing global security concerns, gives its best to simplify processes and implement operational solutions that e-commerce demands, but to make more in this area, we need improved IT systems and more trained people, because we are at the very beginning of using e-commerce and we are struggling with a lot of challenges, which we are trying to solve in cooperation with other stakeholders. The biggest challenge is how to gain trust of consumers and in that context important are the mechanisms for protection and prevention in stamping out of grey economy.

Also important is to provide flexibility of methods of payment. One of the problems is the lack of a domestic platform like Amazon, Alibaba, etc.

Thailand

1. Introduction/General Overview

Currently, Thailand does not have a special procedure to handle cross-border e-commerce shipments. Express Consignment Customs Procedure and Postal Customs Procedure are still the procedures that apply to e-commerce shipments.

However, Thai Customs is developing a new customs procedure for e-commerce shipments that are shipped into a Customs Free Zone. This special procedure will be applied to e-commerce platform providers who come to invest in an e-commerce Free Zone area and registered with Thai Government. With this special procedure, platform owners will gain a benefit of a 2-year import duty exemption privilege for the goods stored in a Free Zone and 14 days deferred payment of import duty for goods imported from a Free Zone into the country.

The regulation concerning this special procedure will be finalized and announced soon. There should be a pilot operation in the first quarter of the year 2020. Therefore, the case study can only provide details of Thai Customs Department current methods/procedures used for e-commerce shipments.

Express consignment import Volume Statistics (Shipments);
Fiscal year¹ 2017 ~ 7.7 Million
Fiscal year 2018 ~ 12 Million
Fiscal year 2019 ~ 12 Million (Only first half of the fiscal year)

Generally, the goods will be cleared from customs custody almost immediately after the goods arrived. However, some goods that hit the profile will be examined and released within 30 minutes.

For express consignment, operators are required to submit pre-arrival manifest to customs computer system within 2 hours, before the goods arrive and customs officer has to return electronic data back to the operator within 1 hour to notify them about shipments that require to be examined by customs.

There are 2 main challenges we have faced;

1. A limited number of customs officers and a limited time for customs officers to look through manifests as a second layer of risk management (despite the selection from the set profiles).

2. A limited number of customs officers and limited time for customs officers to examine large amount of import and export goods.

¹ Thailand Fiscal Year is from 1 October – 30 September

2. Planning and Prioritization

No information.

3. Advance Electronic Data

For express consignment, express consignment operators are required to submit advance electronic data to the customs electronic systems at least 2 hours before the goods arrive / 1 hour before the goods are exported. However, for postal shipment, currently we still do not require the advance electronic data due to the lack of readiness on the part of the world postal systems.

4. Risk Management

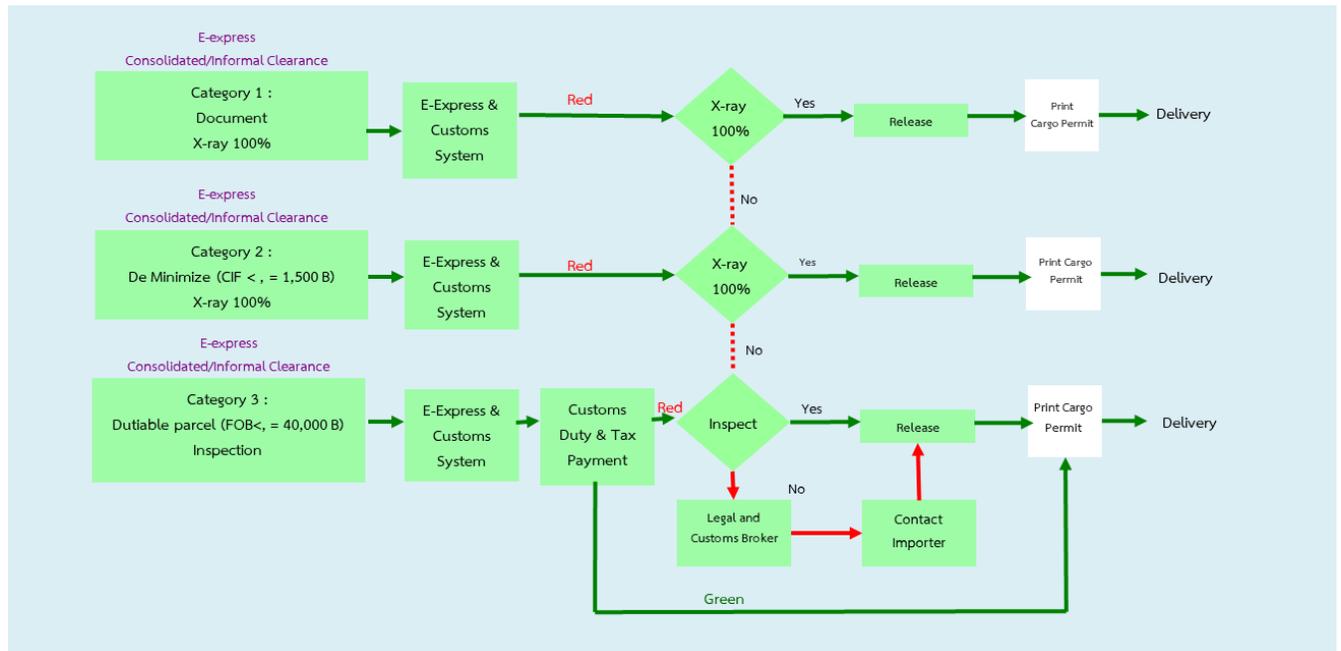
Since there is no new customs procedure developed for cross-border e-commerce shipment now, express consignment risk management system and postal risk management system are being used.

For Thailand, customs has two main objectives which are social protection and revenue collection. Therefore, these two objectives have been used for doing risk management and profiling.

5. Facilitation and simplification

- Customs Procedure for Express Consignments

Restricted or prohibited goods are not allowed to use this procedure.



The importers who imports goods into Thailand via a Registered Express Courier Operator are able to do The Customs Express Importation Procedure. Under this special customs procedure, the goods are categorized into 3 categories as follows:

Category 1: Non-dutiable Documents: This category comprises documents which are not subjected to duties and taxes under Part II of the Customs Tariff Decree B.E. 2530. Any items that are prohibited or restricted are not included.

Category 2: Non-dutiable Consignments: This category comprises:

- Consignments not subjected to duties and taxes under Part II of the Customs Tariff Decree B.E. 2530. Any items that are prohibited or restricted are not included.

- Consignments whose CIF value does not exceed 1,500 baht and which are exempted from applicable taxes and duties under Part IV, Heading 12 of the Customs Tariff Decree B.E. 2530. Any items that are prohibited or restricted are not included.

- Trade samples of no commercial value which are exempted from applicable taxes and duties under Part IV, Heading 14 of the Customs Tariff Decree B.E. 2530. Any items that are prohibited or restricted are not included.

Category 3: Dutiable consignments imported through a Customs airport, of which FOB value according to their Air Waybills does not exceed 40,000 baht. Prohibited or restricted goods and goods requiring sample analysis are not included.

The Customs Express Importation Procedure requires Express Couriers to submit advance electronic data into the customs electronic system, at least 2 hour prior to the arrival of the aircraft, for the purpose of risk management and to facilitate the importation.

The Customs procedure for goods arriving in Thailand by post

The goods arriving in Thailand by post are classified into three types:

Category 1 Goods exempted from duty, which is goods imported by post and has Custom value, including freight and insurance charges, of no more than 1,500 baht or samples with no commercial value, which will be used for exhibition only and are not prohibited or restricted goods. For this category of goods, they will be handed over to Thailand Post Co., Ltd. to distribute to recipients.

Category 2 Goods liable for duty, which are goods imported by international post. This type of goods is sent from a sender/consignor to a recipient/consignee at the same time, with its FOB value not exceeding 40,000 baht, regardless of number of packages. The goods under this category must not be prohibited or restricted goods, or goods requiring sample analysis before release. For this type of goods, Customs officers calculate the Customs value as well as duty and taxes before handing it to Thailand Post Co., Ltd., which is responsible for distributing the goods to the recipient and collecting duty and taxes on behalf of the Thai Customs Department. In this case, the recipient will receive a notification instructing how and where to collect the goods and pay for such duty and taxes.

The recipients/consignees wishing to object to Customs valuation or request duty and tax exemption are required to follow the steps below:

- The consignee completes and submits a Request Form (available at post offices and www.postalcustoms.com) along with the notification and relevant documents such as evidences for purchase and receipts to the designated post office. Duty and tax payment is not required at this stage.
- The post office hands over the parcel and all documents received to Customs.
- The Customs Service Division responsible for post informs the relevant post office of the result of consideration so that it could inform the consignee accordingly. The consignee may decide on one of the following options:
 - o Be informed of the result by Thailand Post and pick up the goods at the post office indicated in the notification;
 - o Request to be informed of the result and pick up the goods at Parcel Screening and Examination Sub-division, Postal Customs Service Division.

Category 3 Other goods not classified under Category 1 and Category 2. This type of goods is handed over to be stored at Thailand Post Co., Ltd. or Customs Bureau/Customs House, depending on each case. The consignee will receive a notification instructing him/her to pick up the goods/make payment of duty and taxes at Postal Customs Service Division or a designated Customs Bureau/Customs House.

Customs Formalities for the goods under Category 3 can be classified into 2 types:

- Goods whose FOB value is above 40,000 baht: The consignee has to prepare and submit import declaration electronically to the Thai Customs Electronic System. The goods, regardless of its total number of packages, which are sent from a sender to a recipient or

arrive at the same time, and have total FOB value exceeding 40,000 baht, require import declaration submission.

- Goods whose FOB value is less than 40,000 baht: The consignee is not required to prepare and submit import declaration electronically. Customs will calculate Customs value as well as duty and taxes at the same Customs office.

6. Safety and Security

Thai customs department have its own risk profiling system. However, to do risk management and risk profiling, we have cooperation with other government agencies to give us information about illegal shipments, where the Customs Intelligence Center (CIC) acts as inter-agency cooperator. We have a 2-layer risk management system. First layer is central profiling system, which is controlled and operated by Customs Intelligence Center (CIC) and local risk profiling system, which is controlled and operated by local customs.

7. Revenue collection

Two approaches exist for the collection of revenue from taxes and duties in Thailand:

1. Buyer/consumer-based collection: This collection approach is used for Postal Shipments which buyers/consumers are responsible for the tax themselves. Customs will calculate taxes and hand the goods over to Thailand Post to collect all the taxes for customs. (the process is already describe in “Facilitation and simplification” section.)

2. Intermediary-based collection: This collection approach is used for Express Consignment and e-commerce goods imported into the Free Zone by e-commerce platform provider.

For express consignment, Express Consignment Operators have a responsibility to pay taxes to the Customs in advance as soon as the goods arrive and they will collect the taxes paid from the recipient/consignee later. This approach helps Express Consignment Operators expedite their shipments effectively. They can take the goods out of customs custody and deliver them to their customers right away as soon as the goods arrive.

For e-commerce goods imported into a Free Zone by e-commerce platform providers, e-commerce platform providers have a responsibility to pay taxes to the Customs for buyers/consumers who reside in Thailand as soon as the goods are brought out of the Free Zone into Thailand.

De-Minimis threshold

The de-minimis threshold for goods, whether commercial goods or not, is CIF 1,500 Baht (approximately 45 USD). All kind of imported goods the value of which is equal or under CIF 1,500 Baht will be exempted from taxes and duty.

Legal Framework

- Royal Ordinance concerning the Customs Tariff Code and Rate B.E.2530
- The Revenue Code

- Excise Act B.E.2560

8. Partnerships

In the present time, Thai Customs Department have not officially established partnerships with any e-commerce stakeholders.

9. Public awareness, outreach and capacity building

We provide all relevant information and regulatory requirements related to cross border e-commerce on our official website: www.customs.go.th. Moreover, we also have a regulation that e-commerce shippers and e-commerce platform operator in Free Zone need to be tested every year to make sure that they operate in good manner and follow all the required regulations.

10. Measurement and Analysis

- We measure the import and export shipments that are mainly considered on the basis of value. We have considered that goods of value not exceeding CIF 1,500 Baht are e-commerce goods and we do not measure the return shipment.

- For measurement, the main sources of the information are from the private stakeholders. They will send all relevant information on each shipment to Thai Customs Electronic System directly.

- The purposes for measurement are to use the data mainly for risk management and to forecast the work load management purposes.

11. Technological developments

In relation to cross-border e-commerce, Artificial Intelligence (AI) technology is in our interest for the development of customs procedure to use with e-commerce shipments. We intend to use it with X-Ray technology and in our risk profiling system in the future.

12. Timeline, Benefits and Challenges

Since we do not have specific procedure for all type of cross-border e-commerce shipments, we still do not have timeline for the implementation of the Standards. However, in accordance with the Standards, we are trying to improve our existing customs procedures and developing a new procedure for cross-border e-commerce shipments.

Section II - Revenue Collection Approaches

Argentina

Introduction / General Overview and background

Argentina is currently using a Buyer/Consumer based collection approach for the Postal Regime, in which the Consumer pays electronically (taxes if applicable and postal service handling fee) once the declaration is submitted in the postal service website.

The money, although it is funnelled through an external website, goes directly to a Customs account, from where the postal fee is derived to a postal service account.

For the courier service, the intermediary approach is applied. Here, once the declaration is submitted (by the courier), taxes are paid and sent to a Customs account and only afterwards the courier “recollects” them from the consumer.

As these approaches were developed not for specific e-commerce processes or transactions, experience has shown that both of them were not suitable for the application in question. Although they have good use for many other situations, the need to establish a mechanism in which Customs can collect taxes at the point of sale is clear.

The experience has shown that the more we delay the taxes collection in the supply chain, the more problems we have. In that aspect, the main challenge is to understand these mechanisms and how to address a critical mass of sellers and marketplaces.

As it was mentioned in the case study on the implementation of the WCO E-Commerce Framework of Standards, Argentina currently lacks a regulatory framework for E-Commerce. This applies not only to international trade, but also at a domestic level.

In relation to the revenue collection aspect, general rules for Postal and Courier Regimes are applied, independently of the goods’ origin, and it is important to understand that specific revenue related topics are legislated by other organisms. Customs acts only as a facilitator for reaching the target.

As an example, De Minimis threshold (VAT + Import Tariff), can only be changed by a decree and it currently only applies to non-commercial goods that enter through the postal service. Till April 2019, the threshold was one USD 25 parcel per year. The release of a new regulation changed it to twelve USD 50 parcels per year.

With this in mind, the input that this administration can offer, given the experience working with the approaches mentioned, is to aim towards collecting taxes at the point of sale.

Description of the process

The declaration and payment process, from the consumer point of view, can be described as follows:

- 1) Declaration of the "Tracking Number".
 - a. A short description of the items included in the CN22/3 is shown to the User so it is easier to submit the declaration.
 - b. User must declare I) Category II) Description III) Quantity IV) Unit value V) Shipping value.

Ingresá el código de seguimiento para hacer un Aviso de Compra o Gestionar tus envíos ?

No soy un robot 
reCAPTCHA
Privacidad - Condiciones

Buscar

Mis envíos

Código de Seguimiento	Estado	
RF722365608SG 07/08/19	●	Pieza Entregada ▼
RP673791757CN 22/08/19	●	Listo Para Declarar ▼

Consumer dashboard

Portal de Envíos Internacionales

Declarar tu encomienda

Código de seguimiento RP673791757CN

Dirección	Provincia	Localidad	C.P.	Contenido
JULIO BOCA 771 PISO 7 DEPARTAMENTO 03 0	CAPITAL FEDERAL	CIUDAD AUTONOMA BUENOS AIRES	1067	3 USE Cable

Tu envío fue clasificado para ser entregado a domicilio.

+ Agregar item

Item 1

Rubro Descripción

- Accesorios para vestir (relojes, anteojos, carteras, etc.)
- Artículos de deporte y recreación
- Coleccionables, Juegos y Juguetes
- Cosmética y Perfumería
- Electrodomesticos y Artículos para el hogar
- Electronica, Audio y Video
- Indumentaria
- Instrumentos musicales
- Medicamentos con receta medica
- Obras de arte Ley 24.633
- Repuestos

SD Total 0,00

0 USD

Cantidad total de items: 1
Total: USD 0,00.-

Cancelar Siguiente

Declaration form

2) Settlement: a calculation of taxes and handling fee is shown to the consumer.

Portal de Envíos Internacionales

Registra Declarar Paga

1 2 3

Importe a pagar

Código de seguimiento RP673791757CN

Tasa de Gestión de Correo	\$ 140,00.-
Derechos de Importación	\$ 0,00.-
IVA 21%	\$ 0,00.-
Total:	\$ 140,00.-

Pagar

Note: in this case, goods were cleared within De Minimis.

3) Payment: the User can choose to pay via I) Credit card II) Online banking.

Podés pagar con Tarjeta de Crédito:



O generar un Volante Electrónico de Pago (VEP)
Para generar el VEP, seleccioná una entidad de pago:









Número de tarjeta

Nombre

Vencimiento

Código de Seguridad

Pagar \$ 140,00



Postal/Consumer – Customs flow

Benefits, challenges and lessons learned.

Despite the need to implement a better approach for E-Commerce, and taking in consideration the quality of the information available (undervaluation and incorrect declaration issues), having a fixed tax for parcels above De Minimis threshold avoids many of the hassles that today cannot be addressed.

If anything this administration has learned and taken knowledge from the last years, is that in order to receive good information and in consequence to improve risk management processes and revenue collection results for E-Commerce, a direct channel between the point of sale and Customs must be created, and it is the duty and challenge of these administrations to readjust processes in order to be able to handle small packages efficiently.

In the same line of thoughts, several changes have been made in the Postal Regime in order to simplify the process, improving considerably the payment rate and time between the submission of the declaration and final payment.

Statistics

Year	Courier (Pequeños envíos)				Postal (Envíos Postales Internacionales)		
	Value declared	Users	Operators	Operations	Value declared	Users	Operations
2017	25.206.495	91.145	22	135.042	57.950.000	593.734	1.483.999
2018	16.271.333	78.526	29	106.582	32.460.000	450.219	1.093.290
2019 YTD	14.013.473	54.395	34	70.543	29.890.000	480.791	1.107.239

Australia

Low Value Imported Goods²

1. Introduction / General Overview

General description of the model

Australia legislated and implemented a Vendor Collection Model to collect Goods and Services Tax (GST) on low value imported goods from 1 July 2018. This model was chosen as it was expected to improve tax neutrality between imported and domestically retailed low value goods, and because it was expected to have minimal impact on consumers importing goods³. The Vendor Collection Model places the onus on overseas sellers to apply, collect and remit GST. This model has low administration costs but ensuring compliance can be difficult with businesses operating in foreign jurisdictions.

Australia also considered alternatives to the vendor collection model for low value imported goods, but subsequently dismissed these. The Australian Government's independent research and advisory body, the Productivity Commission, agreed that the Vendor Collection Model was the most appropriate for the Australian environment. The model was adapted from how GST has been collected on offshore supplies of services and digital products to Australian consumers. This model requires overseas sellers, online marketplaces and redeliverers to charge, collect and remit GST on low value imported good sales made to Australian consumers. As a tax initiative, the Australian Taxation Office (ATO) manages this measure.

The Australian model does not charge GST at the point of importation, however it applies GST at the point of sale on all low value imported goods (excluding alcohol and tobacco products). Alcohol and tobacco products are dealt with separately and are not referenced in this case study.

Some businesses are exempt from charging GST on low value goods. When the:

- business sells less than AUD 75,000 worth of taxable supplies (including low value goods) to Australian consumers per year;
- overseas business only makes business to business sales; and
- business is registered, they will not have to charge GST on their business sales if the purchaser provides their Australian Business Number (ABN) and notification of their GST registration.

² Low Value Imported Goods referred to as imported goods with a value of AUD 1,000 or less

³ Collection models for GST on Low Value Imported Goods, Productivity Commission Inquiry Report No 86, 2017, Page 13

Alternate Collection Models

Australia investigated alternates to the legislated model. These models included:

- **Transporter-based collection model** whereby the delivery agent collects the GST from the importer and remits the GST. This model places the liability for assessment and collection of GST on entities. With the delivery agents operating within Australia's legal jurisdiction rather than overseas, and the likelihood of compliance and collection rates being higher than through the legislated model, the administrative cost and compliance burden did not result in this being a feasible model.
- **Traditional or border collection model** is currently used within Australia to collect GST, customs duties and other indirect taxes on imports valued above AUD 1,000. The practicality of applying the same collection model on low valued imported goods would result in administrative and compliance costs significantly outweighing the revenue collected.
- **Financial intermediary collection model** would place the legal liability for GST collection on entities within Australia's jurisdiction. Current payment systems do not collect sufficient information to assess a GST liability.

Australia's Productivity Commission concluded that the vendor collection model was the most appropriate model to collect GST for Australian conditions.

Statistics

Statistics are not available for this measure, noting GST on low value imported goods was introduced in Australia on 1 July 2018.

Legal Framework

GST is a component of Australian tax law administered and managed by the Australian Department of the Treasury, and the ATO. The legislation that authorises the application of GST to low value goods is the *A New Tax System (Goods and Services Tax) Act 1999*.

From 1 July 2018, Australian law requires GST to be paid on most low value imported goods that are purchased by Australian consumers from overseas sellers. The law also requires overseas sellers to charge and collect GST on low value good sales made to Australian consumers, and remit this GST to the ATO.

De Minimis Threshold

Australia has reduced the GST threshold to zero, however the De Minimis threshold at the border remains at AUD 1,000 for all other purposes. At the time of this study, there is no plan to adjust the De Minimis threshold for Australia.

2. Background

Low value goods imported into Australia were, until July 2018, exempt from GST. This created concerns about a 'competitive disadvantage for Australian retailers, impaired tax neutrality and led to a loss of revenue'⁴.

To restore balance, the Australian Government conducted extensive research into applying GST more consistently and considered how GST could be collected on low value good imports. The Australian Parliament subsequently passed legislation that extended the GST on low value imported goods sold to Australian consumers from 1 July 2018.

The Productivity Commission examined in 2011 whether the border collection model already in place should be extended to low value imported goods. The Commission concluded that the collection costs would far outweigh any benefits. There was a recommendation that in principle all goods, purchased domestically or imported, should be treated the same, with further investigation to be undertaken on cost-effectiveness of levying GST on these low value imported goods.

3. Description of the process

Australia's Vendor Collection Model places the onus for collecting GST on the supplier of the goods. Figure 1 outlines this process while Figure 2 depicts the GST collection process for low value goods.

Figure 1: Australia's Vendor Collection Model

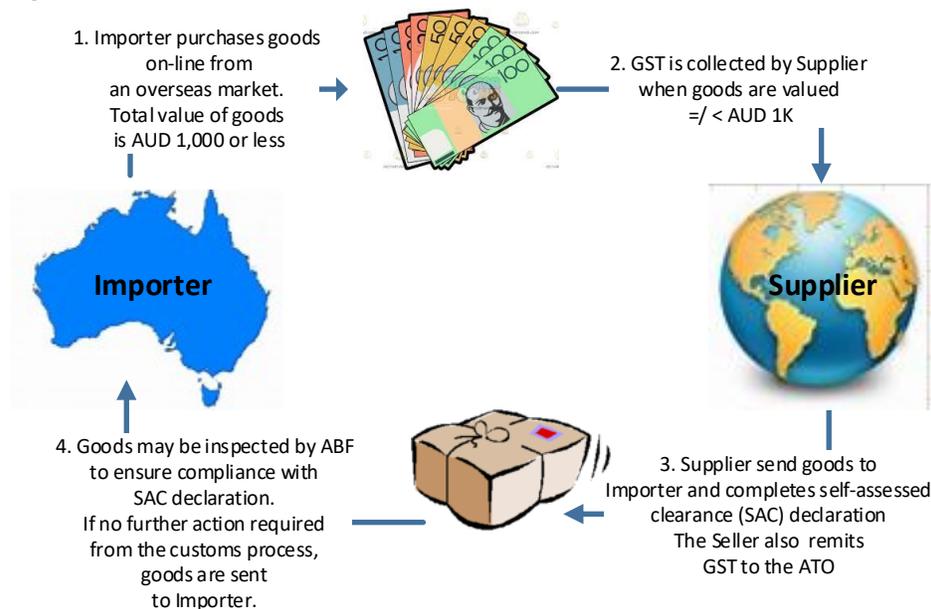
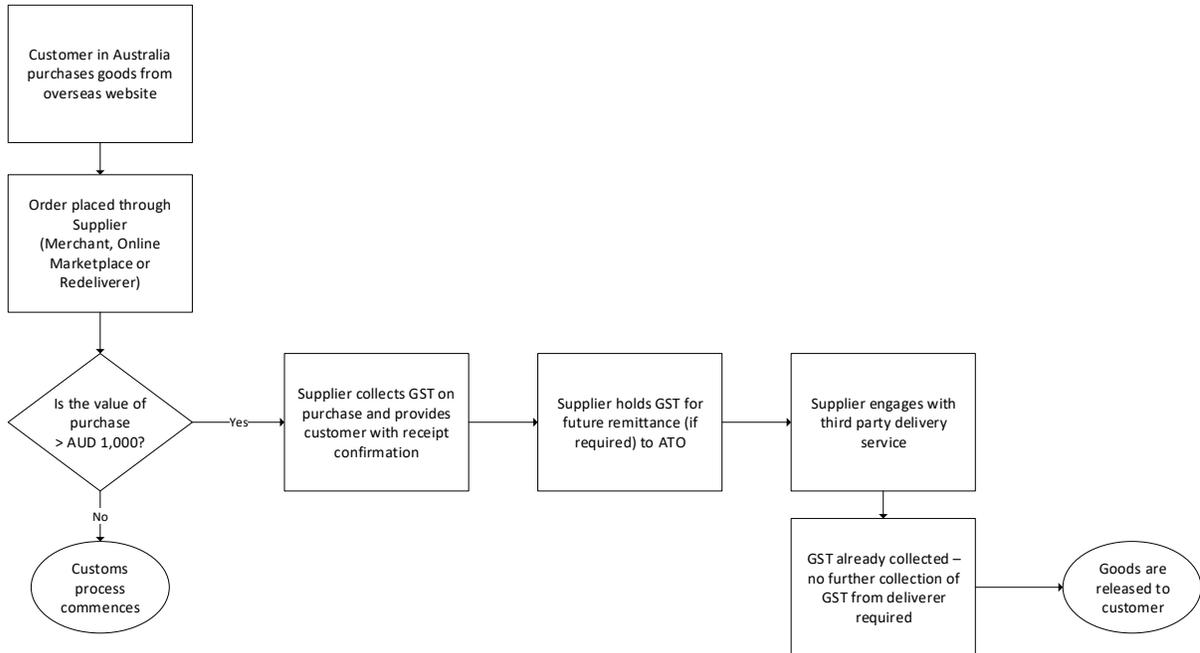


Figure 2: GST Collection Point for low value goods

⁴ Collection models for GST on Low value Imported Goods, Productivity Commission Inquiry Report No 86, 2017, page 17



4. Benefits and Challenges of the Legislated Model

Benefits of the Legislated Model include:

- collecting GST at the point of sale rather than at the border avoids trade flow disruptions, minimising compliance and administration costs;
- allows border agencies and transporters to focus on protecting the border and delivering consignments; and
- domestic businesses benefit from a level playing field.

Challenges of the Legislated Model include:

- operators have had to make changes to collect additional GST information to identify registered GST suppliers; and
- education of overseas vendors on application, collection and remittance of GST applied to goods.

5. Compliance and Future Developments

This reform was subject to two Government reviews: one by the Australian Senate's Economics Legislation Committee and one, following passage of the law, by Australia's Productivity Commission:

- Public review by the Senate Economics Legislation Committee held public hearings and received 34 submissions, including from key marketplaces opposed to the reform. The Committee recommended the bill be passed.
- The Productivity Commission undertook a further review of the model in 2017. The final report considered a number of potential GST collection models as outlined above. The

report is available at: <https://www.pc.gov.au/inquiries/completed/collection-models/report/collection-models.pdf>

All major platforms and suppliers have registered and are complying with GST requirements for collection and remittance.

Client engagement

To implement a change that affected global entities doing business with customers in Australia required new thinking; the ATO partnered with global accounting firms, transporters, customs brokers and peak bodies. Although the low value goods changes do not require them to collect GST, their position in the supply chain means that they have extensive and trusted relationships with businesses that use their services on a daily basis. The ATO co-hosted a number of webinars for offshore businesses, including a Chinese language presentation with more than 2,000 attendees.

Outline of the ATO compliance approach

The ATO compliance approach embraced the following principles:

- identifying potential GST collectors (including those that do not or only partly sell through online marketplaces) based on third party financial data and customs data, and engaging directly with them;
- developing guidelines to assist understanding of the operation of the new law;
- promoting the simplified registration system for non-residents;
- delivering a comprehensive communications strategy including targeted mail-outs, dedicated web-pages (including in Chinese), international public relations (through an external partner) and direct face-to-face international engagements with business, advisors and transporters;
- providing a moratorium on penalties and interest charges in the first 12 months of operation of the law; and
- implementing a compliance strategy that allows a tax assessment to be made on a reasonable basis (supported by third party transactional data sources and using exchange of information instruments in Tax Treaties).

Summary of compliance actions that can be taken

To ensure compliance, the ATO may:

- identify overseas vendors and the value of their supplies by matching data obtained from the Department of Home Affairs/Australian Border Force with data from other sources;
- register non-resident businesses and issue default assessments;
- use Australia's international treaties to exchange information and to seek assistance recovering tax debts; and
- exercise other legal options to stop payments leaving Australia.

Further detail about the ATO compliance approach is available at www.ato.gov.au.

6. Additional or Final Comments

The collection of GST on low value imported goods is still in its infancy.

As highlighted in the Productivity Commission Inquiry Report, another comprehensive review of the legislated model is due to be undertaken in 2023, which will consider:

- the performance of the legislated model;
- compliance rates, and if unsustainable, how to improve them; and
- whether or not an alternate collection model, taking into account technological advances and policy developments, may result in a greater benefit to the Commonwealth.

Brazil

1. INTRODUCTION

1.1. General overview of Brazil and Brazilian Customs

Brazil is a country covering an area of 8.5 million km², almost half the size of South America. It is a federation made up of 26 States, the Federal District and 5,570 municipalities. It has a population of over 208 million people who speak Portuguese as the country's official language.⁵

Brazil's economy has a nominal gross domestic product (GDP) of US\$ 1.93 trillion, based on data from the International Monetary Fund (IMF) from October 2018, and is ranked as the 9th largest economy in the world.⁶

The Secretariat of the Federal Revenue of Brazil (RFB) is the Federal Government agency responsible for Customs and domestic tax collection. Revenue collection for E-Commerce represents less than 0.5% of all taxes collected in Brazil and one of the main objectives in this respect, as for other Customs duties and taxes, is to regulate, control and promote trade and development.

Since October 2017, controls on inbound E-Commerce shipments have been carried out in full by a Customs Electronic Declaration System called "Siscomex Remessa" which, among other functions, automatically calculates Customs duties. The same system is used both for the postal operator and express carriers, and the clearance procedure is based on risk management through a risk assessment interface.

Annex A sets out Brazil's annual statistics for E-Commerce goods, sent as express and postal parcels, dating back to 2013.

1.2. Brazil's Revenue Collection Approach

Brazil has decided to adopt an intermediary-based approach, whereby revenue collection and remittance of duties and taxes are carried out on behalf of consumers/importers by express carriers and the postal operator after the goods arrive in Brazil. These companies are then responsible for charging importers/buyers the correct amount of duties and other costs.

⁵ Information about Brazil, obtained on 15 January 2019 from:
<https://cidades.ibge.gov.br/brasil/panorama>

⁶ World Economic Outlook, October 2018, IMF Data Mapper, GDP, current prices, billions of U.S. dollars, obtained on 15 January 2019 from:
<https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEO/JPN/FRA>

These intermediaries are required to transfer these funds to a pre-defined Government account on a regular basis, with these transfers being checked by the Siscomex Remessa Customs Electronic Declaration System. Customs performs random auditing to ensure sound and correct transfer of funds to its account. It is worth noting that in 2019, Customs is working towards implementing an automatic debit system with these intermediaries; this will provide a more reliable and transparent transfer system without the need for intensive audits.

1.2.1. The intermediaries: Express Carriers and Postal Operator

Express carriers

In order to operate as an express carrier in Brazil, companies need to complete a registration process that includes verification of compliance with Customs requirements and a physical examination of companies' business premises. Following successful completion of this process, authorization is granted by Customs for this specific purpose and for a certain period.

There are two types of authorization: regular and special. With respect to revenue collection, the main difference lies in the timeframe during which the carrier must remit duties/taxes to the Customs Administration:

- Regular authorization: regular express carriers must first collect and remit duties/taxes to the Government account, and only then will Customs clear the parcel and authorize delivery.
- Special authorization: in order to receive special authorization, a company needs to have its own warehouse and be an Authorized Economic Operator (AEO)-certified company. Special express carriers must collect and remit duties/taxes to the Government account within 21 days of pre-clearance by Customs. Parcels receive authorization for delivery after Customs pre-clearance.

Postal operator

Brazil has only one postal operator (Correios) working within the framework of the Universal Postal Union (UPU). Correios is owned and managed by the Federal Government, having been established and regulated by federal law and decrees. With respect to revenue collection, the postal operator works as a special authorized express carrier.

2. LEGAL FRAMEWORK SUPPORTING REVENUE COLLECTION FOR E-COMMERCE

2.1. Background

Since 1966, national legislation on import tax (Articles 31, 32 and 61 of Decreto-lei No. 37 of 18 November 1966) states that the taxpayer is the recipient of an international postal consignment as indicated by the sender and that, in some cases, the transporter and the Customs bonded warehouse are also responsible for payment of the tax. It also states that rules applied to import tax as defined in the legislation may be used for international postal consignments under Customs control, if applicable.

Accordingly, building on the traditional way of controlling imports, and with the understanding that the postal operator and express carriers act like Customs bonded warehouses, transporters and Customs brokers in Brazil, one can conclude that they are, by law, responsible for payment of the applicable duties and taxes. In a country as big as Brazil, with a population of over 208 million, it is easier for Customs to have fewer actors to deal with. This means that Customs interacts with representatives of the postal operator and express carriers, who interact with the recipients, buyers and importers.

Nowadays, the postal operator has its own automated system that is used to identify and contact consumers/importers and interact with them when goods are submitted for inspection; it also serves as a payment platform to collect taxes and duties. As for express operators that run their own systems, they have their own practices for contacting consumers/importers and collecting taxes and duties, as necessary.

2.2. Legal framework

In Brazil, the "Simplified Duty Regime" (Regime de Tributação Simplificada - RTS) used for postal and express parcels was instituted by a 1980 Law (Decreto-Lei No. 1.804/1980), and an Ordinance of the Ministry of Finance (Portaria MF No. 156/1999 currently in force) regulates the Import Duty Flat Rate, and places some limits and conditions on application of the Simplified Duty Regime. The main goal of this Regime is to simplify the taxation and clearance process for those who wish to pay a higher import tariff rate, in exchange for a faster and much easier clearance process. It is important to mention that goods cleared under the "Simplified Duty Regime" are exempt of paying IPI, the term for "Imposto Sobre Produtos Industrializados", similar to Excise Tax.

The import tariff rate is set at 60% for any product imported through postal and express parcel services, irrespective of the Harmonized System (HS) classification of the goods (as opposed to traditional cargo importations under which each separate HS classification results in a different tariff rate), with tobacco and alcoholic beverages being the exceptions to this rule. The Ministry of Finance issued an ordinance on this tariff rate in 1995 and it has remained unchanged since then.

A Law and a Presidential Decree regulate the postal service in Brazil (Lei No. 6.538/1978 and Decreto No. 1.789/1996), under the UPU Agreement.

The Customs Code is a Presidential Decree (Decreto No. 6.759/2009) based on a Law (Decreto-Lei No. 37/1966) and it consolidates Customs control procedures, including those for postal and express parcels, at a higher level.

A Customs Normative Ruling (Instrução Normativa No. 1.737/2017) is the main, specific and most recent act to regulate the Law and the Ministerial Ordinance, with the procedures being applied to the intermediaries, i.e. both the postal operator and express carriers. This Normative Ruling determines the use of the Siscomex Remessa system for import declarations and how and when duties are collected and remitted. It also covers other procedures regarding the use of the Simplified Duty Regime, including export procedures and limits.

From a more operational and frontline perspective, Customs Ordinances describe in detail the operational procedures that intermediaries, consumers/importers and Customs must follow as part of the day-to-day processes (Portaria Coana No. 81/2017 for express carriers, and Portaria Coana No. 82/2017 for the postal operator).

In addition to Customs import duties, a consumption tax called ICMS (the Brazilian equivalent of VAT) is payable to the destination State for all products imported into Brazil. The procedure for collection and remittance by intermediaries to the State Tax Offices is similar to that for Customs duties, though it is not governed by the Customs System. It is implemented through an Agreement between the intermediaries and the States, with electronic information sent to the States' own systems. The Agreement was recently reviewed and issued in July 2018 (Convênio ICMS No. 60/2018), in harmonization with the Customs Normative Ruling (Instrução Normativa No. 1.737/2017).

The legislation is in a constant state of evolution. By way of example, the Customs Normative Ruling was recently amended to update the limit for exporting through express and postal channels using a paper declaration; the new limit of US\$1,000, compared to the old limit of US\$ 10,000, has been in force since January 2019. This change is due to the use of the new unified export system, a Single Window platform, that established the Single Export Declaration (DU-E) which is totally integrated into domestic tax documents and commercial invoices. The DU-E can be used to export goods of any value, but its use is obligatory for goods over US\$ 1,000. As the DU-E is essentially an online document for the registration of an export declaration, it is faster to process operations and also more transparent, allowing companies to monitor the progress of their transactions in detail over the Internet, and offering a lot more advantages over paper declarations.

2.3. *De minimis* threshold

In Brazil, there is an import duties exemption on parcels of value up to US\$ 50.00, sent from one person to another person, excluding commercial transactions, and carried by the postal operator. There is no *de minimis* exemption for imports through express carriers.

There is an ongoing legal discussion regarding the *de minimis* threshold in Brazil. The legislation set the upper limit as US\$ 100.00 and gave the Ministry of Finance (MOF) the competence to further regulate the requirements for exemptions. A subsequent MOF Ordinance limited the exemption to parcels sent from one person to another, excluding E-Commerce purchases and limiting the value to US\$ 50.00. There were a number of court rulings against the MOF Ordinance and it was decided that the *de minimis* threshold should be US\$ 100.00, although Customs considers the MOF Ordinance to be binding and its view is that the US\$ 50.00 threshold should be followed.

There is an ongoing legislative project put forward by Customs to lower the *de minimis* threshold to US\$ 10, while extending the exemption to express carriers and to goods of any kind within this limit. This proposed threshold is aligned with the reality of the Brazilian tax system, while applying the WCO Guidelines for the Immediate Release of Consignments by Customs⁷ and correcting inconsistencies in the threshold in force.

⁷ **WCO Guidelines for the Immediate Release of Consignments by Customs, Version III (June 2018)**
Item 9. *Category 2 - Low value consignments for which no duties and taxes are collected (de minimis threshold)*

Item 9.3. *For example, the value of a consignment should be less than SDR (Special Drawing Rights) 50 or the duty and tax less than SDR 3 or the consignment should be both less than SDR 50 in value and the duty less than SDR 3. These de minimis threshold values and/or amounts should be stipulated in national legislation and be applicable to all operators as far as possible.*

3. DESCRIPTION OF THE PROCESS

3.1. Introduction

Since October 2017, the clearance processes for postal and express parcels have become very similar, though there are still some differences between them. Because of these differences, both procedures are described separately in this document. The main difference resides in the availability of advance electronic information: although express carriers have advance electronic information, most of the data for postal imports still has to be input manually by the postal service before submitting an electronic declaration via Siscomex Remessa. However, as the postal channel is currently evolving to receive advance electronic data directly from other countries, it is hoped that these differences will disappear over time.

The approach is based on Brazil's Customs Electronic Declaration System (Siscomex Remessa), designed to receive and process each individual declaration automatically submitted by express carriers and the postal operator. There is usually one declaration for every parcel. The data provided by each declaration allows Customs to run a risk assessment, based on which the goods are either automatically cleared or submitted to further inspection. The express carriers and postal operator are responsible for the collection of duties/taxes based on the calculation by Siscomex Remessa, which monitors each step of the process until clearance, and even afterwards if an adjustment is required. Examples of the Siscomex Remessa system's interface, a Customs Import Declaration registered on Siscomex Remessa and the Customs Risk Assessment System interface, called ANIITA, can be seen in **Annex B**.

3.2. Simplified clearance process for postal shipments

A simplified step-by-step description of the process for clearance and collection of revenue for postal shipments is presented below. For ease of understanding, the flowchart provided in the sequence (Figure 1) illustrates this process.

1. Consumer/importer makes an online purchase. The sender or postal operator sends electronic data, when available;
2. After transportation, when the parcel arrives at the destination warehouse, the postal operator submits it for screening and other procedures;
3. If the parcel is accompanied by advance electronic information, the postal operator sends all the information required for an electronic Customs Import Declaration to Siscomex Remessa, including tax identification information on the importer/consumer. Otherwise, the CN Declaration (Customs Declaration CN 22/23 – Sender's Declaration) is used to input the data required manually, and then all the information is sent to the Siscomex Remessa system;

4. The Siscomex Remessa system processes the information and, if everything is in accordance with the rules, registers the import declaration for each parcel, calculating the amount of duties due, and sends the confirmation to the postal operator;

5. Customs and other Government agencies, such as health, environment and agriculture agencies, conduct a risk assessment, pre-releasing legitimate goods in the system and referring non-compliant or targeted goods for examination. Final clearance takes place after the Customs duties have been collected. Customs risk assessments are primarily processed via a specific system called ANIITA. Parcels held for examination are either released if no problems are found, or else detained for further processing;

6. The postal operator then scans the parcels and separates the ones for pre-release and the others that require further examination. At this time, parcels without an electronic declaration and lacking some requisite information, for example, are retained for declaration in the future or, if they are not declared, returned to sender prior to payment of the duties;

7. The postal operator then updates the pre-clearance information on its website and gives the importer/customer 30 days to pay the Customs duties due;

8. The consumer/importer makes the payment online, via the postal operator's website. Payment by credit card or bank slip is accepted by the postal operator, The consumer can pay this bank slip with their own account using a bank app or by cash at any bank;

9. Once the postal operator receives confirmation of payment, the parcel is delivered. If confirmation of payment is not received within 30 days, the parcel is returned to sender;

10. The postal operator then has 21 days from the day it receives the payment from the consumer/importer to remit the Customs duties to Siscomex Remessa, after which the import declaration is finally cleared by the system.

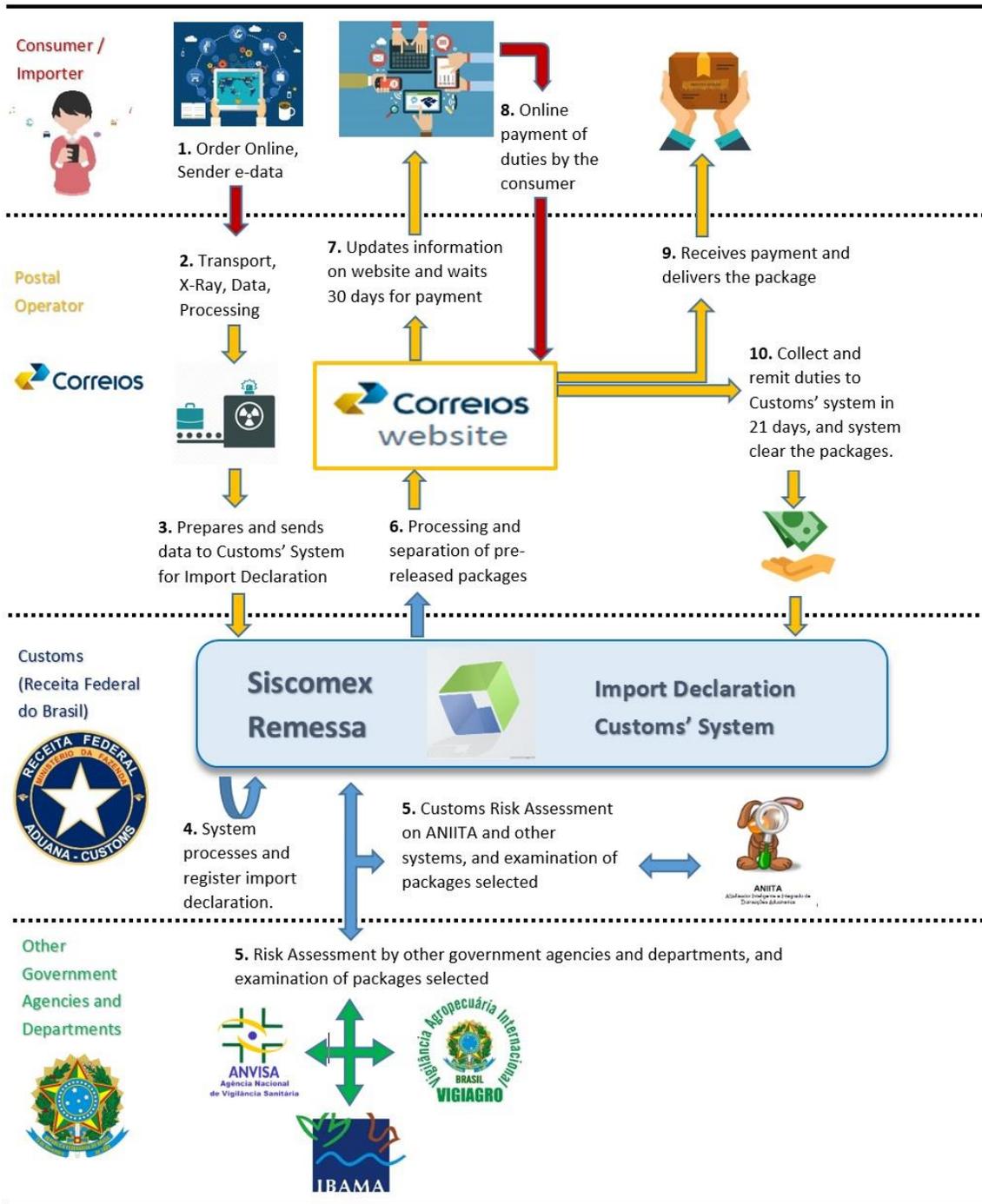


Figure 1: flow chart showing Brazil's simplified postal clearance process

3.3. Simplified clearance process for express shipments

A step-by-step description of the process for clearance of and collection of revenue for express shipments is also presented. The flow chart in figure 2 illustrates this clearance process.

1. Consumer/importer makes an online purchase. The sender sends electronic data to the express carrier, when available, or else the latter generates the data when issuing the air waybill;
2. Before the arrival of parcel at the destination, advance electronic information becomes available, and the express carrier works on the data so it can meet the legal requirement to register a Manifest and a Customs Import Declaration (DIR) on Siscomex Remessa;
3. The Express carrier sends a Manifest, containing basic information on all the parcels on a flight, to Siscomex Remessa. When processed, the electronic list is available for Customs and other Government agencies to conduct pre-arrival risk assessment. The express carrier then sends all the information required for an electronic DIR to Siscomex Remessa, including the Brazilian tax identification information for the consumer/importer;
4. Siscomex Remessa processes the information and, if everything is in accordance with the rules, registers the import declaration for each parcel, calculating the amount of duties due, and sends the confirmation to the express carrier;
5. Customs and other Government agencies, such as health, environment and agriculture agencies, conduct a risk assessment, pre-releasing legitimate goods on the system and referring non-compliant or targeted goods for examination. Final clearance takes place after the Customs duties have been collected. Customs risk assessments are primarily processed via a specific system called ANIITA. Parcels held for examination are either released if no problems are found, or detained for further processing;
6. When the goods arrive at the destination warehouse, the express carrier submits the parcels for screening, and separates the ones for pre-release and the others that require examination. At this time, parcels without a declaration and lacking some requisite information, for example, are retained for declaration in the future or, if they are not declared, returned to sender;
7. After the pre-released parcel is finally scanned and no problems found, the express carrier has 20 days in which to receive payment from the consumer/importer and, depending on the express carrier's authorization to operate, the duties can be collected according to the following rules:

7.1 Express carrier with regular authorization: Customs duties must be collected and the parcel cleared before delivery. In general, for logistics purposes, the company collects and remits the Customs duties payable to Siscomex Remessa and receives payment from the consumer/importer upon delivery, or even later if they have an agreement in place. Alternatively, the parcel can remain in the warehouse for up to 20 days awaiting payment by the consumer/importer;

7.2 Express carrier with special authorization: the parcel can be taken out of the warehouse for delivery. Upon delivery, the company receives the Customs duties from the importer/customer, who has 20 days to make the payment, or even later if they have an agreement in place. The company has 21 days from pre-clearance to collect and remit the Customs duties to Siscomex Remessa.

8. Once Siscomex Remessa receives information that the duties have been collected, the parcel is cleared;

9. The express carrier charges the consumer/importer for the duties and other fees and may wait up to 20 days to receive payment before delivering the parcel. If the express carrier has an agreement with the consumer/importer, such as an account charged on a monthly basis, the parcel can be delivered before reimbursement of the duties, although in this case the express carrier is totally responsible for these duties;

10. Once payment is confirmed, as previously described, the parcel is delivered. If the payment is not received within 20 days, the parcel is returned to sender.

It is worth emphasizing that, in the case of express shipments, most parcels are pre-cleared before arrival as they are accompanied by advance electronic data. As the postal operator moves forward in receiving advance electronic data, both processes will become virtually the same, with pre-clearance before arrival and so on. That is the goal for the postal operator.

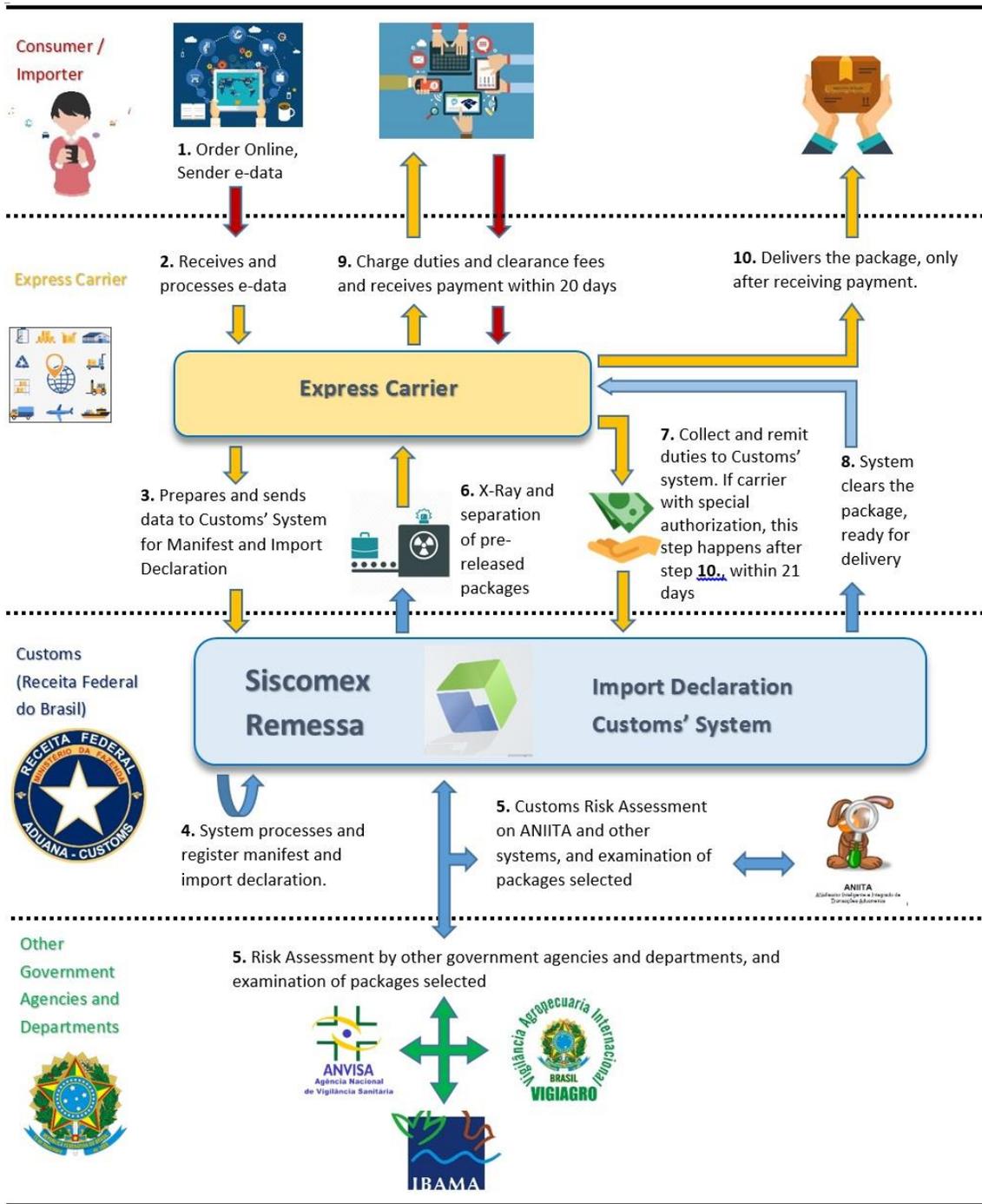


Figure 2: flow chart showing Brazil's simplified express clearance process

4. BENEFITS AND CHALLENGES OF ADOPTING AN INTERMEDIARY-BASED APPROACH

The Brazilian experience points out some benefits and challenges for adopting an intermediary-based approach; they are outlined below:

4.1. Benefits:

- ✓ Carrying out effective risk analysis with reliable advance electronic information on all parcels. Most of the gains are based on this premise.
- ✓ More reliable and effective Customs control over inbound and outbound flows of parcels.
- ✓ Faster clearance, as the system works as a Single Window for declarations, with Customs and the other Government agencies doing their work at the same time and with no interruptions.
- ✓ Improved rates of compliance and revenue collection.
- ✓ Enforcement - effective combating of tax fraud and drug smuggling.
- ✓ A viable economic solution to increase the number of E-Commerce parcels sent through the post.
- ✓ Identification of customers/importers by means of their Brazilian Tax Identification number.
- ✓ Customers/importers do not need to contact Customs as all requirements, including payments and submission of documents, are made through the postal operator or through express service companies' own IT systems.
- ✓ Simplification of procedures for consumers/importers, and especially individuals and small and medium-sized enterprises (SMEs) which rely on intermediaries to help them navigate Customs procedures and rules and develop efficient data management systems.
- ✓ Customs deals with fewer stakeholders, as any problem with the declaration or revenue collection issues must be addressed to the postal operator and/or express carrier.

4.2. Challenges:

- ✓ Increasingly processing low-value shipments through the automated system, given their exponential growth, for compliance, revenue collection and control purposes, without interrupting the flow of goods.
- ✓ Dealing with a lack of reliable information received by the postal operator, including tax identification information relating to the consumer/importer. This can result in operators completing a Customs Declaration based on flawed information, as the original source of information is unreliable.
- ✓ Dealing with high levels of undervaluation and false declarations of goods.

5. LESSONS LEARNT

Before implementing the Customs Electronic Declaration System (Siscomex Remessa) based on an intermediary collection model for all E-Commerce channels, Brazil Customs carried out a pilot project with express carriers over the course of two years. This pilot project also constituted an Electronic Declaration System based on the intermediary collection model and, as a result of its initial success, the Customs Administration decided to initiate a national project in 2012 to incorporate all E-Commerce channels, including the postal service. The national project was designed to improve on the previous pilot project and simplify procedures for all stakeholders during the clearance process.

It was vital to have some of the staff who participated in the pilot project also be involved in the national project, as they had very specific technical knowledge of the system, legislation and procedures. They also knew the system's advantages and drawbacks that could be either resolved or redesigned more effectively in the new project.

During the early stages of the project, the project flow chart, including the entire clearance process design, was created by bringing together specialists both from Customs and logistics operators (postal operator and express carriers). Due to the Single Window nature of the project, other agencies from the Federal Administration were also invited to contribute to the project during the planning phase. Also, by involving all the stakeholders from the very beginning, Customs enjoyed full cooperation throughout the entire project in all areas, including the IT system, legal framework, training and implementation. Indeed, Customs feels that planning is essential to minimize problems that may subsequently occur during the implementation phases.

Senior officials within Government and the Customs Administration were aware of the exponential growth of E-Commerce parcels and promptly deemed the project to be a high priority by providing adequate political, financial and human resources. Such support was vital to provide the means needed for full implementation of the project.

However, as a result of some changes in Government priorities, Customs has not yet managed to make certain important changes to the high-level legislation requiring Congress approval, although it is awaiting political considerations in this area. Changes to high-level legislation require a great deal of time and support from the highest administrative levels, and this should be one of the main concerns when starting a new project. In addition, support from a high-level administration is required for coordination with other Government entities when establishing new Single Window procedures for the Electronic Declaration System. Not all entities were fully involved in the early stages of the project, yet now many of them are trying to join Siscomex Remessa; however, post-project changes incur higher implementation costs for the Government.

6. COMPLIANCE AND FUTURE DEVELOPMENTS

6.1. The response to implementation

The postal operator and express carriers totally supported the project from the beginning, making the necessary changes and updates to their systems and procedures and cooperating all the way until full implementation. They recognized the advances and benefits that would come with the new system and legislation, bringing flexibility and faster clearance times for parcels. This mutual cooperation for technical exchange is still ongoing and reflected in the continuous improvement of IT systems and procedures.

The consumers/importers took longer to learn about the new procedures and especially how to use the postal website (for duty and tax payments online, for instance). Nevertheless, consumers are generally very fond of the new model, as every interaction now takes place online and the parcel is sent straight to their address, removing the need to go to a post office to pay taxes and duties and collect a parcel. As the process evolves, and thanks to transparent and accurate information about the parcels and the duties payable, the amount of revenue collected from consumers/importers is increasing and fewer parcels are being abandoned due to incorrect information about their importation.

The general feeling is that Customs is now aligned with the global trend of using technology as a motor to drive efficiency and development within public services.

6.2. Approach to compliance

There are penalties for infringements of Brazilian legislation, applicable both to the intermediary (postal operator and/or express carriers) and to the consumer/importer. Customs ensures compliance by intermediaries by having an initial licensing phase for express carriers and by performing audits on the carriers' procedures from time to time.

The most common infringements by importers under the clearance procedure are undervaluation of goods and inaccurate or false declaration of contents. Customs thwarts this behaviour by performing physical and documentary inspections and issuing financial penalties to importers.

Customs works closely with the postal operator and express carriers day after day by providing training, producing manuals and adjusting legislation and procedures, on a cooperative basis. The intermediaries also inform their customers, through a variety of channels, about the importance of compliance with Customs requirements. In some very special cases, express carriers and the postal operator help Customs combat illicit behaviour by traders.

To assist consumers/importers, Customs continually updates its website with information about procedures and the role of consumers/importers in the clearance process, in order to avoid problems with their import declarations. Also, there is a Customs support team

at every port of entry, dedicated to providing support and information to traders, and especially to individuals who consult Customs seeking assistance with their imports.

6.3. How is the success of the approach measured?

The initial project was designed to modernize the clearance procedure for E-Commerce goods by making E-Commerce data available in electronic format for Customs through intermediaries.

The intermediary-based model allows Customs to conduct risk management and enhance controls on goods, with the aim of improving overall compliance levels. The project costs are also justified if the new methodology goes some way to increasing tariff revenue. The following three indicators measure the success of the approach adopted: availability of advance electronic data, enhanced compliance by traders and increase in tariff revenue.

Regarding the availability of electronic data, apart from some goods under *de minimis* exemptions for postal imports, the vast majority of goods declarations are already submitted electronically through Siscomex Remessa. Customs is now moving towards 100% submission of electronic declarations for postal imports, including parcels under the *de minimis* regime.

Thanks to the availability of electronic data, Customs is now performing risk analysis for E-Commerce imports. However, compliance levels have not increased as dramatically as initially expected, given that the quality of data contained in postal declarations remains very low. The adoption of the model might not be enough, by itself, to affect compliance and a combination of other tools might be necessary to achieve this objective.

Results are mixed on the revenue side, as there is an upward trend in tariff revenue from express carriers, but a downward trend in revenue from the postal service since 2017. Total tariff revenue has increased from BRL 138 million to BRL 168 million. It should be noted that it may still be too early to measure success regarding tariff revenue, as the new system was only rolled out in October 2017 and underwent an intense period of adjustment in 2018, coupled with the political instability and ongoing judicial discussions regarding the *de minimis* threshold in Brazil. At any rate, the increased total revenue seems to indicate that the model is highly beneficial to Customs revenue.

6.4. Next steps for the approach

Brazil Customs has evolved from paper-based, gatekeeper-style inspections to a fully digital clearance procedure. This allows Customs to work using risk assessment based on electronic data, targeting cargo posing a risk and facilitating trade in low-risk consignments. Now that Customs has completed the adaptation phase after implementation, some adjustments need to be made to the model.

Most declarations do not contain a detailed or reliable description of goods and their value. Undervaluation and false declarations are still a *modus operandi* of E-Commerce transactions, because of poor quality of information collected at source (from the consignor/vendor) or even at the request of consumers/importers. In other words, compliance remains an issue to be addressed in this model, and the intermediaries are not to be blamed as they are not the original source of the information.

There are, however, a few exceptions to the rule. Some E-Commerce vendors have partnerships with logistics operators and express carriers and they act as a blended seller/vendor based-collection model and Intermediary-based collection model. Customs duties and charges are paid on the purchase of the goods; detailed information on the goods is then forwarded to the express carrier, resulting in a reliable import declaration, and the tariff revenue is also remitted to the carrier for subsequent transmission to Customs.

By way of another example, the Brazilian postal operator (Correios) has just launched a service in January 2019, offering a postal address in the United States for goods purchased online through American retailers and then forwarding the goods to Brazil. Correios will charge consumers/importers all the shipping costs, duties, taxes and other fees before forwarding the goods. As it has all the transaction data available, Correios is able to register the import declaration even before the parcel arrives in Brazil. Thanks to the availability of reliable transaction data, imported parcels can be sent directly to consumers after swift clearance and with no unwanted surprises. Moreover, as all duties and taxes have already been collected from consumers/importers, the goods do not require any waiting time for payment collection.

This mixed model is very promising insofar as risk management will be much more efficient once the declared information is reliable. It also minimizes the risk of importers purchasing goods and not paying the taxes when the goods arrive in the country, by ensuring transparent duty payment before the transaction is completed online. However, transitioning to this mixed model poses many challenges because of the large number of E-Commerce players present abroad. The idea is that companies that provide reliable information will be offered advantages, such as lower retention rates and clearance times, so that partnering with Customs is beneficial for both parties.

Looking beyond what is described above, Customs and the postal operator (Correios) are working on a number of other adjustments and updates required to make better use of this approach. A few of these adjustments and updates are described below:

Correios is engaging with postal operators from other countries as well as stakeholders (such as platforms, sellers/vendors and financial intermediaries) to increase the amount of advance electronic data sent, thus ensuring compliance, speed and efficiency in the clearance process for an increasing volume of transactions.

Customs recently reviewed postal procedures and proposed that Correios create a consumer/importer "self-declaration" on its website for payment of duties and other fees, even before the parcel arrives in the country. This option would be available to those wishing to use it. The self-declaration may be comprehensive, containing all the information provided by the consumer/importer or, if advance electronic data is available, the consumer/importer can simply review the information, add any missing information and pay the revenue due for the importation. These alternative means of submitting declarations and paying revenue to the postal operator before the parcel arrives would help dramatically reduce clearance times and ensure greater accuracy, meaning better descriptions of goods and submission of correct values.

Customs is working with the Government to change the law, in order to resolve the issue of the *de minimis* exemption threshold on US\$ 50 shipments and also to make other adjustments required and still pending in the legislation.

The Customs system is being updated with a view to complete integration with the System for checking the taxes/duties collected and remitted. This will contribute to fewer mistakes with revenue collection and automatic refunds in the event of an adjustment. Other requisite improvements are also being made to the System to ensure a better user interface through processes. One example is the possibility of attaching electronic documents to the declaration, such as an invoice and/or other documents required by the authorities, which would eliminate the use of paper during the clearance process.

7. ADDITIONAL OR FINAL COMMENTS

The main reason for choosing this model was the possibility of starting to work with fully electronic data for the Customs Declaration. By having the postal operator and express carriers handle communication with consumers and provide all the requisite information electronically to Customs and working through partners inside Brazil's borders, it was possible for Customs to obtain this data without burdening E-Commerce consumers. This is very important because it allows Customs to perform risk management through routine risk assessment, resulting in increased operational efficiency and reduced clearance times compared to the paper-based approach.

The advantages of intermediary-based collection include having the postal operator and express carriers as Customs partners. By having a few contact points working in Brazil, Customs can establish strong communication channels with local partners. Communication and project coordination would be more challenging if working on the basis of seller/vendor-based collection, especially if offices are overseas and given the large number of E-Commerce vendors abroad. Language barriers should also be considered when choosing the model.

Successful implementation of the model depends on a paradigm of partnership between Customs and the postal operator/express carriers. Right off the bat, Customs clearly highlighted the potential benefits of the model to these operators (including reduced clearance times, lower operational costs and enhanced cash flow). Without this coordination, the smooth transition from a paper-based approach to an electronic model would not have been possible and would have created lots of uncertainty for both consumers/importers and carrier companies.

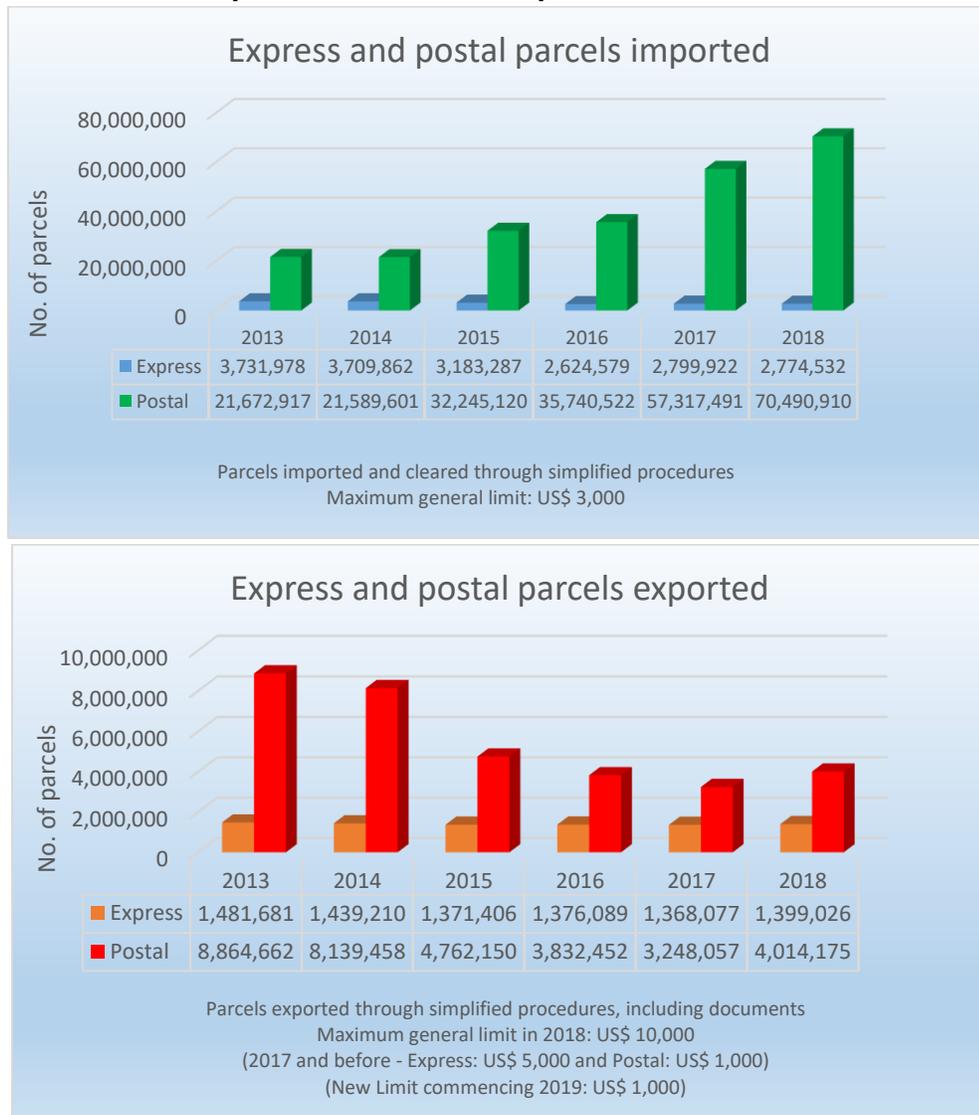
From Brazil's experience, having a fully electronic declaration platform did not immediately increase compliance by traders (i.e. undervaluation and false declarations are still major issues). Because the intermediaries (postal operator and express carriers) are not the original source of the information, they merely relay to Customs whatever information they receive.

In this connection, Brazil Customs is having a slightly more positive experience with some E-Commerce vendors operating with a blended model between seller/vendor-based collection and intermediary-based collection. These companies collect all Customs charges at the time of purchase and remit the amount to the express carrier. Detailed information about the transaction is fully shared with carriers, resulting in a very reliable cargo declaration (low-risk cargo), which is highly beneficial to Customs objectives and also to consumers. The challenge from now on is to develop this kind of approach, possibly by giving incentives to operators. Further benefits could include a "Fastlane" for trusted partners (resulting in reduced clearance times and a lower operational burden on carriers).

ANNEX A - STATISTICS

The statistics provided in this section are related to postal and express parcels submitted for simplified Customs clearance procedures through the postal operator and express carriers. Although there are no specific statistics for E-Commerce goods, most of these parcels can be considered as resulting from E-Commerce.⁸

A.1 Annual volume expressed in number of parcels



A.2 Volume cleared within the *de minimis* regime

It is not possible to specify an exact number of parcels cleared, as most of them were cleared without submission of an electronic declaration via Siscomex Remessa; however, it is estimated that approximately 56 million parcels were cleared under the *de minimis*

⁸ Source of statistics: Customs' systems, express carriers and postal operator.

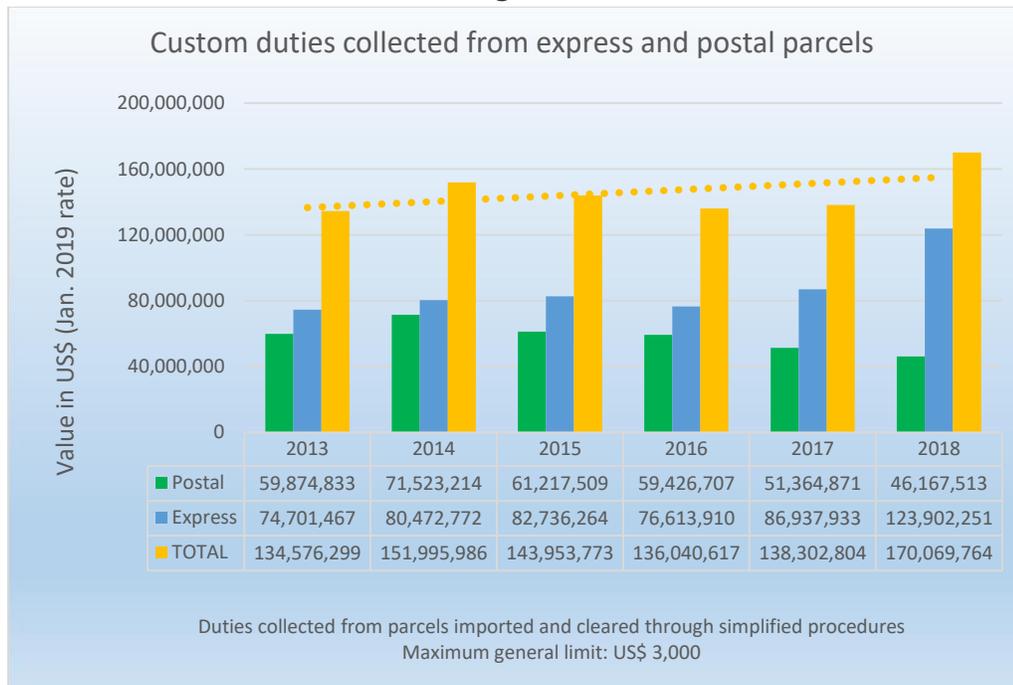
regime in 2017. In this context, "cleared" means that the parcels were cleared by Customs without charges/duties, taking into consideration the resources available, the low value of the shipments and the high number of parcels to be processed in an appropriate and reasonable time frame.

A.3 Number of operators involved in the approach

Brazil has only one postal operator (Correios), a company owned and managed by the Federal Government, and, as of March 2019, has 30 private authorized express carriers. An up-to-date list of express carriers authorized by Customs to operate in Brazil can be obtained via the following link:

<http://receita.economia.gov.br/orientacao/aduaneira/manuais/remessas-postal-e-expressa/empresas-autorizadas-a-operar-na-modalidade-remessa-expressa>

A.4 Duties collected from E-Commerce goods



A.5 Average clearance time for E-Commerce goods

In this context, the average clearance time should be considered as being from the submission of the declaration via Siscomex Remessa, by the postal operator or an express carrier, until the goods are automatically released without inspection procedures by Customs or other Government agencies. In other words, it is the average time for Customs to perform a risk assessment and release the goods into the green channel.

For parcels sent via express carriers, clearance time takes an average of five (5) hours from the time the declaration is submitted to Siscomex Remessa until the parcel is cleared and ready to leave the warehouse. Most of the express parcels can generally be considered to be cleared on the day of arrival.

For parcels sent via the postal operator, clearance time takes between four (4) to eight (8) hours from submission of the declaration by the postal operator via Siscomex Remessa until the parcel is cleared by Customs.

ANNEX B – SISCOMEX REMESSA EXAMPLES

B.1 Customs Declaration System - Siscomex Remessa

The Customs Electronic Declaration System developed by Customs is called Siscomex Remessa. The screen shot below provides an example of the system's interface:

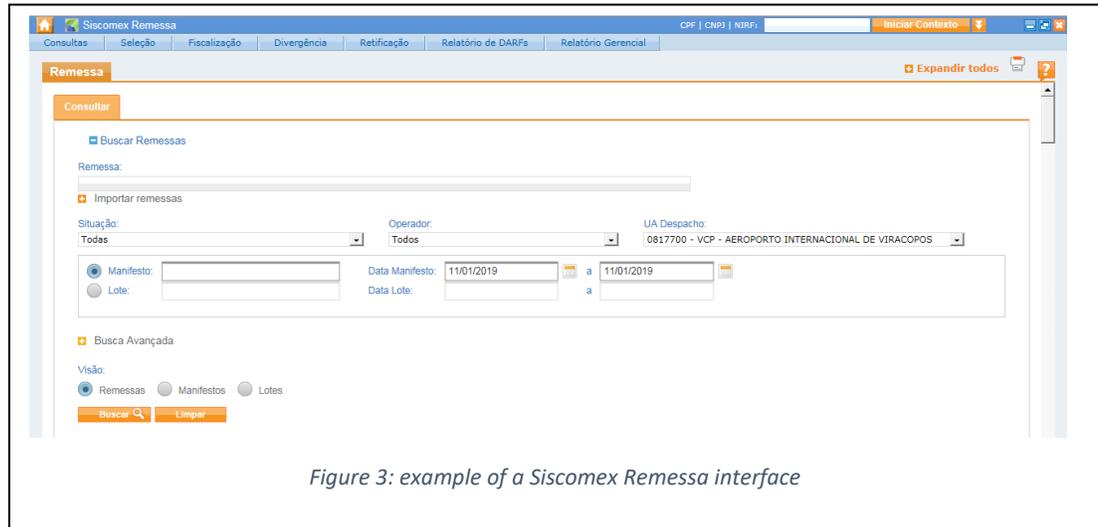


Figure 3: example of a Siscomex Remessa interface

It should be noted that the interface is used by Customs, other Government agencies and postal or express carrier operators, and not by consumers/importers. All procedures relating to Customs and other Government agencies are done through the Siscomex Remessa interface, and the decisions are communicated to the IT systems of each logistic operator.

B.2 Customs Import Declaration (DIR) registered on Siscomex Remessa

The DIR registered on Siscomex Remessa by the postal operator and express carriers contains the information declared on the parcel, the duties assessed and payable, a log of Customs activities concerning the parcel, and payment information.

DECLARAÇÃO DE IMPORTAÇÃO DE REMESSA - DIR								
Identificação da Remessa								
Declaração (DIR)/Versão 19000383 / 2	Data/Horário Registro DIR 02/05/2019 15:22	Lote DIR RFB2019050200002	Modalidade Expressa					
Remessa 135537778212480002	Situação Em Fiscalização	Manifesto RFB201900106070	Data/Horário Manifesto 02/05/2019 15:21					
Master 00000000081	UA de Despacho 0817700 - VCP - AEROPORTO INTERNACIONAL DE VIRACOPOS	Operador IHEHOIWT IHFIHUMVWXXHU NX OIWUQD DVNW						
Dados Gerais								
Descrição Cell Phone brand XYZ 64GB gold s/n 345609-19								
Peso Bruto (Kg) 1,11	Volumes 1	Destinação Comercial N	Taxa de Câmbio 3,94530					
Valor Total Remessa US\$ 120,00 / R\$ 473,43	Valor Frete US\$ 22,22 / R\$ 87,66	Frete Modo Pagamento Collect	Valor Tributável US\$ 142,22 / R\$ 561,10					
Imposto Importação (II) R\$ 336,66								
Destinatário								
NI / Nome / Conta 123AB4567 / Consumer Importer Full Name / XYZ								
Endereço Consumer Importer Full Address 987 / / BRASÍLIA / DISTRITO FEDERAL / BRASIL								
Remetente								
NI / Nome / Conta 123SE4567 / Sender Exporter Full Name / RTY0001								
Endereço Sender Exporter Address, 345 / 234556677 / EXTERIOR / EXTERIOR / ITALIA								
Mercadoria(s)								
Descrição	Qtde.	UME	Peso (Kg)	Valor	Moeda	Regime de Tributação	NCM-SH	Tratamento Administrativo
Cell Phone brand XYZ 64GB gold s/n 345609-19	1,00	UNIDADE	1,11	120,00	DOLAR DOS EUA	Tributação Simplificada		RFB
Dados de Impostos, Pagamentos e Multas								
Tipo	Valor Devido (R\$)	Valor Recolhido (R\$)	Data/Horário Recolhimento			Autenticação Bancária		
II	336,66	0,00						

Figure 4: example of a Customs Import Declaration (DIR) registered on Siscomex Remessa

B.3 Customs Risk Assessment System - ANIITA

The Customs Risk Assessment System is called ANIITA. Below is an example of the ANIITA interface that officers use for risk assessment:

Informações Gerais

Arquivo: 1203-019050100000_LOTE.xml (A1203)

Nome Empresa: WHNHWD HTFHUU KXIFXWVQXM
 CNPJ Empresa: ABC2019050100000
 País Origem: Estados Unidos

Data Consulta: UA Entrada: 0817700 AEROPORTO INTERNACIONAL DE VIRACOPOS
 Lote: ABC2019050100000
 Tipo Arquivo: LOTE

Total Remessas: 14
 Exibidas: 14 (100%)
 Ocultadas: 0 (0%)
 Paramet. Risco: 5 (36%)
 Paramet. Informativo: 0 (0%)
 Qtd. Manifestos: 1

Set?	Motivo	Nº Remessa	NI Destinatário	Tipo Dest	Freq.	Nome Destinatário	Descrição Remessa	Vol.	Peso (Kg)	Vl. Rem. (US\$)	Vl. Frete (US\$)	M	Vl. Trib. (US\$)	CIFK
<input type="checkbox"/>	ALERTA REMETENTE	KOLB3674790	123ABC099	PASSA	0	Importer Buyer BRASIL	STAFF T-SHIRTS	1	3,17	84,00	150,17	C	234,17	73
<input type="checkbox"/>	ALERTA-DROGA	RTY910396183	123ABC099	PASSA	0	Importer Buyer Full Name LTDA	281 1 X 60YD BLACK POLYETH COATED CLOTH TAPE	1	2,04	15,25	112,19	C	127,44	62
<input type="checkbox"/>	DESCRICA0	4167XY88492639	123ABC099	PASSA	0	Importer Buyer Full Name A	TELECOMMUNICATIONS EQUIPMENT AND GUITAR	1	2,72	109,95	185,29	C	295,24	108
<input type="checkbox"/>	DESCRICA0	ABCD418480330	123ABC099	PASSA	0	Importer Buyer Full Name LTDA	GASKET KIT GENERIC AQUEOUS POLYCARBOXYLATE TYPE 1	1	5,94	10,00	68,83	C	78,83	13
<input type="checkbox"/>	DESCRICA0	ERT5413495727	123ABC099	PASSA	0	Importer Buyer Full Name SA	REFURBISHED NETWORK DEVICE	1	12,00	906,88	207,96	P	906,88	75
<input type="checkbox"/>		QWE159124727	123ABC099	PASSA	0	Importer Buyer BRASIL	SOLENOID	1	0,91	786,82	90,92	P	786,82	864
<input type="checkbox"/>		MKLBV16549824	123ABC099	PASSA	0	Importer Buyer BRASIL LTDA.	BROCHURES	1	4,13	75,00	70,58	P	75,00	18
<input type="checkbox"/>		41ERT8550598	123ABC099	PASSA	0	Importer Buyer Full Name B 65 301	ROSEHP RETINOL CREAM RETINOL SERUM LAVENDER MST TONER	1	0,73	20,00	34,67	C	54,67	74

Figure 5: example of the ANIITA interface that officers use for risk assessment

Eurasian Economic Union (EAEU)

MODELS OF REVENUE COLLECTION

1. Introduction/general overview

Two approaches exist for the collection of revenue from taxes and duties in the Eurasian Economic Union (EAEU):

1. *Buyer/consumer-based collection;*
2. *Intermediary-based collection.*

These models are generally used irrespective of E-Commerce developments and apply to all imported and exported goods.

They also apply to E-Commerce goods that are mainly transported as postal items or express consignments.

According to the first approach, it is the declarant/buyer/recipient who submits a Customs declaration and remits (pays) the duties and taxes applicable to the imported goods. In cases where a cross-border E-Commerce postal operator or express carrier delivers the goods, it is the buyer who must declare them and remit any duties and taxes (if the value of the goods is higher than the *de minimis* threshold). In this way, every parcel must be individually declared, and any duties and taxes incurred must be individually remitted by the respective buyer.

The second approach provides for the possibility of a Customs representative declaring the goods, calculating (assessing) the relevant duties and taxes where applicable and remitting them to the Customs administration. In the case of cross-border E-Commerce, such operations are performed by intermediaries such as postal operators or express carriers that principally transport cross-border E-Commerce goods.

The intermediary-based collection approach helps to improve the clearance process with particular regard to the declaration of goods and remittance of relevant duties and taxes for cross-border E-Commerce goods, taking into account the large number of parcels transported daily by express carriers and postal operators in respect of which Customs operations must be performed.

In its development of the intermediary-based collection approach with regard to E-Commerce goods, in 2017 and 2018 the Eurasian Economic Commission (EEC) issued several new Decisions, adopted by the Board of the Commission, that provide for new modes (forms) of Customs declaration for express consignments and modes of payment of Customs duties and taxes. These EEC Decisions stipulate that Customs duties and taxes will be paid by express carriers.

Duties and taxes must be paid if the value exceeds the *de minimis* threshold and before release of the goods (there are some variations to the rule for international postal items).

Legal acts

The Customs Code of the EAEU (CC EAEU) provides for the possibility of goods being declared and duties and taxes paid by a declarant or Customs representative. This possibility also relates to express consignments and international postal items.

The CC EAEU lays down a number of facilitation measures for these categories of goods, such as priority treatment for express consignments and international postal items.

The new EEC Decisions referred to above concern the declaration of express consignments for commercial and personal use. They are geared towards the electronic declaration of express consignments (submission of the goods declaration for express consignments by express carriers that also act as the Customs representative of individual buyers/recipients). It is assumed that all necessary data will be submitted mainly in electronic form. This provides for greater possibilities for automated data analysis, increased effectiveness of Customs control due to the electronic form of the declaration, and improved risk assessments.

***De minimis* threshold**

There are two types of *de minimis* threshold in the EAEU: *the de minimis threshold for goods for commercial purposes and that for non-commercial (personal) purposes.*

The *de minimis* threshold for goods for commercial purposes is EUR 200 (equivalent of that amount in national currencies), and it is fixed directly in the CC EAEU. If the Customs value is less than EUR 200 (equivalent amount in national currencies), no Customs duties or taxes are payable.

Prior to 2019, the *de minimis* threshold for goods intended for personal use was EUR 1,000 (equivalent amount in national currencies). However, in view of the development of E-Commerce and the enormous volume of low-value shipments, the *de minimis* threshold for goods for personal use was revised in the EAEU and reduced as of 2019.

According to the EEC Council Decisions, as of 1 January 2019 this threshold amounts to EUR 500 (equivalent amount in national currencies).

However, a Eurasian Intergovernmental Council Decision has confirmed that the *de minimis* threshold for goods for personal use must be reduced by 2020 to EUR 200 (equivalent amount in national currencies). Moreover, according to this Decision, national legislation could introduce additional taxation of such goods.

According to the above-mentioned EEC Decision, the national legislation of EAEU members can also set a lower *de minimis* threshold. In some EAEU member-states, the *de minimis* threshold is less than that established by the EEC Council Decision.

2. Background

Prior to the E-Commerce boom, the volume of postal items and express consignments was not so critical because the percentage of commercial goods was low.

The tremendous growth in the volume of cross-border E-Commerce goods has created a number of challenges that conventional modes of declaration and payment have been unable to resolve satisfactorily.

The paper-based declaration of goods and the collection of duties and taxes directly from each individual buyer/recipient are ineffective and involve the manual execution of Customs operations, rendering the use of a comprehensive risk management system impossible.

All these factors required the development of more appropriate modes of Customs declaration that incorporate both facilitation and an effective revenue collection mechanism. Moreover, there was a need to develop a more effective payment mechanism for the assessment and collection of Customs duties and taxes that would not lead to delays in the Customs clearance of cross-border E-Commerce goods.

In order to resolve this issue in the EAEU, a special Working Group was established to support the improvement of Customs operations regarding express consignments and international postal items. The main objective of this working body was to develop modern modes of declaration for such categories of goods, including new approaches for the assessment (calculation) and collection of duties and taxes. Between 2016 and 2018, potential approaches to achieve improvement were widely discussed with Customs authorities and the business community. As a preliminary result of the Working Group's work, three EEC Decisions were drafted providing for a new mode of Customs declaration for express consignments, as well as a new approach for the assessment and collection of applicable Customs duties and taxes. These Decisions were adopted in the second half of 2018 and will enter into force on 1 July 2019.

3. Description of the process

As of 1 July 2019, an express carrier simultaneously acting as a Customs representative (broker) can submit a simplified Customs declaration for express consignments in electronic form and pay any applicable Customs duties and taxes on behalf of an individual recipient.

A Customs declaration for express consignments can be submitted before the arrival of the goods, in which case it is not necessary for the individual recipient to pay the Customs duties and taxes. The recipient can then reimburse the express carrier for any duties and taxes incurred upon receipt of the express consignments.

If the goods are destined for personal use of the individual recipients, the express carrier can submit a simplified Customs declaration that includes data on up to 500 individual parcels. If the value of the goods exceeds the *de minimis* threshold, Customs calculates (assesses) the Customs duties and taxes by using a special form of payment of applicable Customs duties and taxes that must be paid. Goods can be released once all Customs duties and taxes have been paid.

For goods intended for commercial purposes, all operations, including the calculation (assessment) of applicable Customs duties and taxes, are performed by the express carrier also. The express carrier submits a simplified Customs declaration that includes all information on up to 500 parcels, including the payment of any duties and taxes.

4. Benefits and challenges

The newly developed approach provides for facilitation, efficiency of revenue collection, reduction in the release time of goods and greater predictability of delivery time if duties and taxes need to be collected (paid), as well as more favourable conditions for consumers (buyers/recipients) because there is no requirement to pay duties and taxes directly upon the arrival of the goods (at the border), thereby minimizing any burdens or disruption for consumers.

This approach provides for a transition to an automated system of Customs clearance for express consignments, making it possible to collect Customs duties and taxes without any disruption to trade or delivery delays.

The electronic submission of data provides opportunities for the establishment of a risk management system that has posed a challenge for many years. All information can be entered into the Customs information system, enabling the use of a full range of Customs software tools.

Greater accuracy of data, including specific values, can be ensured as a result of their being provided by well-known players (professional stakeholders) – express carriers that interact with Customs on a daily basis.

Individual buyers/recipients can receive their parcels without any delays, regardless of whether it is necessary for them to remit (pay) Customs duties and taxes themselves at the border.

Financial Intermediaries would not likely have the required information to assist with Customs valuation, etc.

5. Future developments

The next stage is to provide further possibilities for electronic interaction between Customs and postal operators in view of the fact that a significant proportion of E-Commerce goods are transported as international postal items. Therefore, possible ways of improving Customs operations with regard to international postal items need to be considered. The first meeting held to discuss this issue took place in late December 2018 as part of the work of the Working Group established to support the improvement of Customs operations involving express consignments and international postal items.

A further task involves the definition of the most efficient format for interaction between express carriers and Customs. The AEO programme was initially considered to be the most appropriate mechanism for such interaction, as it is an internationally recognized tool. However, this issue is still under consideration.

Germany

1. Introduction / General Overview

Who:

In accordance with the Union Customs Code (UCC), declarations of goods are submitted either by buyer, situated in Germany/the European Union (EU), as declarant or by customs representative (Art.18 UCC), for example postal operator/ express courier companies.

How:

By electronically submitted declaration (postal operator/express courier), declaration by any other means (based on the CN 22 / CN23 documents - only postal operator) or conventional paper version (buyers as declarants).

When:

Declaration of goods submitted concurrently with clearance process. Deferred payment basically used by postal operator/express courier companies. Otherwise cash or credit card payment

- *Why was this approach/es developed, or under development, for e-commerce?*
Title III Art.77-126 UCC.
- *What is the legal framework that supports revenue collection for e-commerce?*
Title III Art.77-126 UCC
 - *Legal acts that regulate revenue collection issues (Customs code, laws and regulations, etc.)?*
As foreseen in UCC.
 - *Are there special rules for the revenue collection approach/es regarding e-commerce, or are general rules applied for such categories of goods (for example, intermediary collection approach)?*
No.
 - *Is there a need for developing unique rules (new legislation) for revenue collection adapted to cross-border e-commerce goods? If yes, have such rules been developed in your country or union?*
Revision of the EU legislation is in progress.
- *De Minimis Threshold.*
 - *Is there a de minimis threshold in your country or union. If yes, please specify its level?*
 - *Is the de minimis threshold related only to duties or to duties and taxes?*
As foreseen in UCC.

- *Is your country or union planning to review or adjust de minimis thresholds? If yes, when.*

As foreseen in UCC (Adjustment in progress as a part of the E-Commerce package in the EU), implementation from 01.01.2021.

2. Background

- *Is there any previous experience with other types of approach/es, and how has this led to the current approach/es.*

No.

- *Provide a brief explanation of the domestic regulatory environment relevant to the case study (competent authorities, de minimis threshold, taxation, etc.).*

As foreseen in UCC.

3. Description of the process

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to make the understanding easy.*

As foreseen in UCC.

4. Benefits and Challenges

- *What are the benefits and challenges of using the approach/es chosen for e-commerce goods within the domestic environment?*
- *Why is this approach/es considered the most effective for e-commerce goods? For example, it is providing facilitation, efficiency of revenue collection, compliance, minimize risks of undervaluation, prevent revenue losses, more predictability of delivery time if there is a need to pay duties and taxes, more comfortable conditions for consumers (buyers) because there is no need to pay duties and taxes directly upon goods arrival, etc.*

- *Has the approach/es been integrated with Risk Management Systems, and if so how.*
Yes

Peru

1. Introduction / General Overview

- *General description of the approach/es to revenue collection for e-commerce, based on one of the three approaches (or hybrid) discussed within the Annex to the Technical Specifications.*
 - *Peculiarities of the revenue collection approach/es, in particular who submits goods declaration and pays customs duties, taxes and fees (postal operator, express courier, sender, e-vendor, e-commerce platform, buyer), how and when (after, before or concurrently submitting goods declaration, clearance process or on periodic basis, pre-arrival processing and/or account-based processing with deferred payment of duties and taxes).*

Regarding the revenue collection from the postal service, it is determined after the designated postal operator (in the Peruvian case - SERPOST S.A.) transmits the postal manifest to the Customs Administration (hereinafter SUNAT) who determines which postal shipment or parcel is subject to the payment of duties and taxes that affect importation for consumption. The payment of duties and taxes is executed after the Declaration is generated by SUNAT before delivery to the final recipient. Once the corresponding duties and taxes are paid, the postal shipments or parcels are released by SUNAT for delivery by SERPOST S.A. to the recipient or end user.

With regard to express courier shipments, the Express Consignment Service Company (ESER acronyms in Spanish) transmits the manifest of fast delivery shipments to the Customs Administration (hereinafter SUNAT), whereas the shipments are divided into categories according to the FOB value of the goods and their characteristics, in view of the de minimis which is not subject to the payment of duties and taxes affecting imports for consumption. For the other categories the duties and taxes are paid after the simplified declaration has been generated by SUNAT before delivery to the final recipient and once the corresponding duties and taxes have been paid, the shipments are released for their delivery by the ESER to the recipient or end user.

- *Why was this approach/es developed, or under development, for e-commerce?*

The new approach to customs clearance of shipments or postal parcels entering the country, was developed due to the volume of postal shipments or packages entering the country and the delay and difficulties in the clearance and delivery of packages to the final recipient. In addition, the improvement in the postal import process was established as a government target, which was developed in 2012 and 2013, respectively.

The EASY IMPORTATION process was considered in the Country Competitiveness Agenda 2012-2013 as Target 19: "Design an import system for the postal sector". That is why a process was designed to facilitate the citizens and MSMEs to import goods and gifts through SERPOST S.A. in a quick and easy way. The new process implemented was the result of the joint effort of three agencies: Ministry of Economy and Finance (MEF), SERPOST S.A. and SUNAT.

Regarding the new approach to customs clearance of fast-delivery shipments entering the country, it was developed based on the experience of US law, included in Chapter V

of the PERU-US Trade Promotion Agreement in 2009 to expedite and facilitate the delivery of fast delivery shipments to the final recipient.

This process covers categories according to the FOB value of the goods and their characteristics. This process has de minimis which is not subject to the payment of duties and taxes affecting the import for consumption. The new process implemented was the result of the joint effort of three agencies: The Ministry of Economy and Finance (MEF), SUNAT and the ESER.

- *What is the legal framework that supports revenue collection for e-commerce?*
 - *Legal acts that regulate revenue collection issues (Customs code, laws and regulations, etc.)?*

The legislation regulating or establishing the revenue collection approach, terms and timeframes from the importation of postal shipments is established by the General Customs Law, approved by Legislative Decree No. 1053 published on 27.6.2008, and amendments; Regulations of the General Customs Law, approved by Supreme Decree No. 010-2009-EF published on 16.1.2009 and amendments and the Regulations of the Special Customs Procedure on Postal Shipments or Parcels transported by the Postal Service, approved by the Postal Service Supreme Decree No. 244-2013-EF published on 30.9.2013 and the General Procedure of Postal Shipments and Parcels transported by the postal service, DESPA-PG.13, respectively.

In the case of fast delivery shipments, the legislation regulating or establishing the revenue collection approach, terms and timeframes from the importation of shipments is found in the General Customs Law, approved by Legislative Decree No. 1053 published on 27.6.2008, and amendments; Regulations of the General Customs Law, approved by Supreme Decree No. 010-2009-EF published on 16.1.2009 and amendments and the Regulations of the Special Customs Procedure for Fast Delivery Shipments and other provisions, approved by Supreme Decree No. 011-2009-EF 16.1.2009 and the General Fast Delivery Shipment Procedure, DESPA-PG.28, respectively.

- *Are there special rules for the revenue collection approach/es regarding e-commerce, or are general rules applied for such categories of goods (for example, intermediary collection approach)?*

Through the General Customs Law, approved by Legislative Decree No. 1053; Regulations of the General Customs Law, approved by Supreme Decree No. 010-2009-EF and Regulations of the Special Customs Procedure for Postal Shipments or Parcels transported by the Postal Service, approved by Supreme Decree No. 244-2013-EF general rules are laid down for the revenue collection from goods entering the country. It also establishes specific procedures detailing the actions of the competent units for processing of collection for each special case, without distinguishing whether they are electronic commerce.

In the case of fast delivery shipments, in the General Customs Law, approved by Legislative Decree No. 1053; the Regulations of the General Customs Law, approved by

Supreme Decree No. 010-2009-EF and the Regulations of the Special Customs Procedure for Fast Delivery Shipments and other provisions, approved by Supreme Decree No. 011-2009-EF, general rules are laid for the revenue collection of goods entering the country. It also establishes specific procedures detailing the actions of the competent units for processing of collection for each special case, without distinguishing whether they are electronic commerce.

- *Is there a need for developing unique rules (new legislation) for revenue collection adapted to cross-border e-commerce goods? If yes, have such rules been developed in your country or union?*

There is specific legislation regulating the entry of cross-border e-commerce goods, which is established by the Regulations of the Special Customs Procedure for Postal Shipments or Parcels transported by the Postal Service, approved by Supreme Decree No. 244-2013-EF published on 30.9.2013 and the General Procedure of Postal Shipments transported by the postal service DESPA-PG.13, all these within the framework of the Universal Postal Convention and its Regulations incorporated by Decree Law No. 18021 published on 23.1.1970, Decree Law No. 19006 published on 30.10.1971, Legislative Resolution No. 26256 published on 6.12.1993.

About the fast-delivery shipments, the specific legislation regulating the entry of cross-border e-commerce goods is established by the Regulations of the Special Customs Procedure for Fast Delivery Shipments and other provisions, approved by Supreme Decree No. 011-2009-EF and the General Procedure for Fast Delivery Shipments, DESPA-PG.28, all these within the framework of the Peru - United States Trade Promotion Agreement in 2009.

- *De Minimis Threshold.*
 - *Is there a de minimis threshold in your country or union. If yes, please specify its level?*

De minimis is the threshold that includes goods whose FOB value does not exceed US\$ 200.00 (two hundred and 00/100 United States of America dollars) per postal shipment.

In fast delivery shipments, de minimis is the threshold that includes goods whose FOB value does not exceed US\$ 200.00 (two hundred and 00/100 U.S. dollars) per shipment.

- *Is the de minimis threshold related only to duties or to duties and taxes?*

The de minimis threshold is related to duties and taxes on the import of postal shipments, as well as fast delivery shipments.

- *Is your country or union planning to review or adjust de minimis thresholds? If yes, when.*

There are no plans to review or adjust the de minimis thresholds.

2. Background

- *Is there any previous experience with other types of approach/es, and how has this led to the current approach/es.*

There is no previous experience of other approaches to the subject.

- *Provide a brief explanation of the domestic regulatory environment relevant to the case study (competent authorities, de minimis threshold, taxation, etc.).*

The de minimis threshold includes those items of correspondence, documents, newspapers or non-commercial periodicals and goods whose FOB value does not exceed US\$ 200.00, per shipment and identified under national subheading 9810.00.00.10. The competent authority to determine postal shipments that qualify as de minimis is SUNAT and national law calls it "direct distribution". SUNAT is also responsible for determining the customs value, the correct classification of the goods contained in the postal shipment, for managing the risk in customs clearance and tracking the cargo to complete the import process.

About the fast-delivery shipments, the de minimis threshold includes consignments of category 1 relating to correspondence, documents, newspapers or periodicals of non-commercial purposes, and identified by national subheading 9809.00.00.10 and category 2 whose goods have an FOB value not exceeding US\$ 200.00, per shipment, and identified with national subheading 9809.00.00.20. SUNAT as competent authority is also responsible for determining the customs value, the correct classification of the goods contained in the postal shipment, managing the risk in customs clearance and monitoring the cargo to complete the process of import.

3. Description of the process

- *Describe the approach/es in detail. Use pictures, diagrams and charts, print screens, websites, etc., to make the understanding easy.*

The process establishes as basic premises the following:

1.- Centralization of ex officio clearance (SUNAT and SERPOST S.A) without the presence of the recipient for the clearance of postal shipments with FOB value up to US \$ 2 000.00 dollars of the United States of America.

2.- Immediate delivery to the recipient by SERPOST S.A. of postal shipments that have a value up to \$200.00 FOB. No Customs Declaration is made (except restricted goods and those established by SUNAT), because approximately 81% of shipments do not exceed the above value, so it is necessary to simplify the handling of these shipments that do not pay import duties and taxes, by optimizing control actions for shipments that effectively have to pay duties and taxes.

3.- Paperless clearance, using information from the SUNAT portal.

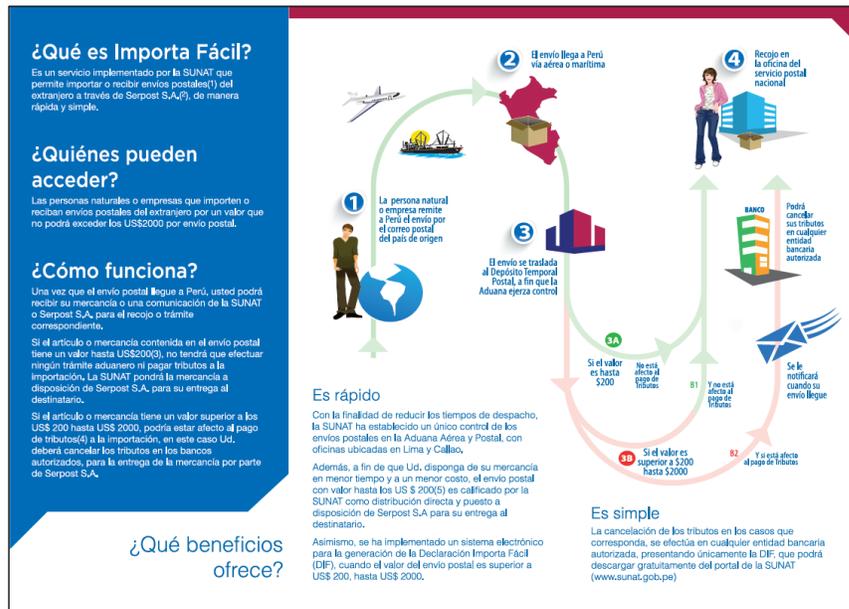
There are 4 main stages in the process:

1.- Control Process of the Entry Manifest, concerning the transmission and numbering of the postal manifest at the level of sacks by SERPOST to SUNAT; Registration and control of the transfer of postal shipments; Control and monitoring of postal mail; Transmission of the postal manifest; Data from shipments without requiring DIF (Declaration of Easy Import); Reconciliation of Postal Shipments registered by the customs officer; generation of alerts, as well as actions to regularize postal shipments that are not reconciled.

2.- Process of Registration and Validation of the Easy Import Declaration (DIF), referring to data capture for the generation of the DIF, assignment of the specialist for the deal of the DIF, numbering and dating of the DIF, allocation of single items for the postal shipments, the reporting of the Declaration and Web Service for the electronic notification of SUNAT to SERPOST.

3.- Physical Examination Process, concerning the diligence, rectification and reassessment carried out by the customs officer in the DIF, as well as the associated processes of return and reshipment of postal shipments.

4.- Consultation and Report Process. The Customs Officer Portal permits the access to the information and traceability of shipments to the customs official, SERPOST and final recipient.



Consulta de envíos en portal de la SUNAT

Los envíos postales transmitidos por Serpost S.A. pueden ser consultados en el portal de la SUNAT para conocer el estado del envío postal, declaración simplificada, autorización de ingreso, notificación para trámite de permiso especial en el sector competente, cancelación de tributos, etc.

RECUERDA

Existen mercancías que están prohibidas de ingresar a Perú como por ejemplo:

- Ropa y calzado usado sin excepción
- Partes usadas de vehículos
- Drogas y demás insumos similares

También existen mercancías que tienen la condición de restringidas(*), por lo tanto necesitan autorización del sector correspondiente para ingresar a Perú como por ejemplo:

- Celulares y demás dispositivos similares (requieren permiso del Ministerio de Transporte y Comunicaciones - MTC(7); (www.mtc.gob.pe))
- Medicinas, vitaminas, equipos y demás aparatos médicos (requieren permiso de la Dirección General de Medicamentos, Insumos y Drogas - DIGEMID; (www.digemid.minsa.gob.pe))

Con el uso del RUC y Clave Sol las autorizaciones del MTC, DIGEMID, DIGESA, SENASA y otros, se pueden tramitar por la Ventanilla Única de Comercio Exterior - VUCE (www.vuce.gob.pe).

6. Puede revisar la lista de mercancías restringidas y prohibidas en: [### Importar o recibir envíos desde el extranjero, ahora es más rápido

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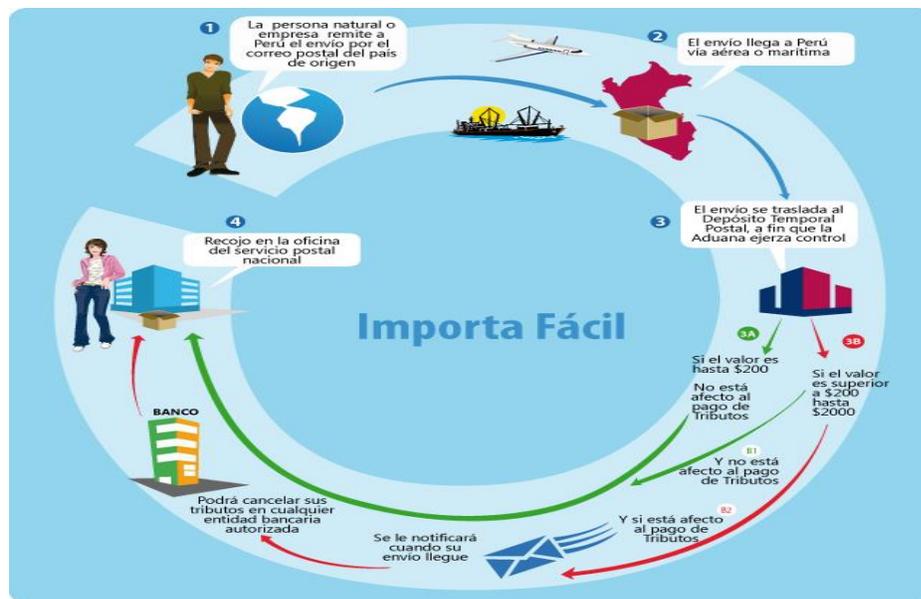
Más información en:

- \[www.sunat.gob.pe\]\(http://www.sunat.gob.pe\)
- \[www.sunat.gob.pe\]\(http://www.sunat.gob.pe\) Aduanas / Importación / Importa Fácil.
- **Central de Consultas:** 04801-12-100/315-0730 Opción \(4\)
- **Asistencia Importa Fácil:** 612-1730, anexos: 20519, 20523 y 20528 \[importafacil@sunat.gob.pe\]\(mailto:importafacil@sunat.gob.pe\)
- \[www.sunat.gob.pe\]\(http://www.sunat.gob.pe\) Atención / Contáctenos / Atención Virtual.
- **Edificio SUNAT** Av. Agustín Gamarra N° 690, Chucuito - Callao, \(Atención de lunes a viernes de 8:30 am. a 16:30 pm\)

Síguenos en: \[f guaitributaria\]\(https://www.facebook.com/guaitributaria\) \[@SUNAToficial\]\(https://twitter.com/SUNAToficial\)

\[www.sunat.gob.pe\]\(http://www.sunat.gob.pe\)

!\[\]\(1fd8a0c706a2408341b4d9ad62274ffb_img.jpg\)](http://SUNAT Virtual (www.sunat.gob.pe) / Aduanas / Mercancías Restringidas y Prohibidas.</p>
<p>7. Salvo excepciones establecidas según Resolución Directoral).</p>
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In the case of Fast Delivery Shipments (EERs), the process consists of performing the following steps:

I. EER PROCESSES OF ENTRY

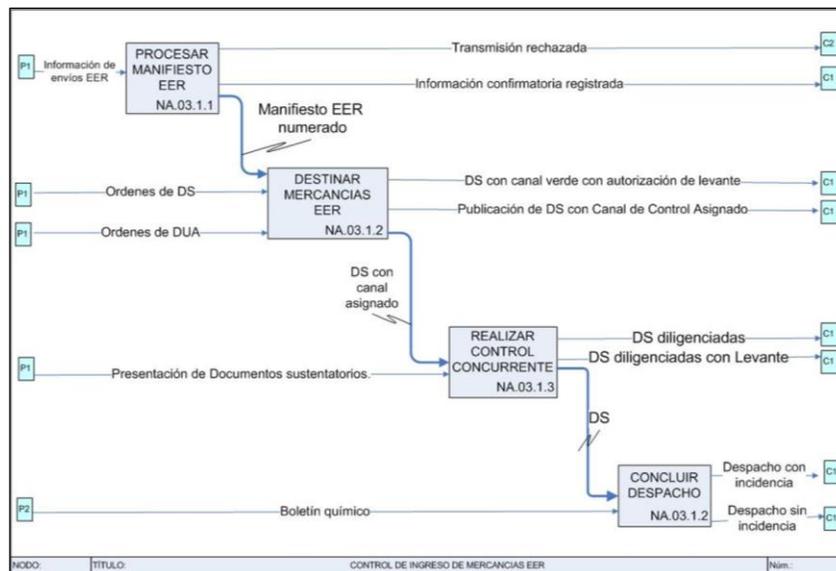
A. EER MANIFEST - ENRY

1. Manifest numbering
2. Rectification of the manifest
3. Incorporation of EER guides into the manifest
4. Consultations and reports on SUNAT web portal
5. Consultations and reports in SUNAT module

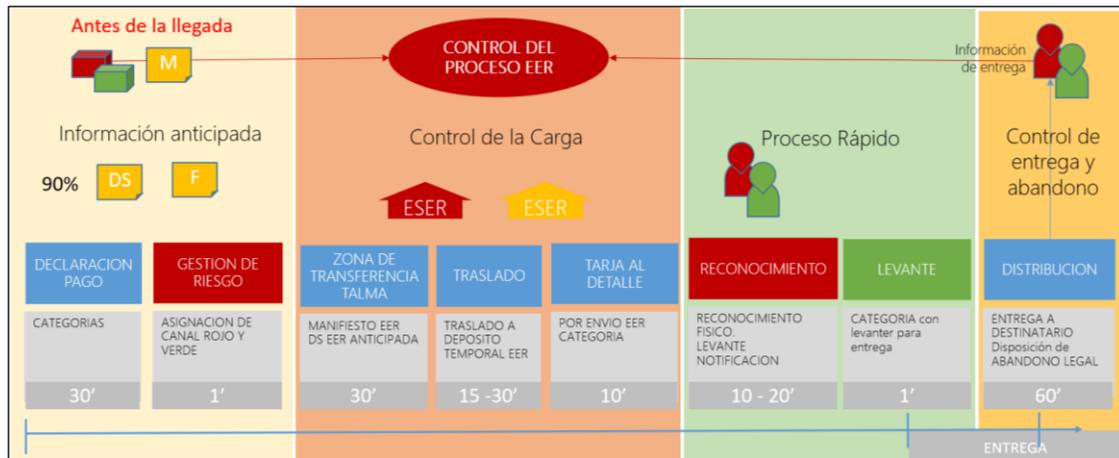
B. EER CUSTOMS DESTINATION - ENTRY

1. Declaration numbering from the manifest
2. Numbering of the Consolidated Declaration
3. Numbering of the Declaration by individual transmission
4. Declaration numbering by window
5. Rectification of the Declaration (by electronic transmission or by module)
6. Assessment of taxes, surcharges and collection
7. Pre-guarantee or payment of taxes, surcharges and collection
8. Control channel display - ASSIGN CONTROL CHANNEL
9. Notification through Declaration Module
10. Diligence record (with or without incident)
11. Show Release
12. Customs destination without RUC
13. Inquiries and reports on SUNAT web portal
14. Queries and reports on SUNAT module

PROCESS DIAGRAM



FLOW PROCESS DETAILS



4. Benefits and Challenges

- What are the benefits and challenges of using the approach/es chosen for e-commerce goods within the domestic environment?



- *Why is this approach/es considered the most effective for e-commerce goods? For example, it is providing facilitation, efficiency of revenue collection, compliance, minimize risks of undervaluation, prevent revenue losses, more predictability of delivery time if there is a need to pay duties and taxes, more comfortable conditions for consumers (buyers) because there is no need to pay duties and taxes directly upon goods arrival, etc.*

The approach is effective and efficient by the following:

- Facilitates the quick clearance of postal shipments.
- It does not use paper format for the customs clearance process.
- Centralized clearance that allows greater and better control of the goods.

- It uses risk management systems to avoid bad practices.
- No fees and taxes are paid on arrival of shipments but on delivery.
- There is cargo traceability through SUNAT AND SERPOST S.A.
- Predictability of the clearance time and delivery of the cargo to SERPOST S.A.

In fast delivery shipments, such an approach is effective and efficient, as follows:

- It facilitates the quick clearance of shipments.
 - The declaration is numbered in advance.
 - Centralized clearance that allows greater and better control of the goods.
 - Use risk management systems to avoid bad practices
 - Fees and taxes are paid prior to arrival of shipments.
 - There is cargo traceability through SUNAT.
- *Has the approach/es been integrated with Risk Management Systems, and if so how.*
The process involves the integration of SUNAT and SERPOST S.A. risk management systems for the control and traceability of postal shipments, so as to allow to detect the prohibited and restricted goods that could enter the country, this through alerts logged by the customs officer at the time of physical control of the cargo and algorithms that allow to detect if there is more than one postal shipment to the same consignee for subsequent payment of import taxes, using the valuation tools established in the process.

In the fast delivery shipment process, the integration of SUNAT's risk management systems and ESER is considered for the purposes of control and traceability of shipments. This will enable the detection of prohibited and restricted goods that could enter the country through Multi Variable Filters (FMV), which establish declarations subject to physical examination for customs control and verification of the correct declaration of goods, tariff classification and value, the latter under the WTO Valuation Agreement, among others, and subsequent payment of import taxes where applicable.

5. Lessons Learned (if available)

- *What was your administration's experience in implementing the approach and what did you learn from this experience? This may be related to any aspect of the approach including, but not limited to: legislation, systems, cooperation with other government agencies and the private sector, training of staff, resourcing, and/or achieving policy objectives.*

Lessons Learned

1. To avoid a minimum definition of requirements.
2. Lack of statistics to support the process change.
3. To assign real times for the analysis, design and implementation of the requested requirement.
4. Do not start a project or stage without an approved work plan.
5. If there is a delay, do not "cut" times of future activities.
6. To know how to stay on time when the team's resources are not adequate.
7. To agree with those involved on the changes that will be made to the process.

6. Compliance and Future Developments (if available)

- *What was the response to implementation?*
It was very good, because it improved the service provided to the citizen and the operational aspects of the designated postal operator, the fast delivery service companies and SUNAT.
- *What is the approach to compliance (penalties, education, etc.)?*
It improved the service processing times and greater control of postal shipments and fast delivery shipments.
- *How is the success of the approach measured?*
It is measured by the reduction of service processing times and reduction of complaints of end users.
- *Next steps for the approach (phases, reviews, adjustments, etc.)?*
Our next steps will be the permanent review of the implemented process and adjustments to the processes and computer systems, if applicable.

7. Statistics

The purpose of this section is to provide statistical information that supports the case study outlined above. It is acknowledged that provision of statistics may be challenging and therefore some or all of the suggested information below, which is not exhaustive, may not be obtainable, or what can be provided may not add value to the case study due to its level of aggregation or reliability. As such, this section should be considered as “best endeavours”. If there are statistics that contain estimates or are anticipatory based on research, then these can be provided but should be identified.

- *annual number of volumes and declarations*
- *volumes cleared within de minimis*
- *number of operators [registered or otherwise] with respect to the approach/es*
- *taxes and duties collected on e-commerce goods*
- *average time for clearance of e-commerce goods*
- *other important information.*

POSTAL SHIPMENTS



Russian Federation

1. Introduction / General Overview

- *General description of the approach/es to revenue collection for e-commerce, based on one of the three approaches (or hybrid) discussed within the Annex to the Technical Specifications.*

The approach adopted by the Russian Federation is that customs duties and taxes are paid by the recipient of goods.

By the way, for goods purchased on JOOM and AliExpress trading platforms and shipped in international mail, a hybrid payment collection scheme is used in which the payer is the recipient of the goods, but in fact the money is paid by the designated postal operator.

Customs payments are paid:

- in regard to goods delivered by carriers - before the release of goods for free circulation;
- in regard to goods sent as postal parcels - before the delivery of the goods to the buyer.

- *Why was this approach/es developed, or under development, for e-commerce?*
This approach is based on existing legal acts.

- *What is the legal framework that supports revenue collection for e-commerce?*
 - Customs Code of the Eurasian Economic Union;
 - Decision of the Council of the Eurasian Economic Commission of 20 December 2017 No. 107 "On Certain Issues Relating to Goods for Personal Use" (hereinafter - the Decision of the Council of the EEC);
 - Decision of the Board of the Eurasian Economic Commission of 20 November 2018 No. 185 "On the document on the payment of customs duties and taxes in respect of goods for personal use, the customs declaration of which is carried out using the passenger customs declaration for express cargo";
 - Decision of the Customs Union Commission No. 288 of 18 June 2010 "On the form of a customs receipt order and the procedure for filling out and applying a customs receipt order";
 - Federal Law of 3 August 2018 No. 289-FZ "On Customs Regulation in the Russian Federation and on Amending Certain Legislative Acts of the Russian Federation".

The general rules apply when calculating and paying customs duties in respect of goods transported within the framework of international electronic commerce. At the same time, the need to develop a customs administration new model for international electronic commerce is being discussed.

- *De Minimis Threshold.*

The provision in force till 21 December 2019 was that, in accordance with the Decision of the EEC Council, goods for personal use, delivered by the carrier and forwarded in international mail, may

be imported without paying customs duties if the value of such goods imported within 1 calendar month to one person does not exceed 500 euros, and weight does not exceed 31 kilograms. From 1 January 2020, the tax-free rate dropped to 200 euros / 31 kg per shipment.

2. Background

Other approaches to collecting payments have not been implemented in the Russian Federation.

Customs administration of international electronic commerce is carried out by the Eurasian Economic Commission, the Ministry of Finance of Russia (in terms of legal regulation) and the Federal Customs Service (FCS) of Russia (in terms of technology).

The non-taxable rates for goods transported in the framework of international electronic commerce are 200 euros / 31 kilograms per shipment. In case of exceeding these standards, customs duties and taxes are payable for the excess at a flat rate of 15 percent, but not less than 2 euros per 1 kilogram.

3. Description of the process

1) When performing customs operations in relation to goods for personal use delivered by express carriers, the technology of automated generation of a customs receipt order (hereinafter - CRO) is applied in electronic form without printing on paper.

Customs payments are calculated in CRO. CRO is generated automatically based on the information contained in the register of express goods, having the status of a customs declaration and submitted in electronic form.

A receipt containing the bank details in text and coded form necessary to pay customs duties, to bring it to the recipient, is sent to the customs representative (broker).

The receipt is communicated by the customs representative (broker) to the recipient of the goods. Customs payments are made by the recipient remotely using software and (or) hardware (devices) of payment service providers.

The debiting of customs payments is carried out in an automated mode after the receipt of the payment document in the information system of the customs authority.

2) When performing customs operations in relation to goods for personal use, sent in international mail, the technology of automatic generation of CRO in electronic form without printing on paper is used.

CRO is automatically generated based on the information contained in the postal parcels registry, which is received from the "Russian Post" information system in electronic form.

A receipt containing the bank details, in text and coded form, necessary for making customs payments is sent to the address of the postal operator.

The postal operator brings the receipt to the recipient of the goods and provides the opportunity to pay payments in the post office.

After the receipt of the payment document in the information system of the customs authority, customs payments are debited automatically.

3) When making customs payments in respect of goods purchased by individuals at two Chinese Internet trading platforms delivered by "Russian Post", the technology for paying customs payments by the designated postal operator on behalf of individuals using advance payments made to the personal account of the designated postal operator.

Money is reserved until the parcel is delivered to the recipient in the post office, after which the customs payments are debited automatically.

At the same time, an individual has the opportunity to deposit funds against future customs payments directly when purchasing goods on the site of the trading platform.

4. Benefits and Challenges

The approach used in the Russian Federation has shown its effectiveness and convenience for all participants (individuals, customs representatives (brokers), customs authorities).

5. Lessons Learned (if available)

The introduction of customs payment mechanisms for goods transported within the framework of international electronic commerce allowed for the implementation of information interaction between the systems of customs authorities, logistics operators, payment service providers, reduced the time required to pay customs payments and ensured the release of goods before the actual receipt of funds to the account of the Federal Treasury.

Information interaction between the FCS of Russia and the Federal State Unitary Enterprise "Post of Russia"

FCS Russia has taken the necessary organizational and technical measures to ensure automatic processing of more than 1,500,000 postal parcels per day taking into account the dynamics of the development of international electronic commerce, an increase in the volume of goods transported within the framework of cross-border Internet commerce, as well as a decrease in the cost, weight or quantity standards, within which goods for personal use are imported into the customs territory of the Eurasian Economic Union without paying customs duties.

6. Compliance and Future Developments (if available)

In the future, it is planned to use a new document for the payment of customs payments for express goods instead of CRO.

Also under consideration is the question of further reducing the norms of importation of goods not subject to payments, as well as the exclusion of goods transported through electronic commerce from the category of goods for personal use.

Development of technologies for customs administration of goods transported within the framework of international electronic commerce.

In order to improve the technology of automated processing of goods sent as postal parcels, as well as the implementation of the mechanism of value added tax refund FCS and the Federal Tax Service of the Russian Federation are carrying out activities aimed at transferring information to the tax authorities about the actual departure of the postal parcel from the customs territory of the EAEU, as well as the completion of the Unified Automated Information System (UAIS) of customs in accordance with the law of the Federal Customs Service of Russia No. 129 p. of 12 July 2019.

Modified versions of the UAIS should provide:

- the possibility for the declarant to submit an export customs declaration in the form of CN-23 through the "Personal Account" Automated Programme Software (APS), its registration and processing in the UAIS;
- receiving from "Russian Post" information on the arrival of postal parcels in a foreign postal administration (information on the actual departure of postal parcels);
- interaction with the Federal Tax Service of Russia regarding the provision of information on the actual departure of postal parcels (on the date of receipt of postal parcels in the territory of a foreign state and the name of the foreign state).

Also measures are being taken to finalize the UAIS regarding the implementation of the decisions of the EEC Board No. 158 of 16 October 2018, No. 142 of 28 August 2018, No. 9 of 22 January 2019 and No. 185 of 20 November 2018, providing for the possibility of electronic declaration of goods delivered by express carriers using the goods declaration and the passenger customs declaration. These decisions of the EEC provide for new forms of documents for the declaration of express goods. The UAIS is operational as of 1 February 2020.

The measures carried out by the FCS of Russia aimed at automating the technology of customs administration of goods transported within the framework of international electronic commerce have made it possible to optimize and speed up the processing of postal parcels and express freights.

The improvement of the functionality of the UAIS, providing processing of postal parcels and express cargoes, is carried out on an ongoing basis as part of the planned work on the modernization of the UAIS, taking into account the development of the legal framework of customs.

7. Additional or Final Comments

In order to improve customs administration in relation to goods transported within the framework of international electronic commerce, the automated process order of customs operations and processing of the specified category of goods was implemented in the UAIS in accordance with the provisions of:

- Decree of the Ministry of Finance of Russia No. 279n of 21 December 2019, which defines the requirements for authorized operators performing customs operations on behalf of an individual in relation to postal parcels, as well as the conditions for making operations on payment of customs payments;
- Decree of the Federal Customs Service of Russia No. 1060 of 5 July 2019, which determines the procedure for the automated processing of goods for personal use delivered by a carrier (freight forwarding company or official courier delivery) to individuals.

8. Statistics (if available)

For the first eight months of 2019, the customs authorities issued 139,339 shipments with customs payments (for the same period in 2018 - 32,671). The amount of customs payments - 544.7 million rubles (for the same period in 2018 - 172.2 million rubles).

Interaction is being carried out within the framework of information technology with 12 express carriers and a designated postal operator.

Statistics show that from January to August 2019, over 197,000,000 items were processed in the UAIS via Internet commerce (of which about 190,000,000 were postal parcels and over 4,000,000 were express freight).
