



Single Window

Implications for Customs Administrations

1. General remark

The WCO Members at the June 2006 Information Management Sub-Committee (IMSC) meeting agreed that there ought to be in future a standing agenda item on Single Window issues. This is to incorporate, but not be limited to, data harmonization (WCO Guidelines on Single Window and Data Harmonisation).

It is generally recognised that Customs' administrations, being one of the Cross-Border Regulatory Agencies, have a pivotal role in Single Window developments.

In most of the WCO Member countries, Customs is the central Cross-Border Regulatory Agency in many not only covering Customs' interests but also empowered to act on behalf of a number of partner Cross-Border Regulatory Agencies such as Immigration, Agriculture, Environment Protection, Marine Safety etc. Most Customs' Administrations have a fairly high degree of automation and nearly 100% are processing export, transport and import declarations using an automated declaration processing system.

This document, drafted by the WCO Secretariat, is devoted to Single Window topics but the focus remains upon informational aspects. It was acknowledged that alterations to this document and the aforementioned Guidelines might be needed if new fundamental information, data or communications technology issues are identified.

2. Political commitment

As is the case for any significant change, it will not happen without the commitment of key decision-makers, and Single Window is particularly affected by this factor. In order to implement a Single Window environment, a range of Government agencies must be convinced of its merits, but even more importantly, that the new system does not imply any diminution of their respective powers and mandates.

Typically Customs will be at the focus of any Single Window development, and it is common for other agencies to view it as a potential "power grab" by Customs. Strong leadership is vital in such a potentially charged situation, including appropriate lobbying by industry.

3. Customs at the Centre of SW

Customs is the largest and most important cross-border regulatory agency in terms of its intrusion into trade transactions, its information gathering and the spread of its business activity. As such, Governments usually see Customs as the natural agency to be the focus of Single Window development.

This does not necessarily imply that Single Window will be owned or run by Customs, but even if that is the case, Customs will be the major stakeholder purely owing to its wide business coverage at international borders.



4. Legal Issues

Single Window is something with a very wide ambit for all stakeholders – large and small, public and private sector, traders, transport entities, vendors, Cross-Border Regulatory Agencies and the rest. This wide ambit encompasses policy issues, technical issues, administration and law.

Within the legal domain there is a very broad range of separate and important considerations – for example, the agreements between agencies that must be in place to enable Single Window imply very carefully worded comprehensive agreements.

Such agreements must recognize the fact that responsibility for risk management for a given function resides with the agency set up to manage that function, not with the Single Window itself.

There are complex matters of resource sharing, costs, integrated risk assessment and data sharing. There are other important issues including data security, confidentiality and identity management across a number of databases.

Over and above all of this there are the implications of international Single Window development including fundamental sovereignty considerations. UN/CEFACT draft recommendation 35 documents the main legal factors, but at WCO it is important for members and other stakeholders to evaluate Single Window legal matters from a Cross-Border Regulatory Agencies' viewpoint, including possible impact upon other legal powers exercised by Customs, such as the authority to examine goods on behalf of partner Cross-Border regulatory Agencies. Can, or should that power be extended to the examination of data and electronic documents?

5. Business Process Re-engineering (BPR)

By its very nature, Single Window implies significant changes to the ways in which Cross-Border Regulatory Agencies including Customs interact with each other and with Trade and Transport. BPR is a term which describes the means by which that change can be analyzed, documented and put in place. It is a resource-intensive activity that needs executive management guidance in all parties, and its overall aim is to ensure that the business operating environment is in the best possible condition to maximize the benefits of the legal, technical and policy implications of a Single Window environment. Not only the Cross-Border Regulatory Agencies (Government) but also the Trade and Transport community from their side need to determine the impact on the interaction with a Single Window on their business processes.

6. Information management Issues

The result of a BPR is a description of the ways in which business processes will change in a Single Window environment, for both Government and industry. All such changes will have associated information management implications, the first and most significant being the need for data harmonisation. The WCO Guidelines on Single Window and Data Harmonisation deals with data harmonisation, but as was the case with legal issues, data issues must be looked at firstly from a Cross-Border Regulatory Agency viewpoint. The



major tool WCO has developed for this purpose is the WCO Data Model, and draft Version 3.0 will make it feasible to implement and operate a Single Window environment.

The WCO Data Model Version 3 is a standardised data requirement library for the Business to Government (B2G) and the Government to Government (G2G) exchange of information. The use of WCO Data Model Version 3 in operating a Single Window environment, will allow all related parties to that Single Window environment to “speak” the same language and in the same way.

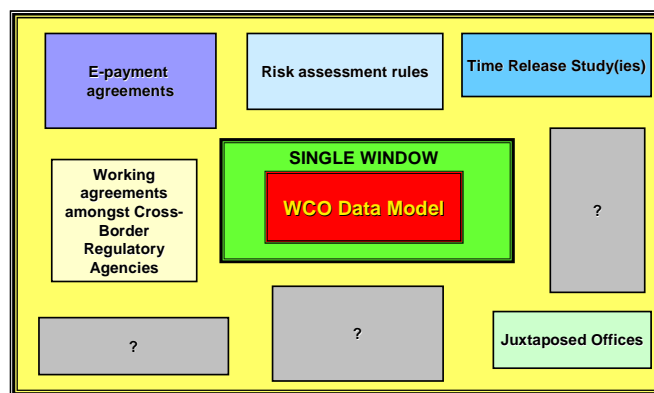
Other important data related issues include data inheritance, data matching for risk assessment purposes and working with other bodies such as the UN/CEFACT (Buy Ship Pay project). The development of a comprehensive model (Buy Ship Pay) that would also cover the Business to Business (B2B) information requirements would be a significant step towards the universal acceptance and facilitation of Single Window, both nationally and internationally.

7. Co-ordinated Border Management

The WCO Compendium on Integrated Border Management (new name Co-ordinated Border management (CBM)) reads:

“Complementary to, and of paramount importance to, Integrated Border Management is the implementation of a Single Window – whether or not it is computer based. The Single Window concept and guidelines to its implementation have been developed by the United Nations Centre for Trade Facilitation and Electronic Business and have been published as UN/CEFACT Recommendation 33. Consequently, this brochure will not discuss the Single Window concept in any detail. However, readers should also consider the implementation of the Single Window when implementing an Integrated Border Management System.”

The critical point here is that CBM and Single Window are intimately related without being the same initiative. The former has many physical aspects such as co-ordinated border crossing offices that have no place in Single Window. Most importantly however, each is predicated upon the use of international standards, strong political commitment, a sound legal base and collaboration amongst all parties including Trade and Transport.



Co-ordinated Border Management

Fig. 1 areas a CBM could take into account



8. E-Commerce

WCO's e-Commerce compendium lists several recommendations for Members to consider when adopting an e-commerce strategy. Key amongst those recommendations are obtaining high-level political endorsement, simplifying Customs processes and requirements and developing seamless international trade transactions. These recommendations apply equally to the adoption of Single Window but need to be broadened from only Customs view point to all Cross-Border Regulatory Agencies view point.

An integrated collaboration amongst all Cross-Border Regulatory Agencies involved in international transactions needs to be developed to make possible the seamless transfer of the internationally used and legally required data and to exchange risk intelligence at both national and international levels.

Thus it can be seen that the Single Window concept has a generic impact upon Customs at different strategic levels, including the broad e-commerce question.
