



Brussels, 19 September 2018.

POSTAL TRAFFIC

- o Joint WCO-UPU Guidelines for the exchange of electronic advance data between Post and Customs

(Item VI on the Agenda)

I. Background

1. Postal operators play an important role in cross-border E-Commerce. However, the situation with regard to postal shipments is that Customs normally gets an opportunity to access the information about the goods only when the shipment is physically presented and opened. The CN22/CN23 form (Customs declaration for postal shipments), being on a paper basis, is not sufficient for Customs to evaluate risks in advance or even after the goods have been presented, due to increasing volumes and the emphasis on speedy clearance. This poses several challenges in terms of timely and effective risk management of potential risks (e.g., security and revenue) and efficient release and clearance.
2. The electronic exchange of information between postal operators and Customs administrations provides an efficient means of achieving the objectives of compliance and facilitation, especially in dealing with the ever growing number of E-Commerce postal shipments. Electronic pre-arrival data enables Customs to carry out the necessary risk assessment and take a timely decision to either allow quick release of a postal shipment or carry out an inspection of it. It also facilitates Customs procedures associated with revenue collection. Additionally, it helps Posts in improving their quality of service, while strengthening the integrity of the postal supply chain.

- Regulatory developments

3. The UPU has already created a legal basis for the provision of electronic advance data, by amending Article 8 (Postal Security) of the Universal Postal Convention¹ - a change which came into effect on 1 January 2014. Related implementing provisions for providing electronic advance data have been incorporated

¹ http://www.upu.int/uploads/tx_sbdownloader/actsLastCongressActsEn.pdf

into new Regulations to the UPU Convention that entered into force on 1 January 2018².

4. The WCO SAFE Framework of Standards 2015 specifically provides for the submission of pre-loading data (7+1 data elements : Annex III of the SAFE Framework of Standards) for air cargo/mail security by various entities in the air cargo supply chain, including "Postal Operators", as soon as the information becomes available but no later than prior to loading onto the aircraft, with a view to ensuring a harmonized approach towards the implementation of the Pre-loading Advance Cargo Information (PLACI) regime, where Members wish to implement such requirements based on their security risk assessment.

5. There are other global developments in terms of some countries/unions introducing specific legal/regulatory provisions for the obligatory submission of advance electronic information in respect of postal shipments. For example, the EU's Union Customs Code (UCC)³, which came into force on 1 May 2016, stipulates that CN 23 data should be provided by postal operators for postal items before loading (subject to a transitional period until 15 March 2021) and the US's impending STOP Act⁴, to name a few.

- **Joint Letter**

6. In July 2016, the WCO and the UPU sent out a joint letter to all Customs administrations and designated postal operators (DOs), urging them to prioritize the implementation of electronic data exchange (EDI) between Post and Customs at the national level, using the joint WCO-UPU Customs-Post EDI messages.

- **Joint Survey**

7. Subsequently, the WCO and the UPU launched a joint survey in May 2017 to assess the level of preparedness of postal operators and Customs administrations for capturing, sending, receiving and using data in electronic format.

8. A total of 110 responses to the questionnaire were received. These represented 56% of the 196 requests sent to countries and territories, 57% of the UPU membership, and 62% of the WCO membership. Some of the key findings are outlined below :

- 26% of respondents (29 DOs) are exchanging electronic advance data (EAD) with Customs;
- 14% of those exchanging data are using Joint WCO-UPU EDI Messages (CUSITM-CUSRSP);
- 81% of respondents (89 countries) are planning for the exchange of electronic advance data in the next three years, representing only 45% of all DOs; and
- 36% of respondents (40 DOs) are already capturing declaration data.

² http://www.upu.int/uploads/tx_sbdownloader/actRegulationsConventionFinalProtocolEn.pdf

³ http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/ucc/legislation_en.htm#uccimp

⁴ <https://www.congress.gov/bill/115th-congress/house-bill/6>

II. Joint Guidelines for the exchange of advance electronic data between Post and Customs

9. Given the above background, the exchange of electronic advance data between Post and Customs is one of the key identified priorities with respect to postal traffic.

10. In order to assist Customs administrations and postal operators to move forward, the 2016 WCO-UPU Contact Committee agreed to develop guidelines on the exchange of electronic advance data between Posts and Customs.



11. Following that, draft guidelines have been developed based on the inputs received from various postal operators and Customs administrations (appended as an Annex to this document).

12. These guidelines will serve as the key resource for the WCO and UPU memberships to advance the exchange and use of electronic advance data. They are expected to provide information and guidance for postal operators and Customs administrations working collaboratively to establish the exchange of electronic advance data, as well as advising on how to gain support within the respective organizations for adoption of this development project.

13. The intended purpose of these guidelines is to serve as a “clear language” guide, to help advise all postal operators and Customs administrations on how they can develop new arrangements that will enable them to meet or exceed their emerging processing, fiscal and security requirements, as a strategic priority, by providing:

- information to assist with the development of a business case for postal operators and Customs administrations for initiating and implementing the exchange of electronic advance data;
- access to relevant WCO and UPU instruments, tools, standards and regulations ;
- a step-by-step approach to assist with the process and system development
- critical factors for data sharing agreements including issues concerning data privacy and protection laws; and
- key considerations, lessons learned and good practices.

14. A step-by-step approach on how to move forward using a phased approach to the implementation of the project, which has been elaborated in the Guidelines, is indicated below :

Phase #	Actions
1	Strategic Overview & Planning

2	Data Sharing Agreement between Customs Administrations and Designated Postal Operators
3	Engagement and Cooperation between Customs Administrations and Designated Postal Operators
4	Pilot (s)
5	Implementation
6	Stabilization Monitoring and Enhancement
7	Lessons Learned

15. Based on the feedback from the WCO and UPU members and respective working bodies, in particular the WCO Permanent Technical Committee (PTC) and the UPU Postal Operations Council (POC), these guidelines are expected to be finalised at the November 2018 WCO-UPU Contact Committee meeting.
16. Using these guidelines, Customs administrations and postal operators should consider examining all possible means to implement the exchange of information (pre-loading/pre-arrival) between them at the national level, through any IT solution including the UPU's Customs Declaration System (CDS) and/or any other customized solutions based on the joint WCO-UPU Customs-Post EDI messaging standards, in order to achieve a harmonized approach. To that end, the WCO and UPU are committed to providing all necessary technical assistance.

III. Action Required

17. The PTC is invited to:
- examine the draft Joint WCO-UPU Guidelines for the exchange of electronic advance data between Posts and Customs (appended as an Annex to document), and provide feedback and guidance on their further development; and
 - discuss and suggest measures for an expeditious implementation of the exchange of electronic advance data between Post and Customs at the national level, as well as share related initiatives/working experiences.