



Permanent Technical Committee

PC0749Eb

-  
243<sup>rd</sup>/244<sup>th</sup> Sessions

-  
23-26 April 2024

Brussels, 4 April 2024.

**Update on the Feasibility Study on the Interconnectivity Framework for  
the Certificate of Origin**  
(Item XIII. a on the Agenda)

**SUMMARY**

**Purpose of document**

Following the 141st/142nd Council's endorsement of the Work Programme of the Technical Committee on Rules of Origin (TCRO), a Feasibility Study on the establishment of an Interconnectivity Framework for the Certificate of Origin (CO) was launched in September 2023, and an Informal Working Group (IWG) consisting of interested members of the TCRO was established to work on the Feasibility Study. The IWG is using the WCO's Globally Networked Customs (GNC) methodology as the primary reference for establishing the Interconnectivity Framework.

The two-year project, "Feasibility Study on the Interconnectivity Framework for the Certificate of Origin", is currently in its first stage. The IWG is focusing on the two main elements of GNC, namely the Business Process Models (BPM) for the CO and the "Dataset for the e-CO". The Permanent Technical committee (PTC) will be briefed regarding the outcomes of the Feasibility Study concerning the BPM and Dataset for the e-CO.

This document was updated to take into account the outcomes of the Shanghai Consultation Meeting held from 11 to 15 March 2024.

**Action required of the Permanent Technical Committee**

The Permanent Technical Committee is invited to discuss and endorse the following parts of the Feasibility Study of the Interconnectivity Framework for the Certificate of Origin attached as the Annex to this document:

- Chapter III (Business Process Model); and
- Annexes I, II, III and IV.

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**I. Background**

- 1. In line with the WCO Strategic Plan 2022-2025, the TCRO discussed and considered the inclusion of a Feasibility Study on establishing an Interconnectivity Framework for the CO in its Work Programme at its meeting in February 2023. The Work Programme was subsequently approved by the Council in June 2023.
- 2. Following the Council’s approval, an Informal Working Group (IWG) consisting of interested members of the TCRO, notably, Australia, China, Indonesia, Japan, Korea, Madagascar, Switzerland, the United States, Ukraine and Uruguay, was established to work on the *Feasibility Study on the Interconnectivity Framework for the Certificate of Origin*. The WCO Globally Networked Customs (GNC) methodology was agreed as the primary reference for establishing the Interconnectivity Framework.

**II. Intersessional developments**

- 3. Following the Council’s approval of the Work Programme, the Feasibility Study was launched virtually on 11 September 2023, when the Concept Note and the Action Plan for the Feasibility Study were agreed upon during the 1<sup>st</sup> Meeting of the IWG.
- 4. The Study's development was divided into two stages. The initial stage covered the Business Process Model (BPM\_ and e-CO Dataset. The second stage will focus on the other components of the Interconnectivity Framework, such as legal frameworks, technological architecture, and the business case for interconnectivity. The first stage is scheduled to conclude by the end of 2023, enabling the submission of results to the TCRO in February 2024 and to other relevant working bodies, such as the Permanent Technical Committee (PTC). The second phase will begin once the first phase is completed and is scheduled to conclude by mid-2024. The comprehensive Feasibility Study is set to finish by the end of 2024, enabling submission of the final results to the TCRO in 2025, and then to the PTC, Policy Commission and Council.
- 5. The Feasibility Study has made swift progress, with four virtual meetings of the IWG held between September and December 2023, along with several one-on-one consultation discussions with participating members. These meetings focused on developing the BPM for the Interconnectivity Framework of the CO and reviewing the Dataset for the e-CO. Summaries of the IWG meetings are provided below.

No.	Date	Participants	Deliverable
1 <sup>st</sup> Meeting	11 September 2023 (virtual)	Australia, China, Indonesia, Japan, Korea, Madagascar, Switzerland and Uruguay	<ul style="list-style-type: none"> <li>• Concept Note</li> <li>• Action Plan</li> <li>• Questionnaire for the Development of GNC Utility Block for the Certificate of Origin</li> <li>• Feedback Form on Dataset for Data Exchange on the Certificate of Origin</li> </ul>

2 <sup>nd</sup> Meeting	17-18 October 2023 (virtual)	Australia, China, Indonesia, Japan, Korea, Madagascar, Switzerland, the United States and Uruguay	<ul style="list-style-type: none"> <li>• Business Process Model of the Interconnectivity Framework for the CO (Version 1)</li> <li>• Dataset for the e-CO (Version 1)</li> </ul>
3 <sup>rd</sup> Meeting	14-16 November 2023 (virtual)	Australia, China, Indonesia, Japan, Korea, Madagascar, Switzerland, the United States, Ukraine and Uruguay, EU-WCO Rules of Origin Africa Programme	<ul style="list-style-type: none"> <li>• Business Process Model of the Interconnectivity Framework for the CO (Version 2)</li> <li>• Dataset for the e-CO (Version 2)</li> </ul>
4 <sup>th</sup> Meeting	11,13 December 2023 (virtual)	Australia, China, Indonesia, Japan, Korea, Madagascar, Switzerland, the United States, Ukraine and Uruguay, EU-WCO Rules of Origin Africa Programme	<ul style="list-style-type: none"> <li>• Business Process Model of the Interconnectivity Framework for the Certificate of Origin (Version 3)</li> <li>• Maximum Dataset for the e-CO (Version 3)</li> </ul>
5 <sup>th</sup> Meeting	11-15 March 2024 (in person, Shanghai, China)	China, Indonesia, Japan, Jordan, Korea, Madagascar, Mauritius, Nigeria, Saudi Arabia, Uruguay, EU-WCO Rules of Origin Africa Programme	<ul style="list-style-type: none"> <li>• Business Process Model of the Interconnectivity Framework for the Certificate of Origin (Version 4)</li> <li>• Maximum Dataset for the e-CO (Version 4)</li> <li>• Preliminary draft of the Legal Framework and Compliance</li> <li>• Preliminary draft of the Technological Requirements and Specification.</li> </ul>

- In addition, Colombia and Mexico contributed to the Feasibility Study by responding to the Questionnaire for the Development of GNC Utility Block for the Certificate of Origin and Feedback Form on Dataset for Data Exchange on the Certificate of Origin, sharing their national practices.
- The WCO Data Model Projects Team (DMPT), at its 67<sup>th</sup> Meeting in September 2023, introduced and endorsed the review and update of an e-CO Dataset as part of the Feasibility Study on the Interconnectivity Framework for the Certificate of Origin in its Work Programme for 2023-2025. Furthermore, updates on the progress of the Study were presented to the PTC during its 241<sup>st</sup>/242<sup>nd</sup> Sessions in October 2023. The PTC supported the Study.
- The Technical Committee on Rules of Origin, at its 42<sup>nd</sup> session in February 2024 was briefed the outcome of the first stage of the Feasibility Study on the Interconnectivity Framework for Certificates of Origin, meaning, the BPM and the Dataset for the e-CO. The TCRO appreciated the work done by the IWG and expressed its support to the BPM and the Dataset for the e-CO, including its maintenance mechanism.
- During the 5<sup>th</sup> Meeting in March 2024, the participants reviewed and provided input to refine the draft components of the Feasibility Study on BPM and the e-CO dataset and to

conclude the first phase of the Feasibility Study. The second phase of the Feasibility Study was launched by discussing technical specifications, system integration architecture and legal framework. Participants supported the need to provide recommendations on technological solutions that can lead to global interoperability. Regarding the legal framework, participants discussed the legal enablers and requirements for e-CO data exchange.

### **III. Summary of the discussion by the IWG**

#### **III.a. The purpose of the Interconnectivity Framework**

10. The Interconnectivity Framework for the CO aims to provide Members negotiating bilateral or multilateral Free Trade Agreements (FTAs) on cross-border data exchange with a template for completing the technical annex for the exchange of Certificate of Origin data. The Interconnectivity Framework helps to develop interconnectivity systems in a cost-effective and faster way. It enables the parties involved to reuse their established interconnectivity system for origin certification, verification and Customs clearance processes, by ensuring that the CO interconnection developed with new partners in accordance with the Framework is fully compatible with the existing system.
11. The scope of the Interconnectivity Framework referred to is broadly understood as the transmission of electronic data on the Certificate of Origin between two or more governments through the interconnection of computerized systems administered by Customs or any other government agencies.

#### **III.b. Types of proof of origin (certificate or self-declaration)**

12. In the Feasibility Study on the Interconnectivity Framework for the Certificate of Origin, two types of proof of origin have been assessed: the Certificate of Origin involving a specific form issued by the competent authority, and the self-declaration of origin.
13. The IWG examined the existing practices on proof of origin interconnectivity and found that most of these were centred on exchanging Certificate of Origin data, with only a few exchanging self-declarations of origin. To this end, the IWG proposed that self-declaration of origin interconnectivity should not be included in the main body of the Study but, rather, as supplementary information in an annex to the Interconnectivity Framework.

#### **III.c. BPM of data exchange for the CO (Push Model vs Pull Model)**

14. The BPM describe how data exchange on the interconnectivity system takes place in the context of issuance of the Certificate of Origin and claim of origin-based treatment.
15. Two data exchange models for the CO were examined, namely, the Push Model and the Pull Model. In the Push Model, after the CO is issued, the exporting country's authority begins the CO data transfer to the importing country's authority. This allows the importing country to receive the CO data almost in real time and in advance of the claiming of the origin-based treatment process (i.e. import clearance). In contrast, the Pull Model requires that the importing country's authority initiate access to the CO data from the exporting country's outbound gateway, normally during the claiming of the origin-based treatment.
16. Currently, most data exchanges for the CO practised by several WCO Members in different regions are implemented using the Push Model. However, the IWG did not observe any fully automated Pull Model practice implemented by WCO Members.

17. The IWG reached a consensus to include only the Push Model in the Study, and it was also proposed as the optimal model for the Interconnectivity Framework for the CO. Moreover, the IWG agreed to append the semi-automated Pull Model of the CO and self-declaration of origin models as supplementary information, as annexes to the Study.

#### III.d. Review of the existing e-CO Dataset

18. The IWG reviewed and deliberated on the e-CO Dataset, which was initially published as part of the WCO Data Model (WCO DM). Based on the input from the IWG members, it was found that all data elements in the Dataset were utilized by one or more members. The IWG has compiled 37 new data elements for the e-CO, proposed by the members involved, in addition to the existing CO Dataset. Preliminary data modelling of the new data elements has been initiated. The draft model requires further review and discussion by the DMPT.

19. Additionally, to enhance the Dataset's clarity regarding rules of origin, a supplementary definition specific to origin has been created for the e-CO Dataset, where necessary. This has been done to add specification to the WCO DM data definition, while ensuring compatibility with the general WCO DM data elements.

20. The Dataset is considered as a "living maximum dataset", from which CO interconnectivity may use all or some data elements. The use of data elements not listed in the Dataset is discouraged in order to maintain global interoperability. If the need for a new data element is identified, WCO Members will be invited to submit a change proposal to the relevant working body, e.g., the TCRO or DMPT, in accordance with the established WCO DM Maintenance Procedure.

21. The BPM and reviewed CO dataset are presented to the PTC in GNC-UB format and attached as Annex to this document.

22. A GNC Utility Block (UB) contains key harmonized/standardized components, being the:

1. Business case and legal framework (name of the UB, purposes, benefits and legal basis);
2. Process alignment (business rules, trigger, entities and data cluster); and
3. Technical interoperability (service interface, communication and integration).

23. Some GNC-UB segments that will be developed in the second phase of the Study are added as placeholders to give the PTC an insight into the overall document structure.

#### IV. Summary discussion by the TCRO

24. The 42<sup>nd</sup> Session of Technical Committee on Rules of Origin (TCRO) was held from 7-9 February 2024. The TCRO discussed the Feasibility Study on the Interconnectivity Framework for the Certificate of Origin, in particular the BPM and dataset for e-CO. During the meeting, participants welcomed the study and the work of the IWG and expressed their interest in participating in the working group and willingness to contribute to the study. They asked deadline for submitting written comments on the study, to which the Secretariat provided indicative timeline. TCRO delegates raised some challenges in implementing digital systems, such as the lack of expertise, the need for capacity building and resources in changing legislation, which might require further study.

25. One delegate wished to draw the TCRO's attention to the fact that the Feasibility Study was not referring to non-preferential certificates of origin but to deal with preferential purposes. In addition, a delegate pointed out the missing information on the notification of

