



## Draft Summary Findings of Study on the Digitalization of the Certificate of Origin

### I. Background

At its 139<sup>th</sup> and 140<sup>th</sup> Sessions, held in June 2022, the WCO Council endorsed the Strategy Plan 2022-2025 and Implementation Plan 2022/2023. Among others, the following action plan was included in area of revenue collection:

- A study of the requirements for the establishment of inter-Customs cooperation on information exchange and the digitalization of origin-related procedures.

As an initial step towards this goal, the WCO Secretariat undertook a study survey in autumn 2022 to capture the situation at the time regarding digitalization of the Certificate of Origin (CO), including the practices of Members on electronic certificate of origin (e-CO) issuance, as well as the origin data exchange system. Out of 184 WCO Member Customs administrations, a total of 84 responses were collected, analysed and consolidated into the “Study on the Digitalization of the Certificate of Origin”, which was endorsed at 239<sup>th</sup> /240<sup>th</sup> Session of Permanent Technical Committee (PTC) and has been published at the WCO website<sup>1</sup>.

The *Study* presented the state of play of Members' practices relating to origin certification, and particularly to the digitalization of the CO. It further identified the challenges and difficulties faced by Members and highlighted the success factors mentioned by the latter.

### II. Summary Findings

#### A. Certification System

1. The majority of Members (73.8%) who responded indicated the implementation of multiple origin certification systems (i.e., competent authority and self-certification), within their country.
2. This would indicate complex situations for Customs in managing origin matters are common.

#### B. Electronic Certificate of Origin

3. More than half of Members (58%) indicated the implementation of electronic issuance of certificates of origin.

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<sup>1</sup> Study on the Digitalisation of the Certificate of Origin, June 2023. English version available at: [study-on-the-digitalization-of-the-certificate-of-origin-en.pdf \(wcoomd.org\)](https://www.wcoomd.org/publications/Study-on-the-digitalization-of-the-certificate-of-origin-en.pdf). French version available at: [study-on-the-digitalization-of-the-certificate-of-origin-fr.pdf \(wcoomd.org\)](https://www.wcoomd.org/publications/Study-on-the-digitalization-of-the-certificate-of-origin-fr.pdf)

4. This would indicate that there is increasing use of digital processes in relation to the certification of origin. This will also impact on the level of requests to Members from their trading partners to accept and use digital processes.
5. As the network of bilateral and regional trade agreements keeps spreading, there is high value in working on standard formats and datasets to help reduce the risks of having to revise systems to new agreements or having to run more than one system.
6. The use of e-CO itself was not flagged as increasing, decreasing or altering risk itself when it comes to irregularities/fraud. However, the availability of electronic verification systems (e.g., web-based checking of CO) was positively indicated as improving ease of verification.
7. This would indicate that there is potential for improving the efficiency and cost effectiveness of verification procedures by introducing associated systems when changing from paper-based systems and this can be built-in to new systems.

#### C. [Self-certification](#)

8. Self-certification has a high usage rate with 62 Members reporting its use.
9. This reflects the push for greater facilitation of origin certification to increase usage of agreements and to reduce the costs of such usage. Again, the increase in use will also increase requests to Members from trading partners to accept self-certification.
10. The use of self-certification itself did not introduce new forms of risk, but the increase in poorly informed certifiers was flagged as a specific issue in increasing the risk of errors.
11. Self-certification is a positive approach for facilitating the use of Free Trade Agreement (FTA) but should be balanced by an increase in outreach and education on requirements and responsibilities.

#### D. [Origin Data Exchange](#)

12. Origin data exchange programmes are reported to be implemented in multiple regions, and some Members have reported that they have started pilots on a data exchange system for COs. The WCO Data Model is commonly recognized and utilized as the basis for the message format for data exchange.
13. As with digital certification processes for origin, there is also an upwards trend in the use of electronic data exchange for origin purposes and this will also impact on the level of requests to Members from their trading partners to become partners in such exchanges.
14. It is noted that the WCO Data Model is commonly, but not exclusively used as the basis. It would be noted by the Secretariat that use of the systems compliant with the WCO Data Model will increase the future interoperability of exchange systems as use spreads, giving better future-proofing of the investment in systems.
15. Origin data exchange programmes were reported positively in risk reduction in that electronic transmission between governments was positively indicated in improving assurance of authenticity.

16. This would indicate that there is potential for reducing risks levels in relation to fraudulent documents through the use of government-to-government electronic data exchange mechanisms.
17. Mutual agreement with contracting parties, especially in terms of the data standard format and business process specification, along with consistent political will and sufficient resources for system development, upkeep and education are the key challenges and success factors for the digitalization of COs.

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