



Customs and Excise Department

E-Freight – A Hong Kong Customs Perspective

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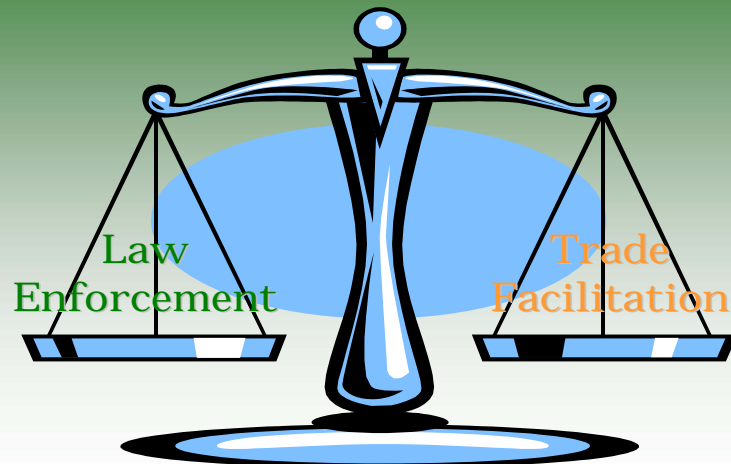
Mission of C&ED

- Suppress smuggling
- Protect public revenue
- Detect and deter drug trafficking
- Safeguard intellectual property rights
- Protect consumer interests
- Facilitate legitimate trade
- Fulfill international obligations



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Striking a balance



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Documents for trade facilitation

- Cargo Manifest
- Licence (e.g. Dutiable Goods Permits)
- Certificate of Origin
- Production Notice (for textile)
- Trade Declarations



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Global trend in e-trade

- Initiatives of World Customs Organization
 - Framework of Standards to Secure and Facilitate Global Trade (FoS)
 - World Customs Organization Data Model

Framework of Standards

- Global trading system is vulnerable to terrorist exploitation
- Customs is in a unique position to provide increased security to global supply chain
- Since 2002, the World Customs Organization develops guidelines for Members to protect international trade
- FoS – a strategy to secure goods movement and at the same time facilitate trade was adopted in the WCO plenary session in June 2005

Objectives and Principles

- Establish Standards that provide supply chain security and facilitation at a global level to promote certainty and predictability
- Enable integrated supply chain management for all modes of transport
- Strengthen co-operation between Customs administrations to improve their capability to detect high-risk consignments

Objectives and Principles

- Strengthen Customs/ Business co-operation
- Promote the seamless movement of goods through secure international trade supply chains

The Four Core Elements

- Harmonize advance electronic cargo information requirements on inbound, outbound and transit shipments
- Employ consistent risk management approach to address security threats
- Perform outbound inspection of high-risk containers and cargo, preferably by non intrusive detection equipment
- Define benefits that Customs will provide to businesses

The Two Pillars

- Customs-to-Customs network arrangement
 - Identify high-risk shipments as early as possible in the supply chain, at or before the port of departure
- Customs-to-Business partnerships
 - Create an international system for identifying private businesses that offer a high degree of security guarantees in respect of their roles in the supply chain

Benefits - General

- Provide a new and consolidated platform which will enhance world trade
- Ensure better security against terrorism
- Improve Customs' ability to detect and deal with high-risk consignments
- Expedite Customs' clearance and release of goods

Benefits - Business

- Encourage and make easier for buyers and sellers to move goods between countries
- Faster processing of goods by Customs lead to savings in time and costs
- Reduce multiple and complex declaration requirements

Updated situation of FoS

- 132 members, including China, Singapore, EU, USA and many of our major trading partners, signed the “Letter of Intent”
- By signing the “Letter of Intent”, members agree to implement FoS

Features of WCO Data Model

- The Data Model standardizes :
 - Data elements
 - Names of the data fields
 - Definition of the data fields

Benefits

- Contributing to rapid release of cargo
- Eliminating confusing, redundant and repetitive data submitted by the carrier and the importer
- Reducing compliance costs

E-trade efforts

- In 1992, Government started the e-trade initiatives
- EDI service commenced on 1 January 1997
- Currently, there are 2 Service Providers of e-trade services

E-Trade systems

1997	Restrained Textile Export Licence (RTEL) Import & Export Declarations (TDEC)
1998	Air Cargo Clearance System (ACCS)
1999	Certificate of Origin (CO) Production Notice (PN)
2002	Dutiable Commodities Permit (DCP)
2003	Electronic Manifest (EMAN) Textiles Trader Registration Scheme (TTRS)

Inter-model transshipment

- One stop Customs clearance for transshipment cargo
- Facilitate through
 - ACCS
 - EMAN
 - e-ACI

Development of e-ACI

- A project under planning is the electronic Advance Road Cargo Information (e-ACI) for road mode of goods traffic
- In e-ACI, cargo information for road mode of conveyance will be forwarded to Customs in advance
- C&ED pledges to clear the cargo if advance cargo information is lodged 1 hour before actual crossing

Features of e-ACI

- Makes seamless boundary traffic a reality
- Complies with FoS principles
- Starts a new mode of operation for the logistic industry
- One big step forward towards e-freight for road mode of transport

End of Presentation

Thank you