

Capacity Building Workshop on facilitation of cross-border paperless Trade

National experience in cross-border
paperless data exchange(India)

Tahseen A Khan
takhan@nic.in

Stakeholders:

- The major stakeholders in the project are foreign trade regulatory/ facilitating agencies viz.:
 - *Customs*
 - *Directorate General of Foreign Trade (DGFT)*
 - *SeaPorts*
 - *Airports*
 - *Container Corporation of India (CONCOR)/ Central Warehousing Corporation (CWC)*
 - *Airlines/Shipping lines*
 - *Agents (Customs House Agents/ Freight Forwarders/ Air Cargo Agents etc.)*
 - *Banks*
 - *Importers/Exporters*

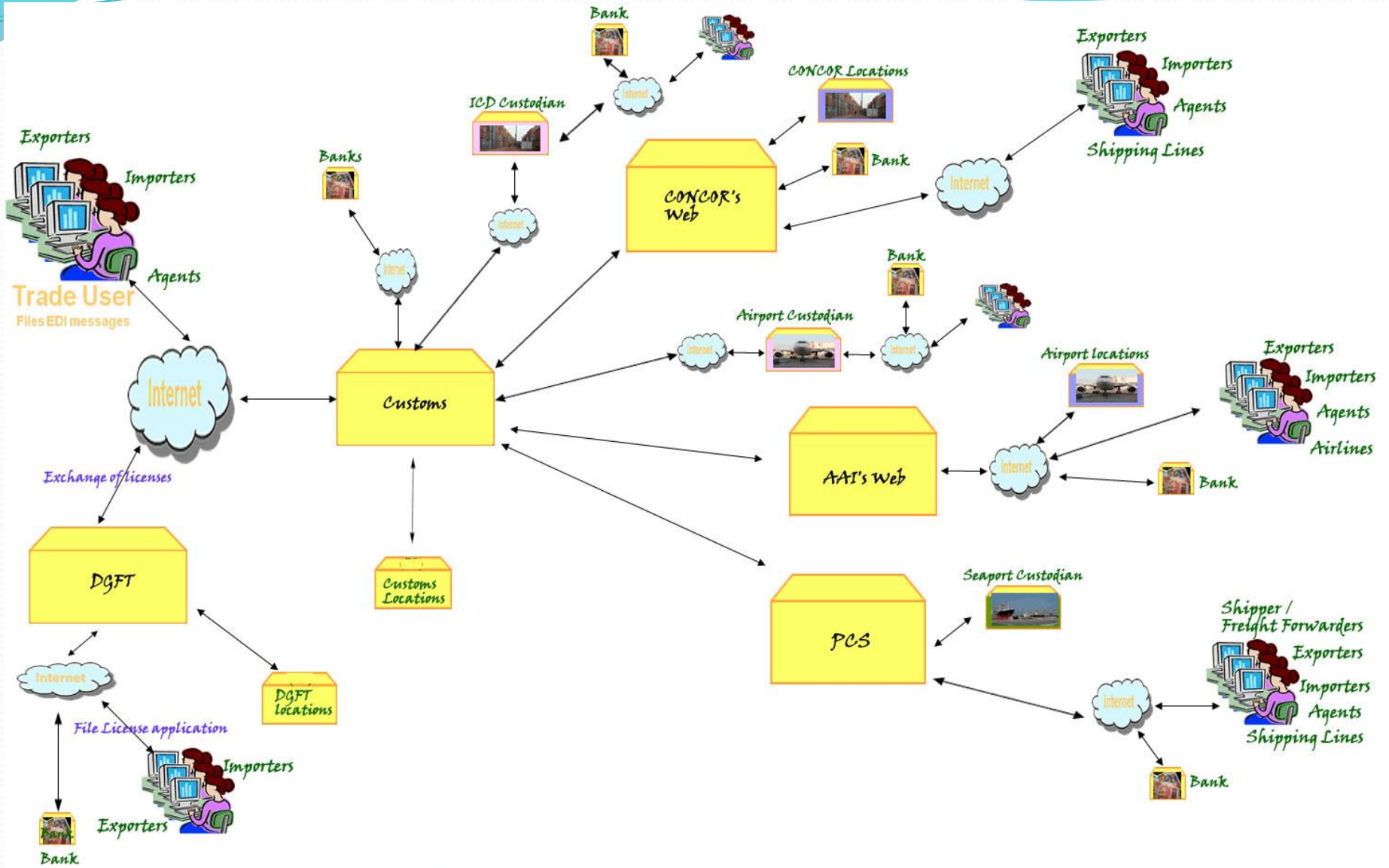
Objectives of the project:

- Efficient, transparent, secure delivery of services by trade regulatory/facilitating agencies in 24x7 environment.
- Simplify procedures and reduce the transaction cost and time.
- Introduce international standards and best practices

Services Covered:

- Electronic delivery of services by all foreign trade regulatory/facilitating organisations in online environment
- Electronic filing/clearance of export/import documents by exporter, importer, agents to Customs, Ports, Airports, CONCOR, CWC, DGFT etc.
- e-Payment of duties, charges (handling/freight etc.) of Ports, Airports, CONCOR, CWC, DGFT, Customs.
- The electronic exchange/clearance of documents between community partners like Customs, Ports, Airports, DGFT, CONCOR, CWC, Banks.

eTRADE



eTrade Project - Current Scenario (under migration)

eTRADE : Status

- DGFT delivers its services on-line using digital signatures and net payment through all 36 offices across the country. The digitally signed electronic message exchange between DGFT and Customs for schemes like DEPB, DES and EPCG is operational for EDI ports. Electronic Bank Realisation Certificate (eBRC) has also been operationalised and made mandatory. 90% Licenses issued under web-enabled environment.
- The Centralized Port Community System (PCS), a single window interface for seaports community is operational for 13 major seaports and 6 non-major seaports have also been integrated with this system. Other non-major seaports are also being pursued for integration in PCS. Automation at major ports accounts for 75% of trade by sea route.
- CONCOR has implemented a centralized web-based community partner interface system for its 38 EXIM locations. Central Warehouse Corporation (CWC) has also started web-based community partner interface at 6 out of 33 locations.
- Customs Central Server System (ICES 1.5) is live at 118 out of 121 locations. The message exchange with community partners under central server environment has been started with 6 Airports (9 out of 17 messages), Ports community system (PCS), and CONCOR (9 out of 13 messages). Automation covers 90% of India's international trade.

eTRADE : Status (Contd.)

- The Express Courier Clearance System is under testing and expected to go-live by February'13.
- The new version of Risk Management System (RMS 3.1) under central server environment has been started at around 79 EDI locations out of 81 locations for imports.
- ePayments facilitation has been introduced by Customs, DGFT, and Seaports. The electronic Pay & Account Office (e-PAO) system of Customs has also been operationalised to facilitate ePayment from any of the Customs authorized banks for all Customs EDI locations. The drawback payments are also now credited electronically by Customs in exporter's declared one account in any core banking enabled bank/branch.
- ePayments of Custom duties are mandated for all payments above Rs.1 lakh. Total e-collection for the month of November'12 was Rs.12505.51 crores, which is 95.93% of total custom duty collection made during November'12 (Rs.13035.87 crores)
- Web-based Community partners system and bar code integration have been started at 6 airports out of 12 major airports.
- Significant reduction in transaction time of services e.g. license application (30 days to 1 day), flight manifest at airports (4 Hrs to 15 minutes), vessel profile submission and approval at seaports (48 Hrs to 1-2 hrs) etc. has been achieved.

eTRADE : Task Ahead

Customs

- Message exchange with all community partners.
- Express courier clearance system operationalisation.
- Papers to be dispensed with, where electronic environment is created.

DGFT

- Electronic interface with Customs for all schemes

Sea Ports

- Customs – Ports Community System interface for all messages.
- Integration of small, medium and private ports in PCS.

Airports

- Message exchange interface with Customs at all airports.
- Web enabled community partners interface system operationalisation and barcode integration at all airports.
- Airports community system.

ICDs/CFSs

- Web-based community partner interface of CONCOR/CWC to be operationalised at all locations.

Banks/ePayments

- Dispensation of pre-deposit account(PDA) systems by ICDs/CFSs and airports
- Seamless inter-bank transactions.

eTRADE : Challenges

- Message exchange, at all locations with all community partners.
- Complete dispensation of manual systems by all community partners.
- Single Window System.
- Acceptance of Digitally Signed Documents of Foreign Origin.

Foreign Electronic Signatures

- Ideal case

An Electronic Signature should not be discriminated on basis of its origin.

- Actual scenario

Countries differ in terms of

1. Regulatory Environments
2. Technical Standards
3. Laws relating to Recognition of Electronic Signature
4. Applications utilizing Digital Signatures, etc.

- This leads to limiting recognition of Electronic Signatures to those signatures which are certified by nationally licensed and recognized trust anchors(eg Certifying Authorities)
- While this may ensure desired level of trust and interoperability, yet such approach creates isolated zones of trust and makes use of Electronic Signatures difficult in International Transactions(eg Indian Signatures recognised only within India and Korean Signatures recognised only in Korea)
- Possible Solution:- Arrangements for Mutual Recognition can be reached between countries which have harmonised their Policies.
- Such Bi-lateral Arrangements will gradually evolve into a Multi-lateral Arrangement for Recognition, so that the ideal case of no discrimination on basis of origin could be implemented in practice.

Indian IT Act: Foreign Certifying Authorities

Section 19

The CCA(the PKI Regulator of India) may recognise a Foreign Certifying Authorities,subject to conditions and restrictions as specified in the Regulations.

Two sets of Regulations for Recognition of Foreign CAs

1. For Certifying Authorities operating under a Regulatory Authority

Such CAs will be recognised if the CCA enters into a MoU for Mutual Recognition with the Foreign Regulatory Authority and the Foreign Laws under which the CA operate require a level of reliability at least equal to that in India.

2. For Certifying Authorities not operating under a Regulatory Authority

Such CAs will have to apply individually to the CCA for grant of Recognition.

Recognition of Foreign Certifying Authorities: Current Status

- The Regulations regarding Recognition of Foreign CAs was released in 2013 and can be accessed on CCA's website:
http://cca.gov.in/cca/sites/all/Recognition_of_foreignCA.PDF
- Memorandum of Understanding for Cooperation and Information Exchange for developing an arrangement for Mutual Recognition of CAs signed with Republic of Korea in January, 2014.
- Memorandum of Understanding with Thailand is under progress.
- Sought Expression of Interest from various other countries.
- These Bilateral Arrangements may be replaced subsequently by a Multilateral Arrangement for Cross-border Recognition of Electronic Signatures when such Arrangement is feasible.



Thanking you

takhan@nic.in