



# Electronic Secure Cross-Border Trade

## About PAA – Foundation, Business Processes and Projects

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# International Trade Today

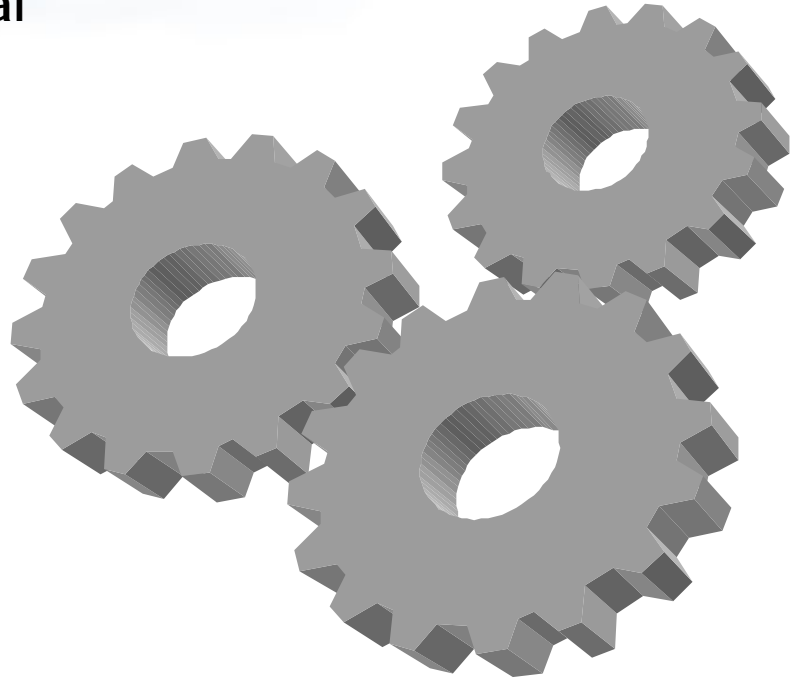
## Complex Maze of Document Movements

- **Slow**
- **Costly**
- **Complicated**
- **Inaccurate**



# What if we could...

- Exchange trade documents **electronically** with overseas and local business partners in a **secure** environment
- Access multi-region customs systems for **seamless import/export declarations**
- Seamlessly **track and trace** cargo consignments anytime, anywhere



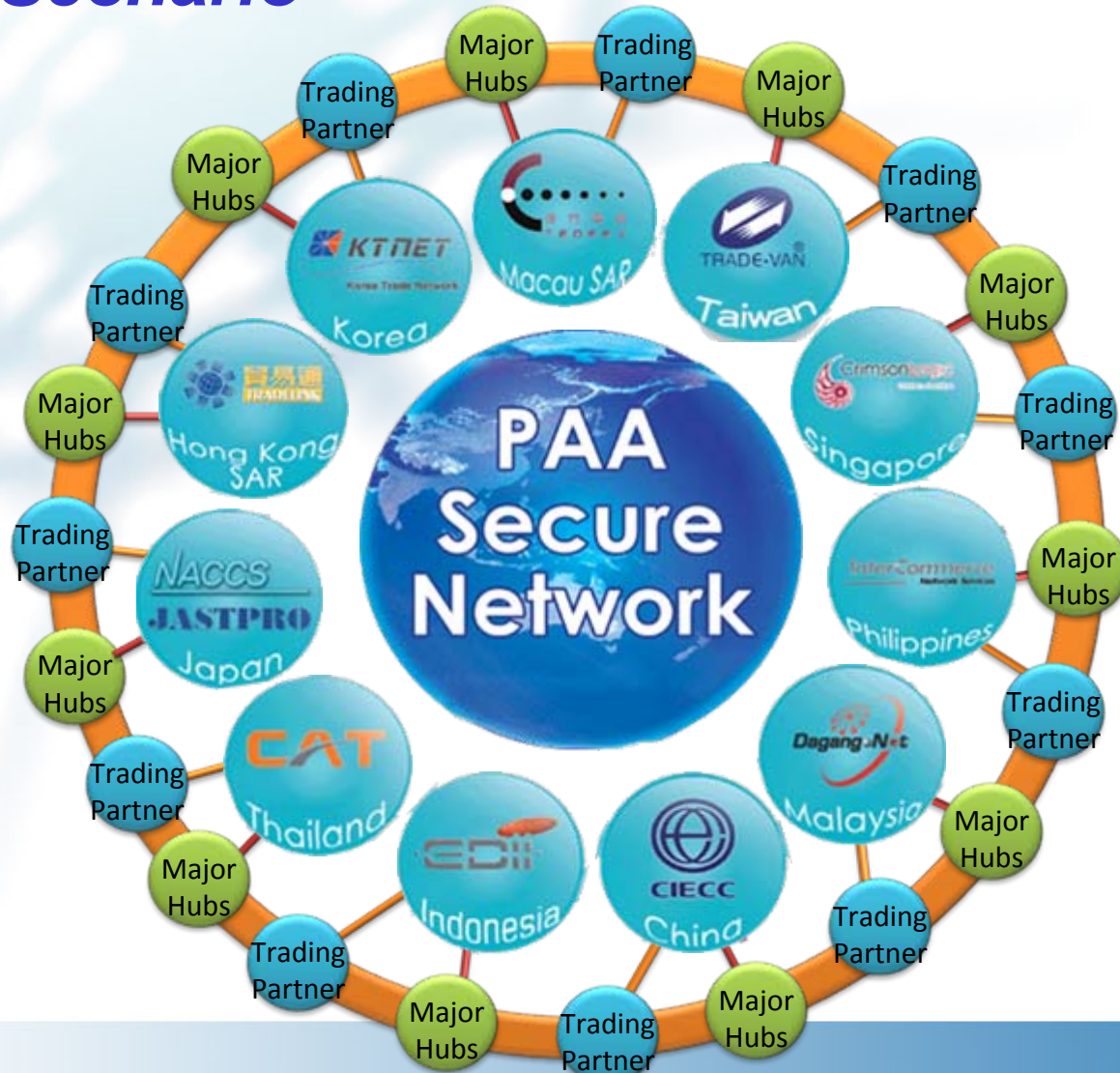
# The Pan Asian eCommerce Alliance Charter

- To enable **secure** and **reliable transmission** of trade and logistics documents.
- To allow **inter-connection of network** services to provide e-Commerce transaction application services for the business community.
- To create a Pan-Asian portal to enable **global B2B connection** and communication.



# Single Window, Asian Connection

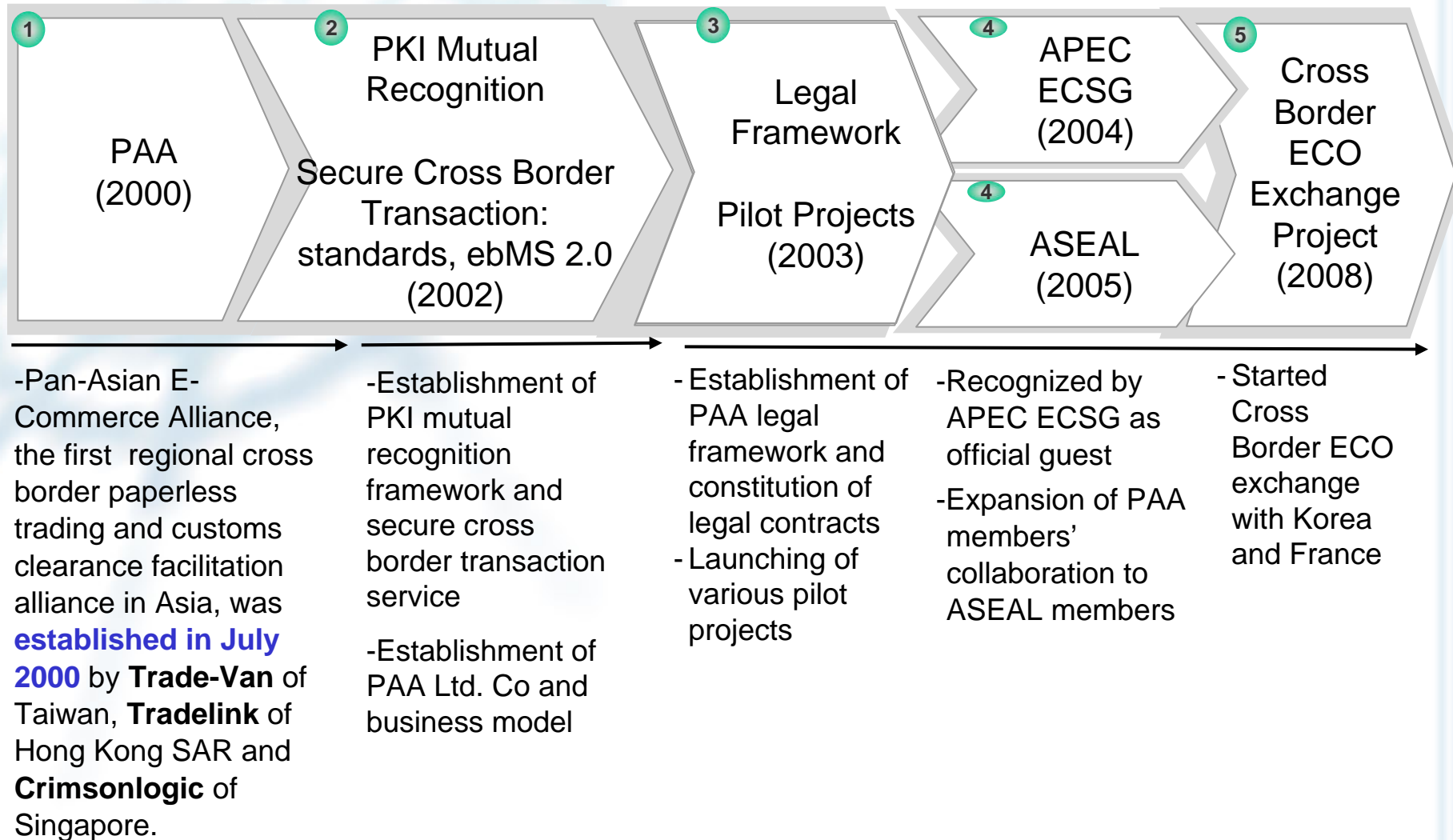
## PAA Scenario



To promote and provide secure, trusted, reliable and value-adding IT infrastructure and facilities to enhance seamless trade globally



# PAA Milestone



# Our Value Proposition

- Help companies compete through secure electronic cross border trading services
  - **Connect directly to trading partners and logistic providers**
    - Reduce administrative costs, purchasing costs, courier cost
    - Speed up transactions
    - Potential for “better” operations/inventory management
    - Potential for higher sales volumes/revenues
  - **Backed by comprehensive legal framework**
    - ☞ Accept electronic documents
    - ☞ Accept **digital signatures**
    - ☞ Dispute resolution process

e.g. electronic P.O. confirmed and signed by Taiwan buyer legally binding in HK and vice versa.



# PAA's Achievements

- Has implemented secure cross border transaction model
- Has established robust legal framework which covers the liability of each parties, service level, dispute resolution process etc. for the exchange of digitally signed electronic documents
- Has developed PKI mutual recognition framework to support secure cross border transaction
- Has created message standards for both commercial and government related documents
- Has completed interconnectivity test among members using **ebMS v2.0** messaging service handler
- Has created business model and charging scheme
- Has recruited users from different industries for various projects



- **B2B Projects: Commercial Documents Exchange**
  - Electronic commercial documents (Purchase Order, Commercial Invoice, Packing List, Advanced Shipment Notice) exchanged in textile industry between Taiwan and Hong Kong
- **B2B2G Projects: Automated Manifest/Declaration Service**
  - Air Way Bill/Sea Way Bill data from Taiwan, Hong Kong, Thailand, Indonesia, China etc delivered to Korea to be generated into Korean Import Manifest
- **ECO Project**
  - ECO exchange between Taiwan and Korea
- **Global Visibility Project**
  - Cross border container tracking Service

# Case Study 1

**TAL**

Major textile manufacturer in Hong Kong

# TAL – Tai Yuen Manual Processing

The buyer faxed the P.O.

While the sellers faxed and later sent the shipping documents by post mail.

- No guarantee of secure and on-time delivery.
- Cost incurred in preparing, faxing and mailing the documents.
- No integration between received data and ERP data.

Tai Yuen  
(Taiwan  
Seller)

TAL  
(HK Buyer)

Re-key in Invoice/P/L  
data in Export  
Declaration

Re-key in Invoice/P/L  
data in Import  
Declaration

TW  
Customs



Customs  
Broker

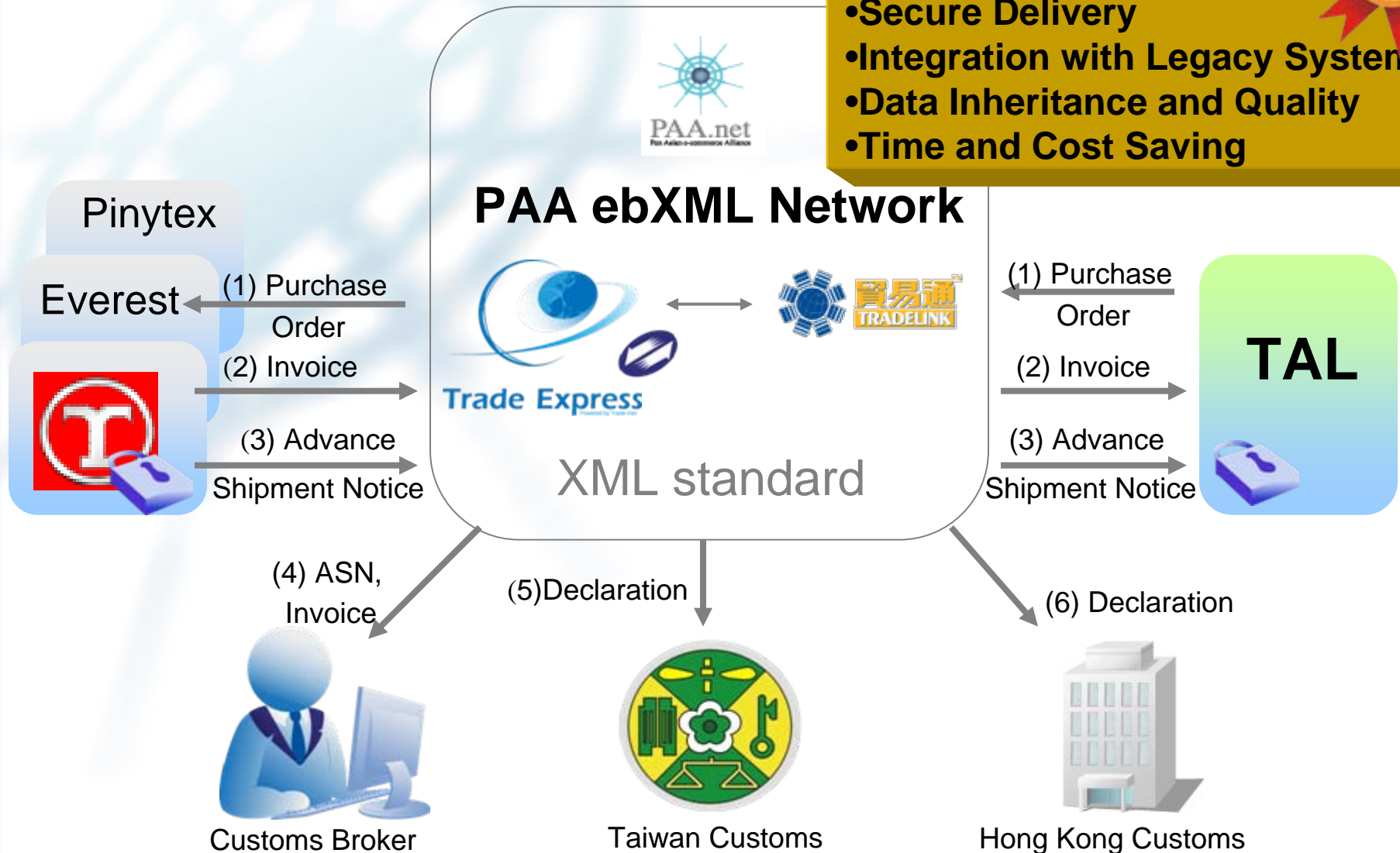
HK Customs

- No integration between trading and customs clearance documents.
- Double effort in data re-key in and possible error.

# TAL – Tai Yuen Cross Border Pilot via PAA

## Guarantee

- Secure Delivery
- Integration with Legacy System
- Data Inheritance and Quality
- Time and Cost Saving



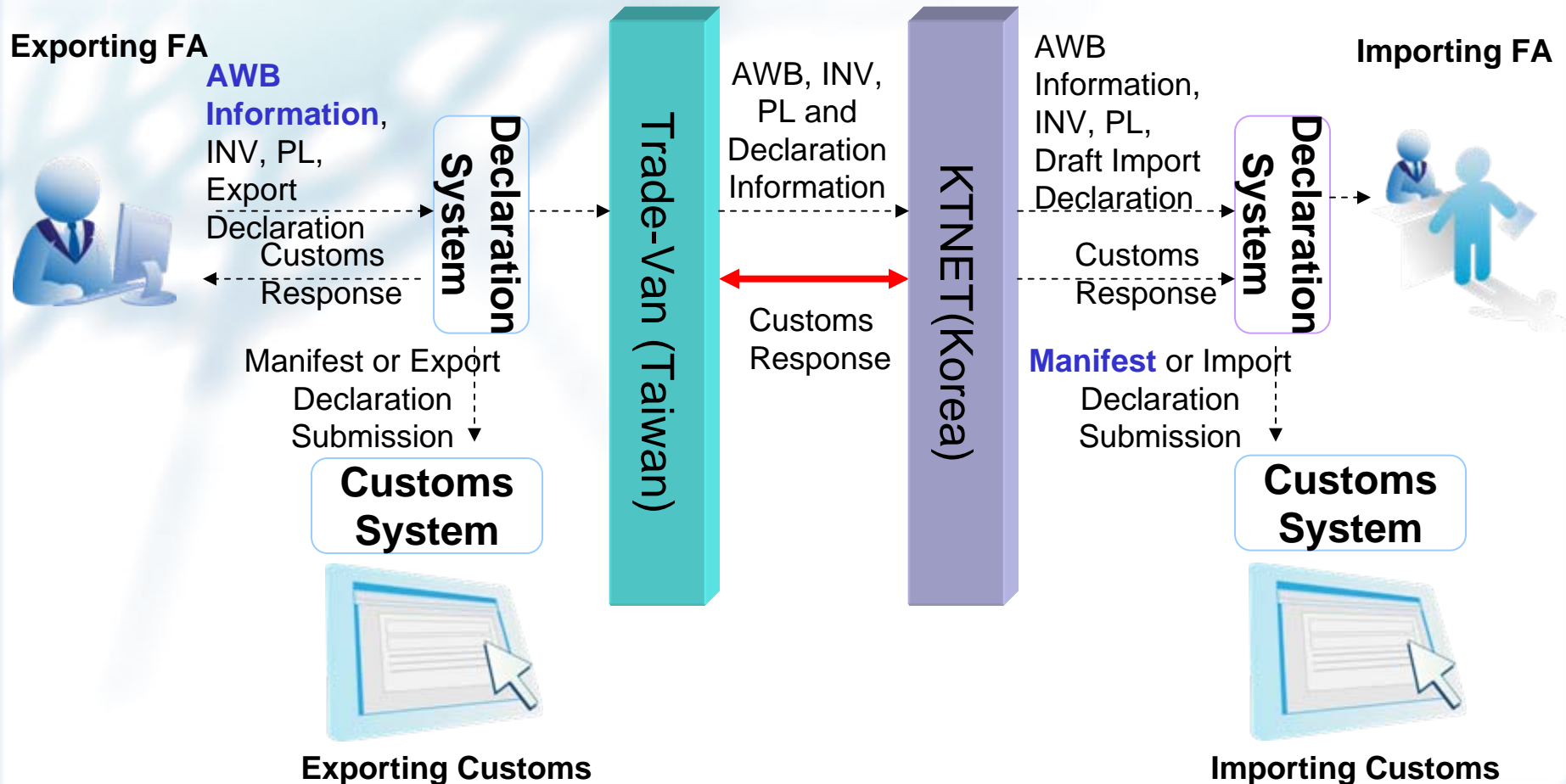
# Case Study 2

## **Freight Forwarder**

A new logistics management model



# Extended Freight Forwarder Scenario



**Monthly 3,000-4,000 live transactions!**

# The PAA Value Proposition

- EFFICIENT OPERATIONS – Trade **data can be reused** resulting in time savings in documents preparation
- REGULATORY INTEGRATION **-Integrated with Government services** (e.g. Trade Declarations) provided by PAA member
- ERROR FREE OPERATIONS – Automated reuse of trade data transmitted from trading partners result in **reduction of errors** caused by multiple data re-entry
- SECURITY - Secure electronic transaction with overseas trading partners – **no additional development** works or data mapping
- NEUTRAL RELIABLE PLATFORM – Common or **neutral** e-platform for **reliable** and **secure** document delivery
- STRONG PAA LEGAL FRAMEWORK - Backed by comprehensive contractual arrangement



# Case Study 3

## **Electronic Certificate of Origin Exchange Project**

A public and private partnership model

# APEC Pathfinder Project

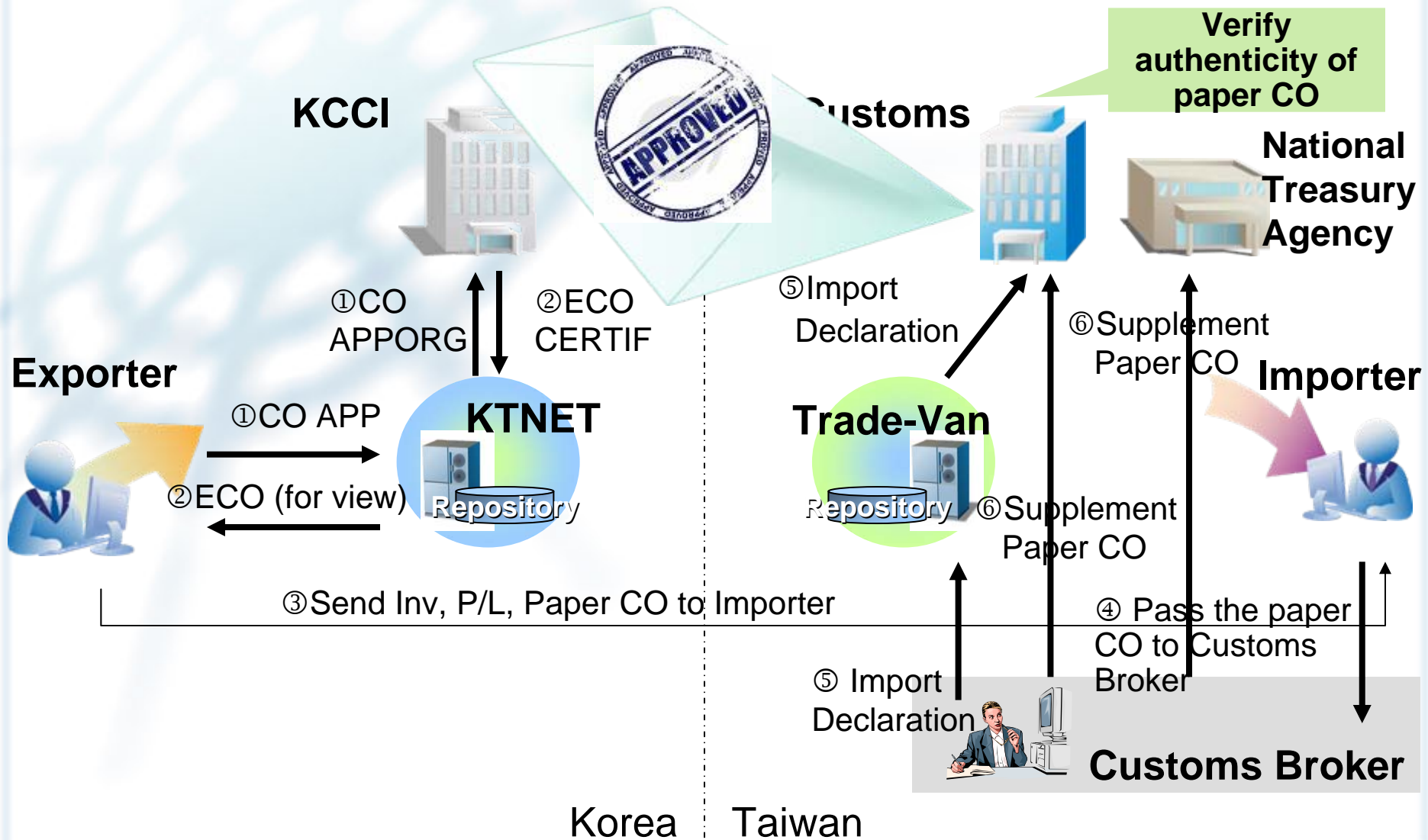
- ECO pathfinder is the most active **pathfinder project** under **APEC ECSG** (Electronic Commerce Steering Group)
- A ECO project (an example of **Public Private Partnership**) between **MKE** (public sector), **KITA** and **KTNET** (private sector) of Korea and **BOFT**, **MOFA** (public sector), and **Trade-Van** (private sector) of Taiwan was initiated.
- ECO exchange model between Korea and Taiwan has been adopted by APEC member economies as a best practice for cross border paperless trading

# Objectives of the Project

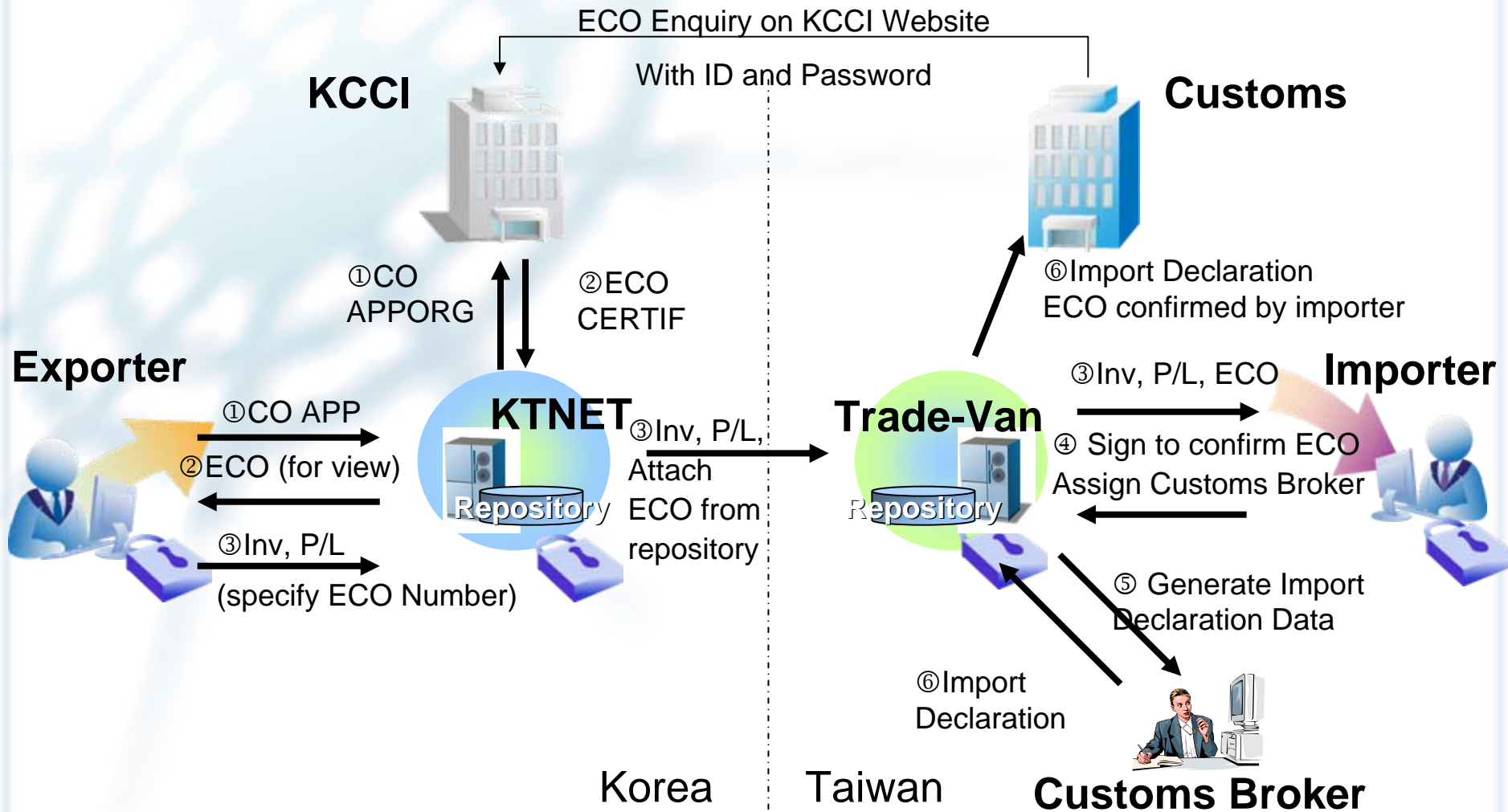
1. To **facilitate cross border electronic transaction**
2. To **streamline the customs clearance process**
3. To help traders with **ease of use e-trade application** for cross border trade
4. To increase more business opportunity and improve business relationship between Korea and Taiwan
5. To **increase competitive edges** of Korean and Taiwanese traders



# Paper CO Scenario [Korea ▶ Taiwan]



# ECO Scenario [Korea ▶ Taiwan]



New developments: cross border eSPS exchange

# Benefits to Government

- Be the **leader** in trade facilitation among other countries (APEC, WCO, EU)
- Guarantee the **authenticity** of the cross border documents, reduce percentage of fake CO
- Reduce effort in paper CO verification
- Speed up customs clearance process
- Better service to international traders



# Benefits to Exporters/Importers

## Exporter

- Save time and costs (*courier express US\$23*) in applying and sending over paper CO
- No need to get a stamp/seal on the CO from Taipei Trade Representative Office in Korea → save tremendous time (*in average 3 days*) and costs (*US\$20 per stamp, transportation cost US\$20-40*)
- Transmit cross border documents in a secure online environment
- Better service to their buyers

## Importer

- Speed up customs clearance process
- Expedite cargo pick up → saving warehouse cost
- Guarantee of authentic CO

# Expansion to Other Member Economies

- How do you start?
  - Readiness of domestic **ECO application system**
  - Readiness of digital signature law and PKI technology for secure data transmission
  - Secure exchange network and **PKI mutual recognition** framework to assure the authenticity of the electronic documents
  - **Domestic government's acceptance** of digitally signed electronic documents
  - Online ECO repository for inquiry and data validation if necessary

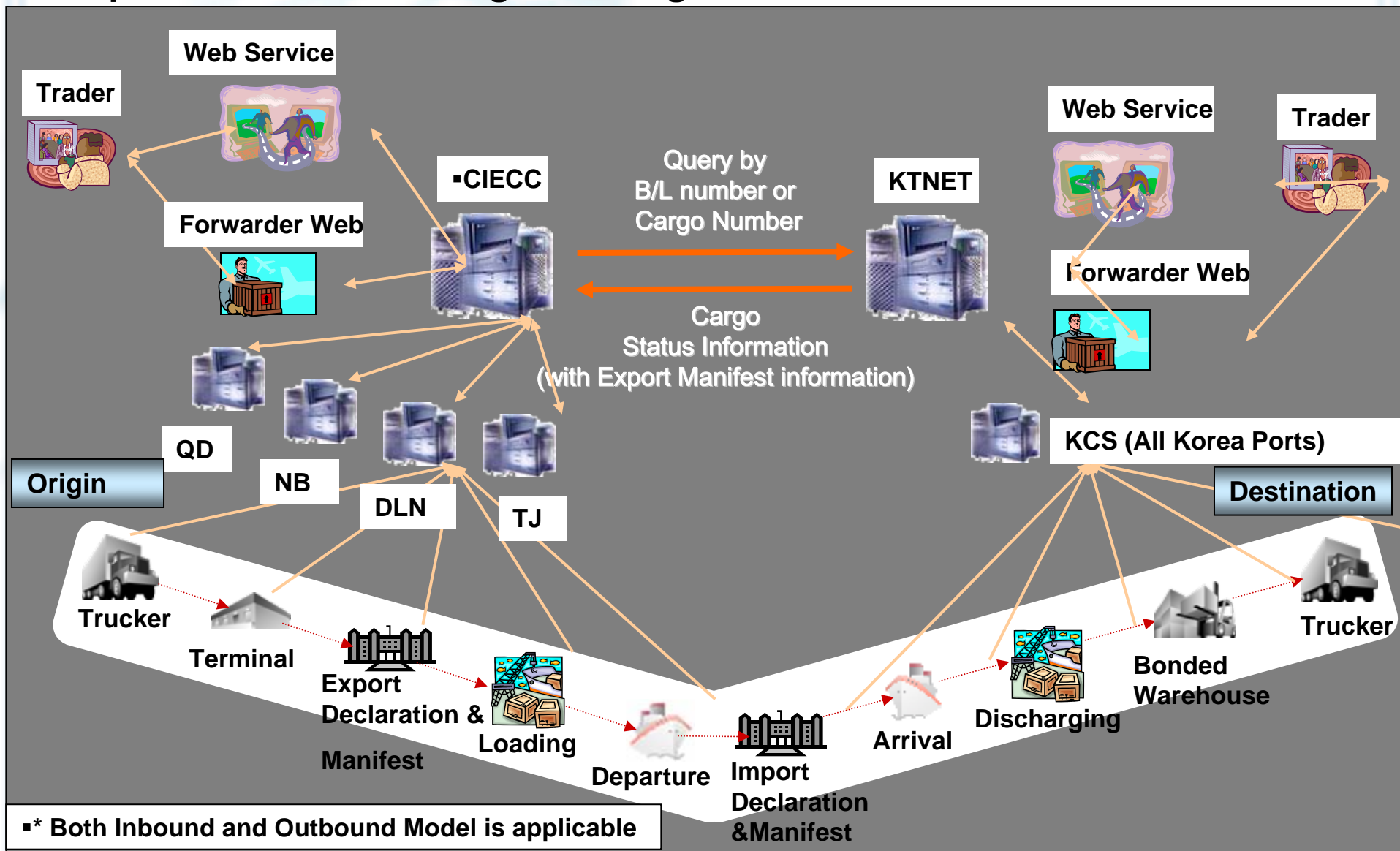


# Case Study 4

## **Cargo Visibility**

# PAA Cargo Visibility Service

## Example of Korea-China Cargo Tracking



# Conclusion

- PAA, the first regional alliance of service providers facilitating paperless trade, customs and logistics
- PAA is serving 260,000 organizations, representing almost all active trading enterprises in the Asian market
- Welcome to visit us at [www.paa.net](http://www.paa.net)



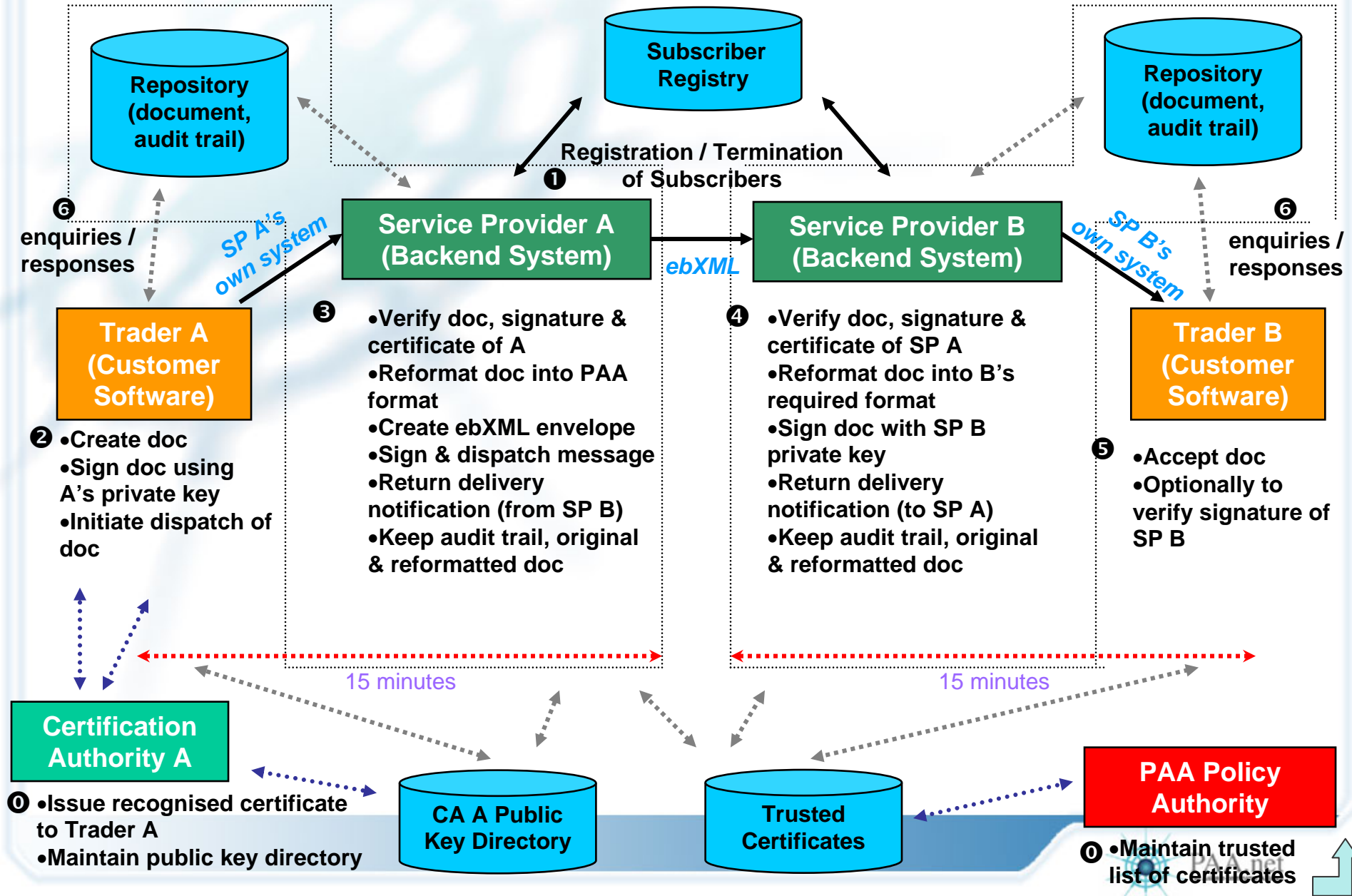
# Thank You!

# Comment?

*For further information, kindly contact [alicia.say@tradevan.com.tw](mailto:alicia.say@tradevan.com.tw)*

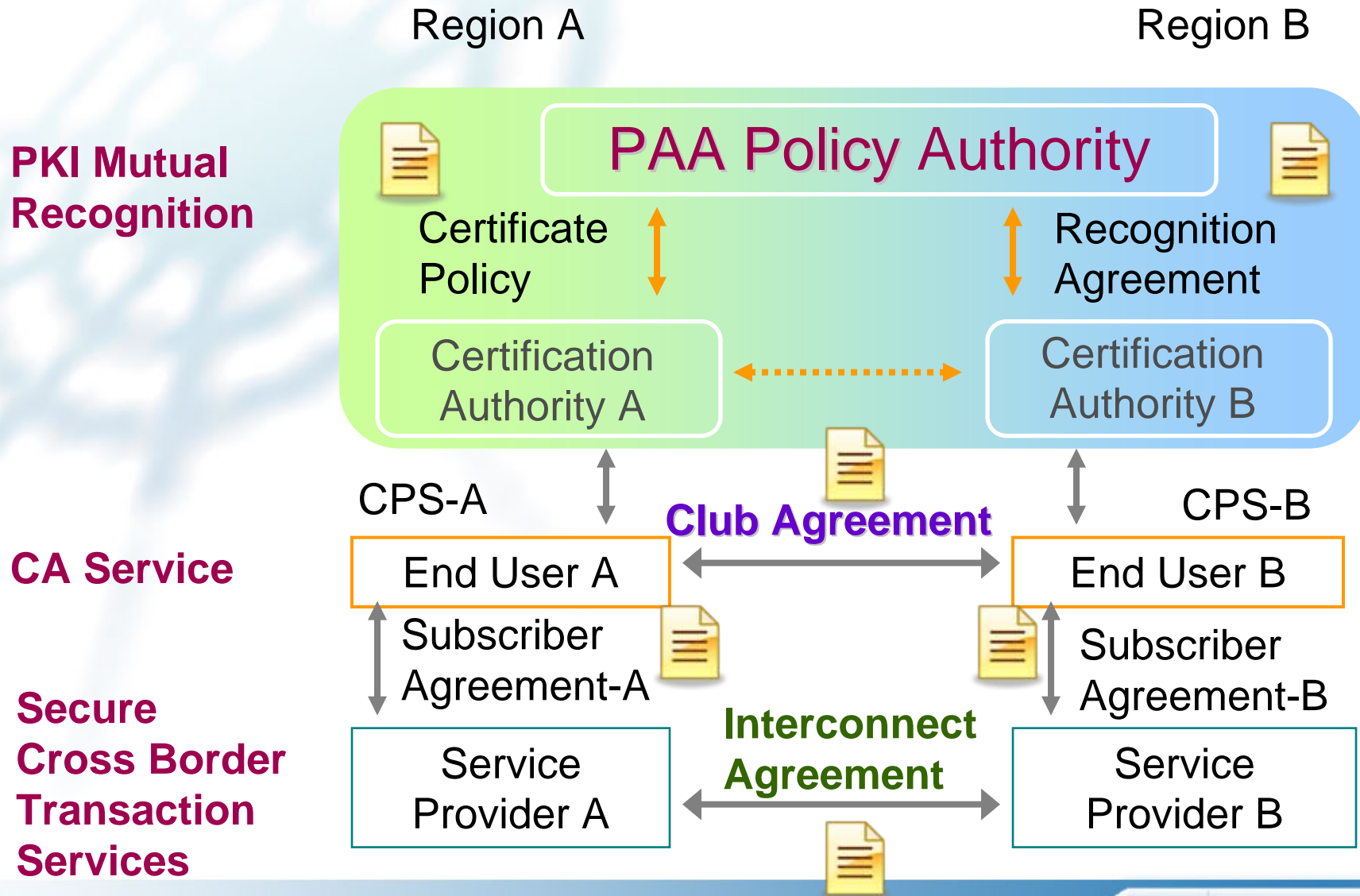
*TEL: 886 2 3789 5762*

# PAA Transaction Services Operation



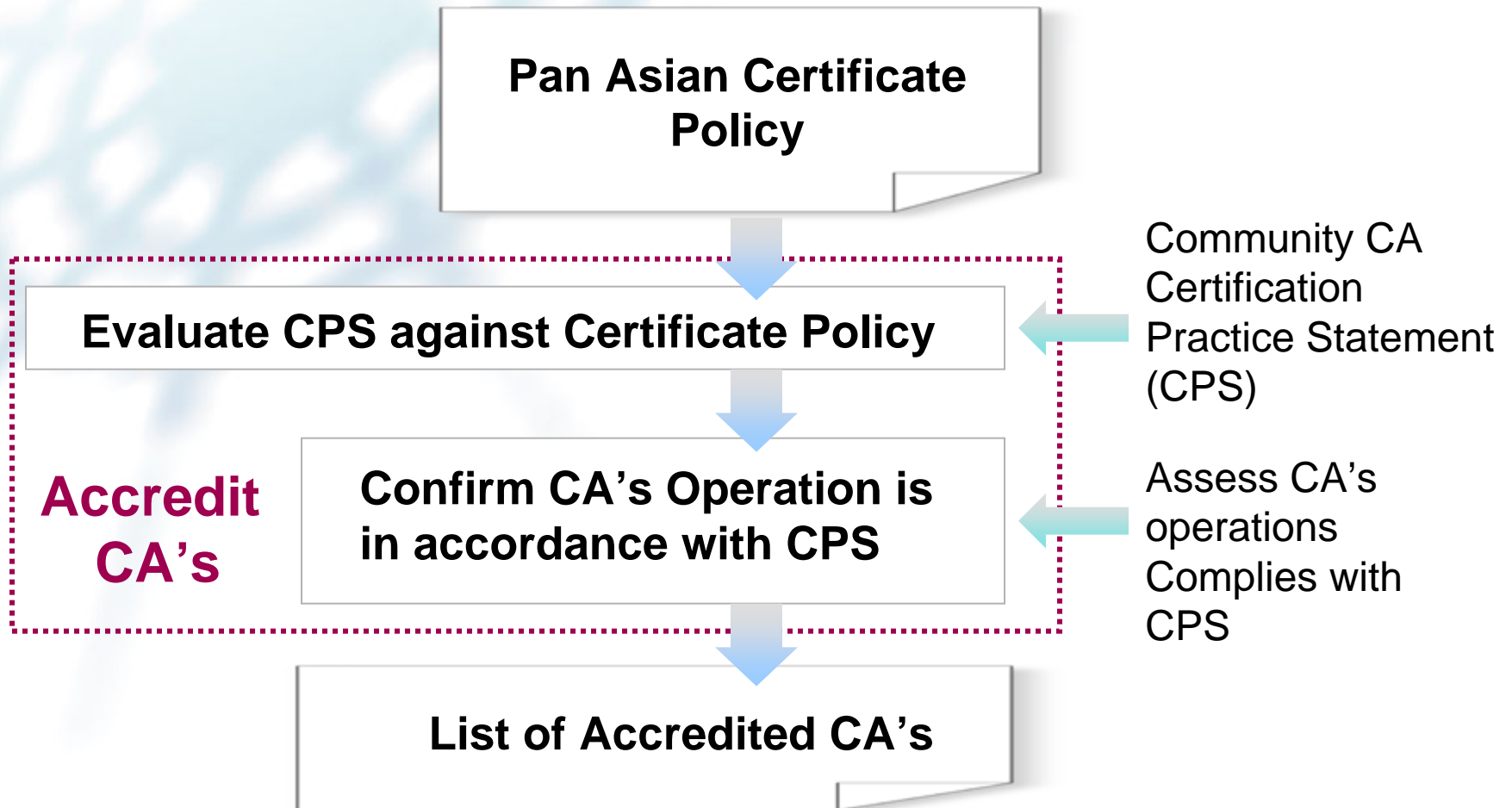


# PAA Legal Framework



# PKI Mutual Recognition

## Pan Asian Certificate Policy Authority



# Supported Documents

- Purchase Orders
- Advance Shipment Notice
- Packing List
- Commercial Invoice



- Air Way Bill
- Bill of Lading
- Delivery Order
- Trade Declarations
- Electronic Certificate of Origin
- Shipping Order
- Processing Trade (China)