

"CrimsonLogic possesses strong knowledge of global eGovernment trends and challenges. Together, we have built effective services that facilitate fast and transparent interactions between government and business. They have proved to be a valuable partner in our initiative to serve the Kingdom digitally."

**Yousef Saleh Al Moosa**  
General Director, SaudiEID  
Public Investment Fund  
Ministry of Finance  
Kingdom of Saudi Arabia, SaudiEID

BLAZING NEW TRAILS



## Session 2: Prerequisite to Cross Border Paperless Trading **Designing Optimized Operation Model for Single Window**

ESCAP-ECO Joint Trade Facilitation  
Forum on Paperless Trade & Single  
Window

24 - 25 May 2012

Kish Island, Islamic Republic of Iran

Jonathan Koh Tat Tsen  
Director,

Trade Facilitation Centre of Excellence

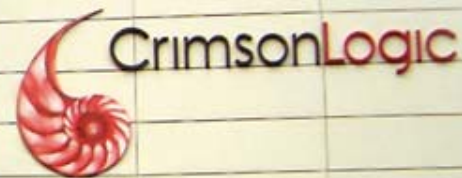
- Introduction
- Single Window Models – A Recap
- What are the Costs Involved
- Single Window Operations & Services - what it entails

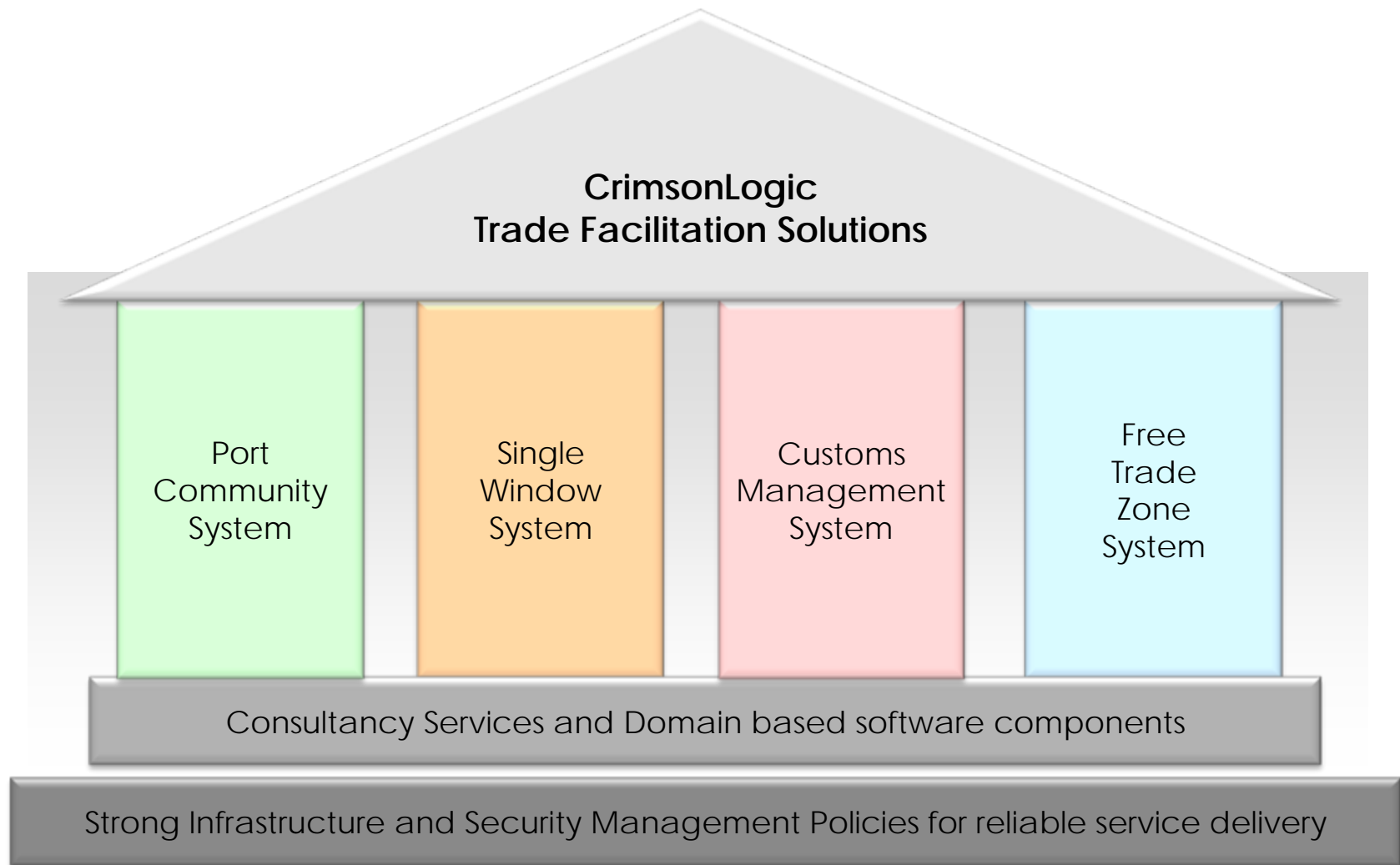
CrimsonLogic is a trusted partner to governments worldwide.

We help governments design and run innovative and sustainable services to collaborate more seamlessly with their citizens and ecosystem.

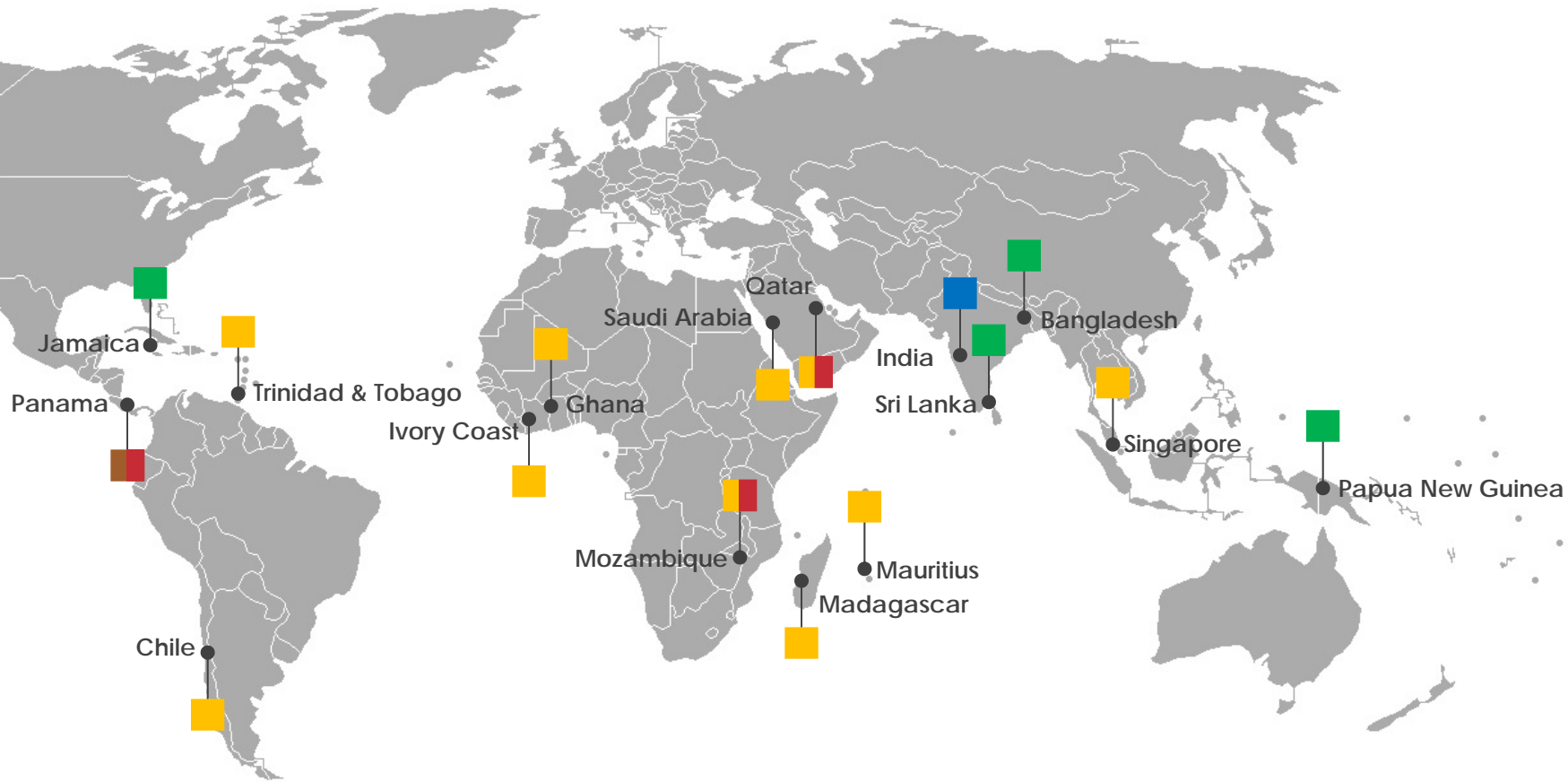
Developed Singapore's TradeNet and operates TradNet since 1989

Developed Single Window System for > 10 countries





# Trade Facilitation Projects

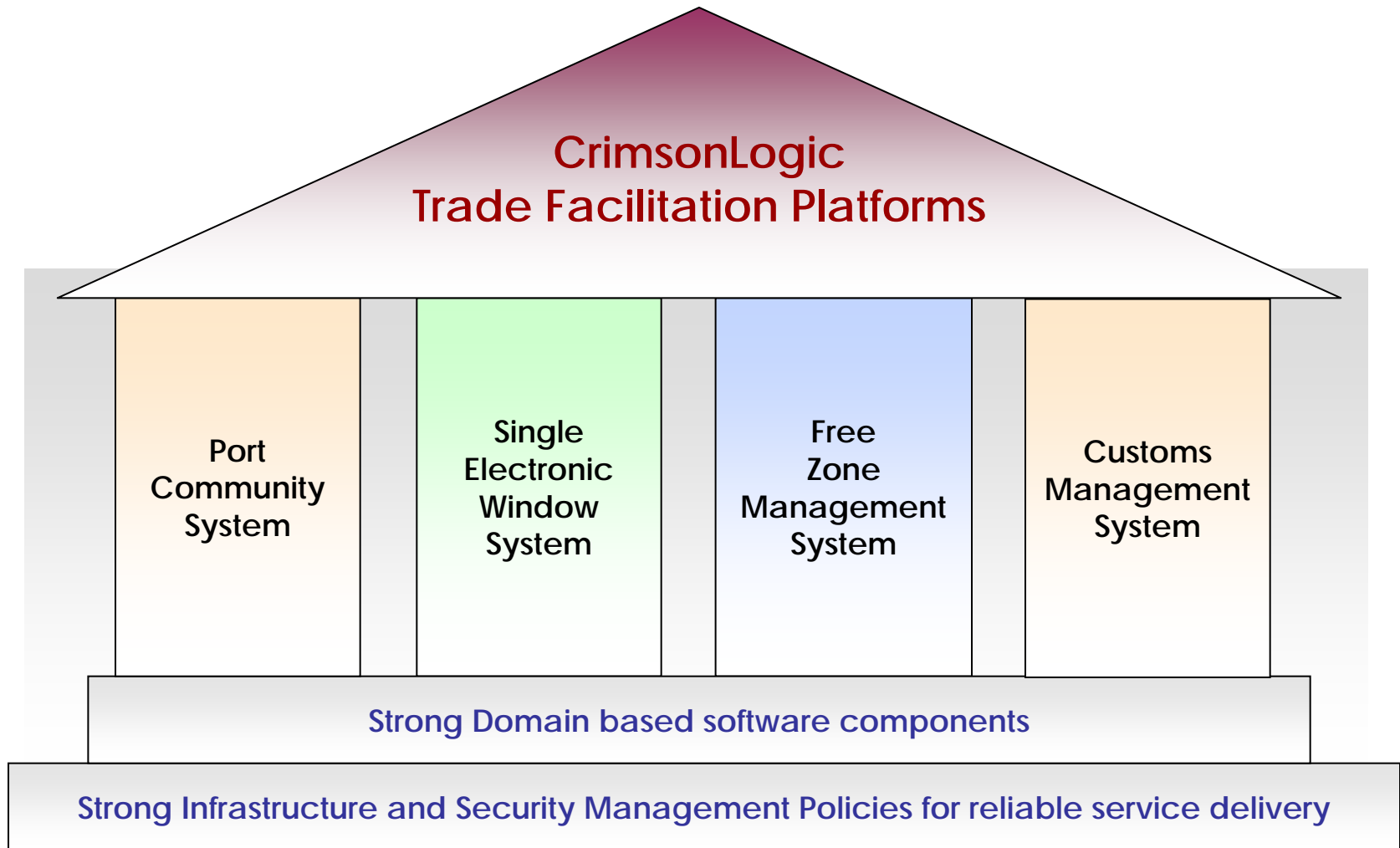


■ Consultancy 
 ■ Single Window System 
 ■ Customs Management System 
 ■ Port Community System 
 ■ Free Trade Zone System

# International Track Record

	Country		Project	Year	Business Model
1	Singapore		TradeNet® / TradeXchange	1989	PPP
2	Mauritius		Mauritius TradeNet	1994	PPP
3	Ghana		Ghana Community Network	2002	PPP
4	Saudi Arabia		SaudiEDI	2002	PPP
5	Panama		Panama Canal Authority	2004	Self Funded
6			Colon Free Trade Zone	2008	Self-Funded
7			Panama Customs	2009	Self-Funded
8	Madagascar		Madagascar (GASYNET)	2007	PPP
9	India		Port Community System	2007	Self-Funded
10	Ivory Coast		Ivory Coast TradeNet	2008	PPP
11	Qatar		Qatar Customs Clearance Single Window	2008	Self Funded
12	Trinidad & Tobago		Trinidad & Tobago Single Electronic Window	2010	Self Funded
13	Mozambique		Mozambique TradeNet	2010	PPP
14	Chile		Chile Single Window	2012	Funded

# CrimsonLogic Trade Facilitation Platforms







# Single Window Models – A Recap



# Trade Facilitation Value Drivers

## Value drivers

**Clearance  
speed**

**Cost of trade**

**Security &  
compliance**

**Productivity**

## Enabling strategies

### Fundamental strategies

1. Disengage payment process from physical transaction
2. Enable and encourage electronic information input and submission
3. Develop public-private partnership models with trading community
4. Integrate internal governance process across relevant departments
5. Enhance collaborative teaming

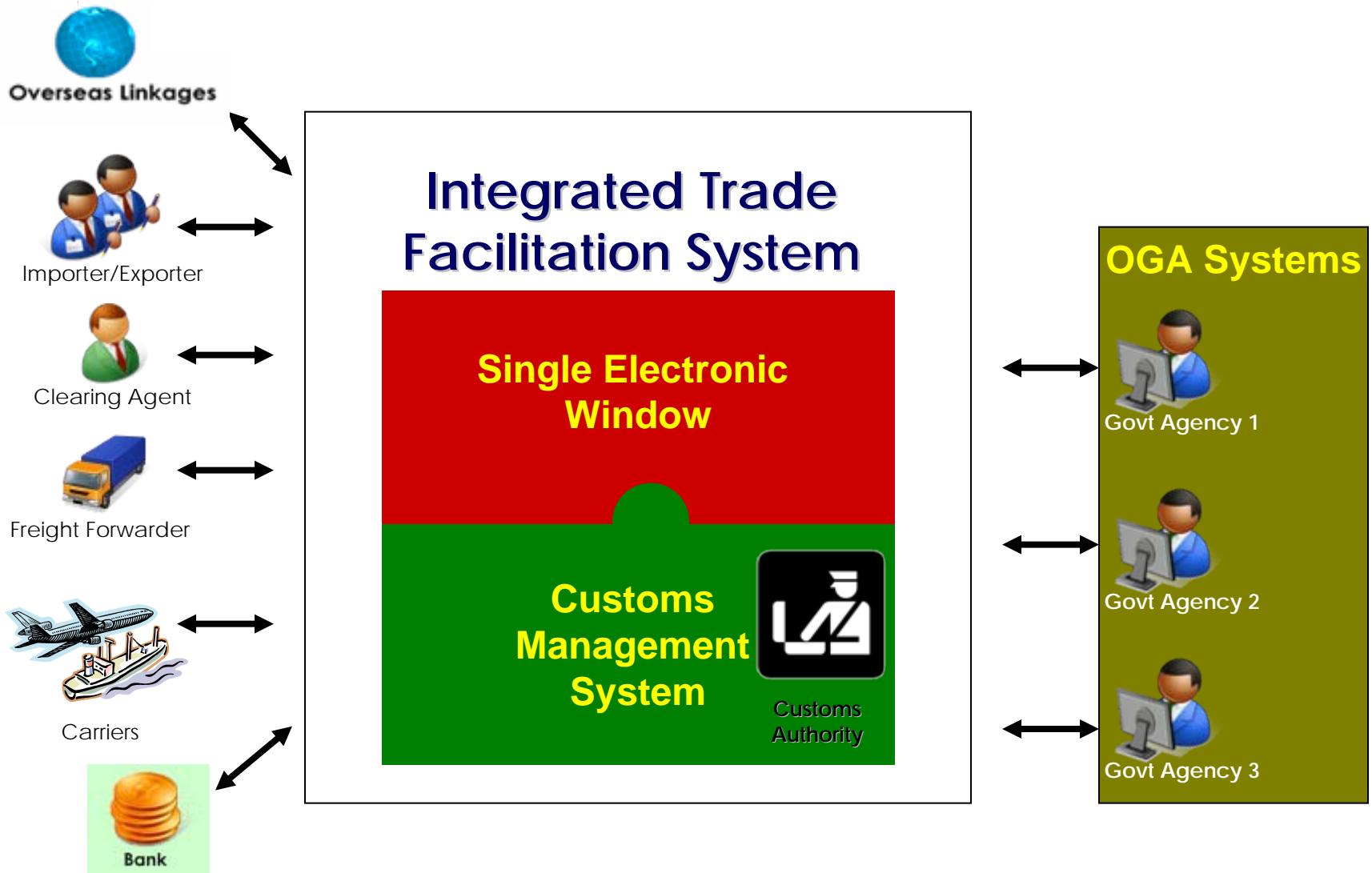
### Leading practices

6. Adopt a risk management-based compliance approach
7. Implement and/or encourage preclearance and pre-certification programs
8. Integrate revenue collection into industry payment reconciliation processes
9. Implement strategic targeting programs
10. Exploit new technologies to streamline port and clearance procedures
11. Integrated service delivery/whole of government

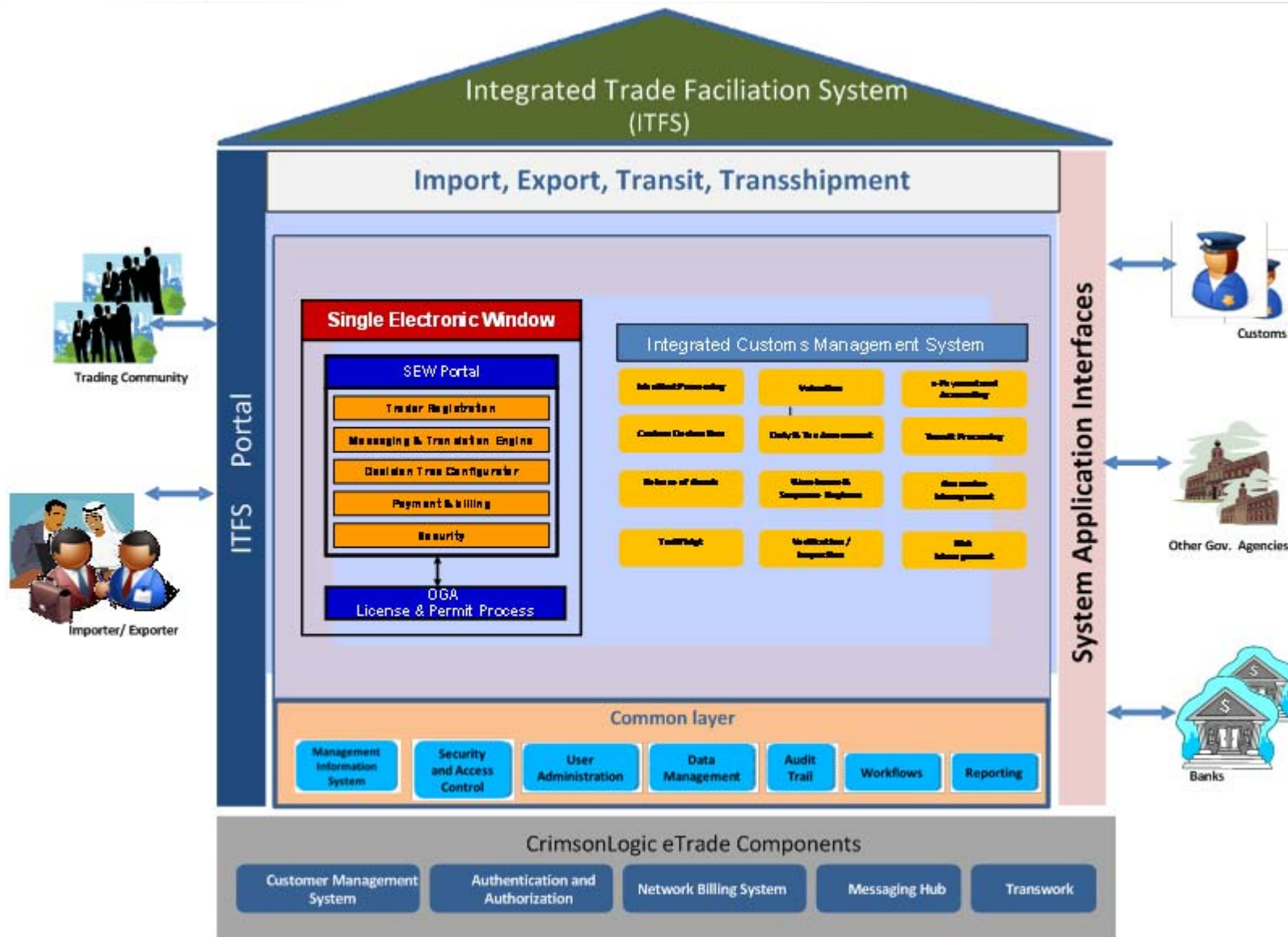
### Emerging trends

12. Adopt virtual border clearance activities
13. Adopt standardized international payment methods
14. Consolidate and apply all available data to improve interdiction
15. Develop business partner capabilities with key industries
16. Develop new/expand international partnerships
17. Develop public-private information sharing mechanism

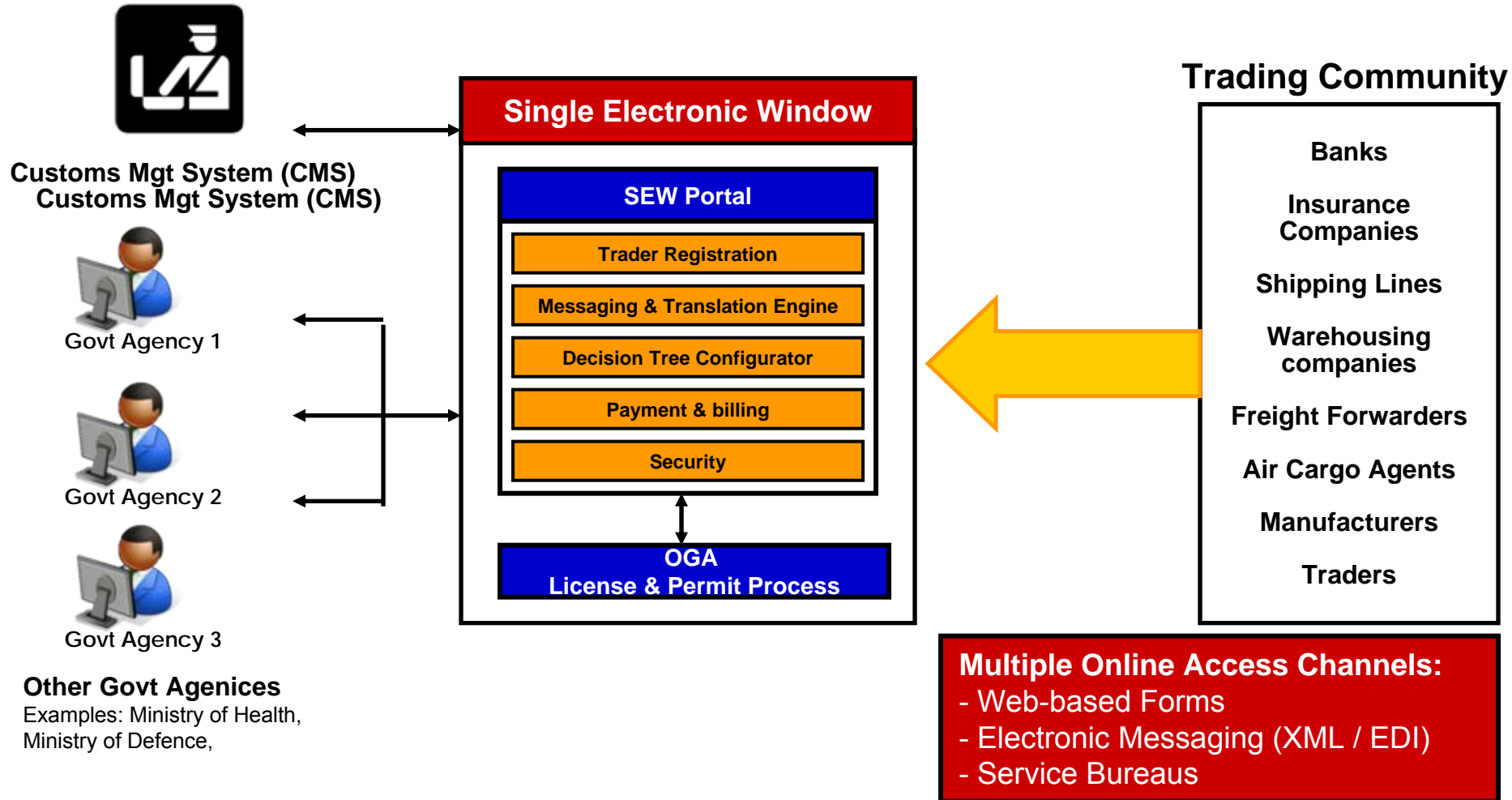
# Integrated Trade Facilitation



# Integrated SW Architecture

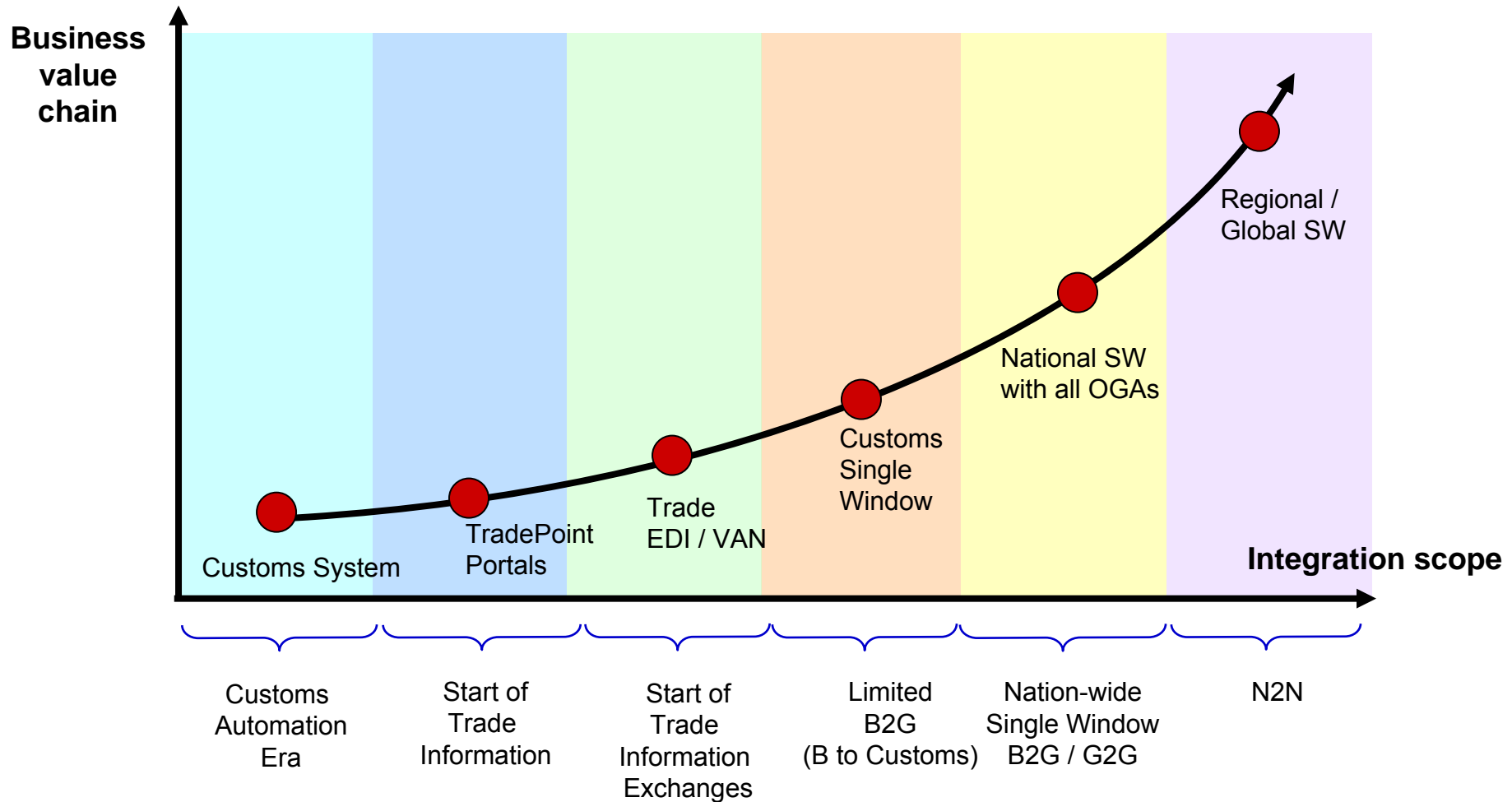


# What's involved in Single Window ?



Communication Campaigns	Customer Relationship Management			
	Call Centre	Training	Technical Support	Service Bureau

# Evolution of Single Window



According the World Bank Doing Business  
Trading Across Border Report 2012

**49 economies provides a Single Window**  
**20 have SW that links all OGAs**  
**29 have SW that does not**

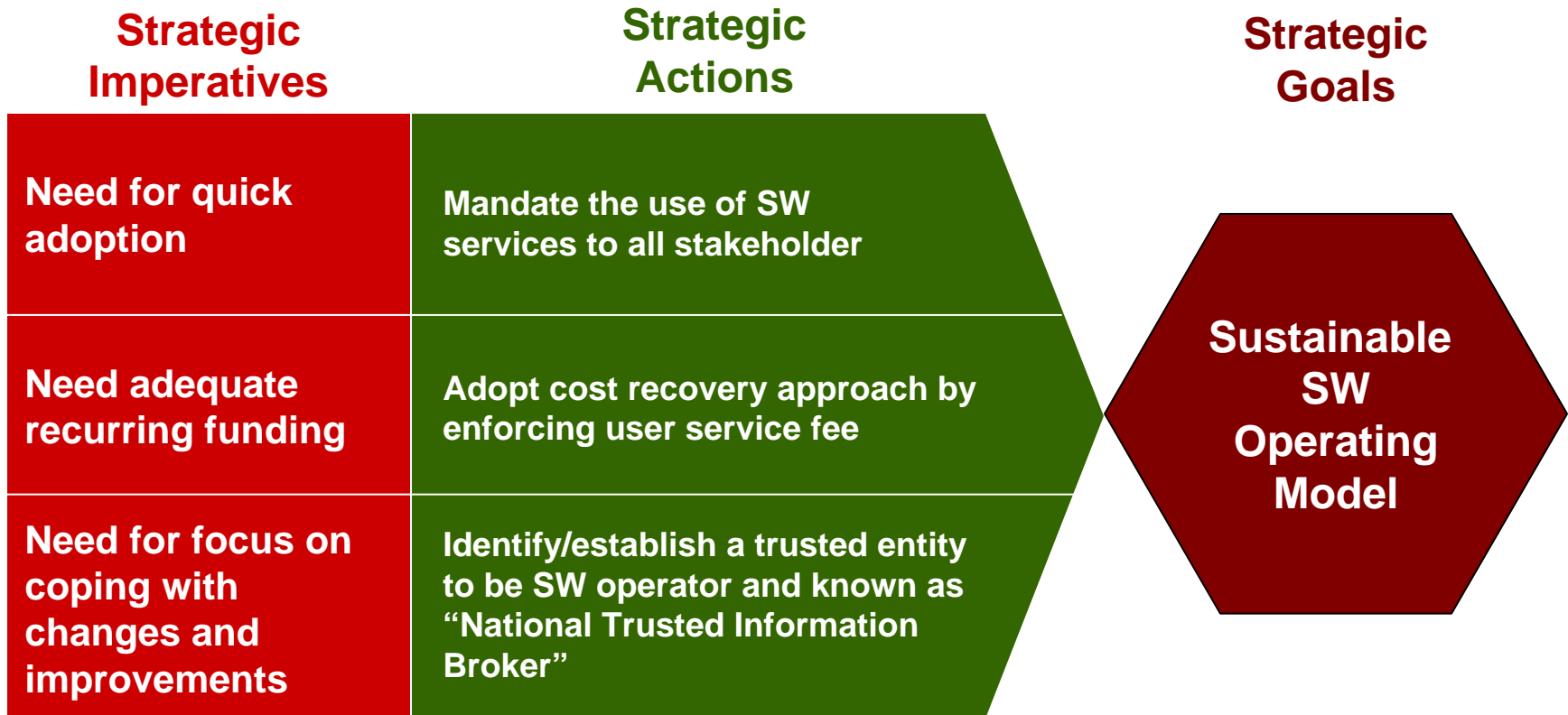
Practice	Economies <sup>a</sup>	Examples
Using electronic data interchange	130 <sup>b</sup>	Belize; Chile; Estonia; Pakistan; Turkey
Using risk-based inspections	97	Morocco; Nigeria; Palau; Suriname; Vietnam
Providing a single window	49 <sup>c</sup>	Colombia; Ghana; Republic of Korea; Singapore

a. Among 159 economies surveyed for electronic data interchange, 152 for risk-based inspections and 150 for single window.

b. Twenty-six have a full electronic data interchange system, 104 a partial one.

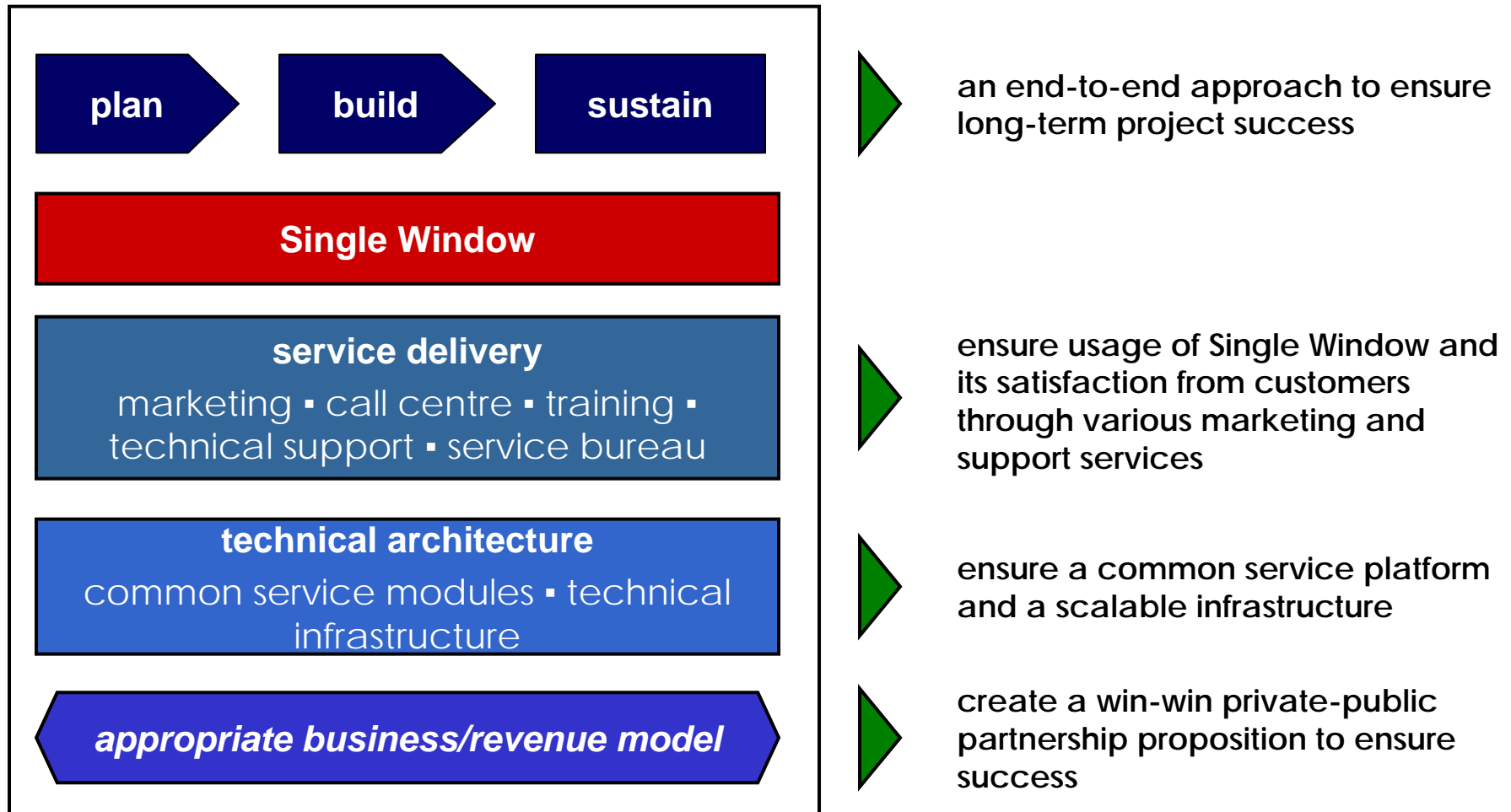
c. Twenty have a single-window system that links all relevant government agencies, 29 a system that does not.

Source: *Doing Business* database.

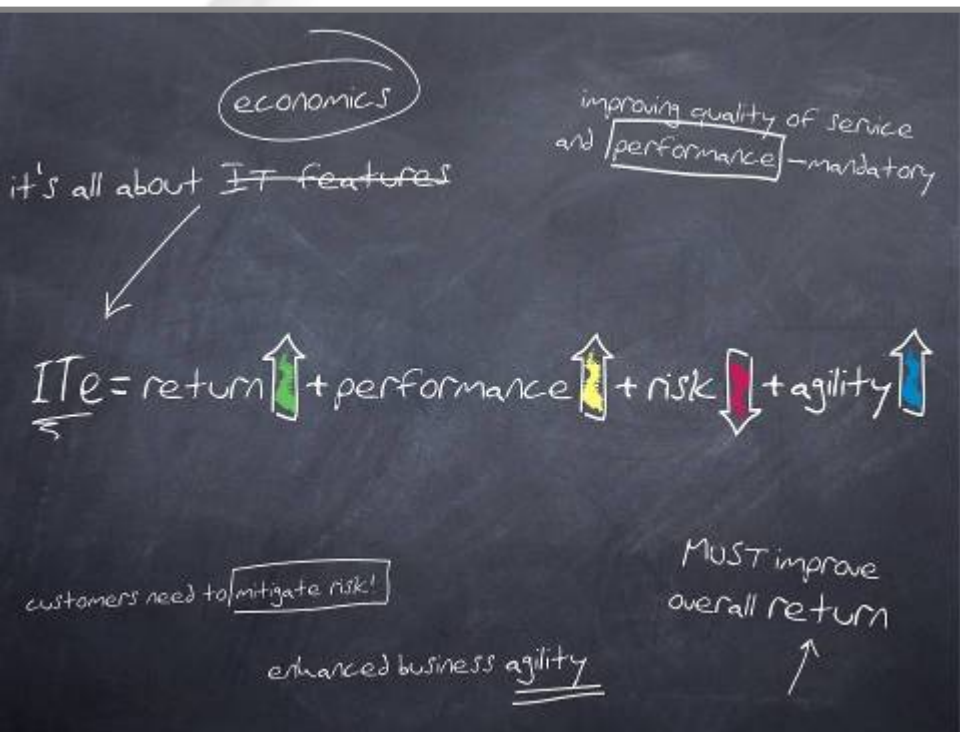




# Critical Success Factors for SW Operations



**A strategic service design focus on viability and sustainability**



## What are the Costs Involved

# Costs in Single Window?

## Design & Dev'ment Costs

- Typically >> \$10 M
- Funded by Govt / Loans or Grants from Int'l Orgs

## Cost increases if ...

- SW (to Customs only?)
- SW (Customs + # of OGAs)
- SW + Modernisation of Customs Mgt + Border Mgt

## Time to implementation

- 2 years ?

## Operating Costs

- Annual cost - **typically 20~ 30 % of D&D cost**
- Operate, Support & Maintenance of SW assets
- Drives Change Mgt, Adoption & Training
- Min. 40 to 50 staff initially to start SW Operations
- Continual support for Infra, Network, Systems Software, Security, Training
- Servicing to Trading Community; Customs, OGAs



# Single Window Operations & Services - what it entails

## A. SW Application system

- Maintenance and support for Application and Network Infrastructure (Level 2 & 3)
- Hosting and data centre operation
- Disaster recovery Services
- IT security management
- Quality management

## B. Service support

- 24/7 Call centre (Level 1) to all users
- Provision of service centre services (manual transaction)

## C. Capacity development, training and eService Adoption

- Train the trainer - Customs and Other government Agencies (OGAs)
- Training programme
- Mass training approach - trading community

## D. General Management and Governance

- Vendor Management
- Audit
- Quality of Service Management (QoS)

1. **Public Administration Services** - which will be use by Customs and Other Government Agencies to administer the trade procedure and regulations. For example, the processing and approval of trader registration, customs declaration, cargo manifest, and many others
2. **SW Services** - consumed by the business trading community.
  - **Regulatory Services** and **Value-Added Services**.
    - **Regulatory Services** are mandatory service are governed by public regulatory frameworks normally enacted in the administrative law. For example, the filing of customs declaration, import permits and etc.
    - **Value-Added Service** are services that do not fall under the regulatory framework and should be introduced and used on a voluntary basis

# Type of Single Window Services

Type of eTrade Services	User(s)	Mandatory (Yes/No)	Chargeable (Yes/No)
Trading Account Activation	Diplomat	Y	N
	Government	Y	N
	Importer	Y	Y
	Exporter	Y	Y
	Customs Clearing Agent	Y	Y
	Shipping Agent	Y	N
Pre-Arrival Cargo Information	Land Carrier	Y	N
	Air Carrier	Y	N
	Shipping Agent	Y	N
Port Discharge List	Shipping Agent	Y	N
Cargo Manifest	Shipping Agent	Y	N
	Air Cargo Handler	Y	N
	Land Carrier	Y	N
Cargo Location Information	Shipping Agent	N	Y
	Air Cargo Handler	N	Y
Customs Clearing Agent Authorisation (for Electronic Declaration Submission and Temporary Import Application)	Diplomat	Y	N
	Government	Y	N
	Importer	Y	Y
	Exporter	Y	Y
Customs Declaration	Customs Clearing Agent	Y	Y
Appeal Application	Importer	Y	N
	Exporter	Y	N
e-Payment	Customs Clearing Agent	Y	N
	Importer	Y	N
	Exporter	Y	N
Refund Application	Importer	Y	Y
	Exporter	Y	Y
AEO Application	Importer	Y	Y
OGA Permit Application	Customs Clearing Agent	Y	Y
Temporary Import Application	Customs Clearing Agent	Y	Y
Passenger Cargo Customs Declaration	Passenger	Y	Y



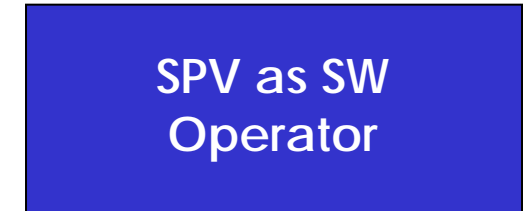
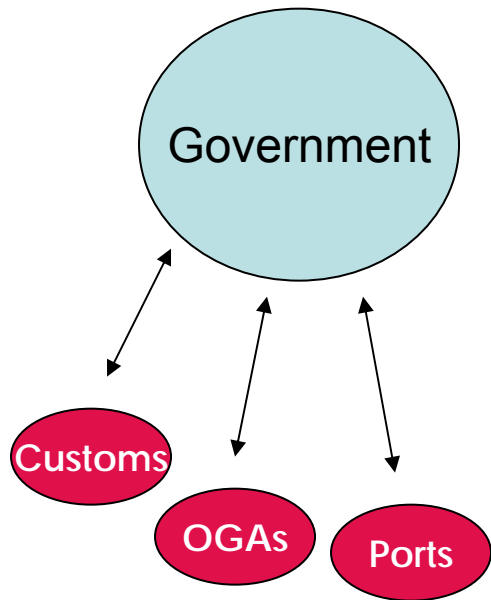
# Type of SW Charges for Operation

1. Registration and Subscription Fee
2. Transaction Fee
3. Service Fee – change request, service request, professional services and etc
4. Service center surcharge

# Suggestions for Optimized Operation Model for Single Window

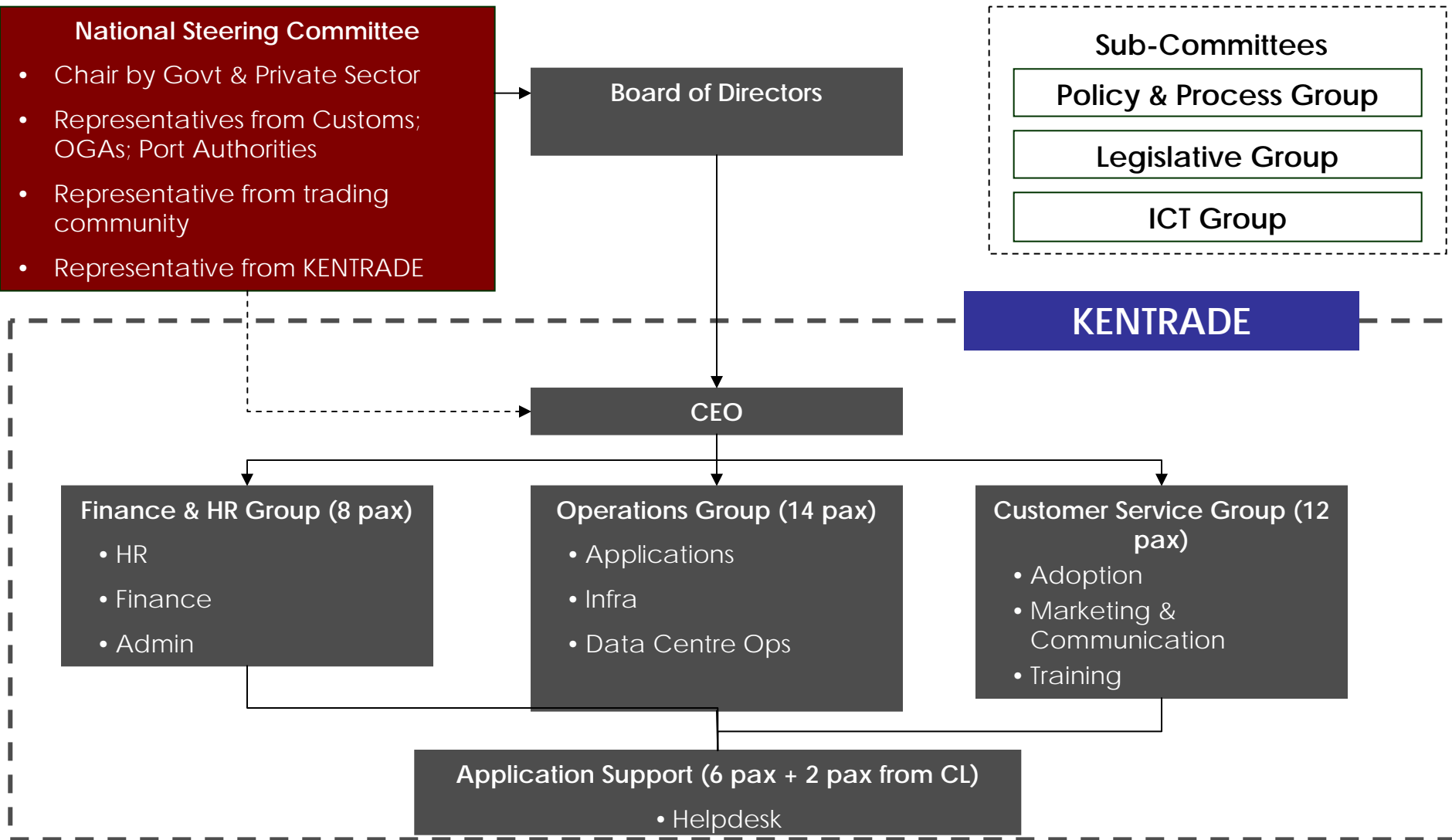


# Contractual Arrangement for SW Operations

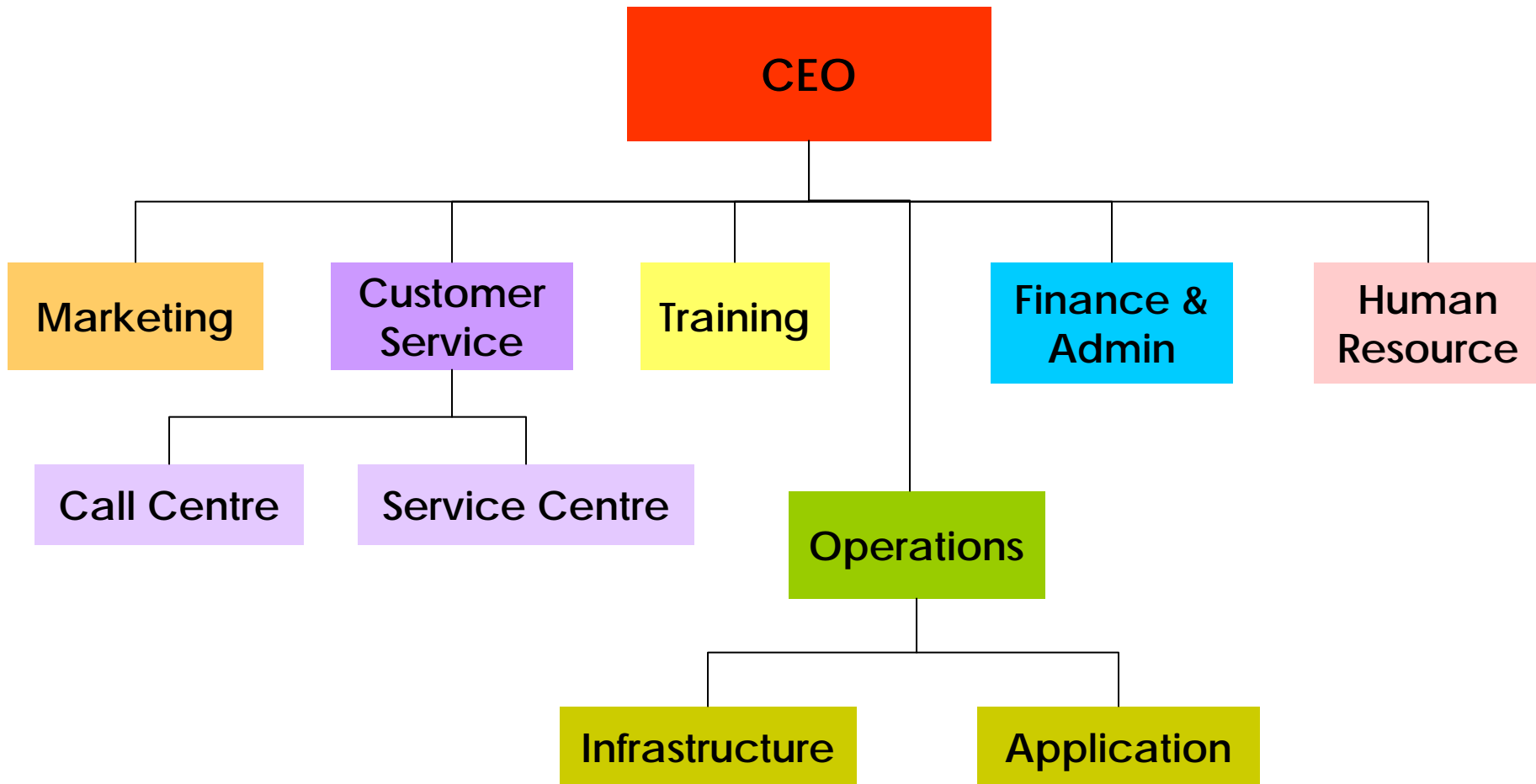


- Appoint "**Special Purpose Vehicle**" (SPV) as **National Information Trusted Broker** and award the concession to collect user service fee for a minimum period of 5 years
- Signed with Customs who will represent OGA
- Sharing IP ownership with SPV
- Allow SPV to introduce value-added services

# SW Operation Structure – Initial Start-up



# SW Operation Entity – Typical Organisation Chart



## Public Linked SPV

- Singapore - CrimsonLogic
- Chinese Taipei – Trade-VAN
- Japan - NACCS
- Saudi Arabia - Tabadul



## Public or Public-Private SPVs

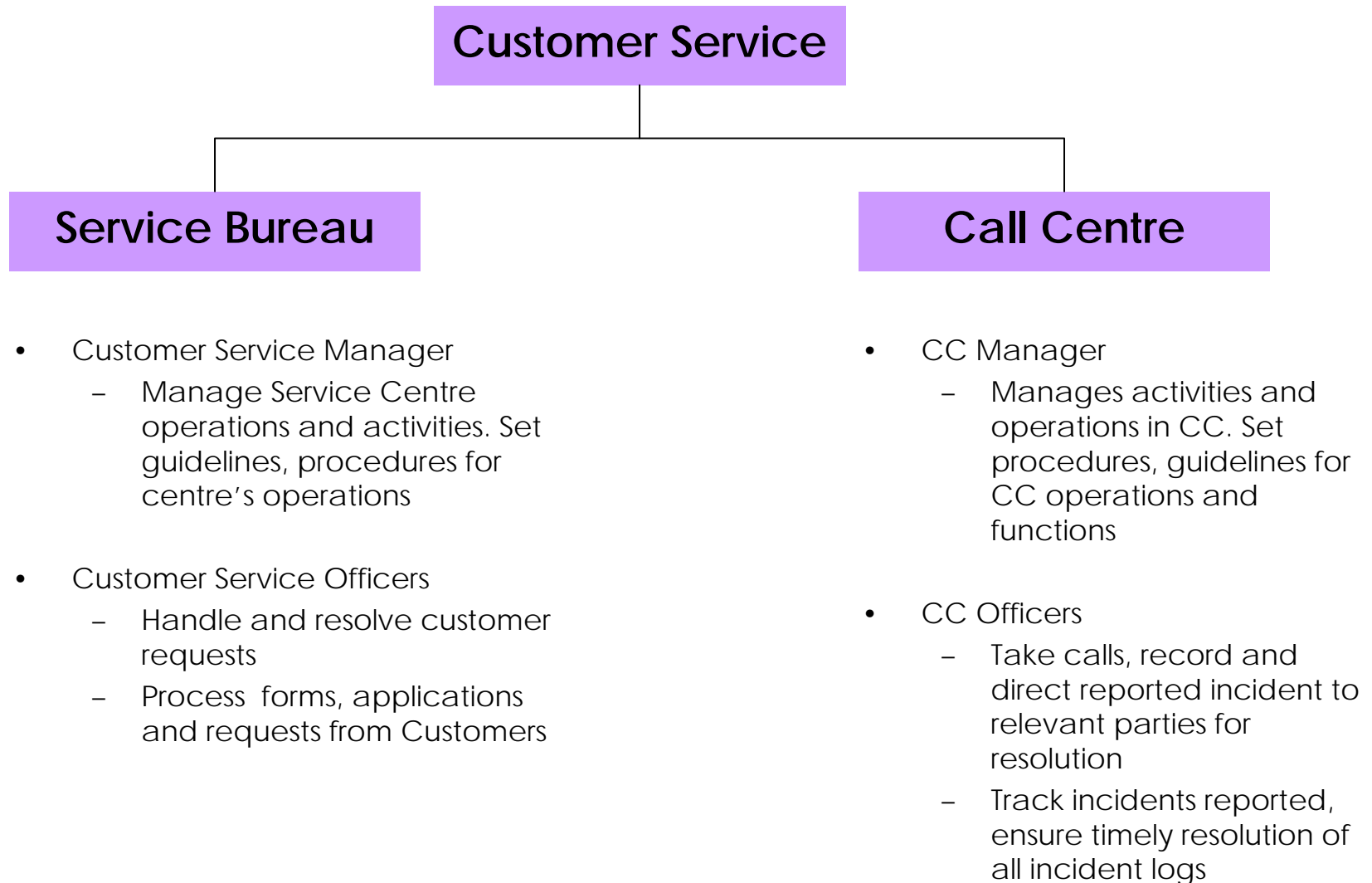
- Korea – KNet
- Hong Kong – TradeLink
- Ghana - GCNet
- Mauritius – MNS
- Madagascar - GasyNet





<b>Customer Service</b>	To service and support the customers from the point- of-sales onwards. These services include the customer registration process, call centre service, service centres and training.
<b>Marketing / Mass Adoption</b>	To plan, execute marketing activities, sales to customers. Manage customer accounts. Develop collateral, such as brochures to facilitate the marketing and selling of the services.
<b>Operations</b>	To provide support, maintenance for the systems and application. infra team for supporting the Data Centre, Networks, Servers, System software. Application development team to support, maintain the application.
<b>Change Mgt / Training</b>	To provide change mgt / training services to familiarise new users with sufficient level of competency to use the application/systems.
<b>Finance &amp; Admin</b>	To provide procedures, policies on financial control, ensuring payment, revenue, budget are properly managed and accounted and controlled. Admin functions, is to manage the office, ensure proper filing, information, assets, inventory, office equipment are maintained. Provide admin support to rest of depts.
<b>Human Resource</b>	Manage policies on human resource planning and recruitment, training and organisational development, performance appraisal, terms and benefits, and employees' compensation





## Mass Adoption / Marketing

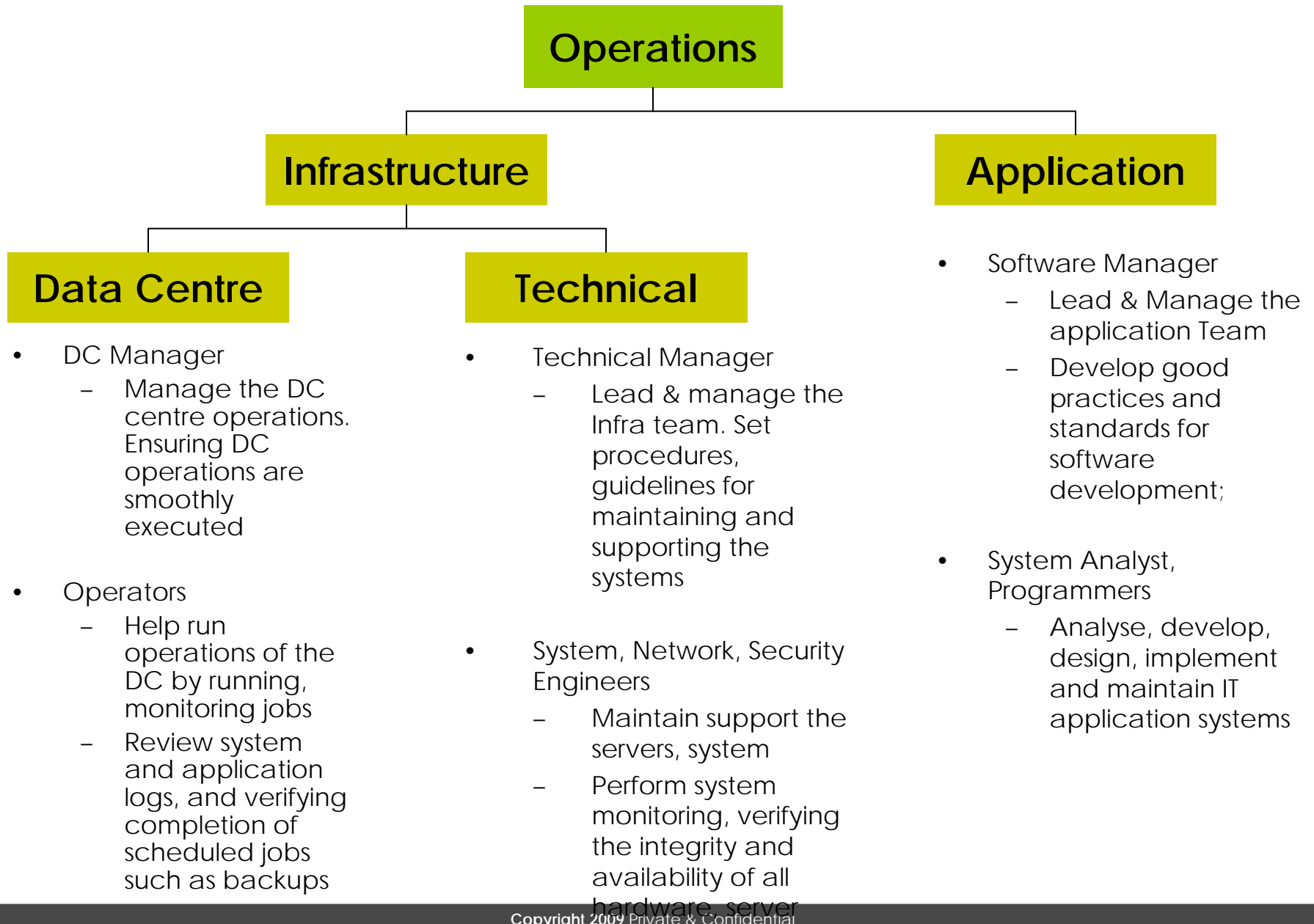
- Mass Adoption / Marketing Managers
  - Plan and carry out marketing activities
  - Manage sales accounts, follow up on sales enquiries

## Human Resource

- HR Manager
  - Manages HR operational management such as talent acquisition, compensation and benefit programs, performance management

## Change Mgt / Training

- Change Mgt Manager
  - Manage change mgt programs and work with users/customer to execute change mgt training
- Trainers
  - Conduct training, impart knowledge on use of the applications



## Finance & Admin

### Finance

- Finance Manager
  - Maintain day-to-day financial control ensuring costs is within budget
  - Ensure that all finances are properly administered and monitored
- Accountant
  - Manage , compile, ,analyze financial information, prepare financial statements including monthly and annual accounts
  - Ensure accurate and timely monthly, quarterly and year end close
  - Analyze and advise on business operations including revenue and expenditure trends, financial commitments and future revenues

### Admin

- Admin Manager
  - Plans, organises and controls the administration of office functions.
  - Plans, organises and controls the facility support of the office building
  - Oversees the purchasing function to ensure compliance with workflow and procedures.
- Admin Officers
  - Perform daily administrative duties. e.g. filing, office maintenance/housekeeping, stationeries, office contracts and proposal, purchasing , facility management, office security, periodicals and other general clerical support.
  - Ensures that proper documentation and filing procedures are adhered to.

# Lessons from the Asian SW Examples

1. Start with clear Trade Facilitation objectives
2. Plan for the Operations and Sustained operations early in the SW development journey
3. Strong private sector partnership and cooperation for trade facilitation
4. Public sector realism for what the private sector can deliver – *allowing SW Operator to provide the value added services, which public sector is unable to provide*
5. Private sector empathy for what the public sector is seeking – *greater service levels at lower cost*



# Thank you

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